



November 2023

# NATIONAL GUARD YOUTH CHALLENGE PROGRAM

## Actions Needed to Enhance Oversight and Assess Performance

Accessible Version

# GAO Highlights

Highlights of [GAO-24-106172](#), a report to congressional committees

## Why GAO Did This Study

Since its inception in 1993, the National Guard Youth Challenge Program has produced over 200,000 graduates across dozens of sites located in the states, the District of Columbia, and Puerto Rico. Currently, the program operates 39 sites.

House Report 117-88, accompanying the Department of Defense Appropriations Bill for Fiscal Year 2022, included a provision for GAO to review the National Guard Youth Challenge Program, including its implementation and oversight. This report describes (1) how selected sites implemented core program components, and examines the extent to which OSD and NGB have (2) conducted oversight of the Challenge Program and (3) assessed its performance, among other objectives.

GAO reviewed program policies, inspections, and audits; surveyed program officials at a non-generalizable sample of 13 sites; and interviewed OSD, NGB, and site officials.

## What GAO Recommends

GAO makes five recommendations for DOD to assess and address root causes of systemic inspection findings; establish a process to ensure completion of required cooperative agreement audits; and establish strategic goals, performance goals, and performance measures. DOD generally concurred with the recommendations and described actions that they believe implemented some of the recommendations.

View [GAO-24-106172](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or [farrellb@gao.gov](mailto:farrellb@gao.gov).

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# NATIONAL GUARD YOUTH CHALLENGE PROGRAM

## Actions Needed to Enhance Oversight and Assess Performance

### What GAO Found

The National Guard Youth Challenge Program is a voluntary, quasi-military program that aims to imbue at-risk youth aged 15.5 to 18 with the values, life skills, education and self-discipline needed to succeed as productive citizens. GAO found that selected program sites generally implemented non-academic core program components through activities prescribed by National Guard Bureau (NGB) guidance. For example, all 13 sites GAO surveyed reported implementing the life coping skills component by teaching participants (cadets) how to prepare a personal budget. In contrast, sites' implementation of the academic excellence component varied, with instruction and testing shaped by key differences in academic credentials, accreditations, and partnerships.

#### National Guard Youth Challenge Program: Idaho Youth Challenge Academy



Source: U.S. Air National Guard/Staff Sgt. Joseph Morgan. | GAO-24-106172

The Office of the Secretary of Defense (OSD) and NGB oversee program sites using several processes, including triennial program inspections and audits of cooperative agreements between NGB and the states. However, systemic issues identified by NGB—such as low staff-to-cadet ratios—persist across sites, and National Guard personnel have not consistently performed required cooperative agreement audits. By addressing the root causes of systemic issues, NGB can better ensure cadet health and safety and improve program performance. Further, by establishing a process to ensure completion of required audits of cooperative agreements, NGB can address longstanding delays and help ensure that sites adhere to agreements.

Although OSD and NGB collect some performance information, including site-level operational and financial data, they cannot fully assess program performance because they have not established program-wide strategic goals, performance goals, and performance measures. By establishing such goals and measures, OSD and NGB will be better positioned to determine program-wide performance and how to best allocate resources to achieve established goals.

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**Abbreviations**

ASD (M&RA)	Assistant Secretary of Defense for Manpower and Reserve Affairs
ASD (Readiness)	Assistant Secretary of Defense for Readiness
Challenge Program	National Guard Youth Challenge Program
DOD	Department of Defense
NGB	National Guard Bureau
OSD	Office of the Secretary of Defense
RAND	RAND Corporation
Property and Fiscal Officer	United States Property and Fiscal Officer

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November 17, 2023

Congressional Committees

In 2021, there were about 2 million young people in the United States between the ages of 16 and 24 without a high school diploma or equivalent credential, according to the Department of Education.<sup>1</sup> This group constituted about 5 percent of the population in that age range. Department of Education and academic research have found that those who do not complete high school have lower incomes; experience higher rates of unemployment; have a higher reliance on Medicaid, Medicare, and other public assistance programs; and have higher rates of criminal activity.<sup>2</sup>

The National Defense Authorization Act for Fiscal Year 1993 established the National Guard Youth Challenge Program (Challenge Program) to evaluate the feasibility and effectiveness of military based training to improve the life skills and employability of such young people.<sup>3</sup> The Challenge Program is a voluntary, quasi-military program that aims to imbue at-risk youth with the values, life skills, education, and self-discipline needed to succeed as productive citizens.<sup>4</sup> The program serves 15.5 to 18-year-olds who have dropped out of school or are not satisfactorily progressing, are unemployed or underemployed, drug-free, and generally crime-free. Program participants, called cadets, complete military-like training and attend classes in pursuit of an academic

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<sup>1</sup>National Center for Education Statistics, U.S. Department of Education, *Report on the Condition of Education 2023* (May 2023).

<sup>2</sup>National Center for Education Statistics, U.S. Department of Education, *Trends in High School Dropout and Completion Rates in the United States* <https://nces.ed.gov/programs/dropout/intro.asp>; Census Bureau, *Median annual earnings of full-time year-round workers 25 to 34 years old and full-time year-round workers as a percentage of the labor force, by sex, race/ethnicity, and educational attainment: Selected years, 1995 through 2021*, [https://nces.ed.gov/programs/digest/d22/tables/dt22\\_502.30.asp](https://nces.ed.gov/programs/digest/d22/tables/dt22_502.30.asp) (2022). Clive R. Belfield and Henry M. Levin, *The Price We Pay: Economic and Social Consequences of Inadequate Education*, (Washington, D.C.: Brookings Institution Press, 2007), 14.

<sup>3</sup>National Defense Authorization Act for Fiscal Year 1993, Pub. L. No. 102-484, § 1091 (1992).

<sup>4</sup>RAND Corporation (RAND), *Developing Outcome Measures for the National Guard Youth ChalleNGe Program* (Santa Monica, Calif.: 2022).

credential at a Challenge Program site.<sup>5</sup> In 2019, there were about 9,500 graduates across 39 sites in 28 states, Washington, D.C., and Puerto Rico.<sup>6</sup> Since the program's inception in 1993, there have been around 200,000 graduates.<sup>7</sup>

We reported on the Challenge Program in 2005 and found that the Department of Defense (DOD) needed to address deficiencies in budgeting, management, and oversight.<sup>8</sup> We made four recommendations related to determining actual program costs, establishing performance goals, auditing cooperative agreements, and developing formal strategies for requesting alternative funding. DOD concurred with our recommendations, and as of 2010, had implemented all of them. Separately, third-party evaluations performed by MDRC and the RAND Corporation (RAND) found, respectively, that the program had a positive effect on education and employment outcomes, and that the program was cost-effective but that sites needed to collect more data to understand the extent to which the program was meeting its mission.<sup>9</sup>

House Report 117-88, accompanying the DOD Appropriations Bill for Fiscal Year 2022, includes a provision for us to review Challenge Program trends, implementation, oversight, and performance assessment.<sup>10</sup> This report describes (1) the historical trends of the Challenge Program, including DOD obligations, state expenditures, and cadet participation and graduation rates; and (2) how selected Challenge Program sites implemented core program components. It also examines the extent to which the Office of the Secretary of Defense (OSD) and the

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<sup>5</sup>Program sites establish a recruitment plan to identify potential participants, including through marketing, targeted outreach, and a website.

<sup>6</sup>RAND, *National Guard Youth ChalleNGe Program Progress in 2019-2020* (2021). Information in this report represented classes that began in 2019.

<sup>7</sup>Department of Defense (DOD) and National Guard Bureau (NGB), *National Guard Youth ChalleNGe Program Facts FY2022*, accessed August 17, 2023, <https://ngchallenge.org/about-us/resources/>.

<sup>8</sup>GAO, *Defense Management: Actions Are Needed to Improve the Management and Oversight of the National Guard Youth Challenge Program*, [GAO-06-140](#) (Washington, D.C.: Nov. 29, 2005).

<sup>9</sup>MDRC, *Staying on Course: Three-Year Results of the National Guard Youth ChalleNGe Evaluation* (Calif.: June 2011). RAND, *A Cost-Benefit Analysis of the National Guard Youth ChalleNGe Program* (Santa Monica, Calif.: 2012) and *Developing Outcome Measures for the National Guard Youth ChalleNGe Program* (2022).

<sup>10</sup>H.R. Rep. No. 117-88, at 107 (2021).

National Guard Bureau (NGB) have (3) conducted oversight of the Challenge Program and (4) assessed Challenge Program performance.

For our first objective, we obtained and analyzed federal obligation and state expenditure data for fiscal year 2015 through fiscal year 2021.<sup>11</sup> We adjusted federal obligation and state expenditure data for inflation to identify trends across the fiscal years and calculated annual costs per graduate. We also obtained and analyzed operational data for fiscal year 2015 through fiscal year 2021, calculating annual counts of applicants, enrollees, graduates, and graduation rates. We selected data from this time period because they constituted the most complete and recent data available. We assessed the reliability of these data by interviewing officials responsible for the data, reviewing related documentation, and tracing a selection of data to source documents. We determined that the data were sufficiently reliable to describe financial and operational program trends.

For our second objective, we reviewed DOD and NGB policies and guidance to identify and describe prescribed program activities for all program sites. We also surveyed a non-generalizable sample of 13 program sites to obtain information on site-specific program activities and academic instruction. We selected the sites based on factors including location, size, graduation rate, and academic credentials, to reflect a range of these characteristics.

For our third objective, we reviewed the most recent United States Property and Fiscal Officer (property and fiscal officer)<sup>12</sup> audits (2012 to 2022), NGB triennial inspections (2020 to 2022), and site self-inspections (2021 to 2022) to determine the extent to which oversight was conducted on schedule and according to DOD and NGB requirements.<sup>13</sup> We also assessed OSD and NGB oversight practices against *Standards for*

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<sup>11</sup>Federal obligations data were provided by DOD officials.

<sup>12</sup>Property and fiscal officers are active duty National Guard officers responsible for receiving federal resources and disbursing them to the state military National Guard unit with which they serve.

<sup>13</sup>National Guard Regulation 5-1, *National Guard Grants and Cooperative Agreements* (May 28, 2010); DOD Instruction 1025.08, *National Guard Youth Challenge Program* (Dec. 31, 2020).

*Internal Control in the Federal Government* related to risk assessment, control environment and activities, and monitoring.<sup>14</sup>

For our fourth objective, we reviewed DOD and NGB guidance, strategic plans, and annual reports to identify existing strategic goals and performance goals, measures, and information. We assessed this information against DOD policy and leading practices identified in our prior work.<sup>15</sup> We also assessed OSD and NGB performance information against *Standards for Internal Control in the Federal Government* related to risk assessment, control environment and activities, and monitoring.<sup>16</sup>

For all objectives, we interviewed OSD and NGB officials and selected four sites for more in-depth review. We interviewed key staff at all four sites and conducted in-person tours at two of the sites.<sup>17</sup> We selected our four program sites based on factors including location, size, graduation rate, and academic credentials offered, to reflect a range of these characteristics. Appendix I provides a detailed description of our objectives, scope, and methodology, and a copy of our questionnaire can be found in appendix II.

We conducted this performance audit from July 2022 to November 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

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<sup>14</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 2014).

<sup>15</sup>GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002); *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, [GAO-05-927](#) (Washington, D.C.: Sept. 9, 2005); *Defense Health Care Reform: Additional Implementation Details Would Increase Transparency of DOD's Plans and Enhance Accountability*, [GAO-14-49](#) (Washington, D.C.: Nov. 6, 2013); and *Whistleblower Protection: Opportunities Exist for DOD to Improve the Timeliness and Quality of Civilian and Contractor Reprisal Investigations*, [GAO-17-506](#) (Washington, D.C.: Sept. 29, 2017); and *Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts*, [GAO-23-105460](#) (Washington, D.C.: July 12, 2023).

<sup>16</sup>[GAO-14-704G](#).

<sup>17</sup>For sites we did not visit in person, we requested and reviewed photographs of areas used by cadets, including cadet barracks, dining facilities, classrooms, cadet common areas, physical fitness areas, and medical bays.

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the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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### OSD, NGB, and State Roles and Responsibilities for the Challenge Program

OSD, NGB, and state organizations share responsibility for the management and oversight of the Challenge Program. States, territories, and the District of Columbia (hereinafter referred to as “states”) enter into a cooperative agreement with the National Guard Bureau for the purpose of establishing and operating a Challenge Program. The cooperative agreements describe the responsibilities of OSD, NGB, and the states, as well as the funding, costs, and regulations for operating Challenge Programs.

**OSD.** Within OSD, the Assistant Secretary of Defense for Manpower and Reserve Affairs (ASD (M&RA)), under the Under Secretary of Defense for Personnel and Readiness, is responsible for overseeing the financial management and policy implementation of the Challenge Program. This includes:

- preparing, submitting, and approving the program’s annual budget;
- issuing and monitoring the implementation of, and compliance with, published guidance;
- assessing program performance; and
- facilitating information sharing among relevant DOD components, participating state and territory governors, and the Commanding General of the District of Columbia National Guard.

Separately, in the context of the Challenge Program, the Assistant Secretary of Defense for Readiness (ASD (Readiness)), under the Under Secretary of Defense for Personnel and Readiness, and in consultation with the Secretaries of the Army and Air Force and the Chief of the National Guard Bureau, oversees National Guard affairs within the Challenge Program to ensure the effective oversight of federal resources for that program through property and fiscal officers. As described below, these officers are responsible for receiving federal resources and disbursing them to the state military National Guard unit with which they serve.

**NGB.** The Chief and Vice Chief of NGB, and the Chief of NGB Office of Youth Programs administer and oversee various aspects of the Challenge Program.

- The Chief is responsible for ensuring all Challenge Program sites operate in accordance with federal and state laws and ASD (M&RA) guidance; maintaining a comprehensive national operational and resource management inspection program; and entering into cooperative agreements with governors of states and territories and the Commanding General of the District of Columbia National Guard. Accordingly, the Chief is responsible for the proper management and use of federal funds, including all authorities delegated to a proxy, such as property and fiscal officers.
- The Vice Chief is responsible for overseeing property and fiscal officers, and the Comptroller of NGB is responsible for supervising and managing property and fiscal officers on behalf of the Vice Chief of NGB.<sup>18</sup>
- The Chief of NGB Office of Youth Programs provides day-to-day administration and oversight of the Challenge Program, including conducting and submitting budget reviews to ASD (M&RA); performing inspections to ensure compliance with program requirements and policies; establishing metrics for program performance; and developing remediation plans and penalties for poor program performance, subject to ASD (M&RA)'s approval.

**Property and Fiscal Officers.** Under the oversight of ASD (Readiness) and supervision of the Chief of NGB, property and fiscal officers are active duty National Guard officers who obligate, expend, and account for federal funds and property under control of the state National Guard with which the officer serves.<sup>19</sup> Additionally, they are responsible for ensuring laws, regulations, and policies are adhered to under cooperative agreements, and that adequate management and internal controls are in place to protect federal interests by monitoring proper fiscal and internal controls through triennial audits.

**Adjutants General.** The Adjutants General, and the Commanding General of the District of Columbia, are the heads of their state military

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<sup>18</sup>Under the authority and direction of the Chief of NGB and Vice Chief of NGB, the NGB Comptroller has authority to administer and obligate all funds allocated to any element of the National Guard and NGB.

<sup>19</sup>Other federal personnel involved with administering cooperative agreements are Federal Cooperative Agreement Program Managers and Grants Officer Representatives.

departments. In this capacity, Adjutants General receive funds and property for the Challenge Program and are responsible for accounting for all related expenditures and property acquired through cooperative agreement awards.

**State Personnel.** Generally, Challenge Program personnel are state employees, state contract employees, or National Guard service members on state active duty orders. Key Challenge Program personnel at each program site include the program director; deputy program director; program coordinator; staff training coordinator; commandant; cadre; budget officer; logistics supply officer; medical officer; lead educator; lead counselor; and recruitment, placement, and mentoring coordinator.<sup>20</sup> It is each state's responsibility to manage and monitor personnel under its cooperative agreement.

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## Challenge Program Funding

DOD is statutorily required to provide no more than 75 percent of Challenge Program sites' operating costs, with states providing the remaining 25 percent.<sup>21</sup> According to OSD and NGB officials, in practice, state Challenge Programs estimate their annual costs based on expected target graduate goals and the cost of program operations at their site location(s) and certify that they have sufficient funds to provide a 25 percent share. These same officials stated that they then determine the federal share based on the state's 25 percent match amount, up to no more than three times the state's certified 25 percent share. State shares can be composed of cash, noncash supplies, services, or a combination of these sources. States may also provide additional funding (over and above the 25 percent share) to the Challenge Program from sources such as individual and corporate donations; other federal funding, such as grants; and additional moneys from the state general fund or other state revenue sources. For example, some Challenge Program sites operate as alternative schools and are reimbursed by their state education agencies for portions of their program costs.

In addition to the federal and state funds used to operate the program sites, DOD funds ASD (M&RA) and NGB management expenses such as

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<sup>20</sup>Cadre are responsible for the daily safety and management of the cadets. They mentor, coach, train, and discipline the cadets according to the tenets of a military-like training model, and they often have prior military experience.

<sup>21</sup>32 U.S.C. §509(d)(1).

program evaluations, contractor-provided training, and travel for training and workshops. These program management funds are not subject to the federal and state cost share requirement.

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## Challenge Program Design and Structure

Congress established the National Guard Youth Challenge Program in 1993 as part of an effort to use military resources to address domestic issues such as poverty and unemployment after the end of the Cold War. The Challenge Program includes **four phases: recruitment, acclimation, residential, and post-residential.**<sup>22</sup> During the initial **recruitment phase**, program site personnel select participants who meet eligibility requirements established in DOD policy and who are most likely to complete the program.<sup>23</sup> Site personnel select participants after conducting interviews with eligible applicants, where according to program site officials, they review applicants' academic, criminal, and physical and mental health histories.

During the 2-week **acclimation phase**, cadets are familiarized with the rigors of the program's environment and evaluated for their suitability to continue into the residential phase. Evaluation factors include cadets' abilities to handle stress and program structure, their propensity for gang or bullying activity, and their desire to succeed and complete the residential phase.

The 20-week **residential phase** involves a variety of activities supporting eight core components: academic excellence, health and hygiene, job skills, leadership and followership, life coping skills, physical fitness, responsible citizenship, and service to community. Each Challenge Program site operates two residential classes per year, with most sites' classes beginning in January and July. During this phase, cadets live on-site and spend 4 to 6 hours a day receiving academic instruction and military-based training. Each state develops a curriculum that incorporates the eight core components and the required tasks,

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<sup>22</sup>There is a fifth optional phase, Job Challenge, which is a 5-month residential program that offers graduates of the Challenge Program the opportunity to learn job skills through partnerships with technical schools and community colleges. The post-residential period can occur concurrently with participation in the Job Challenge Program. This report does not assess the Job Challenge phase because this phase is only offered at certain Challenge Program sites contingent upon factors including program funding, facility availability, and partnerships with industry, technical schools, and community colleges.

<sup>23</sup>DOD Instruction 1025.08.

conditions, and standards that cadets must complete to demonstrate progress in those components. To graduate from the program, cadets must successfully complete each core component task to the specified standard.

The 12-month **post-residential phase** tracks Challenge Program graduates' accomplishments after returning home, such as gaining employment, furthering their education, volunteering, or pursuing military service. Program graduates work with adult mentors who provide guidance and support on at least a monthly basis. Program staff use a written, post-residential action plan that each cadet prepares and updates during the residential phase to monitor placement activities.<sup>24</sup> Mentors also use this plan during their interactions with graduates. The Challenge Program reports youth placement activities monthly during the 12-month follow-up period.

From fiscal year 2015 through fiscal year 2021, the total number of operational Challenge Program sites ranged from 39 to 42, with differences across years being attributable to site openings and closures (see table 1).

**Table 1: Number of National Guard Youth Challenge Program Sites, Fiscal Years 2015-2021**

Category	2015	2016	2017	2018	2019	2020	2021
Number of sites	39	40	40	40	42	42	40

Source: GAO analysis of National Guard Bureau information. | GAO-24-106172

Note: We included sites that received federal or state funding for each fiscal year.

As of July 2023, there were 39 sites in operation, located in 28 states, the District of Columbia, and Puerto Rico. Of these 28 states, seven had two or more sites (see fig. 1).

<sup>24</sup>Placement may consist of employment, education, military, or other activities, such as caregiving or volunteering.



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Letter

State	One site	Multiple sites
DC	yes	
FL	yes	
ID	yes	
IL	yes	
IN	yes	
MD	yes	
MI	yes	
MS	yes	
MT	yes	
NJ	yes	
NM	yes	
NV	yes	
OK	yes	
OR	yes	
PA	yes	
PR	yes	
SC	yes	
TX	yes	
VA	yes	
WA	yes	
WI	yes	

Source: GAO analysis of National Guard Bureau data; Map Resources. | GAO-24-106172

## Obligations and Expenditures Generally Increased from 2015–2021, while Cadet Participation and Graduation Declined

### Obligations and Expenditures Generally Increased from Fiscal Years 2015-2021

DOD obligations and state expenditures for the Challenge Program increased from fiscal year 2015 through fiscal year 2020 before dropping in fiscal year 2021. Specifically, inflation-adjusted total DOD obligations grew 23 percent from fiscal year 2015 through 2020, from approximately \$151 million to \$186 million, before decreasing 2 percent from fiscal year 2020 to 2021, from approximately \$186 million to \$183 million (see table 2). The decrease in DOD obligations in fiscal year 2021 is attributable to the nominal increase in fiscal year 2021 obligations being incommensurate with inflation.<sup>25</sup>

**Table 2: Department of Defense (DOD) Obligations for the National Guard Youth Challenge Program and Annual Percent Change, Fiscal Years 2015-2021**

Fiscal year	DOD 75% cost share obligations (millions of dollars)	DOD administrative obligations <sup>a</sup> (millions of dollars)	Total DOD obligations (millions of dollars)	Annual percent change (millions of dollars)
2015	147.12	4.03	<b>151.15</b>	na
2016	150.64	9.22	<b>159.86</b>	6
2017	162.18	5.61	<b>167.79</b>	5
2018	164.41	3.41	<b>167.82</b>	<1
2019	174.79	3.71	<b>178.50</b>	6
2020	182.01	4.45	<b>186.46</b>	4
2021	177.35	5.87	<b>183.22</b>	-2
<b>Total</b>	<b>1,158.49</b>	<b>36.30</b>	<b>1,194.79</b>	<b>21</b>

Source: GAO analysis of DOD data. | GAO-24-106172

Notes: Values are rounded and expressed in constant fiscal year 2021 dollars. See appendix III for nominal DOD obligations for fiscal years 2015-2021. We did not calculate percent change for 2015 because 2014 data were not available.

<sup>a</sup>We prorated administrative obligation amounts to exclude Job Challenge funds using information provided by DOD officials. Appendix I provides a detailed description of our objectives, scope, and methodology.

<sup>25</sup>Federal obligations data were provided by DOD officials. See appendix III for nominal DOD obligations for fiscal years 2015-2021.

We found that inflation-adjusted state expenditures (25 percent cost share) grew 22 percent from fiscal year 2015 through fiscal year 2020, from approximately \$46 million to \$57 million, and remained consistent from fiscal year 2020 to 2021, at approximately \$57 million (see table 3).<sup>26</sup> We also found that some states expended additional funds on their Challenge Program site(s) beyond the required 25 percent cost share. Accounting for these additional state expenditures, total inflation-adjusted state expenditures grew about 26 percent from fiscal year 2015 through 2020, from approximately \$61 million to \$77 million, before dropping 11 percent from fiscal year 2020 to 2021, from approximately \$77 million to \$69 million (see table 3). According to OSD and NGB officials, the decrease in state expenditures in fiscal year 2021 was mostly attributable to temporary site closures or social distancing measures resulting from COVID-19—which affected site capacity—and states’ spending on COVID-19 response activities, which affected their ability to fund their 25 percent cost share or additional state expenditures.

**Table 3: State Expenditures for the National Guard Youth Challenge Program and Annual Percent Change, Fiscal Years 2015-2021**

Fiscal year	State 25% cost share expenditures (millions of dollars)	State expenditures above 25% cost share (millions of dollars)	Total state expenditures (millions of dollars)	Annual percent change (millions of dollars)
2015 <sup>a</sup>	46.49	14.92	<b>61.41</b>	na
2016	50.91	23.08	<b>73.98</b>	20
2017	53.14	24.00	<b>77.13</b>	4
2018	55.20	19.47	<b>74.67</b>	-3
2019	56.37	22.61	<b>78.98</b>	6
2020	56.76	20.38	<b>77.14</b>	-2
2021 <sup>b</sup>	56.57	12.04	<b>68.61</b>	-11
<b>Total</b>	<b>375.44</b>	<b>136.50</b>	<b>511.94</b>	<b>12</b>

Source: GAO analysis of National Guard data. | GAO-24-106172

Notes: Values are rounded and expressed in constant fiscal year 2021 dollars. Data provided by officials from the Alaska Challenge Program site were of undetermined reliability, but we present the data here because they are the only available data. Appendix I provides a detailed description of our objectives, scope, and methodology. See appendix III for nominal state expenditures for fiscal years 2015-2021. We did not calculate the percent change for 2015 because 2014 data were not available.

<sup>a</sup>Data from the Alaska Challenge Program site were not available for 2015, and data from the Michigan Challenge Program site were not available for expenditures above 25% cost share for 2015.

<sup>b</sup>State expenditures were preliminary because the cooperative agreements between National Guard and the states were still open at the time of our review.

<sup>26</sup>See appendix III for nominal state expenditures for fiscal years 2015-2021.

We found that the consistency and amount of additional state expenditures varied by site. From fiscal year 2015 through fiscal year 2021, between 46 percent and 60 percent of sites expended additional state funding, ranging from an average of approximately \$523,000 to over \$1 million (see table 4). NGB and state Challenge Program officials reported that additional state expenditures allowed sites to supplement personnel salaries, subsidize cadets' food and clothing, secure teachers via in-kind contributions from the county school district, and maintain facilities, among other things.

**Table 4: Percent of National Guard Youth Challenge Program Sites Reporting Additional State Expenditures, and Average Amount of Expenditures, Fiscal Years 2015-2021**

Category	2015 <sup>a</sup>	2016	2017	2018	2019	2020	2021 <sup>b</sup>
Percent of sites	46	60	52	48	50	48	57
Average expenditures (in dollars)	738,978	864,357	1,045,415	959,774	1,027,922	985,886	523,357

Source: GAO analysis of National Guard and state data. | GAO-24-106172

Notes: The percent of sites represents the number of sites with additional state expenditures, divided by the number of sites that received federal or state funding, for each fiscal year. The average represents the total additional state expenditures for sites, divided by the number of sites where additional state expenditures were greater than zero, for each fiscal year. Data provided by officials from the Alaska Challenge Program site were of undetermined reliability, but we present the data here because they are the only available data. Appendix I provides a detailed description of our objectives, scope, and methodology.

<sup>a</sup>Data from the Alaska Challenge Program site were not available for 2015, and data from the Michigan Challenge Program site were not available for expenditures above 25% cost share for 2015.

<sup>b</sup>State expenditures were preliminary because the cooperative agreements between National Guard and the states were still open at the time of our review.

Additionally, we found that 15 sites expended additional funding each year from fiscal year 2015 through fiscal year 2021, while 14 sites did not receive and expend additional state funding in any fiscal year. The remaining 14 sites received and expended additional state funding for some of the 7 fiscal years we reviewed (see table 5).

**Table 5: Number of Years that Each National Guard Youth Challenge Program Site Expended Additional State Funding, Fiscal Years 2015-2021**

Category	0 Years	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years
Number of sites	14	4	3	3	1	0	3	15

Source: GAO analysis of National Guard and state data. | GAO-24-106172

Notes: Six sites operated for a portion of the 7 years. Data provided by officials from the Alaska Challenge Program site were of undetermined reliability, but we present the data here because they are the only available data. Appendix I provides a detailed description of our objectives, scope, and methodology.

Average inflation-adjusted costs per graduate, including DOD obligations and state expenditures, were generally consistent from fiscal year 2015 through fiscal year 2019, before generally increasing in fiscal years 2020 and 2021 (see table 6).<sup>27</sup> Specifically, total DOD obligations per graduate ranged from around \$16,700 to \$20,700 from fiscal years 2015 through 2019, before increasing to around \$34,400 and \$30,000 for fiscal years 2020 and 2021, respectively. Similarly, total state expenditures per graduate ranged from around \$6,800 to \$9,100 from fiscal year 2015 through fiscal year 2019, before increasing to around \$14,200 and \$11,300 for fiscal years 2020 and 2021, respectively. The increased costs per graduate in fiscal years 2020 and 2021 are attributable in part to the number of graduates decreasing disproportionately to drops in obligation and expenditure levels. OSD and NGB officials stated that the decreases were due to temporary site closures or social distancing measures resulting from COVID-19, which affected site capacity.

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<sup>27</sup>Some program site classes affected by COVID-19 were captured in fiscal year 2019 data because classes are associated with the federal fiscal year in which they were funded. For example, one site's classes that were funded by federal fiscal year 2019 dollars ran from July 2019 to December 2019 and from January 2020 to June 2020. See appendix I for our objectives, scope, and methodology.

**Table 6: Average DOD and State Costs per National Guard Youth Challenge Program Graduate, Fiscal Years 2015-2021**

Fiscal year (in dollars)	Total DOD obligations per graduate (75% cost share and administrative <sup>a</sup> )	Total state expenditures per graduate (25% cost share and above the 25% cost share)
2015	16,652	6,766 <sup>b</sup>
2016	17,057	7,894
2017	17,380	7,990
2018	17,736	7,892
2019	20,671	9,147
2020	34,371	14,220
2021	30,046	11,252 <sup>c</sup>

Source: GAO analysis of DOD and National Guard data. | GAO-24-106172

Notes: Values are rounded and expressed in constant fiscal year 2021 dollars. Data provided by officials from the Alaska Challenge Program site were of undetermined reliability, but we present the data here because they are the only available data. Appendix I provides a detailed description of our objectives, scope, and methodology.

<sup>a</sup>We prorated administrative obligation amounts to exclude Job Challenge funds using information provided by DOD officials. Appendix I provides a detailed description of our objectives, scope, and methodology.

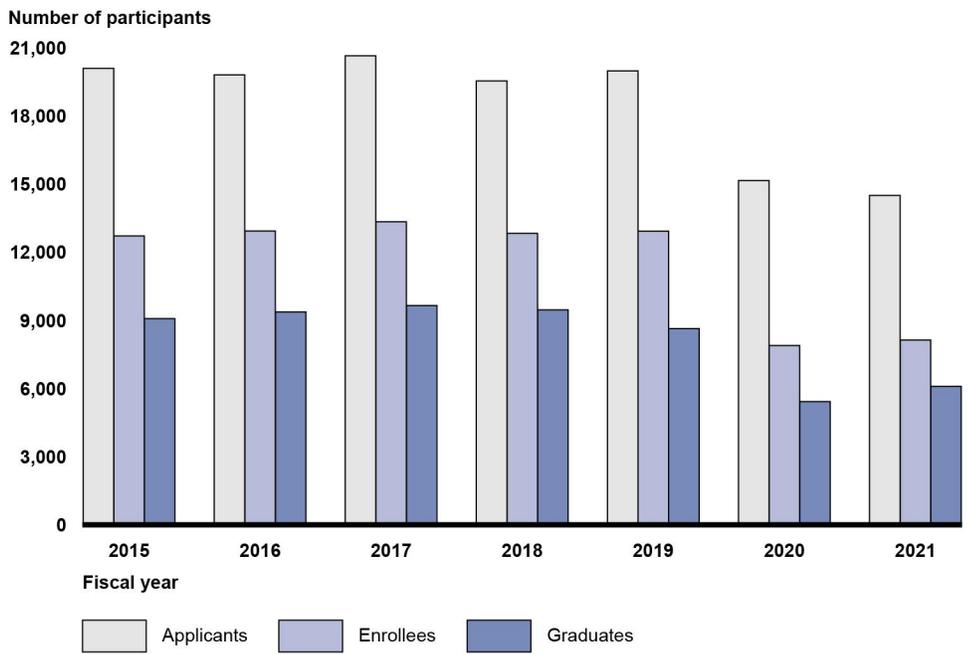
<sup>b</sup>Data from the Alaska Challenge Program site were not available for 2015, and data from the Michigan Challenge Program site were not available for expenditures above 25% cost share for 2015.

<sup>c</sup>State expenditures were preliminary because the cooperative agreements between National Guard and the states were still open at the time of our review.

## Cadet Participation and Graduation Rates Were Generally Consistent from Fiscal Years 2015-2019 before Declining in Subsequent Years

The total number of program applicants, enrollees, and graduates remained relatively consistent from fiscal year 2015 through fiscal year 2019, before decreasing in fiscal years 2020 and 2021 (see fig. 2). Specifically, we found that from fiscal year 2015 through fiscal year 2019, annual applicants averaged about 20,000; enrollees averaged about 12,900; and graduates averaged about 9,200. In contrast, from fiscal year 2019 to 2020, total applicants decreased by 24 percent; enrollees decreased by 39 percent; and graduates decreased by 37 percent. From fiscal year 2020 to fiscal year 2021, applicants decreased by 4 percent, while the number of enrollees and graduates increased by 3 and 12 percent, respectively. According to OSD and NGB officials, decreases in applicants, enrollees, and graduates after 2019 were due to the effects of COVID-19, as program sites closed temporarily or implemented social distancing measures that affected site capacity. These officials also noted that other pandemic effects—such as the decrease in high school dropout rates—reduced applicant pools.

**Figure 2: National Guard Youth Challenge Program Participation and Graduation, Fiscal Years 2015-2021**



Source: GAO analysis of National Guard Bureau data. | GAO-24-106172

**Accessible Data for Figure 2: National Guard Youth Challenge Program Participation and Graduation, Fiscal Years 2015-2021**

Fiscal year	Applicants	Enrollees	Graduates
2015	20,095	12,717	9,077
2016	19,810	12,936	9,372
2017	20,650	13,339	9,654
2018	19,545	12,828	9,462
2019	19,986	12,926	8,635
2020	15,156	7,895	5,425
2021	14,506	8,137	6,098

Source: GAO analysis of National Guard Bureau data. | GAO-24-106172

Note: GAO analyzed data by the federal fiscal year for which the program site class was funded. Program sites' actual class dates may have occurred outside the federal fiscal year, which runs from October 1 to September 30. Department of Defense and National Guard Bureau officials stated that calendar year 2020 and 2021 enrollment and graduation numbers were affected by the COVID-19 pandemic.

We found that the program-wide graduation rate for the Challenge Program remained fairly constant from fiscal year 2015 through fiscal year 2018, ranging between 71 percent and 73 percent, before dropping

in fiscal years 2019 and 2020 to 66 percent and 69 percent, respectively (see table 7).<sup>28</sup> Subsequently, in fiscal year 2021, the program-wide graduation rate rose to 73 percent. The graduation rate for individual sites varied between 46 percent and 91 percent for fiscal years not affected by COVID-19.

**Table 7: Program-wide Graduation Rate for the National Guard Youth Challenge Program, Fiscal Years 2015-2021**

Category	2015	2016	2017	2018	2019	2020	2021
Graduation rate (percent)	71	72	72	73	66	69	73

Source: GAO analysis of National Guard Bureau data. | GAO-24-106172

Note: GAO analyzed data by the federal fiscal year for which the program site class was funded. Program sites' actual class dates may have occurred outside the federal fiscal year, which runs from October 1 to September 30. As a result, some classes that were affected by COVID-19 are captured in the fiscal year 2019 data.

We also calculated program-wide mean graduation rates at different percentiles of inflation-adjusted DOD obligations and state expenditures to determine the extent to which DOD obligations and state expenditures are associated with graduation rates. Our analysis showed that while results were mixed for DOD obligations, higher levels of state spending were associated with higher program-wide graduation rates. Specifically, sites receiving the highest level of DOD obligations (above the 90th percentile) experienced the highest graduation rate (77 percent), but rates varied across lower percentiles of DOD funding. Separately, program-wide graduation rates generally increased with state expenditures (25 percent cost-share) before plateauing at 75 percent at higher levels of spending (above the 75th percentile) and then dropping slightly. Similarly, program-wide graduation rates generally increased with state expenditures above the 25 percent cost-share, with the highest level of spending (above the 90th percentile) experiencing the highest graduation rate of 79 percent.

Our descriptive analysis does not establish a causal relationship and does not consider other factors that may affect both spending and graduation rates. Such factors include the size of the site (i.e., number of entrants), type of academic credential awarded, cadets' personal characteristics (such as age and gender), and turnover among cadre, all

<sup>28</sup>Some program site classes affected by COVID-19 were captured in fiscal year 2019 data because classes are associated with the federal fiscal year in which they were funded. For example, as previously noted, one site's classes that were funded by federal fiscal year 2019 dollars ran from July 2019 to December 2019 and from January 2020 to June 2020. See appendix I for our objectives, scope, and methodology.

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of which RAND has identified as being associated with graduation rates.<sup>29</sup> Additionally, we analyzed the rates for each available spending type and results may be different when comparing equivalent spending types, such as DOD liquidated obligations (i.e., expenditures) and state expenditures. Appendix III provides additional information on site graduation rates, the number of sites that met their individual graduate goals, and program-wide mean graduation rates at different percentiles of spending.

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## Selected Sites Generally Implemented Core Components through Prescribed Activities, but Academic Instruction Varied

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### Selected Sites Implemented Non-Academic Core Program Components through Prescribed and Supplemental Activities

We found that selected Challenge Program sites implemented non-academic core components through prescribed activities—such as physical fitness training and voter registration. However, selected sites also varied in their approach to implementing prescribed activities associated with certain components and offered some additional activities. NGB guidance requires that all core components be implemented through certain prescribed activities but allows for such activities to be executed differently based on the discretion of site personnel.<sup>30</sup> For example, according to NGB guidance, all sites must implement the leadership and followership component through activities such as teaching cadets to perform basic military customs and courtesies. However, per guidance, each site may determine how to integrate the activity in its program curricula, such as through formal classroom instruction or testing. Additionally, we found that some selected sites offer unique activities to supplement the core components, such as job certifications. Table 8 shows prescribed activities by core component.

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<sup>29</sup>RAND, *National Guard Youth Challenge Program Progress in 2019-2020* (2021); and *National Guard Youth Challenge Program Progress in 2017-2018* (2019).

<sup>30</sup>Chief of the National Guard Bureau (CNGB) Manual 9350.01, *National Guard Youth Challenge Program* (Mar. 22, 2023). The guidance refers to tasks, conditions, and standards, which we describe as prescribed activities.

**Table 8: National Guard Youth Challenge Program Core Components and Prescribed Activities**

Core component	Prescribed activities (Classroom instruction and testing to improve academic achievement in pursuit of an academic credential <sup>a</sup> )	Prescribed activities (Classroom instruction and testing to improve academic achievement in pursuit of an academic credential <sup>a</sup> )
Health and hygiene	Maintain personal hygiene	Demonstrate the importance of nutrition for well-being
Health and hygiene	Recognize the adverse effects of substance abuse and available treatment resources	Recognize the prevention methods and practices of sexually transmitted infections/diseases used by individuals
Health and hygiene	Recognize healthy sexual practices, family planning, and related responsibilities	
Job skills	Complete the Armed Services Vocational Aptitude Battery <sup>b</sup>	Explore knowledge and skills requirements for future educational opportunities
Job skills	Acquire job search skills	Complete a resume
Job skills	Complete a job application	Complete a mock job interview
Job skills	Recognize the importance of a work ethic	
Leadership and followership	Comply willingly with rules and procedures	Define and recognize leadership skills and traits
Leadership and followership	Perform basic military customs and courtesies	Maintain personal living area
Leadership and followership	Perform basic military facing and marching movements	Employ leadership skills while performing in a leadership position
Leadership and followership	Employ followership skills within a team setting	
Life coping skills	Demonstrate basic banking skills	Demonstrate the importance of good credit record
Life coping skills	Demonstrate how to prepare and manage a personal budget	Recognize various emotions and stressors, and identify coping strategies
Life coping skills	Recognize conflict-resolution strategies	
Physical fitness	Demonstrate a general knowledge of physical fitness concepts	Participate in physical fitness training and testing
Responsible citizenship	Explore the individual rights, privileges, and obligations of citizenship	Communicate a basic understanding of the U.S. Constitution, government, and citizenship
Responsible citizenship	Register for selective service, if eligible	Participate in the democratic process
Responsible citizenship	Register to vote, if eligible; communicate an understanding of voting and the election process	
Service to community	Describe the importance and value of service to the community and/or conservation projects	Complete a minimum of 40 hours of service to the community and/or conservation projects

Source: GAO analysis of Chief of the National Guard Bureau Manual 9350.01, National Guard Youth Challenge Program (Mar. 22, 2023) | GAO-24-106172

Note: We summarized the prescribed activities.

<sup>a</sup>Cadets may also demonstrate improvement by increasing their scores on the Tests of Adult Basic Education, administered to cadets at the beginning and end of the residential phase.

<sup>b</sup>The Armed Services Vocational Aptitude Battery is a multiple-aptitude battery that measures developed abilities and helps predict future academic and occupational success in the military.

Consistent with NGB guidance, we found that all 13 sites we surveyed in our non-generalizable sample implemented non-academic core components through prescribed activities.<sup>31</sup> For example, all 13 sites reported implementing the life coping skills component by teaching cadets how to prepare and use a personal budget, use conflict resolution strategies, and recognize emotions and stressors to identify coping strategies. Similarly, all 13 sites reported implementing the responsible citizenship component through prescribed activities including registering eligible cadets to vote; registering eligible male cadets for the selective service; and teaching cadets about the rights, privileges, and obligations of citizenship. Appendix IV provides additional examples of activities that selected program sites reported implementing for each core component.

Sites we surveyed also reported implementing prescribed activities associated with the **physical fitness, service to community, and leadership and followership components** similarly and with the same responsible personnel. For example:

- Each of the 13 sites reported implementing the **physical fitness** component by having cadets complete regularly scheduled physical fitness training and periodic testing. These sites also reported that cadre were primarily responsible for implementing physical fitness activities.<sup>32</sup>
- Each of the 13 sites reported implementing the **service to community** component by having cadets participate in volunteer activities, with NGB guidance requiring a minimum of 40 hours per cadet. Eleven sites reported that cadre were primarily responsible for implementing this component, largely by supervising cadets' participation in volunteer activities.
- Ten sites reported implementing the **leadership and followership** component through activities such as having cadets employ their leadership skills as squad leaders. All 10 sites reported that cadre were primarily responsible for implementing these activities.

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<sup>31</sup>Our survey collected information related to this topic for program cohorts between January 2021 and December 2022.

<sup>32</sup>As previously discussed, cadre are responsible for the daily safety and management of the cadets. They mentor, coach, train, and discipline the cadets according to the tenets of a military-like training model, and they often have prior military experience.

**Program Sites Experienced Challenges Related to the COVID-19 Pandemic**

National Guard Bureau and site program officials reported that the COVID-19 pandemic affected all Challenge Program sites in calendar years 2020 and 2021 due to state laws or regulations on public gatherings or social distancing. As a result, many sites temporarily closed or implemented modified activities during 2020 and 2021.

Additionally, four of the 13 sites in our non-generalizable sample reported experiencing challenges in providing desired or planned program activities. For example, one surveyed site reported having to adapt community service activities to comply with state guidance during the COVID-19 pandemic by sending letters and art projects to veterans in nursing homes instead of volunteering in person. One site we visited also noted the negative effect of distance learning on cadets' ability to focus and adjust to in-person instruction.

Source: GAO analysis of a questionnaire of selected National Guard Youth Challenge Program sites and interviews with program site officials. | GAO-24-106172

Separately, we found that the sites we surveyed implemented prescribed activities associated with the other four non-academic core components of **health and hygiene**, **job skills**, **life coping skills**, and **responsible citizenship**, differently and with different personnel. For example:

- Four of the sites we surveyed reported implementing the **health and hygiene** component through activities such as substance abuse and family planning training conducted by partners to include county health departments and a local nonprofit. In comparison, seven sites reported using medical staff on site to teach cadets these topics.<sup>33</sup>
- Nine sites we surveyed reported implementing the **job skills** component activity of completing resumes through dedicated lessons on resume completion; three sites integrated this lesson into the English curriculum; and one site enrolled cadets in a career planning course at a community college.
- Four sites reported implementing the **life coping skills** component through educational activities covering basic banking skills and the importance of a good credit record, which were led by a local bank or community college partner. By contrast, four other sites taught cadets these same skills onsite using an online or state curriculum, and five

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<sup>33</sup>The other two sites did not specify which program site staff taught these topics to cadets.

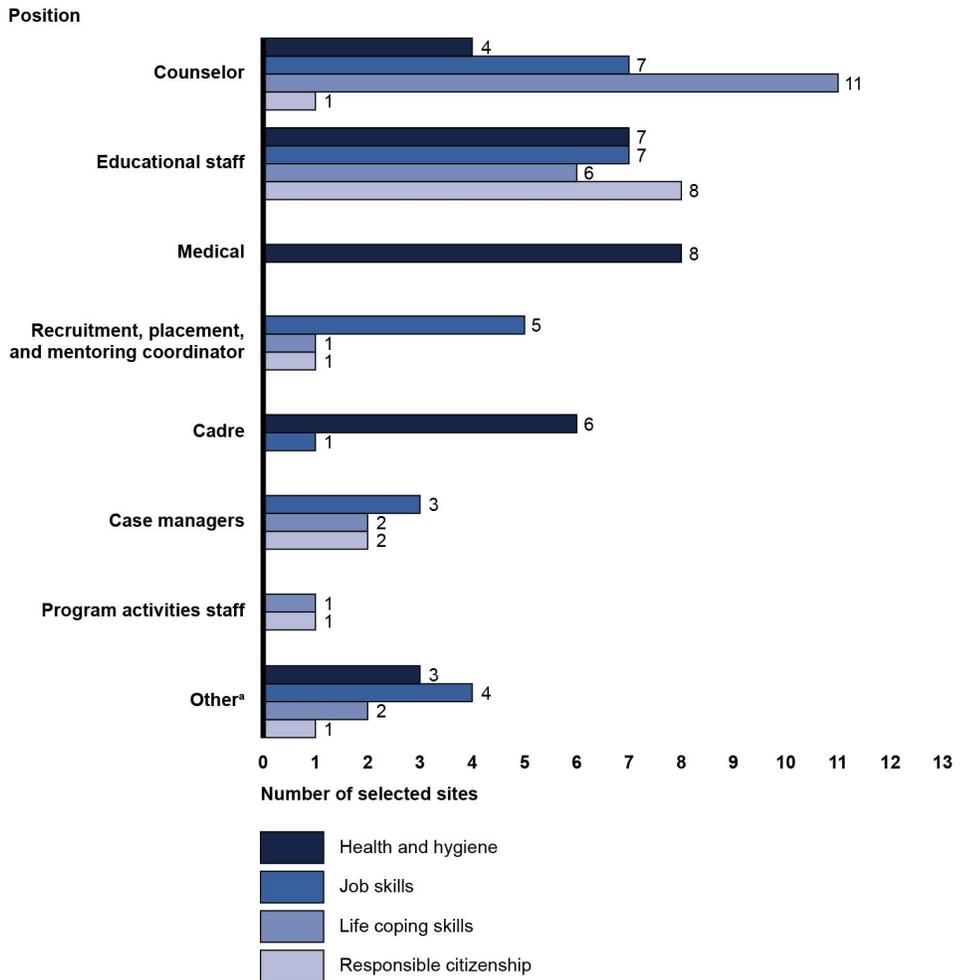
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others used their own curriculum with instructors including a case manager, assistant budget officer, counselor, and teacher.

- Seven sites reported implementing the **responsible citizenship** component activity of allowing cadets to participate in the democratic process through student government elections, and three sites reported holding mock elections. Two other sites reported testing cadets on the democratic process, and one site reported bringing in a civil servant as a guest speaker.

The staff responsible for implementing prescribed activities associated with these four non-academic core components varied, as shown in figure 3.

**Figure 3: Staff Responsible for Health and Hygiene, Job Skills, Life Coping Skills, and Responsible Citizenship Core Components at Selected Challenge Program Sites**



Source: GAO analysis of questionnaire of selected National Guard Youth Challenge Program sites. | GAO-24-106172

**Accessible Data for Figure 3: Staff Responsible for Health and Hygiene, Job Skills, Life Coping Skills, and Responsible Citizenship Core Components at Selected Challenge Program Sites**

Position	Health and hygiene	Job skills	Life coping skills	Responsible citizenship
Counselor	4	7	11	1
Educational staff	7	7	6	8
Medical	8	0	0	0

Position	Health and hygiene	Job skills	Life coping skills	Responsible citizenship
Recruitment, placement, and mentoring coordinator	0	5	1	1
Cadre	6	1	0	0
Case managers	0	3	2	2
Program activities staff	0	0	1	1
Other	3	4	2	1

Source: GAO analysis of questionnaire of selected National Guard Bureau Youth Challenge Program sites. | GAO-24-106172

Notes: We surveyed a non-generalizable sample of 13 National Guard Youth Challenge Program (Challenge Program) sites. This figure displays responses for four of the eight Challenge Program core components. Sites could list multiple positions for each core component in the questionnaire.

<sup>a</sup>This category comprises a range of program personnel and volunteers, including food service staff, guest speakers, career development coordinator, and National Guard personnel.

Ten of the sites we surveyed also reported implementing unique, non-prescribed activities in support of some non-academic core components. For example:

- Three sites reported implementing the **health and hygiene** component by allowing cadets to work in the dining facilities to teach them about the importance of nutrition to well-being.
- Five sites reported implementing the **job skills** component through activities such as career fairs or field trips to teach cadets about future educational and career opportunities. Comparatively, eight sites reported offering job certificates to their cadets, such as a food handler’s license, forklift operator certification, and first aid certification.
- Four sites reported implementing the **responsible citizenship** component through unique activities that allowed cadets to participate in the democratic process, such as by taking eligible cadets to vote, allowing cadets to volunteer during election season to direct traffic and set up voting booths, encouraging cadets to write a letter to a politician, and allowing cadets to run for mock city government office.

### Academic Instruction Varied across Selected Sites

We found that selected Challenge Program sites varied in how they implemented the academic excellence component, with prescribed instruction and testing activities shaped by key differences in academic credentials, accreditations, partnerships, accommodations, and

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responsible personnel.<sup>34</sup> NGB policy requires that cadets demonstrate improved academic achievement in their pursuit of an academic credential through activities such as classroom instruction and testing.<sup>35</sup> All 13 sites we surveyed reported that academic excellence was among the top three components on which cadets spent their time.

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<sup>34</sup>According to ASD (M&RA) and NGB officials, differences in state, local, and district education policy also drive differences between sites. For example, ASD (M&RA) and NGB officials stated that program sites offering credit recovery must follow local school district requirements and educational curricula. RAND, in its annual reviews of the Challenge Program, also found that academic excellence implementation varied across sites, and attributed this variation to factors such as local resources, state education policy, and staff compensation and hiring. RAND, *National Guard Youth Challenge Program Progress in 2018–2019* (2020).

<sup>35</sup>CNGB Manual 9350.01.

**Challenge Program Success Stories**

Each of the 13 sites we surveyed reported examples of successful academic outcomes for cadets. These examples centered on meeting sites' own goals for cadets passing the General Education Development test and High School Equivalency Test exams, increasing standardized test scores, or attaining their high school diplomas.

Two sites provided more specific examples of successful cadet outcomes. For example, one site described the story of a young mother and English Learner who passed her General Education Development test during the program and went on to earn a high school diploma and work for a local company.

The other site reported that a cadet passed the General Education Development test on his first try and tutored 31 other cadets to help them pass their General Education Development tests. Additionally, two sites we visited employed a cadre member who was a former Challenge Program participant.

Source: GAO analysis of a questionnaire of selected National Guard Youth Challenge Program sites and interviews with program site officials. | GAO-24-106172

**Credentials.** Challenge Program sites offer three types of academic credentials: (1) General Educational Development or High School Equivalency certificates; (2) credit recovery, with a plan to return the cadet to high school to pursue a diploma; and (3) a high school diploma.<sup>36</sup> Of the 39 Challenge Program sites in operation as of June 2023, 30 offered testing for a certificate; 35 offered credit recovery; and 31 offered a diploma.<sup>37</sup>

**Accreditations.** The sites we surveyed reported possessing different types of accreditations, influencing the academic credentials they offer. Twelve of the 13 sites we surveyed reported being accredited as a school or testing center, with four sites possessing both of these accreditations. These 12 sites received oversight from a combined 32 different entities, with most reporting receiving at least one form of state oversight ensuring

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<sup>36</sup>Both the General Educational Development test and High School Equivalency Test certify that the student has high school level skills. Cadets may earn a high school diploma if the program site is within a local school district.

<sup>37</sup>In addition to these credentials, 21 Challenge Program sites also offer cadets the opportunity to earn college credit for classes taken during the program, and 24 sites also offer the opportunity for cadets to earn job certifications, such as a food handler's license.

that program sites adhere to established standards for curricula and instruction, testing, and operations.

**Partnerships.** We found that selected sites' academic instruction and credentials are influenced in part by their established partnerships. Of the 13 sites we surveyed, 10 reported having at least one partnership with organizations such as community colleges to offer dual credit classes and with local school districts and charter schools to grant diplomas or offer credit recovery. Even when offering the same credentials, selected sites' partnerships contributed to differences in academic instruction. For example, among the four sites we reviewed in-depth, one site partnered with an online charter school to deliver virtual credit recovery classes to one group of cadets, while another worked with the county department of education to deliver in-person credit recovery classes to all cadets.<sup>38</sup>

**Accommodations.** We found that, among selected sites, accommodations for cadets with individualized education programs, 504 plans, and cadets who are English Learners can also influence academic instruction.<sup>39</sup> Specifically, nine of 13 sites we surveyed reported offering a range of accommodations for cadets, including alternate assignments, oral and written directions, preferential seating, and credit recovery and General Educational Development curricula in Spanish. We further found that partnerships can play a role in which accommodations are offered at certain sites. For example, three sites reported having local school district partnerships that allowed them to provide instructors and instructor support such as special education instructors. Most of the 13 sites we surveyed reported having cadets with individualized education programs (nine sites), cadets with 504 plans (eight sites), and cadets who were English Learners (six sites).

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<sup>38</sup>RAND also found that partnerships play a role in sites' decisions about which credentials to offer. RAND, *Developing Outcome Measures for the National Guard Youth Challenge Program* (2022).

<sup>39</sup>Under the Individuals with Disabilities Education Act and Section 504 of the Rehabilitation Act, students with disabilities must be identified, located, evaluated and, as appropriate, provided with special education and related services through an individualized education program or plan under Section 504 of the Rehabilitation Act. Pursuant to these requirements, schools maintain records that describe the student's disability and accommodations history, which can include the disability diagnosis, psychoeducational test results, and relevant developmental and educational history. Site personnel stated that not all Challenge Program sites are subject to all the legal requirements under these Acts. English Learners are learning English as a second language and are provided with language instruction educational programs that ensure they attain English proficiency.

**Personnel.** Sites we surveyed reported that the personnel responsible for academic excellence activities, such as instruction or tutoring, varied. Specifically, while all 13 sites surveyed reported that instructors were responsible for academic activities, some sites reported that other staff contributed to these activities. For example, four sites cited instructor aides, counselors, and cadre as contributing to academic activities; three sites cited testing lab assistants and special education staff; and two sites cited administrative staff and tutors. Although the surveyed sites generally reported having similar qualification requirements (e.g., bachelor's degree) for principals and instructors, they reported less consistent requirements for the other positions, including counselors and cadre.

We also found that staffing challenges affected the provision of academic instruction at most of the sites we surveyed and reviewed in-depth. Specifically, 12 of the 13 sites we surveyed, and all four sites we reviewed in-depth, reported experiencing challenges filling some of their funded positions. According to program officials at surveyed sites, understaffing negatively affected site operations in various ways. For example, to ensure sufficient academic instruction, one surveyed site required teachers to teach more academic subjects and help tutor cadets, thereby increasing the teachers' workload. Similarly, seven sites reported that cadre shortages hindered their ability to support academic instruction. For example, some sites noted that insufficient cadre contributed to cadet behavioral issues that negatively affected learning and lowered cadet enrollment since sites align cadet numbers with the number of available cadre. Of the 13 sites we surveyed, the most commonly cited causes of understaffing were pay and benefits (seven sites) and the lack of qualified applicants (two sites).

Challenge Program officials from the sites we reviewed in-depth reported taking some steps to address these and other staffing challenges. For example, one site reported planning to reclassify cadre positions in the state pay scale, so that these positions would receive a salary increase to attract more applicants. Another site planned to promote cadre to staff positions when available. Additionally, another site hired part-time staff to assist cadre with understaffing at night.

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## OSD and NGB Oversee Program Sites Using Several Processes, but Gaps Exist

OSD and NGB oversee Challenge Program sites through several processes, including reviews of state plans, triennial site inspections, and cooperative agreement audits. However, triennial site inspections have not addressed all key program requirements, and systemic issues persist. Additionally, OSD and NGB have not ensured that property and fiscal officers conduct all required audits of cooperative agreements.

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## OSD and NGB Conduct Required Reviews and Inspections, but Inspections Have Not Addressed All Key Health and Safety Requirements and Systemic Issues Persist

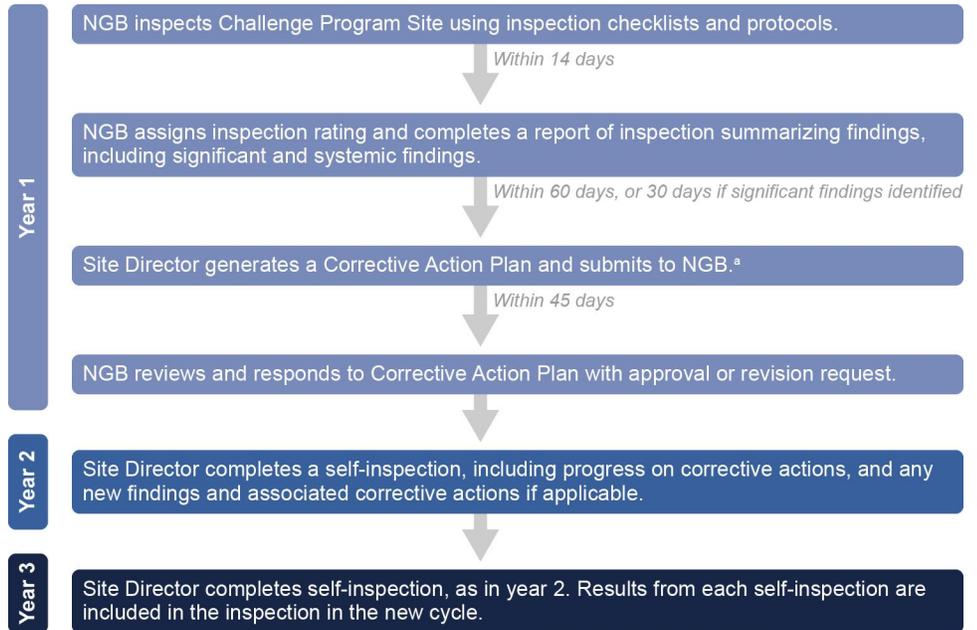
ASD (M&RA) and NGB use multiple processes to oversee program sites, including reviews of state plans, triennial inspections of program sites, and reviews of site corrective action plans and self-inspection reports. According to DOD guidance, states cannot receive funding from DOD unless they have submitted, and ASD (M&RA) and NGB have approved, a state plan that includes a proposed budget.<sup>40</sup> Separately, NGB triennial inspections are intended to provide feedback to Challenge Program leaders to improve the program and help ensure that sites operate in accordance with policy and guidance related to operations, resource management, and financial and operational performance. These inspections may result in corrective action plans that outline the steps program staff will take to address identified deficiencies. The corrective action plans are to be reviewed by NGB, and NGB may ask sites to provide a status update after 6 months. Finally, self-inspections are intended to assess program policy compliance and performance during intervening years.<sup>41</sup> Figure 4 depicts the triennial inspection cycle for a site, including the time frames for corrective action plans and self-inspections.

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<sup>40</sup>DOD Instruction 1025.08.

<sup>41</sup>CNGB Instruction 9350.01A refers to these as self-assessments. For consistency, we refer to them as self-inspections due to their connection to the triennial inspections and because program materials use the terms interchangeably.

**Figure 4: National Guard Bureau (NGB) Triennial Inspection Cycle**



Source: GAO analysis of National Guard Bureau policies. | GAO-24-106172

**Accessible Data for Figure 4: National Guard Bureau (NGB) Triennial Inspection Cycle**

Year	Inspection cycle step	Inspection cycle step information
One	One	NGB inspects Challenge Program Site using inspection checklists and protocols. (within 14 days)
One	Two	NGB assigns inspection rating and completes a report of inspection summarizing findings, including significant and systemic findings. (within 60 days, or 30 days if significant findings identified)
One	Three	Site Director generates a Corrective Action Plan and submits to NGB. <sup>a</sup> (within 45 days)

Year	Inspection cycle step	Inspection cycle step information
One	Four	NGB reviews and responds to Corrective Action Plan with approval or revision request.
Two	Five	Site Director completes a self-inspection, including progress on corrective actions, and any new findings and associated corrective actions if applicable.
Three	Six	Site Director completes self-inspection, as in year 2. Results from each self-inspection are included in the inspection in the new cycle.

Source: GAO analysis of National Guard Bureau (NGB) policies. | GAO-24-106172

Note: NGB inspects approximately one third of all Challenge Program sites in a given year.

<sup>a</sup>If requested by NGB, the Challenge Program Site Director will provide an additional update on Corrective Action Plan progress after 6 months. This is most common for sites with ratings under satisfactory, according to NGB officials.

We found that ASD (M&RA) and NGB generally reviewed state plans, performed triennial inspections, and reviewed corrective action plans and site self-inspections in accordance with applicable requirements.

**State plans.** We found that ASD (M&RA) and NGB reviewed and approved the most recent state plans submitted by the states at the time of our review for all 39 Challenge Program sites, in accordance with DOD policy.<sup>42</sup>

**Triennial inspections.** We found that NGB generally conducted and reported to ASD (M&RA) required triennial inspections of Challenge Program sites from fiscal year 2017 through fiscal year 2022. Specifically, at the time of our review, NGB had inspected 38 of the 39 active Challenge Program sites at least once during fiscal year 2017 through fiscal year 2022, with the 39th site not yet requiring an inspection because it had recently initiated operations.<sup>43</sup> Additionally, we found that

<sup>42</sup>In this case, state plans also include those plans submitted by territories and the District of Columbia. We confirmed that ASD (M&RA) and NGB Office of Youth Programs received and reviewed state plans for federal fiscal year 2023, the most recent at the time of our review. DOD Instruction 1025.08.

<sup>43</sup>Sites are not inspected until they have held at least four complete residential classes.

34 of the 38 required triennial inspections were conducted on time (within 3 fiscal years of the prior inspection). The remaining four inspections were completed 5 to 10 months late, due to restrictions and scheduling delays related to COVID-19, according to NGB officials. Further, we determined that program site directors completed and submitted to NGB required corrective action plans following each of the 38 triennial inspections.

**Site self-inspections.** We found that program site directors completed and submitted required self-inspections to NGB for review during years they were not subject to a triennial inspection. Specifically, we found that each of the 39 Challenge Program sites completed and submitted to NGB required self-inspection reports in 2021 or 2022, based on its triennial schedule.<sup>44</sup>

### Triennial Inspections Have Not Addressed All Key Program Requirements Related to Health and Safety

Although NGB regularly conducts triennial inspections, we found that prior inspections did not address key program requirements related to cadet health and safety—specifically, they did not address requirements related to camera surveillance and certain staff-to-cadet ratios.<sup>45</sup> We reviewed the most recent triennial site inspection reports for each of the program sites—covering fiscal year 2017 through fiscal year 2022—and found that they did not address camera surveillance and generally did not address whether sites' staff-to-cadet ratios for counselors and instructors complied with program requirements.

During our in-depth review of four sites and review of program documentation, we identified potential gaps in compliance with these requirements. For example, at one site we visited, cameras were not in areas where they should be present, such as classrooms. At another site, NGB inspectors observed during the most recent inspection that the site had one counselor for over 100 cadets, in violation of the prescribed ratio at the time of 1:30. However, according to NGB officials, this observation was a special interest finding rather than an inspection finding, meaning that it is not an issue that is routinely checked for and does not require

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<sup>44</sup>This includes the site that had not yet received its first triennial inspection from NGB.

<sup>45</sup>We describe these as key program requirements because they directly affect cadet health and safety during the residential portion of the program. We focused on health and safety requirements, and these two areas in particular, because of their role in mitigating the risk of serious incidents, according to site personnel.

corrective action. Nevertheless, such health and safety requirements are essential to reducing related risks and minimizing the incidence of violations that could lead to severe consequences, such as large-scale incidents among cadets.

DOD and NGB guidance documents prescribe program requirements for sites to follow.<sup>46</sup> Specifically, program guidance requires that cameras be used to monitor all areas to which cadets have access and specifies ratios for staff to cadets, including counselors to cadet units (1:1) and classroom instructors to cadets (1:30). *Standards for Internal Control* state that organizations should determine policies necessary to operate based on their objectives and risks, implement control activities through policies, and determine corrective actions.<sup>47</sup> However, we found that until August and October 2023, triennial inspections checklists did not include items to check for compliance with requirements related to staff-to-cadet ratios for staff other than cadre and the use of camera surveillance, respectively.

In August 2023, NGB provided its updated inspection checklist, which included items to check for all staff-to-cadet ratios, positioning them to better assess compliance with staffing requirements.<sup>48</sup> However, we found that the updated checklist did not include an item to assess compliance with the requirement to use cameras to monitor all areas accessible to cadets.

NGB Office of Youth Program officials stated at that time that they do not include a checklist item for each program requirement in order to manage the length of the inspection checklists. Instead, officials stated that they hold annual meetings where they consult with subject matter experts, staff, and inspectors to determine what requirements need to be included in the checklists. They said that they focus on recurring issues and those that have the greatest impact on health and safety of program participants and overall program health. They also stated that, while camera surveillance was not included in the checklists, inspectors conduct a walkthrough of sites, during which they check for the presence of cameras.

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<sup>46</sup>DOD Instruction 1025.08; CNGB Instruction 9350.01A; and CNGB Manual 9350.01.

<sup>47</sup>[GAO-14-704G](#).

<sup>48</sup>The updated checklist will be effective for triennial inspections occurring on or after October 1, 2023.

However, in August 2023, NGB officials did not provide documentary support for the presence or lack of cameras during inspections. In November 2023, NGB provided us with another updated inspection checklist dated October 2023 that included two items related to camera surveillance. Including these items in its triennial inspection checklist will better position NGB to identify and remediate issues of non-compliance and ensure the health and safety of cadets across all locations.

### Some Systemic Issues Persist across Sites

We found that certain systemic issues identified by NGB's triennial inspections have persisted across multiple Challenge Program sites. According to NGB Office of Youth Programs officials, systemic findings are unresolved inspection findings that persist across multiple inspections despite the pursuit of remedial actions through prior corrective action plans. NGB officials specify these systemic findings in a site's inspection report. In our review of sites' most recent triennial inspections, we identified four systemic findings that occurred at six or more program sites<sup>49</sup>:

- low cadre-to-cadet ratios (seven sites);
- inappropriate contact and the use of inappropriate language by staff, which were identified in the inspections as violations of the Hands-Off Leadership policy<sup>50</sup> (eight sites);
- late or non-submission of required quarterly budget reports (13 sites); and,
- deficiencies in the execution of cooperative agreement period closeouts (six sites).<sup>51</sup>

In some cases, these systemic findings have persisted across three or more triennial inspections despite sites' identification of corrective actions that have included an assessment of site-specific root causes. For

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<sup>49</sup>To identify systemic findings identified by NGB inspectors, we reviewed the most recent triennial site inspection report for each of the 39 program sites, which covered fiscal year 2017 through fiscal year 2022.

<sup>50</sup>NGB officials stated that alleged violations of the Hands-Off Leadership policy are investigated for substantiation as part of the Serious Incident Report Process, and the disposition of those investigations may not be included in triennial inspections.

<sup>51</sup>The closeout process is intended to ensure that applicable administrative actions and required work have been completed by the agreement recipient.

example, at one site inspectors identified violations of the Hands-Off Leadership policy in four consecutive inspections.

Officials at three of the four locations we visited told us that they also experience persistent challenges with hiring enough cadre to meet cadre-to-cadet ratio requirements. For example, one site told us they had a ratio of approximately one cadre per 50 or more cadets. This increases the risk of cadets attempting to leave the program grounds without permission or engaging in self-harm, according to site officials. To address staff shortages, officials at this site said they lowered the rank requirements for cadre resulting in less experienced cadre staff. This same site also told us they were single-staffing cadre overnight, instead of a preferred team of two or more cadre, and relying on camera systems to assist in monitoring. A different site told us that pay and burnout are contributors to an inability to maintain cadre and that understaffing contributes to a significant risk to cadet safety of inappropriate contact or language. Finally, officials at another site said that they needed to hire part-time staff to assist cadre during overnight shifts.

DOD and NGB guidance identify ASD (M&RA) and NGB responsibilities for establishing program requirements and conducting oversight of the Challenge Program to ensure requirements are met.<sup>52</sup> Additionally, *Standards for Internal Control* state that management should identify, analyze, and respond to risks related to achieving objectives; implement control activities through policies; and remediate internal control deficiencies on a timely basis.<sup>53</sup> Office of Management and Budget Circular A-123 states that correcting control deficiencies is an integral part of management accountability, and that agencies should perform a root-cause analysis of deficiencies when addressing them in corrective action plans.<sup>54</sup> The circular also states that federal leaders and managers are responsible for implementing practices that identify, assess, respond, and report on risks, and that uncorrected or longstanding control deficiencies

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<sup>52</sup>For example, CNGB Instruction 9350.01A states that NGB will issue regulations, operating instructions, procedures, implementing guidance, and operational standards to govern all phases of the Challenge Program. DOD Instruction 1025.08 states that ASD (M&RA) exercises oversight of the Challenge Program.

<sup>53</sup>[GAO-14-704G](#).

<sup>54</sup>Office of Management and Budget Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (July 15, 2016).

must be considered in determining the overall effectiveness of internal control.

NGB officials stated they communicate known inspection findings, which include systemic findings and their prevalence, to state Adjutants General and to NGB leadership, and that they may apply additional scrutiny to sites' corrective action plans when the plans include actions to correct systemic findings. These officials also stated that ongoing NGB efforts to issue best practices and provide remedial training to sites may involve analyzing and addressing systemic findings, including by exploring root causes and identifying solutions. In some cases, NGB has identified the prevalence of certain inspection findings across sites, including certain systemic findings, and provided documentation demonstrating the provision of remedial training to address the systemic issue of cadre violations of the Hands-Off Leadership policy.<sup>55</sup>

However, NGB's best practices and training are not designed to fully address systemic issues program-wide, and NGB did not provide us with documentation to demonstrate that these steps address all the systemic issues we identified. Further, while sites identify root causes individually, NGB has not conducted a program-wide assessment of root causes or taken steps to fully address them. By assessing the root causes of all systemic issues and establishing a plan to address them—such as by issuing guidance or best practices, or developing remedial strategies—NGB will help enable program sites to achieve compliance with key requirements and address persistent issues affecting program performance.

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## OSD and NGB Have Not Consistently Audited Challenge Program Cooperative Agreements

We found that National Guard property and fiscal officers have not consistently performed required triennial audits of Challenge Program cooperative agreements. These audits are intended to help ensure that Challenge Program sites are operating in accordance with cooperative agreement requirements and that federal funds are appropriately spent and tracked. Specifically, we found that 12 of 39 program sites have not had an audit in the past 3 years. Relatedly, we found that 11 of 30 property and fiscal officers had not conducted at least one required audit

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<sup>55</sup>NGB provided an after-action report on a new April 2023 training course intended to provide professional training for cadre and create a national community of practice.

of a Challenge Program cooperative agreement in their state within the last 3 years.<sup>56</sup>

**United States Property and Fiscal Officer Audits**

Per National Guard Bureau policy, property and fiscal officers are required to conduct an audit of every cooperative agreement in their state at least once every 3 years.

These officers determine the scope of Challenge Program cooperative agreements, so audits may differ across states. For example, one of the audits we reviewed assessed internal controls to determine their compliance with federal regulations, while another relied on the cooperative agreement manager's attestation to determine whether internal controls were established and tested.

Source: GAO review of US Property and Fiscal Officer audits.  
| GAO-24-106172

The DOD Office of Inspector General independently identified issues with the cooperative agreement closeout process that could have been identified and potentially addressed by the triennial audits.<sup>57</sup> These issues included repeated, years-long extensions of closeout deadlines and the late return of unspent funds to OSD, which could result in the expiration of authorized funding.<sup>58</sup>

National Guard guidance states that property and fiscal officers should conduct an audit of every cooperative agreement in their state at least once every 3 years, that the Vice Chief of NGB will oversee the property and fiscal officers, and that the Comptroller of NGB will supervise and manage property and fiscal officers on behalf of the Vice Chief of NGB.<sup>59</sup> DOD guidance states that ASD (Readiness) oversees National Guard affairs to ensure effective oversight of federal resources through property

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<sup>56</sup>Some states have multiple Challenge Program sites that generally were audited individually by the property and fiscal officer. There is one officer per state.

<sup>57</sup>DOD Office of Inspector General, *Audit of the Award and Administration of the National Guard Youth Challenge Program Cooperative Agreements*, Report No. DODIG-2021-072 (April 2, 2021).

<sup>58</sup>The report stated that while the extensions were allowed under policy, timely closeouts of cooperative agreements ensure that any excess funds are returned before they expire.

<sup>59</sup>National Guard Regulation 5-1; CNGB Instruction 9501.01, *National Guard Bureau United States Property and Fiscal Officer Program* (July 8, 2021); Chief of the National Guard Bureau Instruction 5101.01, *National Guard Bureau Organization and Principal Official Responsibilities* (June 2, 2023).

and fiscal officers.<sup>60</sup> Additionally, Standards for Internal Control state that an oversight body for an entity should oversee that entity's internal control system and that management should enforce accountability for internal control responsibilities.<sup>61</sup>

However, we found that OSD, specifically ASD (Readiness), and NGB have performed inconsistent oversight of Challenge Program cooperative agreement audits. In 2005, we recommended that the Secretary of Defense direct the property and fiscal officers to conduct audits, as required, and to provide copies of the audits to appropriate NGB offices to ensure the results of audits are promptly reviewed and resolved.<sup>62</sup> We subsequently closed the recommendation as implemented, noting that NGB issued a memo that established an audit process to comply with the recommendation. However, NGB officials stated that the process is no longer followed because the triennial inspection process now includes the review of cooperative agreement audits, and that they recently began forwarding the pertinent inspection observations to NGB officials with oversight of the officers. Nonetheless, while the triennial inspections conducted by NGB Office of Youth Programs are required to include a review of the most recent audit, that requirement has not resulted in audits being conducted as required.

Officials from the Office of the Comptroller of the NGB also stated that their oversight of the required audits has been limited due to staffing shortages and a focus on the execution of pandemic relief funds from the Federal Emergency Management Agency in recent years. These officials stated they are working to improve oversight by updating the instruction for the fiscal stewardship program to monitor property and fiscal officer audits more closely by ensuring they are conducted based on risk or in accordance with existing requirements; prioritizing audit findings; drafting corrective action plans; and monitoring the execution of those plans. However, NGB officials did not provide a time frame for the issuance of the planned guidance, and it is unclear whether the guidance will include a process to ensure that audits are conducted in accordance with existing requirements. By establishing a process, such as in planned guidance, to ensure that cooperative agreement audits are conducted in accordance with existing policy, NGB can address longstanding delays and failure to

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<sup>60</sup>DOD Instruction 1200.18, *The United States Property and Fiscal Officer (USPFO) Program* (June 7, 2012) (incorporating change 2, effective Mar. 16, 2022).

<sup>61</sup>[GAO-14-704G](#).

<sup>62</sup>[GAO-06-140](#).

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perform required audits and help ensure that program sites are adhering to cooperative agreement requirements.

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## OSD and NGB Collect Some Performance Information but Cannot Fully Assess Challenge Program Performance

OSD, specifically ASD (M&RA), and NGB collect some performance information, including site-level operational and financial data, but cannot fully assess Challenge Program performance. Specifically, NGB collects summary-level operational data from each program site through semi-annual data calls, as well as site-level financial information through quarterly budget reports. The operational data include output data from the residential phase, such as cadets' community service hours and the number of program graduates, and outcome data from the post-residential phase, such as the number of postsecondary and job placements. The quarterly budget reports include information on site expenditures compared to the approved budget, by object cost code (e.g., staff and service) and by entity (e.g., federal or state). NGB also collects site-level operational and financial data during triennial inspections of sites. At the time of inspection, NGB uses operational and financial performance checklists to determine each site's achievement of its graduate goals; program graduate placement and contact rates at months 5 and 11 of the post-residential phase; the projected versus actual cost per graduate; and the approved versus executed budget.<sup>63</sup>

ASD (M&RA) has also commissioned RAND to produce annual program progress reports, which present information on program outputs and outcomes, such as cadets' voter registration completion and

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<sup>63</sup>For achievement of graduate goals and program graduate placement and contact rates, NGB officials use an aggregation of relevant data from the four most recent classes. For the projected versus actual cost per graduate and the approved versus executed budget, NGB officials use an aggregation of relevant data from the three most recently closed cooperative agreements.

postsecondary attendance.<sup>64</sup> In addition, ASD (M&RA) commissioned RAND to develop approaches for measuring long-term outcomes, resulting in a 2022 report that provided approaches and recommendations to support measurement of long-term outcomes.<sup>65</sup> ASD (M&RA) and NGB officials stated that they regularly consider performance information when making management decisions and assessing each site's performance. Further, these officials told us that they are working to implement RAND's 2022 recommendations, including by pursuing a database to centralize data collection and track long-term outcomes related to Challenge Program graduates' education attainment and labor market participation.<sup>66</sup>

Although ASD (M&RA) and NGB collect some performance information, they cannot fully assess Challenge Program performance because they have not established program-wide strategic goals, performance goals, and performance measures by which to assess progress toward goals. Our prior work has found that management should establish goals to communicate the results organizations seek to achieve to advance their mission, and to allow decision makers, staff, and stakeholders to assess performance by comparing planned and actual results.<sup>67</sup> Specifically, organizations should establish strategic goals that are long-term and set a general direction for a program's efforts, along with performance goals—which describe the program's near-term results and have quantitative targets and time frames against which performance can be measured. Standards for Internal Control further state that management should define objectives clearly to enable the identification of risks and define

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<sup>64</sup>RAND, *National Guard Youth ChalleNGe Program Progress in 2021-2022* (2023); *National Guard Youth ChalleNGe Program Progress in 2020-2021* (2022); *National Guard Youth ChalleNGe Program Progress in 2019-2020* (2021); *National Guard Youth ChalleNGe Program Progress in 2018-2019* (2020); *National Guard Youth ChalleNGe Program Progress in 2017-2018* (2019); *National Guard Youth ChalleNGe Program Progress in 2016-2017* (2018); and *National Guard Youth ChalleNGe Program Progress in 2015-2016* (2017).

<sup>65</sup>RAND, *Developing Outcome Measures for the National Guard Youth ChalleNGe Program* (2022).

<sup>66</sup>DOD Instruction 1025.08 states that ASD (M&RA) will establish and maintain a national database that tracks Challenge Program performance and authorizes the database for use at the local level to support program operations and at the national level to evaluate program performance, effectiveness, and comparative analysis.

<sup>67</sup>[GAO-23-105460](#).

risk tolerances and establish and operate monitoring activities to monitor the internal control system and evaluate the results.<sup>68</sup>

Separately, DOD Instruction 1025.08 states that ASD (M&RA) should establish and monitor performance measures of effectiveness that address each of the program's eight core components. Our prior work established that performance measures should align with strategic and performance goals and highlighted key attributes of successful performance measures, which include being clear, quantifiable, objective, and allowing for the baseline measurement of performance.<sup>69</sup>

At the time of our review, ASD (M&RA) and NGB officials stated they had established strategic goals, performance goals, and performance measures. Specifically, these officials stated that they consider their mission as equivalent to a strategic goal, that they consider information in the semi-annual data calls and NGB inspection performance checklists to include individual site performance goals and measures, and that sites' tracking of cadets' completion of prescribed activities for each of the eight core components constitute performance measures.<sup>70</sup> These same officials also noted that RAND's 2022 report identified outcomes reported by the Challenge Program.<sup>71</sup> However, our prior work has identified strategic goals as an outgrowth of the mission, and individual site goals and measures do not provide a picture of program-wide performance because they vary by site and cannot be measured against program-wide goals. Additionally, RAND found that although sites collected data elements similar to those needed to construct performance measures, those data were not aggregated program-wide.

Finally, ASD (M&RA) and NGB officials stated that the establishment of program-wide strategic or performance goals, or performance measures is difficult due to the variation in state and local factors and program site structure, and that planning at the national level is difficult due to states' different budget cycles. These same officials stated that such factors include each site's geographic location, state education policy, state

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<sup>68</sup>[GAO-14-704G](#).

<sup>69</sup>[GAO-03-143](#); [GAO-05-927](#); [GAO-14-49](#); [GAO-17-506](#); and [GAO-23-105460](#).

<sup>70</sup>CNGB Manual 9350.01 describes the prescribed activities (i.e., tasks) for each core component.

<sup>71</sup>RAND, *Developing Outcome Measures for the National Guard Youth Challenge Program* (2022).

political context, and state high school graduation and dropout rates. However, NGB previously developed program-wide performance goals to measure effectiveness in response to our 2005 recommendation. Further, our prior work has identified approaches agencies have used to overcome challenges in developing national performance measures when program implementation may vary and when there is limited control over external factors that can affect program outcomes or the agency's ability to achieve its goals.<sup>72</sup> These approaches include disaggregating goals for distinct target populations, developing national measures on common activities used by all offices, and defining strategies to address or mitigate the factors. Additionally, recognizing the variation in the types of academic credentials offered at sites, RAND has suggested an array of measures that span all credential types.<sup>73</sup>

Moreover, in 2022, RAND reported that similar youth programs assess performance through both site-specific goals and program-wide goals and measures. For example, RAND reported that the Department of Labor's Job Corps—a residential education and training program for youths—established a performance measurement system.<sup>74</sup> Related Job Corps documentation references the establishment of strategic goals, performance goals, and performance measures to assess program outcomes. For example, Job Corps budget justification materials state that a strategic goal is to build opportunity and equity for all, paired with a strategic objective to advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities. Job Corps also assesses each of its 131 centers based on the outcomes of program participants by using four report cards that consist of a set of performance measures aligned

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<sup>72</sup>GAO-23-105460; GAO, *Designing Evaluations: 2012 Revision*, GAO-12-208G (Washington, D.C.: Jan. 2012); *Program Evaluation: Strategies for Assessing How Information Dissemination Contributes to Agency Goals*, GAO-02-923 (Washington, D.C.: Sept. 30, 2002); and *Managing for Results, Measuring Program Results That Are Under Limited Federal Control*, GAO/GGD-99-16 (Washington, D.C.: Dec. 11, 1998).

<sup>73</sup>RAND, *Developing Outcome Measures for the National Guard Youth Challenge Program* (2022).

<sup>74</sup>Job Corps is a federally funded, multisite residential education and training program run through the Department of Labor for low-income youth aged 16-24. RAND, *Developing Outcome Measures for the National Guard Youth Challenge Program* (2022).

with specific performance goals.<sup>75</sup> The performance goals may be program-wide or site-specific, depending on the measure. For example, under the career transition services report card, the first performance measure is placement rate, which assesses the number of program graduates and former enrollees placed in a job, the military, an education or training program, or a combination of job and college participation, against a program-wide goal.

By establishing strategic goals; performance goals that align with strategic goals, and which include quantitative targets and time frames; and performance measures, ASD (M&RA) and NGB will be better positioned to determine desired program-wide performance levels, assess progress towards goals, and determine how to best allocate resources to achieve those goals.

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## Conclusions

In the last 30 years, the Challenge Program has provided over 200,000 at-risk youth with the skills, education, and self-discipline needed to succeed as productive citizens. During this time, OSD, NGB, and the states have cooperated to establish and operate program sites across numerous states, the District of Columbia, and Puerto Rico. In undertaking this cooperative approach, OSD and NGB have recognized the need to oversee program sites and established several processes to inspect and audit site operations and finances. For example, OSD and NGB inspect sites and audit program site cooperative agreements on a triennial basis.

However, systemic issues persist. Additionally, OSD and NGB have not ensured that property and fiscal officers conduct required audits of program site cooperative agreements, with more than a third having not conducted their most recent required audit. By assessing the root causes of all systemic issues and establishing a plan to address them, OSD and NGB could better identify and remediate issues of non-compliance and help program sites address persistent issues affecting program performance. Additionally, by establishing a process to ensure that

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<sup>75</sup>Job Corps also uses a qualitative Center Quality Assessment process as part of its performance management system. For more information on the performance management system see, Department of Labor, "Appendix 501 Policies and Procedures for Job Corps' Program Year (PY) 2022 Performance Management System Introduction," *Job Corps Policy and Requirements Handbook* (Washington, D.C.: 2022), accessed July 10, 2023, <https://prh.jobcorps.gov/>.

cooperative agreement audits are conducted in accordance with existing requirements, NGB will have increased assurance that program sites are adhering to cooperative agreement requirements.

Finally, OSD and NGB collect some performance information—including site-level operational and financial data. However, they cannot fully assess Challenge Program performance because they have not established program-wide strategic goals, performance goals, and performance measures by which to assess progress toward goals. By establishing those goals and measures, OSD and NGB will be better positioned to determine desired program-wide performance levels, assess progress towards goals, and determine how to best allocate resources to achieve those goals.

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## Recommendations for Executive Action

We are making five recommendations to the Secretary of Defense.

The Secretary of Defense should ensure the Assistant Secretary of Defense for Manpower and Reserve Affairs, in consultation with the Chief of the National Guard Bureau and the Chief of National Guard Bureau Office of Youth Programs, assesses the root causes of all triennial inspection systemic findings and establishes a plan to address them, such as by issuing guidance or best practices, or developing remedial strategies. (Recommendation 1)

The Secretary of Defense should ensure the Chief of the National Guard Bureau, in consultation with the Vice Chief of the National Guard Bureau and the NGB Comptroller, establishes a process, such as in planned guidance, to ensure that United States Property and Fiscal Officers conduct required audits of cooperative agreements in accordance with policy. (Recommendation 2)

The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs and the Chief of the National Guard Bureau, establishes strategic goals for the Challenge Program. (Recommendation 3)

The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs and the Chief of the

National Guard Bureau, establishes performance goals that align with strategic goals and include quantitative targets and time frames against which performance can be measured. (Recommendation 4)

The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs and the Chief of the National Guard Bureau, establishes program-wide performance measures that align with the eight core components for the Challenge Program and established performance goals. At a minimum, the measures should be clear, quantifiable, objective, and provide for the baseline measurement of current performance. (Recommendation 5)

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## Agency Comments and Our Evaluation

We provided a draft of this report to DOD for review and comment. In its written comments, reproduced in their entirety in appendix V, DOD concurred with two of the draft report's six recommendations and partially concurred with four recommendations. In some instances, DOD described actions that it indicated addressed the recommendation, as discussed below. DOD also provided technical comments, which we have incorporated as appropriate.

The draft report included a recommendation to revise NGB's triennial inspection checklists to include an item related to camera surveillance (Recommendation 1 in appendix V). In its written comments, DOD stated that a new inspection checklist, which included a question related to the parameters of required camera surveillance, was released in August and implemented in October 2023. As described in this report, we reviewed an updated inspection checklist that NGB provided us in August 2023 and found that it did not include items to assess compliance with required camera surveillance. Subsequently, in November 2023, NGB provided us with the new checklist dated October 2023. We reviewed this checklist and found that it includes items related to required camera surveillance. Therefore, we modified the draft report and removed the recommendation because the new checklist met its intent.

In partially concurring with the recommendation to assess the root causes of all triennial inspections systemic findings and establish a plan to address them, DOD stated that it sufficiently addresses systemic findings by identifying trends in inspection concerns and reviewing and approving program sites' corrective action plans. The department also stated that it

directed the RAND Corporation and The Spectrum Group to examine staffing issues and develop specific solutions for staffing-related issues, respectively, and that policy recommendations from field visit reports influence the development of staff training curriculum. For example, RAND has identified some factors associated with high staff turnover and the department has directed RAND to continue reporting on related trends. The department also noted that it will continue to review for process improvements. As noted in this report, NGB, in some cases, has identified the prevalence of certain inspection findings across sites and provided us with documentation to demonstrate the provision of remedial training to address the systemic issue of cadre violations of the Hands-Off Leadership policy. However, NGB's best practices and training are not designed to fully address systemic issues program-wide, and NGB did not provide us with documentation to demonstrate that its steps address all the systemic issues we identified. Further, while sites identify root causes individually as part of their corrective action plans, NGB has not conducted a program-wide assessment of root causes or taken steps to address them for all of the systemic issues we identified. As a result, although the steps DOD describes taking are positive, we continue to believe that by assessing the root causes of systemic issues and establishing a plan to address them—such as by issuing guidance or best practices or developing remedial strategies—NGB will help enable program sites to achieve compliance with key requirements and address persistent issues affecting program performance.

In concurring with the recommendation to establish a process to ensure that United States Property and Fiscal Officers conduct required audits of cooperative agreements in accordance with policy, DOD stated that NGB modified its inspection process so that financial audit deficiency issues are directed to the NGB chain of command, rather than the Challenge Program. While forwarding inspection deficiencies through the NGB chain of command may improve management visibility of audit deficiencies, it is unclear how doing so will ensure that the audits are conducted in accordance with existing policy. Additionally, as discussed in this report, officials from the Office of the Comptroller of NGB stated they plan to improve oversight by updating fiscal stewardship program guidance to monitor cooperative agreement audits more closely but did not provide a time frame for the issuance of the planned guidance and did not state whether the guidance will include a process to ensure that audits are conducted in accordance with existing policy. Therefore, we continue to believe that by establishing a process, such as in planned guidance, to ensure that audits of cooperative agreements are conducted in accordance with existing policy, NGB can address longstanding delays

and failures to perform required audits and help ensure that program sites are adhering to cooperative agreement requirements.

DOD partially concurred with the three recommendations to establish strategic goals for the Challenge Program; performance goals that align with strategic goals; and performance measures that align with the program's eight core components and established performance goals.

Specifically, in partially concurring with the recommendation to establish strategic goals, the department stated that it supports the general principle of having a series of aligned goals and that additional strategic goals could be helpful to the program, but that any additions must be an enhancement to strengthen the program. DOD also stated that it is working with RAND to achieve clear recommendations for how sites can measure their progress in meeting the program's mission—which it considers to be the program's fundamental strategic goal—and that implementation of strategic goals may vary by location. DOD further noted that the Challenge Program already follows key practices in our prior work, such as defining goals and long-term outcomes; that NGB has established a National Training Committee to assist programs, along with a repository of best practices; and that NGB meets bi-annually with site program directors to ensure their focus on the larger strategic goals of the program. We disagree that the program mission constitutes a strategic goal. As noted in this report, our prior work has identified strategic goals as an outgrowth of the mission and found that organizations should establish strategic goals that are long-term and set a general direction for the program's efforts. Further, although the additional steps DOD reports taking may support the Challenge Program's mission, DOD cannot fully assess its performance without program-wide strategic goals. Thus, we continue to believe our recommendation to establish strategic goals is valid.

In partially concurring with the recommendation to establish performance goals, the department stated that short-term performance goals and measures, such as graduation rates, are quantified in NGB regulations. DOD also stated that RAND found that program sites lack the capacity to collect and analyze long-term data, and that while it has asked RAND to explore other approaches to collect this information, it recognizes that the lack of capacity is a barrier to evidence-based decision making. DOD noted that it is implementing RAND recommendations intended to improve sites' data collection efforts and to establish a single, consistent administrative database for the program, and that while quantitative measures can be enhanced, our assessment did not address the

significant value of qualitative measures. However, as discussed in this report, individual site goals and measures, whether quantitative or qualitative, do not constitute program-wide performance goals and measures, and they do not provide a picture of program-wide performance because they vary by site and cannot be measured against program-wide goals. Further, RAND has reported that similar youth programs assess performance through both program-wide and site-specific goals and measures. Therefore, we continue to believe that by establishing performance goals that align with strategic goals and include quantitative targets and time frames against which performance can be measured, the Assistant Secretary of Defense for Manpower and Reserve Affairs and NGB will be better positioned to determine program-wide performance levels.

In partially concurring with the recommendation to establish performance measures, the department stated that program sites track cadets' completion of the department's required tasks for each core component in local databases and that it is difficult to measure performance for certain components and because participants enter the program at different academic points. As noted in this report, our prior work has identified approaches agencies have used to overcome challenges in developing national performance measures when program implementation may vary and when there is limited control over external factors that can affect program outcomes or the agency's ability to achieve its goals. These approaches include developing national measures for common activities used by all offices and defining strategies to address or mitigate the factors. Additionally, RAND reported in 2022 that while Challenge Program sites collected data elements similar to those needed to construct performance measures, those data were not aggregated program-wide. In 2022, RAND also suggested potential measures for several core components, including those affected by variation in the types of academic credentials offered by sites. As a result, we continue to believe that establishing program-wide performance measures that align with core program components and performance goals will better position OSD and NGB to assess their progress and determine how to best allocate resources to achieve established goals.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and the Chief of the National Guard Bureau. In addition, this report is available at no charge on the GAO website at <http://www.gao.gov>.

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If you or members of your staff have any questions regarding this report, please contact me at (202) 512-3604 or [farrellb@gao.gov](mailto:farrellb@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix VI.

A handwritten signature in black ink that reads "Brenda S. Farrell". The signature is written in a cursive style with a large, prominent initial "B".

Brenda S. Farrell  
Director, Defense Capabilities and Management

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*List of Committees*

The Honorable Jack Reed  
Chairman  
The Honorable Roger Wicker  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Jon Tester  
Chair  
The Honorable Susan Collins  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

The Honorable Mike Rogers  
Chairman  
The Honorable Adam Smith  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Honorable Ken Calvert  
Chairman  
The Honorable Betty McCollum  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

# Appendix I: Objectives, Scope, and Methodology

This report describes (1) the historical trends of the National Guard Youth Challenge Program (Challenge Program), to include Department of Defense (DOD) obligations, state expenditures, and cadet participation and graduation rates; and (2) how selected Challenge Program sites implemented core program components. It also examines the extent to which the Office of the Secretary of Defense (OSD) and the National Guard Bureau (NGB) have (3) conducted oversight of the Challenge Program and (4) assessed Challenge Program performance.

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## Methods Used to Describe Historical Trends of the Challenge Program

We obtained financial and operational data from OSD, NGB, and state officials to describe Challenge Program trends, including DOD obligations, state expenditures, and cadet participation and graduation rates.

### Financial Data

To determine financial trends in DOD obligations and state expenditures for fiscal year 2015 through fiscal year 2021, we analyzed site-level DOD obligation data<sup>1</sup> from the office of the Assistant Secretary of Defense for Manpower and Reserve Affairs (ASD (M&RA)), and site-level state expenditure data from personnel responsible for the management of state expenditures related to the Challenge Program.<sup>2</sup> We selected data from

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<sup>1</sup>Federal obligations data were provided by DOD officials. According to DOD officials, DOD data on federal liquidated obligations (i.e., expenditures) for the Challenge Program were not readily available due to the data residing across several legacy databases. As of fiscal year 2021, all Challenge Program federal financial data are captured in the Defense Agencies Initiative database, which is DOD's accounting system that provides visibility into program funding and its utilization, according to OSD and NGB officials.

<sup>2</sup>Each state provided site-level expenditure information, with one amount for the statutorily required 25 percent cost share, and another amount for any state expenditures that were above the 25 percent cost share.

this period because they constituted the most complete and recent data available.

To identify trends in DOD obligations across fiscal year 2015 through fiscal year 2021, we analyzed inflation-adjusted DOD obligation data, which included program obligations and administrative costs for OSD and NGB. To isolate DOD obligations to the Youth Challenge Program, we removed Job Challenge site costs from the program obligations data and prorated the administrative costs using annual percentages provided by OSD officials.<sup>3</sup> The annual percentages represent OSD's estimated share of Job Challenge obligations of total Challenge Program obligations for each fiscal year, which include costs for both Youth Challenge and Job Challenge sites. We also calculated annual inflation-adjusted DOD obligations per graduate and the program-wide mean graduation rate at different percentiles of inflation-adjusted DOD obligations, using enrollee and graduate data from the operational data described below.

To identify trends in state expenditures across fiscal year 2015 through fiscal year 2021, we analyzed inflation-adjusted site-level expenditure data. Specifically, to determine the number of Challenge Program sites that reported state expenditures above the 25 percent cost share, we analyzed site-level expenditure data to determine the proportion of sites that reported such expenditures. To determine the percentage of sites that reported state expenditures above the 25 percent share, we divided the number of sites with state expenditures above the 25 percent cost share by the number of sites that reported state expenditures (25 percent cost share), for each fiscal year. To determine the average inflation-adjusted dollar value of state expenditures above the 25 percent cost share, we divided the total additional state expenditures by the number of sites where additional state expenditures were greater than zero, for each fiscal year. Finally, to identify the number of years that each site expended additional state expenditures (above the 25 percent cost share), we counted the number of years from fiscal year 2015 through fiscal year 2021 for which they received this additional money, then grouped the sites among 0 to 7 years. We also calculated annual inflation-adjusted state expenditures per graduate, and the program-wide

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<sup>3</sup>Job Challenge is an optional 5-month residential program that offers graduates of the Challenge Program the opportunity to learn job skills through partnerships with technical schools and community colleges. This report does not assess the Job Challenge phase because this phase is only offered at certain Challenge Program sites contingent upon factors including program funding; facility availability; and partnerships with industry, technical schools, and community colleges.

mean graduation rate at different percentiles of inflation-adjusted state expenditures, using enrollee and graduate data from the operational data analysis described below.

To assess the reliability of the DOD obligations and state expenditure data, we reviewed documentary and testimonial evidence collected from OSD and relevant state officials regarding the structure of the data and method of collection; and reviewed the data for missing values, outliers, and obvious errors. For the state expenditure data, we also traced a selection of data to source documents, such as Challenge Program cooperative agreement modifications. We determined that the data were sufficiently reliable for the purposes of presenting annual inflation-adjusted and nominal DOD obligations and state expenditures, inflation-adjusted costs per graduate, and program-wide mean graduation rates at different percentiles of inflation-adjusted DOD obligations and state expenditures. However, the state expenditure data for Alaska were of undetermined reliability because we could not verify the data for fiscal years 2020 and 2021 with source documentation. Therefore, the data for these years may over- or under-represent the state's expenditures. We determined that the data could be used as part of the aforementioned analyses because they are the only available data.

### Operational Data

To determine trends in cadet participation and graduation, we analyzed Challenge Program operational data from NGB's Office of Youth Programs for classes that were funded with federal fiscal year 2015 through fiscal year 2021 dollars.

To determine annual totals for applicants, enrollees, and graduates, we aligned the operational data with our federal fiscal year time frame; transformed the site's class-level data to reflect annual fiscal year totals for applicants, enrollees, and graduates for each site; and then calculated program-wide annual counts of applicants, enrollees, and graduates.

To align the operational data with our federal fiscal year time frame, we asked relevant program site personnel to identify which federal fiscal year funded each class in the data. Sites are required to hold two classes per year, but sites' cooperative agreement periods of performance and their corresponding class start- and end-dates do not always align with the

federal fiscal year dates of October 1 to September 31.<sup>4</sup> As a result, some program site classes that were affected by COVID-19 were captured in federal fiscal year 2019 because they were funded by fiscal year 2019 dollars. Specifically, 18 of 77 classes funded by fiscal year 2019 dollars operated during the first half of calendar year 2020, particularly during March 2020 when states began implementing social distancing requirements. For example, one class in this category had a start date of January 12, 2020, and end date of May 23, 2020. Conversely, some classes that were not affected by COVID-19 were captured in fiscal year 2020. Specifically, 6 of 69 classes funded by fiscal year 2020 generally ended before COVID-19 related shutdowns, with the latest class end date for this group occurring on March 12, 2020.

To determine program-wide graduation rates and a rate for each site for each fiscal year, we divided the number of enrollees (i.e., number of cadets on week 1, day 1 of the residential phase of the program) by the number of graduates.

To assess the reliability of these data, we reviewed documentary and testimonial evidence regarding the structure of the data and method of collection, and reviewed the data for missing values, outliers, and obvious errors. To correct for obvious errors, we asked relevant program site officials from eight sites to provide updated data. We also compared the data to similar data reported in the RAND Corporation's (RAND) annual program progress reports, where available, to determine if they were reasonably similar.<sup>5</sup> We determined that the data were sufficiently reliable for the purposes of determining annual totals for applicants, enrollees, and graduates, and program-wide graduation rates and a rate for each site.

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<sup>4</sup>Around three-fourths of sites' classes begin in January or February and July or August.

<sup>5</sup>RAND, *National Guard Youth ChalleNGe Program Progress in 2020-2021* (2022); *National Guard Youth ChalleNGe Program Progress in 2019-2020* (2021); *National Guard Youth ChalleNGe Program Progress in 2018-2019* (2020); *National Guard Youth ChalleNGe Program Progress in 2017-2018* (2019); *National Guard Youth ChalleNGe Program Progress in 2016-2017* (2018); and *National Guard Youth ChalleNGe Program Progress in 2015-2016* (2017).

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## Methods Used to Describe How Selected Challenge Program Sites Implement Core Program Components

To describe how selected National Guard Youth Challenge Program sites implement core program components, we (1) reviewed DOD and NGB guidance, relevant RAND reports, and program documentation to identify prescribed activities across program sites; (2) interviewed cognizant OSD and NGB officials; (3) distributed a questionnaire to a non-generalizable sample of 13 sites to compare the implementation of core components across surveyed sites; and (4) selected four sites to perform interviews with key Challenge Program officials, and for two, conducted site visits.

To identify and describe prescribed program activities for all program sites, we reviewed DOD and NGB policies and guidance and interviewed officials from ASD (M&RA) and NGB Office of Youth Programs.<sup>6</sup>

To identify and compare program activities across individual sites, we reviewed operational data collected by NGB Office of Youth Programs for all program sites and conducted qualitative and quantitative analyses from our questionnaire responses. We used the operational data to compare the number and types of academic credentials offered (General Education Development or other equivalent certificate, high school credit recovery, high school diploma) across sites.

We also surveyed a non-generalizable sample of 13 program sites. To develop the questionnaire, we reviewed program documentation and held interviews with ASD (M&RA) and NGB Office of Youth Program officials. We designed the survey questions in collaboration with a survey specialist and incorporated technical feedback from a separate survey specialist. To minimize errors that might occur from respondents interpreting our questionnaire differently than we intended, we conducted six survey pretests with key personnel, including program directors from six different Challenge Program sites. We received a list of program site directors with contact information from the NGB Office of Youth Programs, which we used to select pretest participants. We used pretests to determine whether the: (1) questions were clear, (2) terms used were precise, (3) respondents were able to provide information that we were

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<sup>6</sup>DOD Instruction 1025.08, *National Guard Youth Challenge Program* (Dec. 31, 2020); Chief of the NGB (CNGB) Instruction 9350.01A, *National Guard Youth Challenge Program* (Dec. 22, 2020); CNGB Manual 9350.01, *National Guard Youth Challenge Program* (Mar. 22, 2023). CNGB Manual 9350.01 includes required tasks, conditions, and standards for each core component, which we refer to as “prescribed activities.”

seeking, and (4) questions were unbiased. We made changes to the content and format of the questionnaire based on the results of our pretesting and the independent survey specialist's review. A copy of the survey questions is provided in appendix II.

We selected the non-generalizable sample of 13 Challenge Program sites by using stratified purposeful sampling based on the following criteria: (1) annual enrollment, (2) annual graduation rate, (3) geographic location (region of the United States and whether a site was located in a rural or urban setting), (4) number of academic credentials offered (General Education Development, credit recovery/return to high school, high school diploma), (5) most recent NGB triennial inspection rating, (6) staff to participant ratio, and (7) whether the site was located in a state with multiple sites. We stratified sites into three primary groups based on a crosstab of the first two criteria of annual enrollment and annual graduation rates, which captured the sites' two most recent classes as of September 2022.<sup>7</sup>

Generally, the first group represented sites with high annual enrollment and high annual graduation rates; the second group represented middle annual enrollment and graduation rates; and the third group low annual enrollment and low graduation rates. Among sites that occupied the same group, we relied on the remaining criteria to make our final selections to capture a range of locations, academic credentials offered, and if the site was in a state with multiple sites or not.<sup>8</sup> NGB Office of Youth Programs sent selected site program directors a notification email on February 17, 2023 and we distributed our questionnaire as a PDF form to the selected program directors by e-mail on March 8, 2023. The response rate was 100% for this questionnaire, and all questionnaires were returned by March 16, 2023.

For the qualitative analyses of survey responses, we performed content analysis of open-ended questions relating to topics such as staffing, accreditations, partnerships, credentials offered, and examples of program activities completed to implement the Challenge Program's eight core components. We also compared the categorized activities to identify

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<sup>7</sup>We relied on operational data provided from the NGB Office of Youth Programs, which according to officials rely on semi-annual data calls distributed in April and November, and capture sites' reported data from October to March, and April to September.

<sup>8</sup>We selected five sites from the first group, five from the second group, and three from the third group.

similarities and differences. To conduct the content analysis, two analysts independently categorized the responses into agreed-upon coding categories that varied by question. The two analysts discussed any differences and finalized the coding decisions. The codes were then counted for each category, which yielded insight into which category or approach was more common among the 13 surveyed sites.

We also selected four sites for in-depth review. To select the non-generalizable sample of four program sites, we implemented the same approach and criteria as described above for the surveyed sample of 13 sites, but we selected sites that had not received our questionnaire. For all four sites, we collected documentary evidence on training schedules that list time and duration of specific activities and staffing models, among other things; collected detailed testimonial evidence from personnel who make decisions about, and execute, the activities; and learned about relevant state or local requirements affecting program activities offerings and structure (e.g., state or school district requirements for high school diploma). We also interviewed the program director and deputy program director, commandant, lead instructor/educator, and other staff such as cadre. We conducted in-person site visits at two sites where we received tours of various facilities.<sup>9</sup>

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## Methods Used to Assess the Extent to Which OSD and NGB Conduct Oversight of the Challenge Program

To assess the extent to which OSD and NGB conducted triennial inspections of Challenge Program sites and the extent to which property and fiscal officers conducted required audits of Challenge Program cooperative agreements with oversight from OSD and NGB, we reviewed DOD and NGB guidance and program documentation, annual plans, triennial site inspection reports, and self-inspection documentation and schedules. Specifically:

- To identify relevant roles, responsibilities, and requirements for operating and overseeing Challenge Program sites we reviewed DOD and NGB guidance and program documentation governing the

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<sup>9</sup>For the two sites we did not visit, we requested and reviewed photographs of areas used by cadets, including cadet barracks, dining facilities, classrooms, cadet common areas, physical fitness areas, and medical bays.

triennial inspections and the required audits of Challenge Program cooperative agreements.<sup>10</sup>

- To determine if required annual plans were completed and submitted to NGB and OSD, specifically ASD (M&RA), we reviewed the approved fiscal year 2023 annual state plans submitted by each Challenge Program site.
- To determine if required triennial site inspections were completed and to identify systemic and significant inspection findings identified by NGB, we reviewed the most recent triennial site inspection report for each program site (conducted 2020 to 2022) and compared the inspection date against prior dates of inspection. We also focused on requirements related to cadet health and safety, specifically camera surveillance and staff-to-cadet ratios. We focused on these requirements because of their role in mitigating the risk of serious incidents, according to site personnel. We reviewed each inspection report to determine whether or not the report included information about these two requirements and also reviewed the checklists that are used to guide the inspections. For systemic findings, we tallied the number of inspection reports in which NGB identified a specific systemic finding and reported on those that occurred at six or more program sites.
- To determine if required corrective action plans were completed and provided to NGB for review, we reviewed the corrective action plans that Challenge Program sites provided to NGB.<sup>11</sup>
- To determine whether sites completed required self-inspections in years not subject to triennial site inspections, we reviewed NGB records of site self-inspections conducted in 2021 and 2022.<sup>12</sup>
- To determine whether property and fiscal officers completed cooperative agreement audits as required by National Guard Regulation 5-1, we reviewed the most recent audit reports (2012 to 2022) for each site.<sup>13</sup>

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<sup>10</sup>E.g., DOD Instruction 1025.08; CNGB Instruction 9350.01A; CNGB Manual 9350.01, CNGB Instruction 5101.01, *National Guard Bureau Organization and Principal Official Responsibilities* (June 2, 2023).

<sup>11</sup>CNGB Manual 9350.01.

<sup>12</sup>CNGB Manual 9350.01.

<sup>13</sup>National Guard Regulation 5-1, *National Guard Grants and Cooperative Agreements* (May 28, 2010).

We also interviewed ASD (M&RA) and NGB officials and interviewed officials from four sites as described above. We interviewed ASD (M&RA) and NGB officials about the oversight processes, including the corrective action plans and follow-up activities; triennial inspection criteria; common inspection findings; and their role in overseeing the completion of required audits. We interviewed program site staff from the four sites about their experience with triennial inspections, including corrective actions following inspections and self-inspections.

We assessed these oversight practices against DOD and NGB guidance<sup>14</sup> and *Standards for Internal Control in the Federal Government*.<sup>15</sup> Specifically, we determined that risk assessment, control environment, and monitoring and control activities were relevant to these findings. We compared the inspections checklists used in NGB triennial inspections against policies, guidance, and program documentation to identify whether key program requirements were included in inspections. We also reviewed inspection reports to identify issues that NGB identified as systemic at multiple program sites.

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## Methods Used to Assess the Extent to Which OSD and NGB Assess Challenge Program Performance

To assess the extent to which OSD, specifically ASD (M&RA), and NGB assessed Challenge Program performance, we reviewed DOD and NGB

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<sup>14</sup>DOD Instruction 1025.08 directs (1) ASD (M&RA) to exercise management and policy implementation oversight of the program, (2) NGB to establish a comprehensive inspection program, and (3) establishes the requirement for the use of electronic camera surveillance. CNGB Instruction 9350.01A directs the NGB Office of Youth Programs to issue regulations, instructions, guidance, and standards for the program. CNGB Manual 9350.01 establishes many operational standards against which program sites are inspected. National Guard Regulation 5-1 establishes the requirement for property and fiscal officers to conduct an audit at least every 3 years.

<sup>15</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 2014).

guidance<sup>16</sup> and documentation, strategic plans,<sup>17</sup> and annual reports<sup>18</sup> to identify strategic goals and performance goals, measures, and information. We conducted a series of interviews with ASD (M&RA) and NGB Office of Youth Programs officials to clarify or confirm our understanding of the documentation we reviewed and of the performance information that they collect.

To determine the extent to which ASD (M&RA) and NGB had established strategic and performance goals, we assessed DOD and NGB guidance and strategic plans against DOD policy and leading practices identified in our prior work. Specifically, with regard to the establishment of strategic and performance goals, we determined that our prior work has found that management should establish strategic and performance goals to communicate the results agencies seek to achieve, and to allow decision makers, staff, and stakeholders to assess performance by comparing planned and actual results.<sup>19</sup> Strategic goals cover long-term outcomes for the organization's activities, while performance goals cover near-term results for the organizations activities, and have quantitative targets and time frames against which progress can be measured.

To determine the extent to which ASD (M&RA) and NGB had established performance measures, we reviewed DOD and NGB guidance, strategic plans, and annual reports against DOD guidance and our prior work on performance measurement. Regarding the establishment of performance measures, DOD Instruction 1025.08 states that ASD (M&RA) should establish and monitor performance measures of effectiveness that address each of the program's eight core components. Further, our prior

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<sup>16</sup>DOD Instruction 1025.08; CNGB Instruction 9350.01A; CNGB Manual 9350.01.

<sup>17</sup>The White House, *National Security Strategy* (Oct. 2022); DOD, *2022 National Defense Strategy* (Oct. 27, 2022). CNGB, *Strategic Direction to the National Guard* (June 20, 2013); DOD, *2019 National Guard Bureau Posture Statement: Focused on Readiness* (2019); DOD, *2020 National Guard Bureau Posture Statement: Implementing the National Defense Strategy* (2020); DOD, *2021 National Guard Bureau Posture Statement: Force for the Future* (2021); DOD, *2022 National Guard Bureau Posture Statement: A Record Year of Being "Always Ready, Always There"* (2022).

<sup>18</sup>RAND, *National Guard Youth ChalleNGe Program Progress in 2020-2021* (2022); *National Guard Youth ChalleNGe Program Progress in 2019-2020* (2021); *National Guard Youth ChalleNGe Program Progress in 2018-2019* (2020); *National Guard Youth ChalleNGe Program Progress in 2017-2018* (2019); *National Guard Youth ChalleNGe Program Progress in 2016-2017* (2018); and *National Guard Youth ChalleNGe Program Progress in 2015-2016* (2017).

<sup>19</sup>GAO, *Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts*, [GAO-23-105460](#) (Washington, D.C.: July 12, 2023).

work established that performance measures should align with strategic and performance goals and highlighted key attributes of successful performance measures, which include being clear, quantifiable, objective, and allowing for the baseline measurement of performance.<sup>20</sup>

We also assessed OSD and NGB assessment of Challenge Program performance against *Standards for Internal Control in the Federal Government*.<sup>21</sup> Specifically, we determined that the risk assessment, control environment, control activities, and monitoring components of internal control were significant to this objective. These components include the underlying principles that management should define objectives clearly to enable the identification of risks, define risk tolerances, and establish and operate monitoring activities to monitor the internal control system and evaluate results.

We conducted this performance audit from July 2022 to November 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>20</sup>GAO, *Whistleblower Protection: Opportunities Exist for DOD to Improve the Timeliness and Quality of Civilian and Contractor Reprisal Investigations*, [GAO-17-506](#) (Washington, D.C.: Sept. 29, 2017); *Defense Health Care Reform: Additional Implementation Details Would Increase Transparency of DOD's Plans and Enhance Accountability*, [GAO-14-49](#) (Washington, D.C.: Nov. 6, 2013); *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, [GAO-05-927](#) (Washington, D.C.: Sept. 9, 2005); and *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002).

<sup>21</sup>[GAO-14-704G](#).

# Appendix II: Questionnaire on the National Guard Youth Challenge Program

We administered the questions shown in this appendix to learn more about National Guard Youth Challenge Program (Challenge Program) sites' staffing, accreditations, academic credentials offered, and activities cadets completed during the residential phase of the program.

This appendix reproduces the content of the questionnaire, but the format of the questions and response options were altered for readability. This included removing extra rows in tables for questionnaire responses and removing instructions on submitting the questionnaire to us. For more information about our methodology for designing and administering the questionnaire, see appendix I.

## Section I: Respondents and Contact Information

- 1. Please tell us the name and contact information for the person we should contact if we have questions about any of the responses in this document.**

Category	Category information
Name	na
Position	na
Email address	na
Phone number	na

- 2. Please identify other staff who contributed to the responses in this questionnaire.**

Name	Position	Contributed to which sections
na	Na	na
Na	Na	na

## Section II: Funding

This section is intended to determine what additional funding, if any, your program site received from your state or other sources.

**3. Consider your cooperative agreement period that started sometime between October 1, 2021 and September 31, 2022. During this period, did your program site receive any funding from your state in excess of your state’s approved 25% cost share?**

Yes > Continue to “a”

No > SKIP to Question 4

**a. If Yes, please list the type(s) of funding and the dollar value for each type.**

Type of funding (e.g., cash, in-kind)	Actual or estimated dollar value	Is the value actual or estimated?	Optional explanatory notes
na	Na	<ul style="list-style-type: none"> <li>Actual</li> <li>Estimated</li> </ul>	na
na	Na	<ul style="list-style-type: none"> <li>Actual</li> <li>Estimated</li> </ul>	na

**4. Consider your cooperative agreement period that started sometime between October 1, 2021 and September 31, 2022. During this period, did your program site receive funding from sources other than your state’s share or outside the federal government’s 75% cost share? Please include funding whether it was part of your cooperative agreement or not. For example, in-kind academic tutoring from a local nonprofit.**

Yes > Continue to “a”

No > SKIP to Question 5

**a. If Yes, please list the source(s), type of funding, and the dollar value for each source.**

Source	Type of funding (e.g., cash, in-kind)	Actual or estimated dollar value	Is the value actual or estimated?	Optional explanatory notes
na	na	na	<ul style="list-style-type: none"> <li>Actual</li> <li>Estimated</li> </ul>	na
na	na	na	<ul style="list-style-type: none"> <li>Actual</li> <li>Estimated</li> </ul>	na

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### Section III: Residential Phase: Partnerships, Staffing, Program Activities, and Academic Excellence

This section is intended to understand the partnerships that supported Youth Challenge program activities; staffing challenges, qualifications, and responsibilities; and program activities during the residential phase of your program site, including academic excellence. Please note that the majority of the questions in this section are asking about class 58, which refers to the class numbering system used by the Office of Youth Programs, National Guard Bureau.

#### Partnerships

5. **Did your program site have any local, state, or other paid or unpaid partnerships that supported Youth Challenge core component program activities for class 58?** We are defining “partnership” as a relationship with an outside entity that involved close cooperation and specified responsibilities to provide a good or service, which supported your core component program activities, such as through a contract or memorandum of understanding. Please do not include partnerships for any Job Challenge activities. *For example, include partnerships with: a local school district that provides instructors and curricula; a local college whose students provide tutoring to cadets; or a local financial institution that holds a financial management seminar.*
1. Yes > Continue to “a”
  2. No > SKIP to Question 6
- a. If Yes, please list the type of partner, how they supported core component program activities for class 58, the length of the partnership, and if your program site paid for any part of their support.** *The first row below offers an example of the level of detail we are looking for.*

**Appendix II: Questionnaire on the National Guard Youth Challenge Program**

Type of Partner	Support provided for class 58	Length of partnership <sup>1</sup>	Was partnership support at least partly paid for by the program site (e.g., contract)?
<i>Ex. Local college</i>	<i>Provides academic tutoring to cadets</i>	<i>About one year</i>	<i>No</i>
na	na	Select one	Yes No
na	na	Select one	Yes No

**Youth Challenge Staffing**

**6. Were you able to fill all your program site’s funded staff positions for class 58?** Please consider all employee types (e.g., state active duty, state civilian, and contractors) including full-time and part-time staff.

Yes > SKIP to Question 7

No > Continue to “a” and “b”

**a. If No, what key challenges did you face in filling these positions for class 58?**

**b. If No, what was the impact of having these positions unfilled on your program for class 58?**

**7. Please list which positions, both paid and volunteer, were responsible for your site’s academic excellence activities for class 58.** Please include all employee types (e.g., state active duty, state civilian, and contractor) including full-time and part-time staff. Please do not include guest speakers or others who are involved with one-time events. For example, include instructors who teach classes, cadre who are present in the classroom, or volunteers who tutor students on academic curriculum.

Position	Number of staff	Activities performed	Optional notes
na	na	na	na
na	na	na	na

<sup>1</sup>The response options were “Months but less than one year,” “About one year,” and “More than one year.”

8. **What qualifications are academic excellence staff and/or volunteers required to have, if any?** Please include any credentials, licenses, or postsecondary degrees academic excellence staff members are required to have. Please provide any additional documentation as desired, such as position descriptions.

Position	Qualifications
Lead Instructor/Principal	na
Instructor	na
Counselor	na
Academic volunteer	na
Other (please list):	na
Other (please list):	na

9. **For positions that have qualification requirements, do you allow any exceptions for hiring academic excellence staff without all required qualifications?** *For example, hiring staff with most required qualifications if they show proof of working towards the missing qualifications.*

Yes > Continue to "a"

No > Skip to Question 10

a. **What exceptions do you allow for hiring academic excellence staff?**

10. **Please list which positions, both paid and volunteer, were responsible for each of the core components for class 58.** Please include all employee types (e.g., state active duty, state civilian, and contractor) including full-time and part-time staff. *For example, Commandant and cadre for physical fitness.*

Core component	Position(s)	Optional notes
Health and Hygiene	na	na
Job Skills	na	na
Leadership and Followership	na	na
Life-Coping Skills	na	na
Physical Fitness	na	na
Responsible Citizenship	na	na
Service to the Community	na	na

11. In which three core components did the average individual cadet spend the most time? Please check no more than three. Please provide any additional documentation as desired.

Core component	Top 3 most time	Optional notes
Academic Excellence	na	na
Health and Hygiene	na	na
Job Skills	na	na
Leadership and Followership	na	na
Life-Coping Skills	na	na
Physical Fitness	na	na
Responsible Citizenship	na	na
Service to the Community	na	na

12. Were there any major challenges that affected your ability to provide your desired or planned program activities for class 58?

Yes > Continue to "a"

No > SKIP to Question 13

a. If Yes, please describe what challenges affected your ability to provide desired programming to cadets for class 58. Also include how your site responded to the challenge.

Challenge	Response
na	na
na	na

Academic Excellence

13. In the table below, please select which academic credentials were offered at your program site for class 58. Please check Yes or No for each credential. For each credential your site offers, please describe the factors that were considered in deciding to offer that credential. For example, budgeting considerations or the ability to meet state or school district requirements for offering particular credentials.

Appendix II: Questionnaire on the National Guard Youth Challenge Program

Credential	Offered?	Factors considered in deciding to offer this credential	Optional explanatory notes
High school diploma	Yes No	na	na
GED	Yes No	na	na
HiSET	Yes No	na	na
Credit recovery	Yes No	na	na
Return to high school	Yes No	na	na
College credits	Yes No	na	na
Job training certificates	Yes No	na	na

14. What local, state, federal, or other oversight processes did your program site participate in regarding your **academic excellence component for class 58**? Do not include National Guard Bureau’s tri-annual inspections. *Examples of oversight include curricula review by your state’s department of education, GED testing center recertification, or classroom/teacher observation by external oversight organizations.*

Oversight entity <sup>2</sup>	Type of oversight	Frequency of oversight <sup>3</sup>	Optional notes
Select one	na	Select one	na
Select one	na	Select one	na

15. Please list and describe the accreditations, if any, that your program site currently holds pertaining to your **academic excellence program**. For example, accreditation as a high school through an association, commission, or the state department of education; or if your campus has an accredited GED testing center.

Accreditation	Description
na	na
na	na

<sup>2</sup>The response options were “Local,” “State,” “Federal,” and “Other (please specify in optional notes).”

<sup>3</sup>The response options were, “Weekly,” “Monthly,” “Quarterly,” “Yearly,” and “Other (please specify in optional notes).”

16. **Did you track any formal goals for the academic excellence program of class 58?** Please consider goals related to cadets, staff, or the academic program as a whole.

Yes > Continue to “a”

No > SKIP to Question 17

a. **If Yes, please list each goal below and describe how you measured progress towards each goal.** Please include goals related to cadets, staff, or the academic program as a whole. *The first row below offers an example of the level of detail we are looking for.*

Goal	Measurement
<i>Ex. 70% of cadets in the diploma track will earn a diploma</i>	<i>The percentage of cadets in the diploma track who earn a diploma by week 20</i>
na	na
na	na

17. **For class 58, how many cadets had an Individualized Education Program (IEP), had a 504 plan, and/or were English Language Learners?** Please include the number of students who fit these categories on week 3 day 1 even if they did not complete Youth Challenge or graduate. We understand that some students fall into multiple categories.

*An IEP details a student’s education goals and steps to achieve them, as required by the Individuals with Disabilities Education Act. A 504 plan details how a student with a disability will be provided accommodations to access education. English Language Learners are students with limited English language proficiency and may receive special education to improve their English skills.*

Category	Number	Data is not tracked	Optional notes
Had an IEP	na	na	na
Had a 504 plan	na	na	na
Were English Language Learners	na	na	na

**18. For class 58, what are some examples of common accommodations and services provided to the students who had an IEP, a 504 plan, and/or were English Language Learners?**

Classification	Examples of Services and Accommodations
Students with an IEP	na
Students with a 504 plan	na
English Language Learners	na

**19. Please describe one or two academic successes of your academic excellence program during class 58.**

**20. Please describe one or two academic challenges of your academic excellence program during class 58.**

#### Section IV: Residential Phase: Activities by Core Component

This section asks about program activities for each core component. We list the tasks required for Youth Challenge graduation and request examples for each. These tasks are from the National Guard Youth Challenge Operational Instruction (October 2015) and the Memorandum for Interim Change to Physical Fitness Standard (April 2018). Please include Youth Challenge activities during class 58, which refers to the numbering system by the Office of Youth Programs, National Guard Bureau (NGB).

##### Academic Excellence

**21. Please list examples of academic excellence program activities that applied to tasks required for graduation for class 58.** Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB policy. *The first row offers an example of the level of detail we are looking for.*

Task	Activities your site offers and description
<i>Ex. Improve academic achievement</i>	<i>(1) TABE pre/post tests are proctored to all cadets in week 3 and week 20. (2) Cadets attend classes with instructors in pursuit of their designated track, either GED, credit recovery, or HS diploma.</i>
Improve academic achievement	na

Health and Hygiene

22. **Please list examples of your site’s health and hygiene activities that applied to tasks required for graduation for class 58.** Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB policy. *The first row offers an example of the level of detail we are looking for.*

Task	Activities your site offers and description
<i>Ex. Recall healthy sexual practices, human sexuality, family planning and related responsibilities</i>	<i>Cadets attend a weekly class for the duration of the residential phase taught by medical staff, and the curriculum addresses the topics listed in the task.</i>
Maintain personal hygiene by employing appropriate methods and practices	na
Recall the adverse effects of the abuse and available treatment resources for alcohol, tobacco, and other drugs	na
Recall healthy sexual practices, human sexuality, family planning and related responsibilities	na
Recall the methods and practices used by individuals to prevent the spread of communicable diseases including Sexually Transmitted Diseases, Human Immunodeficiency Syndrome, and other blood-borne pathogens	na
Recall the importance of nutrition in the daily diet for personal well-being	na

Job Skills

23. **Please list examples of your site’s job skills activities that applied to tasks required for graduation for class 58.** Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB Policy. *The first row offers an example of the level of detail we are looking for.*

Task	Activities your site offers and description
<i>Ex. Complete a mock interview</i>	<i>Cadets attend a one-time career fair in partnership with a local non-profit, where they complete a mock job interview.</i>

**Appendix II: Questionnaire on the National Guard Youth Challenge Program**

<b>Task</b>	<b>Activities your site offers and description</b>
Complete the Armed Services Vocational Aptitude Battery and participate in a vocational interpretation	na
Acquire Job Search Skills	na
Complete a Job Application	na
Complete a Resume	na
Demonstrate an understanding of the importance of work ethics	na
Complete a mock job interview	na
Explore knowledge and skills required to pursue future educational opportunities, to include educational alternatives, institutions, and financial aid	na

**Leadership and Followership**

**24. Please list examples of your site’s leadership and followership activities that applied to tasks required for graduation for class 58.** Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB Policy. *The first row offers an example of the level of detail we are looking for.*

<b>Task</b>	<b>Activities your site offers and description</b>
<i>Ex. Maintain personal living area</i>	<i>Cadre conduct daily checks of cadet quarters and document cadet compliance.</i>
Willingly comply with established rules, regulations and procedures	na
Perform basic military customs and courtesies	na
Perform basic military facing and marching movements	na
Define and recognize leadership skills, traits, dimensions and components	na
Employ leadership skills in accordance with Field Manual 6-22 while performing in a leadership position	na
Maintain personal living area	na
Employ Followership Skills within a team setting	na

## Life-Coping Skills

**25. Please list examples of your site's life-coping skills activities that applied to tasks required for graduation for class 58.** Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB Policy. *The first row offers an example of the level of detail we are looking for.*

Task	Activities your site offers and description
<i>Ex. Recognize conflict-resolution strategies</i>	<i>(1) Cadets meet weekly with counselors, and counselors complete an evaluation of each cadet's ability to recognize conflict-resolution strategies during week 19. (2) Cadre lead cadets through an obstacle course and assign a grade to cadets on their ability to recognize conflict resolution strategies.</i>
Demonstrate basic (savings and checking account management) skills	na
Demonstrate the Importance of maintaining a good credit record and managing good credit	na
Demonstrate how to prepare and manage a personal budget	na
Recognize various emotions and stressors, and identify coping strategies	na
Recognize conflict-resolution strategies	na

## Physical Fitness

**26. Please list examples of your site's physical fitness activities that applied to tasks required for graduation for class 58.** Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB Policy. *The first row offers an example of the level of detail we are looking for.*

Task	Activities your site offers and description
<i>Ex. Participate in physical fitness training and testing</i>	<i>(1) Cadre lead daily physical fitness activities based on the President's Physical Fitness Test. (2) Top physical fitness performers from the week are recognized at Friday lunch.</i>
Demonstrate a general knowledge of physical fitness concepts	na

Appendix II: Questionnaire on the National Guard Youth Challenge Program

Task	Activities your site offers and description
Participate in physical fitness training and testing	na

Responsible Citizenship

**27. Please list examples of your site’s responsible citizenship activities that applied to tasks required for graduation for class 58.** Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB Policy. *The first row offers an example of the level of detail we are looking for.*

Task	Activities your site offers and description
<i>Ex. Communicate a basic understanding of the U.S. Constitution, government, and citizenship</i>	<i>(1) Complete a citizenship class. (2) Pass the US Citizenship and Immigration Services citizenship exam.</i>
Recall the individual rights, Privileges, and obligations of citizenship	na
Register for Selective Service, if eligible	na
Offer the opportunity to register to vote, if eligible. Communicate an understanding of voting and the election process	na
Communicate a basic understanding of the U.S. Constitution, government, and citizenship	na
Participate in the democratic process	na

Service to the Community

28. Please list examples of your site's service to community activities that applied to tasks required for graduation for class 58. Please include a brief description of each activity and repeat activities across tasks and core components if necessary. These tasks come from NGB Policy. *The first row offers an example of the level of detail we are looking for.*

Task	Activities your site offers and description
<i>Ex. Complete a minimum of 40 hours of service to the community/conservation projects</i>	<i>Plan and implement a community service project, including working with community members and reflecting on the experience.</i>
Describe the importance and value of a service to the community and/or conservation project	na
Complete a minimum of 40 hours of service to the community/conservation projects	na

Section V: Other

29. If there is anything else you would like to share about the National Guard Youth Challenge Program please type it in the space below.

## Appendix III: Detailed Financial and Operations Program Data for Fiscal Years 2015-2021

This appendix presents the results of our analyses of nominal Department of Defense (DOD) obligations and state expenditures, National Guard Youth Challenge Program (Challenge Program) site graduation rates, the percent of sites that met their graduate goals, and program-wide mean graduation rates at different percentiles of spending.

Total nominal DOD obligations for the Challenge Program grew 36 percent from fiscal year 2015 through fiscal year 2021, from approximately \$135 million to \$183 million (see table 9). Total state expenditures for the Challenge Program grew 36 percent from fiscal year 2015 through fiscal year 2020, from approximately \$55 million to \$75 million, before decreasing 8 percent from fiscal year 2020 to 2021, from approximately \$75 million to \$69 million (see table 10). According to National Guard Bureau (NGB) officials, the decrease in state expenditures in fiscal year 2021 was mostly attributable to temporary site closures or social distancing measures resulting from COVID-19—which affected site capacity—and states’ spending on COVID-19 response activities, which affected their ability to fund their 25 percent cost share or additional state expenditures.

**Table 9: DOD Nominal Obligations for the National Guard Youth Challenge Program by Type, Fiscal Years 2015-2021**

Fiscal year	DOD 75% cost share obligation (millions of dollars)	DOD administrative obligations (millions of dollars) <sup>a</sup>	Total DOD obligations (millions of dollars)
2015	131.15	3.59	134.74
2016	135.41	8.28	143.69
2017	148.38	5.13	153.51
2018	153.95	3.19	157.14
2019	166.87	3.54	170.42
2020	176.09	4.30	180.39
2021	177.35	5.87	183.22
<b>Total</b>	<b>1,089.19</b>	<b>33.92</b>	<b>1,123.11</b>

Source: GAO analysis of Department of Defense (DOD) data. | GAO-24-106172

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**Appendix III: Detailed Financial and Operations  
Program Data for Fiscal Years 2015-2021**

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<sup>a</sup>We prorated administrative obligation amounts to exclude Job Challenge funds using information provided by DOD officials. Appendix I provides a detailed description of our objectives, scope, and methodology.

**Appendix III: Detailed Financial and Operations  
Program Data for Fiscal Years 2015-2021**

**Table 10: State Nominal Expenditures for the National Guard Youth Challenge Program by Type, Fiscal Years 2015-2021**

<b>Fiscal year</b>	<b>State 25% cost share expenditures (millions of dollars)</b>	<b>State expenditures (above 25% cost share) [millions of dollars]</b>	<b>Total state expenditures [millions of dollars]</b>
2015 <sup>a</sup>	41.45	13.30	<b>54.75</b>
2016	45.76	20.74	<b>66.50</b>
2017	48.62	21.95	<b>70.57</b>
2018	51.69	18.24	<b>69.92</b>
2019	53.82	21.59	<b>75.40</b>
2020	54.91	19.72	<b>74.63</b>
2021 <sup>b</sup>	56.57	12.04	<b>68.61</b>
<b>Total</b>	<b>352.81</b>	<b>127.58</b>	<b>480.39</b>

Source: GAO analysis of National Guard and state National Guard data. | GAO-24-106172

Note: Data provided by officials from the Alaska Challenge Program site were of undetermined reliability, but we present the data here because they are the only available data. Appendix I provides a detailed description of our objectives, scope, and methodology.

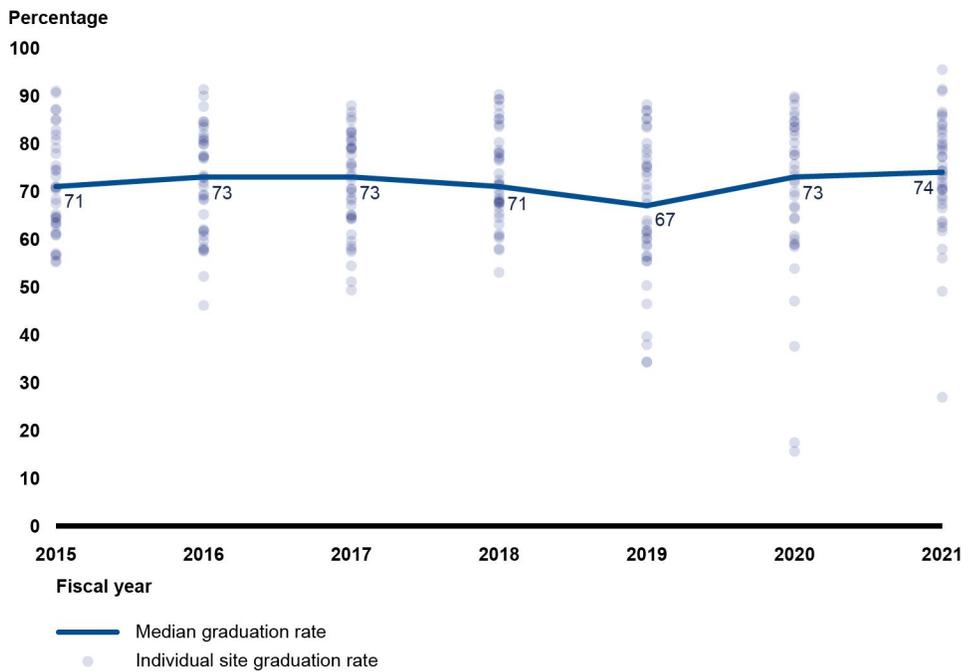
<sup>a</sup>Data from the Alaska Challenge Program site were not available for 2015, and data from the Michigan Challenge Program site were not available for expenditures above 25% cost share for 2015.

<sup>b</sup>State expenditures were preliminary because the cooperative agreements between National Guard and the states were still open at the time of our review.

The program-wide median graduation rate for the Challenge Program ranged between 71 and 74 percent from fiscal year 2015 through fiscal year 2021, except for fiscal year 2019 which had the lowest rate of 67 percent (see figure 5).<sup>1</sup> The graduation rate for individual sites varied between 46 percent and 91 percent for fiscal years that were not affected by COVID-19. According to Office of the Secretary of Defense (OSD) and NGB officials, decreases in enrollees and graduates, which affect graduation rates, were due to the effects of COVID-19, as program sites closed temporarily or implemented social distancing measures that affected site capacity.

<sup>1</sup>Some program site classes affected by COVID-19 were captured in fiscal year 2019 data because classes are associated with the federal fiscal year in which they were funded. For example, one site's classes that were funded by federal fiscal year 2019 dollars ran from July 2019 to December 2019 and from January 2020 to June 2020. See appendix I for our objectives, scope, and methodology.

**Figure 5: National Guard Youth Challenge Program Site Graduation Rates, Fiscal Years 2015-2021**



Source: GAO analysis of National Guard Bureau data. | GAO-24-106172

**Accessible Data for Figure 5: National Guard Youth Challenge Program Site Graduation Rates, Fiscal Years 2015-2021**

Fiscal year	Median graduation rate
2015	71
2016	73
2017	73
2018	71
2019	67
2020	73
2021	74

Source: GAO analysis of National Guard Bureau data. | GAO-24-106172

Notes: GAO analyzed data by the federal fiscal year for which the program site class was funded. Program sites' actual class dates may have occurred outside the federal fiscal year, which runs from October 1 to September 30. As a result, some classes that were affected by COVID-19 are captured in the fiscal year 2019 data. Department of Defense and National Guard Bureau officials stated that calendar year 2020 enrollment and graduation numbers were affected by the COVID-19 pandemic. The number of sites that held classes funded by federal fiscal years 2015-2021 ranged from 36 to 40.

We found that between 35 percent and 39 percent of sites met their graduate goals in fiscal years 2015 through 2018, while between 8 to 23

**Appendix III: Detailed Financial and Operations  
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percent of sites met their graduate goals for years affected by COVID-19 (see table 11). According to OSD and NGB officials, difficulties in meeting site-level graduate goals for years affected by COVID-19 were due to program sites' temporary closures and the implementation of social distancing measures that affected site capacity. OSD and NGB officials also stated that the graduate goals for years affected by COVID-19 were changed through an initial blanket adjustment authorized by NGB, but that this may not be reflected in the data, as states may have reported their approved budget graduate goals, which were not adjusted unless states changed the goal in the budget request.<sup>2</sup>

**Table 11: National Guard Youth Challenge Program Sites Meeting Annual Site-Level Graduation Goals, for Classes Funded by Federal Fiscal Year 2015-2021 Dollars**

Category	2015	2016	2017	2018	2019	2020	2021
Sites meeting annual graduation goals (percent)	39	39	35	36	23	8	13

Source: GAO analysis of Department of Defense, National Guard Bureau, and state data. | GAO-24-106172

Note: GAO analyzed data by the federal fiscal year for which the program site class was funded. Program sites' actual class dates may have occurred outside the federal fiscal year, which runs from October 1 to September 30. As a result, some classes that were affected by COVID-19 are captured in the fiscal year 2019 data. Department of Defense and National Guard Bureau officials stated that calendar year 2020 and 2021 enrollment and graduation numbers were affected by the COVID-19 pandemic.

We also calculated program-wide mean graduation rates at different percentiles of inflation-adjusted DOD obligations and state expenditures to determine the extent to which DOD obligations and state expenditures are associated with graduation rates. Our analysis showed that while results were mixed for DOD obligations, higher levels of state spending were associated with higher program-wide graduation rates (see tables 12–14).

**Table 12: National Guard Youth Challenge Program Mean Graduation Rates at Different Percentiles of Inflation-Adjusted DOD Obligations, Fiscal Years 2015-2021 (Percentiles of DOD 75% cost share obligations)**

Percentile	Amount (dollars)	Mean program-wide graduation rate (percent)
0-9	400,000 – 2,700,000	70
10-24	2,700,000 – 3,100,000	67
25-49	3,100,000 – 3,900,000	68

<sup>2</sup>Officials also noted that the graduate goal was changed in NGB data if states submitted a request for an exception to policy and received NGB approval.

**Appendix III: Detailed Financial and Operations  
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Percentile	Amount (dollars)	Mean program-wide graduation rate (percent)
50-74	3,900,000 – 4,900,000	76
75-89	4,900,000 – 6,200,000	69
90-99	6,200,000 – 8,500,000	77

Source: GAO analysis of Department of Defense (DOD) and National Guard Bureau data. | GAO-24-106172

Notes: DOD obligation values are rounded and expressed in constant fiscal year 2021 dollars. To align DOD obligation, enrollee, and graduate data, GAO analyzed enrollee and graduate data by the federal fiscal year for which the program site class was funded. Program sites' actual class dates may have occurred outside the federal fiscal year, which runs from October 1 to September 30. As a result, some classes that were affected by COVID-19 are captured in the fiscal year 2019 data. Our descriptive analysis does not establish a causal relationship and does not consider other factors that may affect both spending and graduation rates.

**Table 13: National Guard Youth Challenge Program Mean Graduation Rate, at Percentiles of Inflation-Adjusted State Expenditures at the 25 Percent Cost Share, Fiscal Years 2015-2021 (Percentiles of state 25% cost share expenditures)**

Percentile	Amount (dollars)	Mean program-wide graduation rate (percent)
0-9	0 – 800,000	67
10-24	800,000 – 1,000,000	67
25-49	1,000,000 – 1,300,000	69
50-74	1,300,000 – 1,600,000	73
75-89	1,600,000 – 2,000,000	75
90-99	2,000,000 – 3,500,000	72

Source: GAO analysis of Department of Defense and National Guard Bureau, National Guard, and state data. | GAO-24-106172

Notes: State expenditure values are rounded and expressed in constant fiscal year 2021 dollars. To align state expenditure, enrollee, and graduate data, GAO analyzed enrollee and graduate data by the federal fiscal year for which the program site class was funded. Program sites' actual class dates may have occurred outside the federal fiscal year, which runs from October 1 to September 30. As a result, some classes that were affected by COVID-19 are captured in the fiscal year 2019 data. Our descriptive analysis does not establish a causal relationship and does not consider other factors that may affect both spending and graduation rates. Data provided by officials from the Alaska Challenge Program site were of undetermined reliability but we present the data here because they are the only available data. Appendix I provides a detailed description of our objectives, scope, and methodology.

**Table 14: National Guard Youth Challenge Program Mean Graduation Rate at Percentiles of Inflation-Adjusted State Expenditures above 25 Percent Cost Share, Fiscal Years 2015-2021 (Percentiles of state expenditures above 25% cost share )**

Percentile	Amount (dollars)	Mean program-wide graduation rate (percent)
50-74	0 – 500,000	71
75-89	500,000 – 1,500,000	71
90-99	1,500,000 – 5,500,000	79

Source: GAO analysis of Department of Defense and National Guard Bureau, National Guard, and state data. | GAO-24-106172

Notes. State expenditure values are rounded and expressed in constant fiscal year 2021 dollars. Values below the 50th percentile were zero and therefore not included in the table. To align state expenditure, enrollee, and graduate data, GAO analyzed enrollee and graduate data by the federal fiscal year for which the program site class was funded. Program sites' actual class dates may have

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**Appendix III: Detailed Financial and Operations  
Program Data for Fiscal Years 2015-2021**

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occurred outside the federal fiscal year, which runs from October 1 to September 30. As a result, some classes that were affected by COVID-19 are captured in the fiscal year 2019 data. Our descriptive analysis does not establish a causal relationship and does not consider other factors that may affect both spending and graduation rates. Data provided by officials from the Alaska Challenge Program site were of undetermined reliability but we present the data here because they are the only available data. Appendix I provides a detailed description of our objectives, scope, and methodology.

Our descriptive analysis does not establish a causal relationship and does not consider other factors that may affect both spending and graduation rates. Such factors include the size of the site (i.e., number of entrants), type of academic credential awarded, cadets' personal characteristics (such as age and gender), and turnover among cadre, all of which RAND Corporation has identified as factors being associated with graduation rates.<sup>3</sup> Additionally, we analyzed the rates for each spending type and results may be different when comparing equivalent spending types, such as DOD liquidated obligations (i.e., expenditures) and state expenditures.

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<sup>3</sup>RAND Corporation, *National Guard Youth ChalleNGe Program Progress in 2019-2020* (2021); and *National Guard Youth ChalleNGe Program Progress in 2017-2018* (2019).

## Appendix IV: Core Component Activities and Examples

This appendix presents information on how selected National Guard Youth Challenge Program (Challenge Program) sites implement prescribed activities for core program components. As detailed in appendix I, we distributed a questionnaire to a non-generalizable sample of 13 Challenge Program sites. In the questionnaire, which is reproduced in appendix II, we asked sites to list examples of how they implemented prescribed activities for the eight core components: academic excellence, health and hygiene, leadership and followership, life coping skills, job skills, physical fitness, responsible citizenship, and service to community.<sup>1</sup> For each activity, we reviewed questionnaire responses, selected examples that provided a range of activities, and summarized them in the tables below. Tables 15–22 show examples of how surveyed sites implement prescribed activities for each core program component.

**Table 15: Selected Examples of the Academic Excellence Activity Offered by Surveyed National Guard Youth Challenge Program Sites**

Prescribed activity	Summarized selected examples from surveyed sites
Improve academic achievement	Cadets complete placement tests, high school equivalency tests, and college entrance exams throughout the program to measure academic progress. Cadets attend classes with instructors.
Improve academic achievement	Special Needs Instructor provides extra tutoring to improve cadets' academic deficiencies. Cadets pursue high school credentials during the program and can earn a vocational certification.
Improve academic achievement	Staff collect and analyze scores from cadets' core classes to measure their academic improvement.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

<sup>1</sup>Our questionnaire collected information related to this topic for program cohorts between January 2021 and December 2022.

**Appendix IV: Core Component Activities and Examples**

**Table 16: Selected Examples of Health and Hygiene Activities Offered by Surveyed National Guard Youth Challenge Program Sites**

<b>Prescribed activity</b>	<b>Summarized selected examples from surveyed sites</b>
Maintain personal hygiene by employing appropriate methods and practices	Cadets attend a course on personal hygiene. There are routine inspections, which cadets must pass.
Maintain personal hygiene by employing appropriate methods and practices	Cadre monitor the hygiene of the cadets. The medical staff provides hygiene classes.
Recall the adverse effects of the abuse and available treatment resources for alcohol, tobacco, and other drugs	Cadets identify the negative effects of drug and alcohol and learn how to seek assistance if dealing with drug dependency. The medical team provides a 45-minute training to cadets that describes the effects of drug and alcohol use on the body. Cadets take an exam at the end of the class.
Recall healthy sexual practices, human sexuality, family planning, and related responsibilities	Cadets participate in classes through a program partner that promotes positive youth development and awareness of consequences for at-risk behaviors.
Recall healthy sexual practices, human sexuality, family planning, and related responsibilities	A supporting instructor teaches a class on responsible parenthood, which includes providing electronic babies to cadets. The nurse provides a workshop on responsible sexuality and family planning.
Recall the methods and practices used by individuals to prevent the spread of communicable diseases, including Sexually Transmitted Diseases, Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome, and other blood-borne pathogens	The medic teaches cadets about the methods and practices used to prevent the spread of communicable diseases including sexually transmitted diseases.
Recall the methods and practices used by individuals to prevent the spread of communicable diseases, including Sexually Transmitted Diseases, Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome, and other blood-borne pathogens	Cadets attend classes taught by a counselor and a teacher. Guest speakers from the Health Department speak to each platoon separately about the issues.
Recall the importance of nutrition in the daily diet for personal well-being	Cadets are trained by the medical department and work in the dining facility where they learn about portion control and healthy cooking.
Recall the importance of nutrition in the daily diet for personal well-being	Cadets receive instruction through health class and are administered an assessment at the end of the class.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

**Appendix IV: Core Component Activities and Examples**

**Table 17: Selected Examples of Job Skills Activities Offered by Surveyed National Guard Youth Challenge Program Sites**

<b>Prescribed activity</b>	<b>Summarized selected examples from surveyed sites</b>
Complete the Armed Services Vocational Aptitude Battery test and participate in a vocational interpretation	Cadets are given the Armed Services Vocational Aptitude Battery test. <sup>a</sup> Counselors complete a career exploration guide with cadets.
Complete the Armed Services Vocational Aptitude Battery test and participate in a vocational interpretation	A National Guard recruiter interprets the cadets' initial scores. Cadets may sit for a second test if they wish to improve their scores.
Acquire job search skills	Cadets are enrolled in a dual enrollment Career Planning course in partnership with a local community college to address this topic.
Acquire job search skills	Cadets learn about different job search options and attend an Opportunities Fair where they can interact with various employment organizations from the community, turn in a resume, and have a brief interview with a potential employer.
Complete a job application	Cadets take a job skills class, during which they can find and complete job applications to companies.
Complete a job application	The Academic Department teaches cadets how to complete a job application using the National Boys and Girls Club Career Launch curriculum.
Complete a resume	Cadets build their own resume during English classroom instruction.
Complete a resume	Case managers help students use service to community activities to develop a good resume.
Demonstrate an understanding of the importance of a work ethic	Cadets take classes on work ethic, time attendance, and responding to supervision.
Demonstrate an understanding of the importance of a work ethic	The counseling department provides classroom instruction, including training videos of various situations of work ethics in action.
Complete a mock job interview	Cadets participate in video-taped interviews.
Complete a mock job interview	All cadets participate in a mock job interview with various stakeholders.
Explore knowledge and skills required to pursue future educational opportunities, to include educational alternatives, institutions, and financial aid	Cadets participate in classroom instruction, a career fair, and college tours.
Explore knowledge and skills required to pursue future educational opportunities, to include educational alternatives, institutions, and financial aid	Guest speakers provide insight into jobs and careers for students and case managers conduct classes on the education/training required for a chosen career path.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

<sup>a</sup>The Armed Services Vocational Aptitude Battery is a multiple-aptitude battery that measures developed abilities and helps predict future academic and occupational success in the military.

**Appendix IV: Core Component Activities and Examples**

**Table 18: Selected Examples of Leadership and Followership Activities Offered by Surveyed National Guard Youth Challenge Program Sites**

<b>Prescribed activity</b>	<b>Summarized selected examples from surveyed sites</b>
Willingly comply with established rules, regulations, and procedures	Cadets are issued their own handbooks to become familiar with rules, regulations, and procedures.
Willingly comply with established rules, regulations, and procedures	Cadets are randomly asked what the rules and/or procedures are for requesting sick call, procedures for going into the dining facility, standing until told to be seated, etc.
Perform basic military customs and courtesies	Cadets are expected to adhere to all military customs and courtesies during the cycle.
Perform basic military customs and courtesies	Each cadet is tested by the cadre team to perform at least 50 commands in basic military customs and courtesies before acclimation graduation.
Perform basic military facing and marching movements	Students will be supervised by cadre and will be able to perform basic military movements while in a squad, platoon, and company formation.
Perform basic military facing and marching movements	Cadets participate in a drill and ceremony movement for every platoon as well as bimonthly drill and ceremony competitions graded by staff members.
Define and recognize leadership skills, traits, dimensions, and components	Cadets learn and are tested on the Four Factors of Leadership, Principles of Leadership and Leadership Styles.
Define and recognize leadership skills, traits, dimensions, and components	Each cadet is required to hold at least one leadership position during the residential phase.
Employ leadership skills in accordance with Army Field Manual 6-22 while performing in a leadership position	Each cadet must be able to identify and recognize the different styles of leadership through a written exam.
Employ leadership skills in accordance with Army Field Manual 6-22 while performing in a leadership position	Each cadet will serve as a squad leader for a minimum of 1 week during the cycle and are scored based upon their application of the leadership principles described in the cadet handbook.
Maintain personal living area	Cadre conduct daily checks of cadet barracks and personal living areas and document cadet compliance.
Maintain personal living area	Cadets have scheduled time for living area maintenance.
Employ followership skills within a team setting	Cadets are given instruction and monitored for adherence to followership principles.
Employ followership skills within a team setting	Cadets develop team-building and followership skills through leadership reaction course.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

**Appendix IV: Core Component Activities and Examples**

**Table 19: Selected Examples of Life Coping Skills Activities Offered by Surveyed National Guard Youth Challenge Program Sites**

<b>Prescribed activity</b>	<b>Summarized selected examples from surveyed sites</b>
Demonstrate basic banking (savings and checking account management) skills	Cadets meet periodically with a representative from a local credit union to discuss banking and account management.
Demonstrate basic banking (savings and checking account management) skills	An Assistant Budget Officer gives a presentation about how to manage a bank account.
Demonstrate the importance of maintaining and managing a good credit record	Bank partners teach financial literacy classes and open bank accounts for the cadets once they have completed the classes.
Demonstrate the importance of maintaining and managing a good credit record	Counselors teach the importance of maintaining a good credit record and managing good credit. Cadets complete a Financial Literacy Assessment.
Demonstrate how to prepare and manage a personal budget	Cadets complete a lesson from the National Endowment for Financial Education.
Demonstrate how to prepare and manage a personal budget	During math instruction, every cadet must complete modules about how to prepare and manager a personal budget.
Recognize various emotions and stressors, and identify coping strategies	A counseling agency teaches coping strategies. Cadets have individual and group counseling on a weekly basis.
Recognize various emotions and stressors, and identify coping strategies	Cadets receive initial training from the counseling department. Cadets meet with counselors and cadre to evaluate each cadet's ability to use coping strategies during the program.
Recognize conflict-resolution strategies	The counseling department provides a Social Emotional well-being curriculum, which is designed to promote experiential learning and improve self-awareness. In addition, the cadets are provided one-on-one counseling opportunities, visual aids, and activities in the barracks to reinforce learning.
Recognize conflict-resolution strategies	Counselor provides group counseling sessions for cadets on topics of conflict resolution strategies and appropriate relationships.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

**Appendix IV: Core Component Activities and Examples**

**Table 20: Selected Examples of Physical Fitness Activities Offered by Surveyed National Guard Youth Challenge Program Sites**

<b>Prescribed activity</b>	<b>Summarized selected examples from surveyed sites</b>
Demonstrate a general knowledge of physical fitness concepts	Cadet is given a written test on physical fitness. Cadet must demonstrate knowledge of physical fitness concepts.
Demonstrate a general knowledge of physical fitness concepts	Cadets conduct physical fitness twice a day.
Participate in physical fitness training and testing	Cadre lead daily physical fitness training and periodic testing based on the President's Challenge Physical Fitness Test. The top performer is recognized at the end of the cycle.
Participate in physical fitness training and testing	Daily physical fitness training and testing is conducted by team leader. A weight control program is developed to help cadets with obesity.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

**Appendix IV: Core Component Activities and Examples**

**Table 21: Selected Examples of Responsible Citizenship Activities Offered by Surveyed National Guard Youth Challenge Program Sites**

<b>Prescribed activity</b>	<b>Summarized selected examples from surveyed sites</b>
Recall the individual rights, privileges, and obligations of citizenship	Students learn the civic responsibilities of U.S. citizens and demonstrate understanding by completing a 100-question mock citizenship test.
Recall the individual rights, privileges, and obligations of citizenship	Cadets are trained by the Deputy Director and Counseling department about voting rights, the voting process, and student government.
Register for selective service, if eligible	All eligible cadets register for selective service.
Register for selective service, if eligible	Those cadets that qualify for selective service write a paragraph on the subject.
Offer the opportunity to register to vote, if eligible; communicate an understanding of voting and the election process	All qualified cadets are processed through the State Election Commissioner. Election card is issued.
Offer the opportunity to register to vote, if eligible; communicate an understanding of voting and the election process	Academic Department discusses the importance of registering to vote with all 18-year-old cadets, who fill out registration forms online, receive PDF voter registration cards, and vote using absentee ballots obtained from their counties. Additionally, the cadets engage in nomination process for a cadet council election.
Communicate a basic understanding of the U.S. Constitution, government, and citizenship	Cadets participate in an Introduction to Government class. Cadets must pass a written exam.
Communicate a basic understanding of the U.S. Constitution, government, and citizenship	During social studies instruction, cadets learn about the U.S. Constitution, government, and citizenship and are given the Civics and Government Test. Cadets must also pass the 100-question required State Civics Test.
Participate in the democratic process	Cadets write a letter to a politician, listen to civil servant guest speaker, and participate in field trips that focus on reinforcing democratic values.
Participate in the democratic process	Cadets work in groups to develop their own cities, hire their speaker/mayor who will campaign for staff and fellow cadets to vote to live in their city, and conduct a vote for winning city.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

**Appendix IV: Core Component Activities and Examples**

**Table 22: Selected Examples of Service to Community Activities Offered by Surveyed National Guard Youth Challenge Program Sites**

<b>Prescribed activity</b>	<b>Summarized selected examples from surveyed sites</b>
Describe the importance and value of a service to the community and/or conservation project	Cadets must go through a service to community orientation and safety class before they are eligible to participate in any projects. After the project, cadets reflect on the experience to demonstrate their understanding of the value of service to community.
Describe the importance and value of a service to the community and/or conservation project	After each community service project, each cadet writes a reflection sheet on the service project.
Complete a minimum of 40 hours of service to the community/ conservation projects	Commandant/cadre plan and implement community service projects, team leaders brief the cadets prior to the event and cadets complete an After-Action Review after the event.
Complete a minimum of 40 hours of service to the community/ conservation projects	All cadets complete a minimum of 40 hours of service to community, with options to do extra hours.

Source: GAO analysis of questionnaire responses from a non-generalizable sample of 13 National Guard Youth Challenge Program sites. | GAO-24-106172

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# Appendix V: Comments from the Department of Defense

Appendix V: Comments from the Department  
of Defense



MANPOWER AND  
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
1500 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-1500

NOV 01 2023

Ms. Brenda S. Farrell  
Director, Defense Capabilities and Management  
U.S. Government Accountability Office  
441 G Street, NW  
Washington DC 20548

Dear Ms. Farrell:

This provides the Department of Defense (DoD) response to the Government Accountability Office Draft Report GAO-24-106172, "NATIONAL GUARD YOUTH CHALLENGE PROGRAM: Actions Needed to Enhance Oversight and Assess Performance," dated September 29, 2023 (GAO Code 106172).

My point of contact is Mr. Michael J. O'Toole who may be reached by email at michael.j.otoole.civ@mail.mil or by phone at (703) 693-7493.

Sincerely,

A handwritten signature in black ink that reads "Grier Martin".

Grier Martin  
Performing the Duties of the Assistant  
Secretary of Defense for Manpower and  
Reserve Affairs

Enclosure:  
As stated

**GAO DRAFT REPORT DATED SEPTEMBER 29, 2023  
GAO-24-106172 (GAO CODE 106172)**

**“NATIONAL GUARD YOUTH CHALLENGE PROGRAM: ACTION NEEDED TO  
ENHANCE OVERSIGHT AND ASSESS PERFORMANCE”**

**DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATION**

**RECOMMENDATION 1:** The Secretary of Defense should ensure the Assistant Secretary of Defense for Manpower and Reserve Affairs, in consultation with the Chief of National Guard Bureau (NGB), revises the NGB Office of Youth Programs triennial inspections checklists to include an item related to camera surveillance.

**DoD RESPONSE:** The Department of Defense concurs and requests this recommendation be considered completed. The new National Guard Youth Challenge Program (NGYCP) Inspection Checklist, released in August 2023 and implemented on October 1, 2023, includes a checklist question related to the parameters of required camera surveillance. The Department will ensure a copy of this updated inspection checklist is provided to Government Accountability Office (GAO). The NGYCP remains committed to the safety and welfare of program participants and staff and will continue to take steps to ensure our partner states have the resources they need.

**RECOMMENDATION 2:** The Secretary of Defense should ensure the Assistant Secretary of Defense for Manpower and Reserve Affairs, in consultation with the Chief of NGB and the Chief NGB Office of Youth Programs, assess the root causes of all triennial inspections systemic findings and establish a plan to address them, such as by issuing guidance of developing remedial strategies.

**DoD RESPONSE:** The Department of Defense partially concurs with the GAO recommendation to assess the root causes of all triennial inspections systemic findings and establish a plan to address them, such as by issuing guidance of developing remedial strategies. The Department believes that findings are sufficiently addressed, and corrective action plans are created by the state programs which are reviewed and approved by the NGB. The Department looks for trends in inspection concerns, performs assistance visits to explore not only the root causes of areas of concern but also trends across programs. In addition to the NGB’s annual inspection program requirements, the Department’s approach also includes leveraging its partnerships with RAND and The Spectrum Group (TSG). For example, the Department has directed the RAND team to examine staffing issues at the sites and has directed TSG, in partnership with the NGB’s inspection and training teams, to work with individual sites on developing specific solutions for staffing-related issues. RAND’s analyses indicate that hiring is more difficult, and staff turnover rates are higher at sites with lower starting salaries and at those with higher wages in the local labor market. The Department has directed the RAND team to continue tracking and reporting on these trends. The Department has also leveraged the expertise available within TSG by sending TSG teams, in partnership with NGB subject matter experts, to work with individual sites to come up with specific solutions to staffing-related root

issues. Policy recommendations are assessed from field visit reports, and the associated issues and their corrective solutions become factors in determining the development of additional staff training curriculum. The Department will continue to review for process improvements.

**RECOMMENDATION 3:** The Secretary of Defense should ensure the Chief of NGB, in consultation with the Vice Chief of NGB and the NGB Comptroller, establishes a process, such as in planned guidance, to ensure that United States Property and Fiscal Officers (USPFOs) conduct required audits of programs in accordance with policy.

**DoD RESPONSE:** The Department of Defense concurs with the GAO recommendation to ensure that USPFOs conduct required audits of programs in accordance with policy. NGB has already modified the inspection process to separate (highlight) financial reviews in the NGB inspection process, so that financial audit deficiency issues are directed to the chain of command for the USPFOs in NGB, rather than the chain of command for Challenge.

**RECOMMENDATION 4:** The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs and Chief of NGB, establishes strategic goals for the Challenge Program.

**DoD RESPONSE:** The Department of Defense partially concurs with the GAO recommendation to establish strategic goals for the Challenge Program. The Department supports the general principle of having a series of aligned goals. The Challenge Program already follows many of the key practices presented in GAO-23-105460 as referenced in the Statement of Facts, including using logic models as a tool; defining goals, long-term outcomes, and near-term results; identifying and mitigating factors that may prevent success; identifying relevant sources of information; identifying needs for additional evidence; using evidence to inform decisions; communicating relevant information (in a tailored manner) to stakeholders; and involving stakeholders.

One goal of the Department's investment in Research and Studies through its partnership with RAND has been to achieve clear recommendations for how sites can measure their progress at meeting their overall mission "*to intervene in and reclaim the lives of 15 ½ - to 18-year old dropouts, producing program graduates with the values, life skills, education, and self-discipline necessary to succeed as productive citizens.*" In partnership with participating states, these goals are evaluated by intensive review of graduation rates, post-residential placements, and academic credential earning.

The Challenge experience is greater than just the graduation rate or the rate of academic progress. The NGB has established NGYCP mission and vision statements supported by specific cadet graduation standards for each of the eight core components. The seven other core components beyond academics address other key elements in becoming a successful and well-adjusted adult. The Department conducts bi-annual engagements with program directors; these engagements provide an opportunity to share information and to ensure that program directors understand and continue to focus on the larger strategic goals of the program. The NGB has an

established National Training Committee to assist programs and a repository of best practices to which all Challenge Programs have access.

The Department's position is that additional strategic goals could be helpful to the program, but any additions must be an enhancement, serving to strengthen the program. The Department is working with 30 different state partners with their respective state boards of educations and hundreds of school districts with thousands of participants with individual learning objectives. Implementation/execution of strategic goals will vary by location, but the fundamental strategic goal of intervening in the lives of adolescents who are struggling to be successful in their current situation remains universal.

**RECOMMENDATION 5:** The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs and Chief of NGB, establishes performance goals that align with strategic goals and include quantitative targets and timeframes against which performance can be measured.

**DoD RESPONSE:** The Department of Defense partially concurs with the GAO recommendation to establish performance goals that align with strategic goals and include quantitative targets and timeframes against which performance can be measured.

The Department's ongoing effort with RAND's work indicates that the sites lack the capacity to collect/analyze long-term data. The Department has asked RAND to experiment with a variety of other approaches to collect this information, but the Department recognizes that this lack of capacity is a barrier to evidence-based decision making.

Short-term performance goals and measures already exist and are quantified in the NGB's regulations. These include graduation rates, academic achievement in terms of credentials conferred (e.g., general education diplomas, high school credits, high school diplomas) and changes in standardized test scores, physical fitness improvements, citizenship indicators such as registering to vote and signing up for Selective Service, and participation in service to community events. Quantitative measures can always be enhanced, but this GAO assessment fails to address the significant value of *qualitative* measures when dealing with minors and young adults.

Furthermore, RAND's 2022 report ("Developing Outcome Measures for the National Guard Youth ChalleNGe Program") lays out a series of outcome measures and makes several relevant recommendations: each site should select an appropriate data collection strategy; sites should socialize data collection with cadets and families; sites should collect (at a minimum) data on graduates' educational attainment, labor force experience, and progress on other core components for a minimum of three years; and the program should invest in a single, consistent administrative database. The Department concurred with those recommendations and has implemented/is implementing.

If GAO is recommending a focus on inputs, outputs, or outcomes, it is important to note that each Challenge site begins with new participants twice a year and participants' baseline

preparation varies across sites as well as over time. This suggests that any goals focused on outcomes likely should be designed to examine gains rather than to meet a set standard or benchmark. Designing appropriate goals, that do not create unintended and negative consequences for cadets and programs, in this scenario is especially complex and resource intensive.

**RECOMMENDATION 6:** The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs and Chief of NGB, establishes program-wide performance measures that align with the eight core components for the Challenge Program and established performance goals. At a minimum, the measures should be clear, quantifiable, objective, and provide for the baseline measurement of current performance.

**DoD RESPONSE:** The Department of Defense partially concurs with the GAO recommendation to establish program-wide performance measures that align with the eight core components for the Challenge Program and established performance goals. At a minimum, the measures should be clear, quantifiable, objective, and provide for the baseline measurement of current performance.

The Department has a core component measurement guide that establishes specific tasks to determine whether each core component has been achieved. All tasks must be completed by each cadet to be eligible to graduate. These are tracked in local program data bases, continually assessed, and meeting the established standards for each core component is a necessary requirement for graduation.

The Department does not believe that this GAO analysis fully accounts for participants that enter the program at various academic points thus makes establishing program-wide performance measures difficult. Additionally, it is difficult measuring aspects for the program for certain components. Leadership/followership is one example of a difficult to measure component. For component performance measurements we work hard to minimize unintended negative consequences. For example, the program doesn't want to create incentives for sites to produce artificially low baseline measures nor do we want to push measurements that do not align in some way with the 30 disparate educational requirements of our participant states.

It is important to note that, on October 4, 2023, in accordance with the Privacy Act of 1974, the Department issued a new system of records titled, "National Guard Youth Challenge Program (NGYCP) Records," DPR 32. This system of records is being established by the Office of the Under Secretary of Defense for Personnel and Readiness to collect and maintain records on youth ages 15 ½ to 18 who utilize services provided by the National Guard Youth Challenge Academies in their respective states. The data will also be used for longitudinal tracking for higher learning placement, employment placement, justice recidivism, and analysis of program effectiveness.

# Accessible Text for Appendix V: Comments from the Department of Defense

NOV 01 2023

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As stated

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measures can always be enhanced, but this GAO assessment fails to address the significant value of qualitative measures when dealing with minors and young adults.

Furthermore, RAND's 2022 report ("Developing Outcome Measures for the National Guard Youth Challenge Program") lays out a series of outcome measures and makes several relevant recommendations: each site should select an appropriate data collection strategy; sites should socialize data collection with cadets and families; sites should collect (at a minimum) data on graduates' educational attainment, labor force experience, and progress on other core components for a minimum of three years; and the program should invest in a single, consistent administrative database. The Department concurred with those recommendations and has implemented/is implementing.

If GAO is recommending a focus on inputs, outputs, or outcomes, it is important to note that each Challenge site begins with new participants twice a year and participants' baseline preparation varies across sites as well as over time. This suggests that any goals focused on outcomes likely should be designed to examine gains rather than to meet a set standard or benchmark. Designing appropriate goals, that do not create unintended and negative consequences for cadets and programs, in this scenario is especially complex and resource intensive.

**RECOMMENDATION 6:** The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs and Chief of NGB, establishes program-wide performance measures that align with the eight core components for the Challenge Program and established performance goals. At a minimum, the measures should be clear, quantifiable, objective, and provide for the baseline measurement of current performance.

**DoD RESPONSE:** The Department of Defense partially concurs with the GAO recommendation to establish program-wide performance measures that align with the eight core components for the Challenge Program and established performance goals. At a minimum, the measures should be clear, quantifiable, objective, and provide for the baseline measurement of current performance.

The Department has a core component measurement guide that establishes specific tasks to determine whether each core component has been achieved. All tasks must be completed by each cadet to be eligible to graduate. These are tracked in local program data bases, continually assessed, and meeting the established standards for each core component is a necessary requirement for graduation.

The Department does not believe that this GAO analysis fully accounts for participants that enter the program at various academic points thus makes

establishing program-wide performance measures difficult. Additionally, it is difficult measuring aspects for the program for certain components. Leadership/followership is one example of a difficult to measure component. For component performance measurements we work hard to minimize unintended negative consequences. For example, the program doesn't want to create incentives for sites to produce artificially low baseline measures nor do we want to push measurements that do not align in some way with the 30 disparate educational requirements of our participant states.

It is important to note that, on October 4, 2023, in accordance with the Privacy Act of 1974, the Department issued a new system of records titled, "National Guard Youth Challenge Program (NGYCP) Records," DPR 32. This system of records is being established by the Office of the Under Secretary of Defense for Personnel and Readiness to collect and maintain records on youth ages 15 ½ to 18 who utilize services provided by the National Guard Youth Challenge Academies in their respective states. The data will also be used for longitudinal tracking for higher learning placement, employment placement, justice recidivism, and analysis of program effectiveness.

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## Appendix VI: GAO Contact and Staff Acknowledgments

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### GAO Contact

Brenda S. Farrell, (202) 512-3604 or [farrellb@gao.gov](mailto:farrellb@gao.gov)

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### Staff Acknowledgments

In addition to the contact named above, Ryan D'Amore (Assistant Director), Kirsten Briggs (Analyst in Charge), Damian Chavez, Christopher Gezon, Lydie Loth, Lillian Ofili, Erin Pineda, Deandrea Porch, Sean Sannwaldt, Michael Silver, and Lillian Moyano Yob made key contributions to this report. Other staff who made contributions to this report include Jennifer Gregory, Scott Hiromoto, Gina Hoover, Jill Lacey, Benjamin Licht, Terell Lasane, Steven Putansu, and Jeff Tessin.

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