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COMPTROLLER GENERAL OF THE UNITED STATES



WASHINGTON, D.C. 20548

B-172707

RELEASED

74-0324

JUN 20 1974

2 Addressees

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The Honorable Harrison A. Williams, Jr.  
United States Senate

Dear Senator Williams:

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Enclosed is our report that you requested on June 13, 1973, on the relocation of U. S. Army signal activities from Fort Monmouth, New Jersey, to Fort Gordon, Georgia. As agreed with your office on June 21, 1973, this is a copy of the report that we are sending to Congressman James J. Howard.

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The report presents information that was available while our work was in progress. The Army is revising and updating its data on the relocation of Fort Monmouth activities. As your office instructed, we have not held our report for the Army's revisions and we have not requested agency comments.

Sincerely yours,

Acting Comptroller General  
of the United States

Enclosure

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RESTRICTED — Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Congressional Relations,



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-172707

JUN 25 1974

The Honorable James J. Howard  
House of Representatives

Dear Mr. Howard:

Enclosed is our report that you requested on May 24, 1973, on the relocation of U. S. Army signal activities from Fort Monmouth, New Jersey, to Fort Gordon, Georgia. As agreed with your office on June 21, 1973, we are sending a copy of this report to Senator Harrison A. Williams, Jr., in response to his request for similar information.

The report presents information that was available while our work was in progress. The Army is revising and updating its data on the relocation of Fort Monmouth activities. As your office instructed, we have not held our report for the Army's revisions and we have not requested agency comments.

Sincerely yours,

  
Acting Comptroller General  
of the United States

Enclosure

ENCLOSURE

INQUIRY INTO THE PROPOSED RELOCATION OF  
ARMY SIGNAL ACTIVITIES FROM  
FORT MONMOUTH, NEW JERSEY, TO  
FORT GORDON, GEORGIA

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INQUIRY INTO PROPOSED RELOCATION OF  
ARMY SIGNAL ACTIVITIES FROM  
FORT MONMOUTH, NEW JERSEY, TO  
FORT GORDON, GEORGIA

In response to congressional requests, we inquired into the proposed relocation of the U. S. Army Signal Center and School and Combat Developments Signal Agency from Fort Monmouth to Fort Gordon for consolidation with the U. S. Army Southeastern Signal School. We made our inquiry at Headquarters, Department of the Army. We considered the one-time costs and annual savings resulting from the move and the impact of the move on personnel. We also considered the impact of moving certain other Army activities to Fort Monmouth, which also was part of the plan. We did not obtain the Army's formal comments.

This report is based on (1) the Army's Case Study and Justification Folder Primary Plan (phases 1 and 2) of November 1972, which estimated the costs of transferring the signal activities to Fort Gordon, and (2) supplementary data acquired through our review. The Army has told us that it is revising its plan.

The Army estimated that a one-time cost of about \$11 million and a recurring annual savings of about \$17.6 million would result from the planned transfer to Fort Gordon.

The transfer from Fort Monmouth would ~~reduce the military and civilian personnel~~ at Fort Monmouth, but the Army, in accordance with the continental U. S. Army reorganization of 1973, will transfer other activities to Fort Monmouth. These actions would partially offset these reductions. The estimated net result of the transfers at Fort Monmouth would be to reduce military personnel from 3,014 to 1,356 and increase civilian personnel from 7,938 to 9,353. 1/

BACKGROUND

Between March 1967 and September 1970, the Army made a series of studies which indicated the feasibility and economic advantages of

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1/ These figures have changed as of February 8, 1974. The Army now reports a decrease of 1,528 military personnel and an increase of 369 civilian personnel. (See pp. 4 and 6.)

transferring certain communications-electronic courses from Fort Monmouth to Fort Gordon. The transfer began in July 1972. The transfer and subsequent consolidation are expected to be completed by June 1975. Army officials believe that consolidating courses and other signal activities at Fort Gordon will save manpower and operational costs for communications-electronics training, provide greater efficiency in the administration and support of academic programs, provide access to adequate field-training sites, and provide a year-round climate conducive to conducting field-training exercises.

Constituent correspondence forwarded with the congressional requests for a GAO review expressed concern about the loss of jobs in the Fort Monmouth area and asserted that the consolidation costs may have been understated because the Army had not considered human resources losses in its cost estimates.

ONE-TIME COSTS

The Army estimated that the one-time costs of the consolidation would amount to \$11 million, as follows:

	<u>Amount</u>
	(millions)
Personnel costs (severance pay, transportation, etc.)	\$ 5.4
Facilities	3.3
Transporting supplies and equipment	.5
Other costs	<u>1.8</u>
Total	<u>\$11.0.</u>

The estimates appear to be reasonable. However, the facilities estimate covers only short-term, immediate construction requirements. Additional construction may be required over the long term. Further, the Army prepared the estimates as of November 1972 and they do not reflect subsequent changes.

The Army has not estimated the human resources costs from losing trained, separated civilians and training their replacements. The table on page 4 shows that the Army will have to recruit about 1,548 civilians at Fort Monmouth. About 170 civilians will be recruited at Fort Gordon. Since these costs are, to some extent, intangible, we cannot estimate the additional cost involved.

Further details of the Army's estimate of one-time costs and its assumptions in estimating the long-term savings and one-time costs are given in the appendix.

SAVINGS IN ESTIMATED ANNUAL OPERATING COSTS

In November 1972 the Army estimated that it would save about \$17.6 million annually through the consolidation. 1/

	<u>Amount</u>	
	(millions)	
Fort Monmouth estimated reduction in annual costs of the moving activities:		
Signal activities current annual costs		\$32.2
Base operation and Electronics Command		(a) <u>10.7</u>
Total current installation costs		42.9
Total cost after realignment		<u>-</u>
Total reduction		42.9
Fort Gordon estimated increase in annual cost of consolidated activities:		
Annual operation costs after realignment:		
U. S. Army Southeastern Signal School	\$ 53.0	
Base operations and other		<u>71.8</u>
Total		124.8
Less current annual operating costs:		
U. S. Army Southeastern Signal School	\$35.7	
Base operations and other (excluding Military Police School)	<u>53.7</u>	<u>89.4</u>
Total increase		35.4
Less normal increases not related to realignment		<u>10.1</u> <u>25.3</u>
Net savings		<u><u>\$17.6</u></u>

a

These costs represent the part chargeable to the U. S. Army Signal Center and School by Fort Monmouth, including training aids. This reduction will be offset by the movement of Electronics Command contingents from Philadelphia to Fort Monmouth.

1

These are based on 1972 personnel figures which were later revised in 1973 and 1974. See pages 4 and 6.

The estimate considers only signal school mission costs and those base operations costs allocated to the school by the Electronics Command and 1st Army Training Aids, Fort Monmouth.

PLANNED TRANSFERS OF OTHER ORGANIZATIONS  
TO FORT MONMOUTH

The continental U. S. Army reorganization of 1973 and the realignment of schools provided for transferring two other units to Fort Monmouth. These units are elements of the Defense Language Institute and the Army Electronics Command.

Currently, the institute's activities are at Washington, D. C. (Anacostia); Lackland Air Force Base, Texas; Fort Bliss, Texas; and the Presidio of Monterey, California. As originally planned as a result of this realignment, all institute activities--except the west coast branch which would remain at Monterey and the Fort Bliss group which would be phased out--would have been located in permanent facilities at Fort Monmouth. The Army subsequently decided not to move any institute activities to Fort Monmouth. (See p. 5.)

Elements of the Electronics Command are currently at both Fort Monmouth and Philadelphia. The Philadelphia elements will be relocated to Fort Monmouth. As a result of these further consolidations, Fort Monmouth will receive additional personnel who will partially offset those lost in the transfer to Fort Gordon.

Personnel impact

Early in 1973 the Army estimated that Fort Monmouth would experience a net decrease of 1,658 military personnel and a net increase of 1,415 civilian personnel as the following table shows.

	<u>Personnel</u>	
	<u>Military</u>	<u>Civilian</u>
Personnel strength before consolidation	<u>3,014</u>	<u>7,938</u>
Personnel action (note a):		
Decreases:		
Separations:		
Attrition	-	100
Retirement	-	78
Reduction in force	-	508
Declination of transfer	-	132
Transfer with function	882	213
Available for reassignment	<u>918</u>	-
Total decrease	<u>1,800</u>	<u>1,028</u>
Increases:		
Transfer with function	-	893
Recruitment resulting from consolidation	-	1,548
Military increases	<u>142</u>	-
Total increases	<u>142</u>	<u>2,441</u>
Personnel strength after consolidation	<u>1,356</u>	<u>9,358</u>
Net personnel increase or decrease (-)	<u>-1,658</u>	<u>1,415</u>

<sup>a</sup> These personnel estimates may vary slightly from position or job estimates due to overstaffing or understaffing.

**BEST DOCUMENT AVAILABLE**



As a result of the consolidations, about 2,821 civilians will be separated by attrition, retirement, or reduction in force or will decline transfer, including about 813 at Fort Monmouth.

The Army estimated that the change in Fort Gordon's population would be a net increase of 294 civilian personnel and a net decrease of 60 military personnel. This is due to the movement of 942 military and 89 civilian personnel of the Military Police School from Fort Gordon to Fort McClellan, Alabama, which will partially offset the estimated 882 military and 213 civilian personnel to move to Fort Gordon as a result of the signal activities consolidation. The Army estimated that 170 civilians would be recruited.

Information about the impact of command and institute consolidations on the Fort Monmouth area and the rationale behind the Army's reorganization was included in our report entitled "The Army Reorganization for the 1970s: An Assessment of the Planning" (B-172707, Aug. 13, 1973).

On February 8, 1974, the Secretary of the Army reconfirmed certain realignment actions and told the Congress of modifications to these actions. The Secretary confirmed:

"The consolidation of signal training at Fort Gordon, Georgia. The remaining elements of the Signal School at Fort Monmouth, New Jersey, will continue their movement to Fort Gordon.

"The Military Police School will move from Fort Gordon to Fort McClellan, Alabama, which is also the home of the WAC Center and School.

"The movement of the Defense Language Institute announced in April 1973, will be modified somewhat. Headquarters and the East Coast Branch now located in the Anacostia Annex, Washington Navy Yard, in the District of Columbia, will move to the Presidio of Monterey, California, and be consolidated with other Defense Language Institute elements there. The English Language Training Branch, originally scheduled to relocate to Fort Monmouth, will remain at Lackland Air Force Base, Texas. Cancellation of this move will result in 31 fewer military and 207 fewer civilian jobs being dislocated."

The following table shows the result of these modifications on Fort Monmouth.

ENCLOSURE

	<u>Population change</u>	
	<u>Military</u>	<u>Civilian</u>
Installation population as of December 31, 1973	<u>2,929</u>	<u>8,821</u>
Personnel action:		
Decrease:		
Reassignments by June 30, 1975	1,548	-
Transfers to jobs with the Army or other Federal agencies in the same commuting area	-	486
Separated:		
Retirement	-	133
Declination of transfer	-	37
Transfer out with function	-	<u>137</u>
Total decrease	<u>1,548</u>	<u>793</u>
Increase:		
Transfer in with Electronics Command Headquarters from Philadelphia by June 1974	<u>20</u>	<u>1,162</u>
Total increase	<u>20</u>	<u>1,162</u>
Installation population after consolidation	<u>1,401</u>	<u>9,190</u>
Net installation population increase or decrease(-)	a <u>-1,528</u>	a <u>369</u>

a

The Army is studying the cost impact of these changes. (See appendix.)

## CALCULATION OF ONE-TIME COSTS

NOVEMBER 1972

ONE-TIME COSTS

The Army's Case Study and Justification Folder Primary Plan of November 1972 showed that the Army based its estimate of one-time costs on allowances and actual experience and took into account per diem and mileage rates. The following schedule summarizes these costs.

Military personnel:			
Movement of personnel	\$ 209,500		
Movement of household goods	590,000		
Dislocation allowances	<u>134,700</u>		\$ 934,200
Civilian personnel:			
Terminal-leave payments	867,500		
Severance pay	2,584,000		
Relocation costs	<u>1,033,200</u>		4,484,700
Transportation of supplies and equipment			514,000
New facilities or modification of facilities at Fort Gordon, net of planned construction and modification not needed at Fort Monmouth			3,343,600
Other			<u>1,745,000</u>
Total cost of closure or reduction			<u>\$11,021,500</u>

EXPLANATION OF COSTS

Although the Army's estimates generally appeared to be reasonable, the \$3.3 million estimated short-range cost for constructing new facilities or modifying existing facilities at Fort Gordon apparently considered only immediate construction requirements, even though the Army planned intermediate and long-range construction. The Army estimated that about \$46.5 million in short, intermediate, and long-range new construction would be required at Fort Gordon. This amount would be offset by about \$30.9 million in planned intermediate and long-range construction at Fort Monmouth, which would not be required.

The remaining \$15.6 comprises \$3.3 million for short-range construction, shown in the table above, and \$12.3 million for planned intermediate and long-range construction which, we believe, the Army should have included. Thus the total cost of closure or reduction would be \$23.3 million and not \$11 million as shown. We were told, however, these

items would be included in a later revision of the 5-year construction program at Fort Gordon, should the consolidation take place as planned.

This data is based on computations made as of November 1972. In 1973 and 1974 the Army changed its estimate of personnel transfers, which changes are not reflected in the computations. We don't know the cost impact of these changes at this time, but we expect the Army to consider them in its 1974 revised case study and justification folder for the consolidation.

#### COST-ESTIMATE ASSUMPTIONS

The Army based its 1972 estimates of the one-time consolidation costs and long-term savings on assumptions that were based on actual Army experience data, allowances, and limited experience gained by consolidating the 4th and 5th Armies. The assumptions, which appear to be reasonable, were that:

- One-third of the military personnel who would be subject to permanent changes of station as a result of the consolidation would have moved in the normal reassignment process; therefore only two-thirds of the military personnel moves should be charged to the consolidations.
- 10 percent of the civilian personnel whose jobs were eliminated would accept early retirement in lieu of terminal leave and severance pay.
- 10 percent of the civilian personnel in grades GS-7 and below whose jobs are affected by the realignment would find employment with other Government agencies and therefore would not be entitled to terminal leave and severance pay.
- 85 percent of the officer and warrant officer personnel who would move as a result of the realignment were married.
- 75 percent of the enlisted personnel who would be required to move as a result of the realignment were married.
- Military personnel declared excess as a result of the realignment action were assumed to move an average 796 miles on permanent change of station.
- The Military Police School had already moved from Fort Gordon to Fort McClellan.