

H.R. 4435—FY15 NATIONAL DEFENSE AUTHORIZATION BILL

CHAIRMAN'S MARK

Comptroller General Review of Department of Defense Headquarters Reductions

The committee is aware that in July 2013, the Secretary of Defense directed a 20 percent reduction in the major headquarters budgets of the Department of Defense, and announced plans to implement a series of management efficiencies and overhead reductions within the Department. In December 2013, the Secretary then announced several organizational changes and personnel reductions within the Office of the Secretary of Defense (OSD), and stated that, "every dollar that we save by reducing the size of our headquarters and back-office operations is a dollar that can be invested in warfighting capabilities and readiness." However, the committee notes that announcements on organizational changes and personnel reductions across the Department's other major headquarters organizations have not yet been made.

The committee has observed extensive growth in the Department's major headquarters over the past decade. In a 2013 review, the Comptroller General of the United States reported that the size of the headquarters staff of the geographic combatant commands, excluding U.S. Central Command (CENTCOM), had grown by 50 percent over the past decade. In an ongoing review for the committee, the Comptroller General has found even larger growth at CENTCOM, noting its support to military operations in the Republic of Iraq and the Islamic Republic of Afghanistan over the past decade, as well as the functional combatant commands, the service secretariats and service staffs, the Joint Staff, and the Office of the Secretary of Defense. The Comptroller General further observed a lack of discipline in setting and validating requirements for individual headquarters, and a lack of visibility into the total resources allocated across organizations for similar functions and missions. The growth in bureaucracy at the Department is also being examined by the Defense Business Board in the context of its review of best business practices in human capital management.

While the committee welcomes the Department's efforts to implement management efficiencies and overhead reductions, it is concerned that the Department may seek to implement such changes and across-the-board personnel reductions without the benefit of a comprehensive assessment of mission and functional requirements, critical capability and skillset requirements, and cost drivers. Elsewhere in this Act, the committee includes a provision that would direct the Secretary of Defense to develop a plan to combine combatant command back-office functions in order to achieve greater efficiencies.

The committee appreciates the Comptroller General's reviews and believes that further assessment of the data collected by the Comptroller General may better inform the Department, as it continues efforts to generate cost savings through organizational changes and personnel reductions, and the committee as it continues to oversee such efforts. Therefore, the committee directs the Comptroller General to perform an in-depth review in order to identify:

- (1) Any trends in personnel and other resources being devoted to selected functional areas within and across related organizations;
- (2) To what extent the Department of Defense and the military services have taken steps to eliminate or consolidate overlapping, fragmented, or duplicative functions;
- (3) Whether efforts to date constitute a systematic and comprehensive approach; and
- (4) Any additional steps the Department could take to realize additional savings.

The organizations that should be considered in this cross-cutting review should include, but not be limited to, the Office of the Secretary of Defense, the Joint Chiefs of Staff, the service secretariats and staff, the geographic and functional combatant commands and their service component commands, and the defense agencies and field activities. The committee directs the Comptroller General to submit one or

more reports, as deemed appropriate by the Comptroller General and agreed to with the committee, by April 30, 2015, to the Committee on Armed Services of the House of Representatives.