Audit Report

UNACCOMPANIED ENLISTED PERSONNEL
HOUSING REQUIREMENTS FOR NAVAL AIR STATION
NORTH ISLAND, CALIFORNIA

Report No. 99-018 October 21, 1998

Office of the Inspector General
Department of Defense

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Acronyms

NAVFAC	Naval Facilities Engineering Command
NAS	Naval Air Station

INSPECTOR GENERAL
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October 21, 1998

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on Unaccompanied Enlisted Personnel Housing Requirements for Naval Air Station North Island, California (Report No. 99-018)

We are providing this audit report for information and use. This report is one in a series about DoD unaccompanied enlisted personnel housing requirements.

Management comments on a draft of this report conformed to the requirements of DoD Directive 7650.3; therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Wayne K. Million, at (703) 604-9312 (DSN 664-9312) or Mr. Gary R. Padgett, at (703) 604-9243 (DSN 664-9243). See Appendix F for the report distribution. The audit team members are listed inside the back cover.

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Office of the Inspector General, DoD

Report No. 99-018 **October 21, 1998**
Project No. 6CG-0072.08

Unaccompanied Enlisted Personnel Housing Requirements For Naval Air Station North Island, California

Executive Summary

Introduction. This report is one in a series that discusses the process used to determine requirements to support the construction of new unaccompanied enlisted personnel housing (barracks). The Secretary of Defense has established a new standard design criterion for future barracks construction. The Military Departments have estimated a cost of $15.4 billion to replace existing barracks over a 30-year period to meet new standards. In FY 1997, the Naval Air Station North Island, California, reported a total requirement of 4,140 barracks spaces, including 1,299 barracks spaces under military control, 752 private housing assets, and a deficit of 2,089 barracks spaces.

Audit Objectives. The overall audit objective was to determine the validity of requirement estimates for DoD unaccompanied personnel housing. This report provides the results of the audit of unaccompanied enlisted personnel housing requirements for Naval Air Station North Island, California. Audit objectives announced, but not included in this report, will be addressed in a future summary report.

Audit Results. Naval Facilities Engineering Command overestimated the Naval Air Station North Island requirement for permanent party enlisted barracks by 943 barracks spaces. As a result, future construction costs for Naval Air Station North Island have been overstated by $34.8 million for their barracks replacement program. For details of the audit results, see Part I.

Summary of Recommendations. We recommend that the Commander, Naval Facilities Engineering Command recompute barracks requirements for unaccompanied permanent party enlisted personnel reported for Naval Air Station North Island. Also, recompute the inventory of adequate bachelor housing assets that is used to satisfy unaccompanied permanent party enlisted barracks requirements.

Management Comments. The Assistant Secretary of the Navy (Installations and Environment) concurred with the recommendation to recompute both the barracks requirements for permanent party personnel and the inventory of adequate bachelor housing assets that is used to satisfy unaccompanied permanent party enlisted barracks requirements. However, the Assistant Secretary of the Navy nonconcurred with including private sector housing occupied by E-1 to E-4 personnel in the inventory of private housing assets.

Audit Response. The Assistant Secretary of the Navy (Installations and Environment) comments are responsive to the recommendations. DoD Manual 4165-63M provides that communities near military installations are to be relied on as the primary source of

housing for DoD personnel. Programming barracks spaces for E-1 to E-4 unaccompanied permanent party enlisted personnel when community assets are available to house the personnel is an issue that will be addressed in our summary report for DoD barracks requirements. Therefore, no additional comments are required on this final report.

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Part I - Audit Results

Audit Background

In November of 1995, the Secretary of Defense signed a memorandum for the Secretaries of the Military Departments for design and construction of unaccompanied enlisted personnel housing (barracks). This memorandum established a new standard design criterion for future permanent party barracks construction. The memorandum challenged each Military Department to implement the new standard as part of an integrated barracks plan that considers optimal use of existing adequate quarters and renovation of quarters that can be made adequate. The plan encouraged use of traditional military construction and innovative use of private sector solutions. The Military Departments have estimated a cost of $15.4 billion to replace existing barracks over a 30-year period using the new standard. The determination process identifies barracks space deficits that result in construction under the replacement program. Appendix C provides additional background information for the new barracks construction standard and the Military Departments' barracks replacement programs.

Policy Guidance. DoD Manual 4165.63-M, "DoD Housing Management," September 1993, establishes policy guidance, procedures, and responsibilities on all matters associated with barracks housing. The manual considers permanent party and transient personnel separately because they require different justifications. Permanent party personnel are people assigned on permanent change of station orders, and students assigned to courses of 20 or more weeks. Barracks programming considers the housing requirements, both off-base and on-base, of all unaccompanied permanent party personnel assigned to the installation who are eligible for permanent assignment to barracks space. Excluded from barracks programming are members assigned duty in CONUS, Alaska, or Hawaii, who would be programmable for family housing if they had not elected to be unaccompanied by dependents for reasons other than availability of housing at the permanent duty location. Projected deficits establish the baseline for new construction programming or other acquisitions. A deficit (or surplus) is determined by identifying and comparing projected requirements and assets. Military Departments use long-range personnel strength data from planning documents to support permanent party barracks construction. Support for transient personnel barracks is determined by averaging the daily number of temporary duty and other transient personnel eligible for temporary duty quarters on a confirmed reservation basis.

Naval Facilities and Engineering Command (NAVFAC) Note 11101, "Implementation of FY 1999 Base Loading System, Family Housing Requirements System and Bachelor Housing Requirements Survey," January 1997, establishes the required actions for the bachelor housing survey. The guidance considers the bachelor housing survey to be the primary supporting document for justifying acquisition of new barracks or modernization of existing barracks. The survey consists of reviewing and validating the "Final Determination of Bachelor Housing Requirements," (R-19 report) and the "Bachelor Personnel Housing Assets," (R-21 report). These two reports are used to identify an organization's current and projected personnel strengths and housing assets, and a surplus or deficit of bachelor housing. OPNAVINST 11103.1B, "Policies and Procedures Governing

Bachelor Quarters," March 1997, defines military members considered to be permanent party personnel and authorized to reside in permanent party barracks spaces. Married active-duty military members in grades E-1 to E-4 are authorized to use permanent party barracks spaces if:

- their dependents reside outside a 50-mile radius of the installation,
- they have a proven hardship as determined by the installation commander, or
- they have a permanent party protected-status basis for the entirety of the tour at the installation.

Audit Objectives

The overall audit objective was to determine the validity of requirement estimates for DoD unaccompanied personnel housing. A specific objective was to determine whether barracks requirements and cost estimates developed by the Military Departments were supported with appropriate documentation. We also announced an objective to review the management control program as it applies to the other stated objectives.

This report provides the results of the audit of barracks requirements for unaccompanied permanent party enlisted personnel located at Naval Air Station (NAS) North Island, California. The management control program will be discussed in a future summary report. See Appendix A for a discussion of the scope and methodology; and Appendix B for a summary of prior coverage related to the audit objectives.

Barracks Requirements for Unaccompanied Permanent Party Enlisted Personnel

NAVFAC overestimated the NAS North Island requirement for unaccompanied permanent party enlisted barracks by 943 barracks spaces. The overstatement occurred because:

- Permanent party personnel and rotational personnel are not reported accurately in the data that was used to compute permanent party barracks requirements.

- Voluntarily separated geographic bachelor family housing requirements are improperly reported as unaccompanied permanent party enlisted barracks requirements.

- The inventory of unaccompanied permanent party enlisted barracks spaces and private housing assets used to satisfy the unaccompanied permanent party enlisted personnel requirements is not reported accurately.

As a result, future construction costs for NAS North Island have been overstated by $34.8 million for their barracks replacement program.

Deficit Calculation

DoD Manual 4165.63-M requires that barracks projects for new construction, repair, improvement, major renovation, and replacement of barracks be supported with data on requirements, assets, and deficits. NAVFAC Note 11101 provides guidance for preparing the R-19 report. The R-19 report projects barracks requirements five years into the future, and is reviewed and verified annually. The R-19 report is the primary supporting document used for justifying acquisition of new barracks or modernization of existing barracks. If the R-19 report does not show a valid requirement, then barracks projects are at risk of being dropped from the acquisition program. The R-19 report provides an analysis of the total barracks requirement at a base by comparing the effective barracks requirement with existing barracks assets. NAVFAC prepares the R-19 report and forwards it to the cognizant Engineering Field Division who has responsibility for the reportable bachelor housing data. The cognizant Engineering Field Division and the organization for which the bachelor housing is reported annually will review, make appropriate changes, and verify data contained in the R-19 report. See Appendix D for the NAS North Island R-19 report that shows the data used to calculate barracks requirements.

Effective Barracks Requirement. The effective barracks requirement reported on the R-19 report shows the projected total number of barracks spaces required by both unaccompanied permanent party personnel and transient personnel. The projected unaccompanied permanent party personnel data forecasts the number

of unaccompanied personnel expected to be assigned to the base 5 years into the future. Transient personnel data averages the number of daily transient personnel located on the base and in local housing near the base, projected personnel assigned to ships in overhaul, and projected personnel assigned to homeported rotational units.

Permanent Party Barracks Requirement. The effective permanent party barracks requirement is the number of unaccompanied permanent party personnel assigned to a base who are entitled to barracks spaces. To calculate the effective permanent party barracks requirement, the base first determines the total number of permanent party personnel that require housing. That number is then reduced by:

- the number of personnel that are family housing requirements,
- the number of voluntarily and involuntarily separated geographic bachelors, and
- the number of personnel deployed on a rotational basis.

Permanent Party Personnel. Total permanent party personnel is the number of personnel reported on the Base Loading System data for:

- host and tenant units,
- fleet air squadrons,
- mobile units,
- ships,
- two-crew submarines,
- permanent change of station students (20 weeks or more), and
- key civilian personnel.

The Navy relies on the Base Loading System to determine its long-range planning numbers. The Base Loading System data reports an installation's personnel strength data for the current year and 5 years into the future.

Family Housing Requirement. Permanent party personnel receiving basic allowance for quarters at the with-dependent rate are considered to be a family housing requirement. This data is extracted from the annual family housing survey.

Geographic Bachelors. Geographic bachelors are married permanent party personnel who are voluntarily separated from their families. This data is extracted from responses received on the annual variable housing allowance questionnaire.

Adjustment for Deployment. The number of unaccompanied permanent party personnel assigned to fleet air squadrons, mobile units, and two-crew submarines, as well as the number of personnel below grade E-5

assigned to large ships that are deployed for 90 days or more, are subtracted from total unaccompanied permanent party personnel. The percentage of personnel in fleet air squadrons, mobile units, and two-crew submarines requiring bachelor housing is added as a homeport rotational requirement.

Transient Barracks Requirement. The transient barracks requirement is the number of transient barracks spaces required by transient personnel located on the base and in local housing near the base, the projected number of personnel assigned to ships in overhaul, and the number of personnel projected to be assigned to homeported rotational units.

Transients. Transient personnel includes all temporary duty personnel, students projected to be in school for less than 20 weeks, rotational personnel at the receiving site, and reserve forces.

Ships In Overhaul. Data for ships that are scheduled for overhaul and whose personnel require transient barracks spaces while the ship is in overhaul is obtained from the Naval Sea Systems Command. The data contains a schedule for each ship to be overhauled through the next 6 years. Final base loading data provides the latest projected personnel count for each ship projected to be in overhaul.

Homeport Rotational. Homeport rotational personnel is a percentage of unaccompanied permanent party personnel reported for fleet air squadrons, mobile units, and two-crew submarines who are not deployed during the survey period. This category of personnel requires permanent party barracks spaces.

Bachelor Housing Assets. A base commander has two sources of housing assets to satisfy barracks requirements: on-base barracks, and local housing near the base. Except in high-cost, remote, and overseas locations, all personnel in grades E-5 and above are normally considered to be adequately housed. Data for existing on-base assets are obtained from the NAVFAC Assets Data Base which reflects each base's barracks maximum capacity. Assets are reported by the facility condition and the number of personnel by grade that can be housed using the 1993 OSD minimum standards of adequacy for permanent party personnel. Permanent party personnel are entitled to one barracks space, the size of which is determined by grade. Table 1 shows the size of entitled barracks spaces by grade.

Table 1. Barracks Spaces by Grade

Grade	Entitled Barracks Space
E-1 to E-4	90 sq. ft. space
E-5 to E-6	135 sq. ft. space
E-7 and above	270 sq. ft. space

The number of local housing assets is obtained from data provided by the Navy Finance Center in Cleveland. The data identifies the average number of personnel receiving basic allowance for quarters and variable housing allowance at the without-dependent rate.

Requirements for Permanent Party Enlisted Personnel

NAS North Island's R-19 report, May 21, 1997, reported that 17,367 enlisted personnel are either assigned or homeported at the base. The R-19 also reported an effective barracks requirement of 4,140 barracks spaces, representing 2,909 barracks spaces for unaccompanied permanent party enlisted personnel and 1,231 barracks spaces for transient personnel. Total bachelor housing assets reported was 2,051 spaces, representing 1,021 on-base adequate barracks spaces, 278 substandard barracks spaces, and 752 private housing spaces. Future authorized military construction projects were not reported for NAS North Island. The total barracks deficit was 2,089 barracks spaces. The specific deficit for permanent party barracks spaces and transient barracks spaces could not be determined from the R-19 report because the inventory of barracks spaces was reported as a total amount. We separated the requirements for the permanent party barracks spaces from the requirement for transient barracks spaces and found that this deficit represented 1,134 permanent party barracks spaces and 955 transient barracks spaces. Our review of the of the R-19 report showed that the total number of unaccompanied permanent party enlisted personnel requiring barracks spaces did not accurately report the number of personnel who are entitled to barracks spaces. Also, improperly included were geographic bachelors who require family housing. In addition, the inventory of unaccompanied permanent party enlisted barracks and private housing assets was not reported accurately. Table 2 shows the net number of overstated barracks spaces for unaccompanied permanent party enlisted personnel.

Table 2. Overstated Barracks Requirements for Unaccompanied Permanent Party Enlisted Personnel

Description	Unaccompanied Personnel	Barracks Spaces
Permanent Party Personnel	254	254
Rotational Personnel	688	688
Subtotal	**942**	**942**
Less:		
Geographic Bachelors	93	93
Understated Barracks Spaces	1,277	1,277
Unreported Private Housing Assets	515	515
Total	**(943)**	**(943)**

Adequate and substandard barracks spaces for permanent party and transient personnel were not reported separately on the barracks inventory. The R-19 report must separate permanent party barracks spaces and transient personnel barracks spaces into categories, so that barracks requirements can be readily identified for permanent party and transient personnel.

Permanent Party Data. NAS North Island inaccurately reported 2,909 personnel as current and future unaccompanied permanent party enlisted

personnel requiring barracks spaces. Permanent party enlisted personnel data are obtained from the baseloading report which specifies the number of aircraft, ships, personnel, and equipment that are assigned to perform the tasks and services of an individual base. The baseloading report is the primary source of personnel information for facilities' planning and the determination of family and bachelor housing requirements. Table 3 details incorrect permanent party data as follows: the number of permanent party enlisted personnel assigned to activities located at NAS North Island who are not reported; the number of permanent party enlisted personnel reported as being assigned to fleet air squadrons who are tenant activities; and the number of permanent party enlisted personnel assigned to activities reported in permanent party data who are leaving NAS North Island.

Table 3. Incorrect Permanent Party Enlisted Data

	Permanent Party Personnel By Grade			
Description	E-1 to E-4	E-5 to E-6	E-7 to E-9	Total
Unreported Personnel[1]	205	243	37	485
Tenant Personnel	251	224	41	516
Subtotal	**456**	**467**	**78**	**1,001**
Less:				
Personnel Leaving	139	114	35	288
Total	**317**	**353**	**43**	**713**

[1]Projected baseloading data was not available for all of the 10 activities. Actual personnel data was sometimes used to identify personnel by grade.

We verified the R-19 report's total permanent party personnel data with the baseloading report to ensure that permanent party personnel data were being reported correctly. We also contacted the local Personnel Support Detachment and Commander, Naval Air Force, U. S. Pacific Fleet to obtain data regarding the number of current and future activities and personnel assigned and to be assigned to the air station. As a result, we found that the 17,367 enlisted personnel reported as total permanent party did not include 485 personnel for ten activities located on the base. Also, 516 personnel for four activities were reported as fleet air squadrons when the units do not deploy and should be reported as tenant activities. And finally, we found 288 personnel for two activities reported as permanent party who are scheduled to leave NAS North Island and should be removed from permanent party data. Failure to correctly report the 713 personnel in total permanent party strength data understated the 2,909 unaccompanied permanent party enlisted personnel requiring barracks spaces by 254 personnel representing 254 barracks spaces. Table 4 shows the computation of unaccompanied permanent party enlisted personnel and barracks spaces for the incorrect permanent party enlisted data.

Table 4. Calculation of Unaccompanied Permanent Party Enlisted Personnel and Barracks Spaces for Incorrect Permanent Party Data[1]

Grade	Assigned Personnel	Married Personnel[2]	Difference	Barracks Spaces Per Person	Total Barracks Spaces
E-1 to E-4	317	137	180	1	180
E-5 to E-6	353	281	72	1	72
E-7 to E-9	43	41	2	1	2
Total			**254**		**254**

[1]Barracks spaces for each grade are computed as follows: (number of personnel assigned) - (number of married personnel) = (number of unreported unaccompanied permanent party personnel) x (barracks spaces per person) = (total barracks spaces) by grade.

[2]Marital status obtained from actual personnel data for unreported personnel. Marital factor specific for NAS North Island was used to determine marital data for the remaining unaccompanied permanent party enlisted personnel.

NAVFAC annually provides NAS North Island the R-19 report to be updated. This involves review and verification of total permanent party personnel data reported on the R-19 report with current and projected baseloading personnel data to ensure that all personnel supported by NAS North Island are accurately identified. Proper planning for barracks spaces requires accurate identification of the number and types of forces to be supported by the shore establishment.

Rotational Personnel. The Navy excluded those personnel assigned to rotational units that are not deployed in the 2,909 personnel reported as permanent party barracks requirements. NAS North Island houses Navy units that deploy on a rotational cycle. These units normally deploy for at least 90 days. The Navy has determined a fixed percent for each category of deployable units that are always deployed. For example, 33 percent of fleet air squadrons are always on deployment. The remaining 67 percent of fleet air squadrons are not deployed and are considered permanent party barracks requirements. However, these unaccompanied permanent party personnel are reported on the R-19 report as transient barracks requirements. Table 5 shows the number of enlisted personnel that were assigned to rotational units.

Table 5. Rotational Personnel Data

Grade	Permanent Party Personnel Assigned[1]
E-1 to E-4	1,161
E-5 to E-6	875
E-7 and above	157
Total	**2,193**

[1]Total personnel assigned to fleet air squadrons per the R-19 less 516 improperly classified tenant personnel and 598 personnel assigned to E-2C squadrons relocating to NAS Point Mugu.

We evaluated the R-19 report to ensure that it accurately reported permanent party personnel located at the base. The Navy included 688 personnel transient barracks requirements when the unaccompanied permanent party enlisted personnel should have been reported as permanent party enlisted barracks requirements. Table 6 shows the calculation of unaccompanied permanent party enlisted personnel and barracks spaces for personnel assigned to rotational units.

Table 6. Calculation of Rotational Unaccompanied Permanent Party Personnel and Barracks Spaces[1]

Grade	Number of Assigned Personnel	Marital Factor[2]	Non Deployed Percent[3]	Number of Unaccompanied Personnel Needing Spaces	Barracks Spaces Per Person	Total Barracks Spaces
E-1 to E-4	1,161	.674	67	524	1	524
E-5 to E-6	875	.256	67	149	1	149
E-7 to E-9	157	.148	67	15	1	15
Total				**688**		**688**

[1]Barracks spaces for each grade are computed as follows: (number of personnel assigned) x (marital factor) x (percent of personnel not deployed) = (number of unaccompanied permanent party personnel not deployed) x (barracks spaces per person) = (total barracks spaces) by grade.

[2]Marital factor is grade specific for NAS North Island.

[3]Percent representing non-rotational personnel for fleet air squadrons.

The R-19 report identifies personnel requiring barracks spaces as permanent party personnel or transient personnel. The number of personnel assigned to rotational units that are always located at NAS North Island should be included in the permanent party personnel section of the R-19 report. This will help to ensure that the number of unaccompanied permanent party enlisted personnel requiring barracks spaces is reported accurately.

Geographic Bachelors. The 2,909 personnel reported as unaccompanied permanent party personnel requiring barracks spaces included geographic bachelors. A geographic bachelor is a permanent party person assigned to an organization in CONUS, Alaska, or Hawaii; who has permanent change of station orders which allow for the transfer of dependents; who receives basic allowance for quarters at the "with dependent" rate; who has applied for bachelor housing space; and whose dependents live outside the host command's geographic area (generally outside a 1-hour peak rush hour commuting distance). DoD 4165.63-M specifically excludes personnel for whom family housing is programmable from permanent party barracks requirements. Personnel assigned duty in the CONUS, Alaska, or Hawaii, who would be programmable for family housing if they had not elected to be unaccompanied by dependents for reasons other than availability of housing at the permanent duty location are also excluded. Table 7 shows the total number of voluntarily separated geographic bachelors identified by the Variable Housing Allowance questionnaire responses for the NAS North Island housing complex.

Table 7. Geographic Bachelor Data

Grade	Geographic Bachelors
E-1 to E-4	93
E-5 to E-6	142
E-7 and above	39
Total	**274**

We evaluated the R-19 report to ensure that only unaccompanied permanent party enlisted personnel were included in the unaccompanied permanent party enlisted barracks requirements. NAVFAC included 93 bachelor personnel as permanent party barracks requirements when the personnel were voluntarily separated geographic bachelors. Specifically, the 93 voluntarily separated geographic bachelors in grades E-1 to E-4 were not removed from the effective family housing requirement used to calculate unaccompanied permanent party enlisted personnel. The Navy did remove voluntarily separated geographic bachelors in grades E-5 to E-9 from the calculation of unaccompanied permanent party enlisted personnel. Thus, the unaccompanied permanent party enlisted barracks requirements for grades E-1 to E-4 were overstated by 93 barracks spaces.

Permanent Party Barracks Inventory. The Navy did not accurately report the number of permanent party enlisted barracks spaces used to satisfy the unaccompanied permanent party enlisted barracks requirements. We evaluated the inventory of adequate and substandard barracks spaces reported on the R-19 and supporting Bachelor Personnel Housing Assets Report (the R-21) for unaccompanied permanent party enlisted personnel. We determined that the Navy understated the inventory of barracks spaces used to satisfy unaccompanied permanent party enlisted barracks requirements by 1,277 spaces. The Navy reported permanent party enlisted barracks spaces as

adequate inventory for E-1 to E-4 and E-5 to E-6 personnel when the barracks were actually being used to adequately house a larger number of E-1 to E-4 personnel. For example, building 776 was reported as adequate inventory for 72 E-1 to E-4 permanent party personnel and 12 E-5 to E-6 permanent party personnel. However, building 776 is being used to house only E-1 to E-4 permanent party personnel and is suitable to house 124 E-1 to E-4 permanent party personnel at the current minimum standard of adequacy. Also, we noted that building 787 was not reported as permanent party enlisted barracks inventory in the R-19 because the building was reported in the R-21 as inadequate for 360 E-1 to E-4 permanent party personnel and 72 E-5 to E-6 permanent party personnel. However, building 787 is being used to house 490 E-1 to E-4 and 12 E-5 to E-6 permanent party personnel. And finally, building 783 was also reported as being inadequate in the R-21 for 360 E-1 to E-4 permanent party personnel and 72 E-5 to E-6 permanent party personnel and also substandard for 72 E-5 to E-6 permanent party personnel. Building 783 is currently being used to house 482 E-1 to E-4 permanent party personnel and 18 E-5 to E-6 permanent party personnel. Building 783 is configured to hold 72 E-5 to E-6 permanent party personnel, not the 144 incorrectly reported permanent party personnel spaces reported in the R-21. Current documentation shows that buildings 783 and 787 are classified as substandard and should be reported in the R-19 as permanent party barracks spaces. Appendix E shows a listing of the permanent party enlisted barracks spaces inventory that is reported in the R-19 and how they are being used to satisfy permanent party enlisted barracks requirements. Geographic bachelors in grades E-5 and above were not considered in the computation of actual barracks spaces for permanent party enlisted personnel. Table 8 shows the calculation of understated permanent party enlisted barracks spaces.

Table 8. Permanent Party Barracks Space Data[1]

Grade	Actual Barracks Spaces Per IG DoD[2]	Reportable Barracks Spaces Per NAVFAC[2]	Difference
E-1 to E-4	2,249	844	1,405
E-5 to E-6	43	165	(122)
E-7 and above	8	14	(6)
Total			**1,277**

[1]Barracks spaces are computed as follows: (number of actual barracks spaces per IG DoD) - (number of barracks spaces per NAVFAC) = (number of understated barracks spaces) by grade.

[2]Minimum standard of adequacy 90 sq. ft. used to count barracks spaces.

The R-19 reports the inventory of barracks spaces for permanent party personnel and transient personnel as a single entry. Like the calculation of permanent party personnel and transient personnel entitled to barracks spaces,

the barracks inventory for these two distinct categories of personnel requiring barracks spaces needs to be reported separately. This would allow for accurate identification of the barracks requirements for each of the two categories of barracks.

Private Housing Assets. The Navy reported 752 adequate bachelor private housing units available for E-5 to E-9 at NAS North Island. However, the Navy excluded adequate bachelor private housing assets for E-1 to E-4 personnel from the R-19 report. We contacted the local Personnel Support Detachment to obtain data regarding the number of E-1 to E-4 personnel who are occupying private sector housing. As a result, we found that 515 personnel in grade E-1 to E-4 were housed in private sector housing that was not reported as adequate bachelor housing assets. NAS North Island E-1 to E-4 personnel occupy private sector housing on a strictly voluntary basis. Therefore, private housing occupied by E-1 to E-4 personnel should be considered adequate private housing when computing requirements for unaccompanied enlisted personnel barracks requirements. Failure to correctly report the 515 private housing assets has understated the total of 752 private housing assets used to satisfy permanent party enlisted barracks requirements.

Cost of Overestimate

The Navy has overestimated its unfunded barracks replacement construction cost by $34.8 million by not accurately identifying personnel and barracks spaces used to satisfy unaccompanied permanent party barracks requirements. The estimated average cost to construct a barracks space at NAS North Island is $60,000 for grades E-1 to E-4 and $120,000 for grade E-5 and above. By subtracting a net of 943 barracks spaces from the permanent party barracks requirements, replacement cost needs can be changed as follows:

- Adding 254 unreported unaccompanied permanent party personnel increases barracks requirements cost by $19.7 million.

- Adding 688 rotational personnel increases barracks requirements cost by $51.1 million.

- Deleting 93 voluntarily separated geographic bachelors reduces barracks requirements cost by $5.6 million.

- Adding 1,277 additional barracks spaces to the permanent party barracks inventory reduces barracks requirements cost by $69.0 million.

- Adding 515 private housing units to the inventory of private sector assets reduces barracks requirements cost by $31.0 million.

Summary

The Navy has overestimated the barracks requirements for unaccompanied permanent party enlisted personnel. The overstatement occurred because the Navy did not accurately identify permanent party personnel, and did not accurately report the inventory of permanent party barracks spaces and private housing assets that are used to compute permanent party barracks requirements.

Accurate identification of personnel and inventory of permanent party barracks spaces and private housing assets is an essential part of the barracks requirements determination process. The Navy's barracks replacement program focuses on reducing the barracks deficit. The Navy's deficit of 1,134 unaccompanied permanent party enlisted barracks spaces at NAS North Island needs to be decreased to 191 barracks spaces by adding 943 barracks spaces.

Proper identification of personnel requiring unaccompanied permanent party enlisted barracks spaces and inventory of permanent party barracks spaces is needed to ensure that future barracks construction projects are planned to meet accurately identified and authorized requirements.

Inspector General, DoD Report No. 98-080, "Unaccompanied Enlisted Personnel Housing Requirements for Naval Station San Diego, California," February 23, 1998 previously recommend that geographic bachelors in grades E-1 to E-4 be removed from unaccompanied permanent party personnel enlisted barracks requirements. Also, recommended was that the R-19 report be modified to remove rotational personnel from the transient portion of the report and place it in the appropriate permanent party section. And finally, it was recommended that the Navy separate the barracks inventories for permanent party personnel and transient personnel on the R-19 report. The Navy agreed with the recommendations. Therefore, no recommendations are made addressing related conditions noted in this report.

Recommendations, Management Comments, and Audit Response

1. We recommend the Commander, Naval Facilities Engineering Command:

a. Recompute barracks requirements for permanent party personnel reported on the R-19 report for NAS North Island. Specifically, in computing the requirements:

(1) Identify all current and future base loading personnel data.

(2) Remove improperly classified tenant activities from fleet air squadrons.

(3) Remove activities leaving NAS North Island who are reported in permanent party data.

b. Recompute the inventory of adequate bachelor housing assets that is used to satisfy unaccompanied permanent party enlisted barracks requirements. Specifically, in computing the inventory:

(1) Validate the number of existing permanent party enlisted barracks spaces reported on the R-19 report. Redesignate grade assignment for a barracks when the barracks can be better utilized to house another grade based on actual experience.

(2) Document the rationale for classifying barracks spaces as being inadequate.

(3) Include private housing occupied by E-1 to E-4 personnel in the inventory of private housing assets.

Management Comments. The Assistant Secretary of the Navy (Installations and Environment) concurred with Recommendations 1.a.(1) through 1.a.(3) and 1.b.(2). The Assistant Secretary partially concurred with Recommendation 1.b.(1) and stated the Navy will update the inventory of permanent party barracks spaces reported on the R-19. However, if adjustments are made to the inventory each time the utilization mix changes, many hours of effort will be spent updating the property records to properly identify a short term position. The Navy's policy is to house only E-1 to E-4 permanent party and E-1 to E-6 homeported rotational personnel except for resident advisors and in overseas or remote areas. The best usage of quarters is to house the junior enlisted population and we are working toward that position. The R-19 is being redesigned to reflect current and projected requirements, inventory, and deficits. The current data will reflect the existing designation of inventory while the projected section will reflect the best usage under the new construction standards. The Assistant Secretary nonconcurred with Recommendation 1.b.(3) and stated that it is the Navy's position that all E-1 to E-4 bachelors are to reside on base. Therefore, the projected position should reflect all E-1 to E-4 housed on base with no community assets being used to satisfy these future requirements.

Audit Response. The Assistant Secretary of the Navy (Installations and Environment) comments are considered responsive. Although the Assistant Secretary only concurred partially with Recommendation 1.b.(1), the comments met the intent of the recommendation.

DoD Manual 4165-63M provides that communities near military installations are to be relied on as the primary source of housing for DoD personnel. The Navy's position to house all E-1 to E-4 unaccompanied permanent party enlisted personnel on base conflicts with DoD policy to utilize community housing and with current Navy practice. Programming barracks spaces for E-1 to E-4 unaccompanied permanent party enlisted personnel when community assets are available to house the personnel is an issue that can best be addressed in our summary report for DoD barracks requirements. Therefore we are deferring Recommendation 1.b.(3) and no additional comments are required on this report.

Part II - Additional Information

Appendix A. Audit Process

Scope

Work Performed and Limitations to Overall Audit Scope. We reviewed the process and supporting documentation used to develop the unaccompanied personnel housing requirements for Naval Air Station North Island. We limited the scope of the audit to personnel housing requirements for unaccompanied permanent party enlisted personnel. Also, the scope of this audit is limited in that we did not review the management control program. The management control program will be reviewed and discussed in a separate summary report.

DoD-wide Corporate Level Government Performance and Results Act (GPRA) Goals. In response to the GPRA, the Department of Defense has established 6 DoD-wide corporate level performance objectives and 14 goals for meeting these objectives. This report pertains to achievement of the following objectives and goals:

Objective: Fundamentally reengineer DoD and achieve a 21st century infrastructure.

Goal: Reduce costs while maintaining required military capabilities across all DoD mission areas. (DoD-6)

General Accounting Office High Risk Area. The General Accounting Office has identified several high risk areas in the DoD. This report provides coverage of the Defense Infrastructure high risk area.

Methodology

We performed the audit using DoD and Navy guidance for determining barracks requirements. We relied on computer-processed data when reviewing the Base Loading document, May 21, 1997 data for future manpower estimates used in the requirements determination process. However, because the organization's data was uniformly produced, the organization verified its own data, and we reviewed the adjustments. The data reliability was considered adequate.

Audit Period, Dates, and Standards. This economy and efficiency audit was made from February through July 1998 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available on request.

Appendix B. Summary of Prior Coverage

Inspector General, DoD

Inspector General, DoD Report No. 98-080, "Unaccompanied Enlisted Personnel Housing Requirements for Naval Station San Diego, California," February 23, 1998 states the Naval Facilities Engineering Command underestimated Naval Station San Diego's requirement for permanent party enlisted barracks by 153 barracks spaces. The understatement occurred because the Navy did not accurately identify permanent party personnel and did not accurately report the inventory of unaccompanied permanent party barracks spaces that are used to compute unaccompanied permanent party barracks requirements. The report recommended that the Commander, Naval Facilities Engineering Command recompute barracks requirements for unaccompanied permanent party enlisted personnel reported for Naval Station San Diego, and consistently use the DoD minimum standard of adequacy when counting and reporting the inventory of permanent party barracks spaces for grades E-1 to E-4. The IG recommended that Navy calculate and report the inventories and the deficits for unaccompanied permanent party enlisted barracks requirements separately from transient barracks requirements so that the data is available for the two distinct categories of barracks requirements. The Assistant Secretary of the Navy (Installations and Environment) concurred with all recommendations.

Inspector General, DoD Report No. 98-003, "Unaccompanied Enlisted Personnel Housing Requirements for Marine Corps Base Camp Lejeune, North Carolina," October 3, 1997 states that Marine Corps Base Camp Lejeune overestimated the number of permanent party enlisted personnel requiring barracks by 6,591 spaces. The overestimate occurred because guidance for barracks requirements did not specify removing ineligible Marines from personnel data used to compute barracks requirements. The report recommended that the commandant of the Marine Corps revise guidance for computing barracks requirements to require that transient, deployed, and student personnel whose training is less than 20 weeks long be excluded from personnel strength data used to determine permanent party barracks requirements. Also recommended was that the Commanding General, Marine Corps Base Camp Lejeune remove transient personnel, deployed personnel on a rotational cycle, and student personnel whose training is less than 20 weeks from permanent party personnel data used in determining barracks requirements. The Marine Corps agreed with the recommendations to revise guidance for computing barracks requirements and to remove transient personnel, deployed personnel and student personnel whose training is less than 20 weeks from data used to determine permanent party barracks requirements. The scheduled completion date from reissuing Marine Corps guidance for determining barracks requirements is November 30, 1997.

Inspector General, DoD Report No. 97-142, "Unaccompanied Enlisted Personnel Housing Requirements for Marine Corps Base Camp Pendleton, California," May 9, 1997, states that Marine Corps Base Camp Pendleton overestimated the number of permanent party enlisted personnel requiring

barracks by 5,184 spaces. The overestimate occurred because guidance for barracks requirements did not specify removing ineligible Marines from personnel data used to compute barracks requirements. The report recommended that the commandant of the Marine Corps revise guidance for computing barracks requirements to require that transient, deployed, and enlisted personnel in grades E-6 and above residing in the local community be excluded from personnel strength data used to determine permanent party barracks requirements. Also recommended was that the Commanding General, Marine Corps Base Camp Pendleton remove transient personnel, deployed personnel on a rotational cycle, and personnel in grades E-6 and above residing in the local community from permanent party personnel data used in determining barracks requirements. The Marine Corps agreed with the recommendations to revise guidance for computing barracks requirements and to remove transient personnel, deployed personnel and E-6 personnel residing in the community from data used to determine permanent party barracks requirements.

Army

U.S. Army Audit Agency Report No. AA 98-59 "Unaccompanied Enlisted Personnel Housing Program," December 29, 1997, states that the Army overstated its barracks requirements for permanent party soldiers in CONUS by about 7,200 spaces at an estimated cost of $217.7 million. The overestimate occurred because the database used to compute "bachelor factors" for permanent party soldiers included: trainees and students in advanced individual training (AIT), non-Army Service members not housed at Army installations, and students attending AIT whose course of instruction was 20 weeks or longer. These students were authorized permanent change of station entitlements and qualified as permanent party personnel, however, they were still receiving entry-level training and should be excluded from the Army's determination requirement for the "one-plus-one" design standard criterion. The report recommended that the Army recompute barracks requirements for permanent party soldiers, with the necessary adjustments:

- for trainees and students (including students attending AIT instructions 20 weeks or more),

- for soldiers in grade E-6 who are housed off post from the calculations of soldiers adequately housed off post, and

- for enlisted personnel housed off post because of barracks renovation.

Also, the Army should ensure that the "bachelor factor" used in the computation is based only on enlisted soldiers assigned to the units at the installation, and include trainees and students. The Army Assistant Chief of Staff for Installation Management concurred with all the recommendations.

U.S. Army Audit Agency Report No. AA 97-97, "Space Utilization, U.S. Army Infantry Center and Fort Benning, Fort Benning, Georgia" January 6, 1997 found that new construction requirements for barracks to house permanent

party soldiers were overstated. Fort Benning overstated barracks requirements for the Ranger regiment by 174 spaces at an estimated cost of $6.9 million because it included single soldiers with dependents in the requirements determination process (computations). The report recommended that the command recalculate barracks requirements for permanent party soldiers, excluding single soldiers with dependents from the calculations, and obtain the projected strength figures from the most current ASIP. Also, the command should reduce the requirement for construction of permanent party barracks in the installations master plan to accurately reflect the shortage of adequate barracks spaces, revise the FY 97 barracks construction project for the Ranger regiment and delete the excess requirements included in the project justification. The Command concurred with all the recommendations.

U.S. Army Audit Agency Report No. AA 96-218, "Audit of Barracks Requirements, U.S. Army Signal Center and Fort Gordon, Fort Gordon, Georgia," June 14, 1996 found that barracks requirements for permanent party soldiers at Fort Gordon were significantly overstated. Fort Gordon overstated barracks requirements because it incorrectly computed the number of unaccompanied enlisted soldiers authorized barracks spaces. Specifically, single soldiers with dependents were counted as bachelors and included in the computation of barracks requirements. By overstating requirements, Fort Gordon incorrectly concluded that there was a shortage of adequate barracks spaces for its permanent party soldiers, and needed to build a 300-person barracks during FY 1998 at an estimated cost of $17.5 million. The report recommended that the command cancel construction of the 300-person barracks project. The Army nonconcurred with the recommendation and stated that a deficit still exists to support the 300-person barracks because of the new "1+1" construction standard. However, the Army agreed to reevaluate barracks requirements because of the new construction standard and have the results validated. Army Audit considered the comments to be responsive.

Appendix C. Background for the Barracks Replacement Program

New Design and Construction of Barracks Housing

On November 6, 1995, Secretary of Defense Memorandum "Design and Construction of Unaccompanied Enlisted Personnel Housing (Barracks)," established a maximum allowable area per occupant for new, permanent, barracks construction. The memorandum complies with United States Code, Title 10, Section 2856 to establish a new standard design criterion for future permanent party barracks construction. The standard for new construction does not apply to barracks constructed for transients, recruits, or members receiving entry-level skill training. The standard for new construction is optional for barracks outside CONUS funded by other than the United States or constrained by site conditions, and for barracks to house other than the full-time active duty Service members.

New barracks construction will be based on a module consisting of two individual living/sleeping rooms with closets and a shared bath and service area. The standard for new construction is referred to as "1 + 1." Designs should be developed to produce $11m^2$ (118 square feet) of net living area per living/sleeping room, measured from the inside face of the walls to include all clear floor areas.

The standard for new construction is to be implemented as soon as practical, taking into consideration that barracks projects are at various stages of design and construction. The standard for new construction may be waived by the Secretary of a Military Department under the following circumstances:

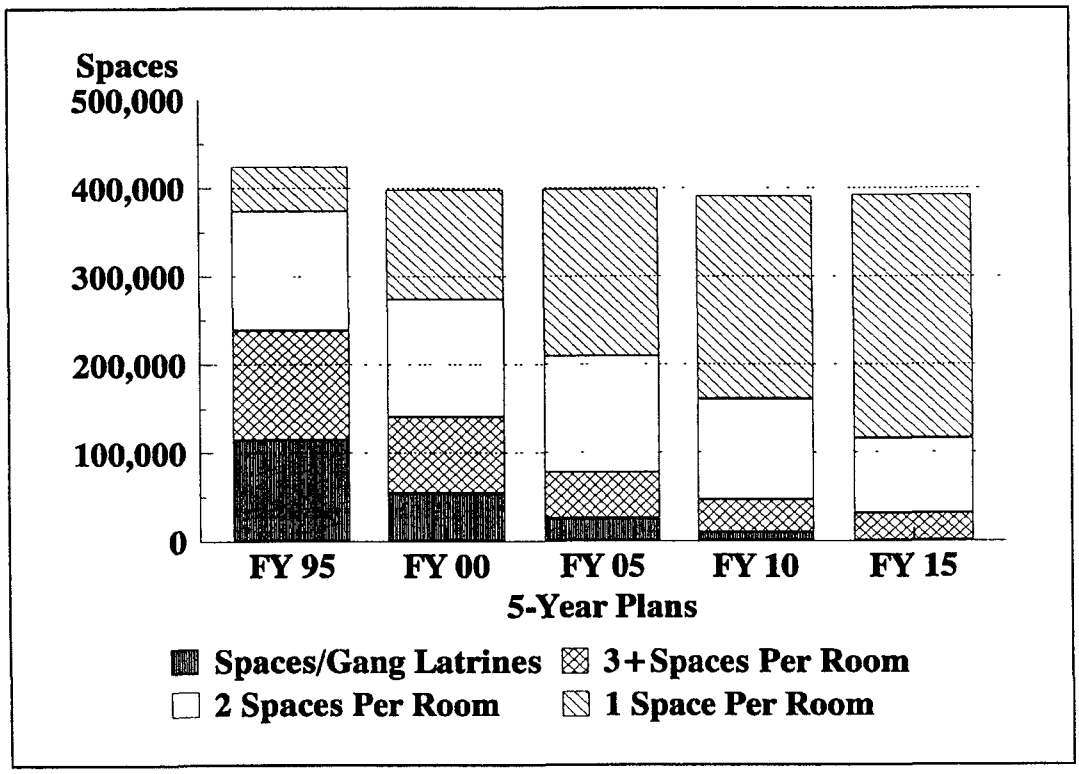
- Wherever the Secretary determines that unique mission requirements or operational commitments are better served by congregated living (for example, Seal Teams, Force Reconnaissance Marines, Special Forces).

- Wherever the Secretary determines that the collective quality of life for members of a Military Department would be enhanced by a lesser construction standard, but providing new quarters to a larger number of members.

Existing barracks will not be considered inadequate for assignment because of the new construction standard. The Secretary challenged each Military Department to implement the new standard as part of an integrated barracks plan that considers optimal use of existing adequate quarters, renovation of those that can be made adequate through traditional military construction, and innovative use of private sector solutions.

Implementation Plans

Each of the Military Departments submitted to the Secretary of Defense a plan to implement the new construction standard service wide. The plans contain each Military Department's projected number of permanent party space requirements, existing permanent party barracks configuration, resources required and projected schedules for converting existing barracks to the new 1 + 1 construction standard. The following figure shows the collective impact of these plans over a 20-year period. During that period, the number of spaces served by gang latrines would be reduced from 115,520 to 700. Spaces occupied by three or more persons would fall from 123,316 to 30,978.



Composite Barracks Configuration

The table below provides data regarding the Military Departments' estimated barracks requirements, funding required to convert existing barracks to the new construction standard and the timelines for completing the conversions.

Military Department Barracks Implementation Plans

Military Department	End State Reached	Total Permanent Spaces Required	Resources Required ($ In Millions)			
			MILCON	O&M	Other[1]	Total
Army	2020	199,000	$6,480	$1,710	$1,295	$9,485
Navy	2013	144,100	2,035	325	299	2,659
Air Force	2019	115,710	799	320	481	1,600
Marine Corps	2035	97,834	1,125	300	270	1,695
Total		**556,644**	**$10,439**	**$2,655**	**$2,345**	**$15,439**

[1]The other category is anticipated foreign government investments (Payment-In-Program, Republic of Korea Program, and Japanese Facilities Improvement Program).

Appendix D. Final Determination of Bachelor Housing Requirements

21 MAY 97

FINAL DETERMINATION OF BACHELOR HOUSING REQUIREMENTS
SUB-COMPLEX-12 OF COMPLEX-MF

FACSO RPT SYM/NO 7300/R92OIRI9-1 PAGE 1

NAME AND LOCATION OF HOST ACTIVITY	FAMILY HOUSING COMPLEX	MAJOR CLAIMANT	UIC	EFD
NAS NORTH IS SAN DIEGO CA	NC SAN DIEGO, CA	PACFLT	N00246	SOWESTDV

1. PROJECTED STRENGTH DATA AS OF FY 2002

	OFFICERS			A	ENLISTED			
	W1-02 (A)	03-010 (B)	TOT OFF (C)	SCHOOL (A)	E1-E4 (B)	E5-E6 (C)	E7-E9 (D)	TOT ENL (E)
2. TOTAL PERMANENT PARTY (SUM OF LINES 3-10)	602	1,731	2,333		9,343	6,491	1,533	17,367
3. HOST/TENANT	87	642	729		2,001	2,390	690	5,081
4. FLEET AIR SQUADRONS	102	617	719		1,745	1,294	268	3,307
5. MOBILE UNITS		1	1			4	1	5
6. LARGE SHIPS	161	360	521		5,527	2,765	569	8,861
7. SMALL SHIPS	1	5	6			30	4	34
8. TWO-CREW SUBMARINES								
9. PCS STUDENTS (20 WEEKS OR MORE)	251	106	357		70	8	1	79
10. KEY CIVILIANS								
11. EFF FAMILY HSG REQ (LN 7 DD1378/LN11 DD1523)	325	1,255	1,580		3,048	4,689	1,267	9,004
12. GEOGRAPHICAL BACHELORS 6	21	27			142	39	181	
13. PERMANENT PARTY BACHELORS (2-11-12)	271	455	726		6,295	1,660	227	8,182
14. PERCENTAGE OF BACHELOR PERSONNEL (LINE 13/2)	45.0	26.3	31.1		67.4	25.6	14.8	47 1
15 ADJUSTMENTS (SUM OF LINES 16-20)	46	162	208		4,901	332	40	5,273
16. FLEET AIR SQUADRONS (LINE 4 X LINE 14)	46	162	208		1,176	331	40	1,547
17. MOBILE UNITS (LINE 5 X LINE 14)						1		1
18. LARGE SHIPS (LINE 6 X LINE 14)					3,725			3,725
19. TWO-CREW SUBMARINES (LINE 8 X LINE 14)								
20. OTHER								
21. EFFECTIVE PERMANENT PARTY BH RQMT (LINE 13-15)	225	293	518		1,394	1,328	187	2,909
22. PROGRAMMING LIMIT (90% LINE 21)	203	264	467		1,255	1,195	168	2,618
* REMOTE LOCATIONS = 100%								
23. TOTAL TRANSIENTS (SUM OF 24 - 26)	107	211	318	12	886	302	43	1,231
24. TRANSIENTS (AVG)	76	102	178	12	98	79	16	193
25. SHIPS IN OVERHAUL								
26. HOMEPORTED ROTATIONAL	31	109	140		788	223	27	1,038
27.								
28. TOTAL EFFECTIVE BH RQMT (SUM OF 21 + 23)	332	504	836	12	2,280	1,630	230	4,140
29 TOTAL PROGRAMMING LIMIT (SUM OF 22 + 23)	310	475	785	12	2,141	1,497	211	3,849
30. ADEQUATE BH ASSETS (SUM OF 31 + 36)	148	490	638		988	885	178	2,051
31. MILITARY CONTROL (SUM OF LINES 32-35)	40	197	237		988	265	46	1,299
32. EXISTING ADEQUATE	40	197	237		844	161	16	1,021
33. FUNDED PRIOR YEARS (FY -)								
34. FY 98 PROGRAM TO CONGRESS								
35. SUBSTANDARD (MAY BE MADE ADEQUATE)					144	104	30	278
36. PRIVATE HOUSING	108	293	401			620	132	752
37. TOTAL EFFECTIVE DEFICIT (LINE 28-30)	184	14	198	12	1,292	745	52	2,089
38 TOTAL PROGRAMMING DEFICIT (LINE 29-30)	162	0	162	12	1,153	612	33	1,798

IF A SURPLUS EXISTS WITHIN THE COL, COL = 0

* LINE 22 REMOTE LOCATIONS: AI AK BA DI EB FT FU LB11 LB12 MD11 MF11 MF26 MF27 OA 10 OA11 PY RH MF 12

ENCLOSURE (1)

Appendix E. Permanent Party Enlisted Barracks Inventory

The table below provides the inventory by grade of adequate (A), substandard (S), and Inadequate (I) permanent party enlisted personnel barracks spaces that were reported in the Bachelor Personnel Housing Assets Report (the R-21 report), May 21, 1997. Also shown is how the reported inventory is actually being used to satisfy permanent party enlisted barracks requirements.

	Reported Barracks Spaces Per R-21 Report			Actual Barracks Spaces Based On Minimum Standard of Adequacy Usage[1]		
Building	E-1 to E-4	E-5 to E-6	E-7 to E-9	E-1 to E-4	E-5 to E-6	E-7 to E-9
774	72 A	11 A		124 A		
775	48 A	12 A		71 A	1 A	
776	72 A	11 A		124 A		
777	72 A	11 A		123 A	1 A	
779	72 A	12 A		142 A		
780	72 A	12 A		144 A		
781	72 A	12 A		142 A	2 A	
782	72 A	12 A		140 A	4 A	
783	360 I[2]	72 S 72 I[2]		482 S	18 S	
787	360 I[2]	72 I[2]		490 S	12 S	
861	156 A			104 S		
1501	136 A			123 A	5 A	
1505						8 A
F			14 S	40 A[3]		
Summary:						
Adequate	844	93	0	1,173	13	8
Substandard	0	72	14	1,076	30	0
Inadequate	720	144	0	0	0	0
Total[4]	**844**	**165**	**14**	**2,249**	**43**	**8**

[1]Spaces occupied by E-5 to E-6 personnel are suitable for E-1 to E-4 personnel. These individuals waived the suitability requirements for E-5 to E-6 personnel.

[2]Inadequate barracks spaces are reported in the R-21 report showing the total inventory of permanent party enlisted barracks spaces. However, inadequate barracks spaces are not reported in the Final Determination of Bachelor Housing Requirements (the R-19 report).

[3]Actual occupancy is 40 E-7 and above geographic bachelors. The building is suitable for 40 E-1 to E-4 personnel.

[4]Sum of adequate and substandard reported on the R-19 reported as of May 21, 1997.

Appendix F. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
  Deputy Under Secretary of Defense (Industrial Affairs and Installations)
  Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
  Deputy Chief Financial Officer
  Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Commander, Naval Facilities Engineering Command
Commanding Officer, Naval Air Station North Island

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
  Inspector General, National Security Agency
Inspector General, Defense Intelligence Agency

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division, General Accounting Office

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on Government Management, Information, and Technology, Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
House Committee on National Security

Part III- Management Comments

Department of the Navy Comments

DEPARTMENT OF THE NAVY

OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
WASHINGTON, D.C. 20350-2000

5 OCT 1998

MEMORANDUM FOR THE OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

SUBJECT: DoDIG DRAFT ON: UNACCOMPAINED ENLISTED PERSONNEL HOUSING REQUIREMENTS FOR NAVAL AIR STATION NORTH ISLAND, CA (6CG-0072.08)

In response to your draft report, Unaccompanied Enlisted Personnel Housing Requirements for Naval Air Station North Island, CA (6CG-0072.08), the Navy's comments are provided.

My point of contact for coordination on this matter is Mr. James Truesdell at 703-588-6609.

Duncan Holaday
Deputy Assistant Secretary
(Installations and Facilities)

Enclosure

Copy to:
NAVFAC (HSG)
FMO-31
NAVINSGEN (2)

DEPARTMENT OF THE NAVY RESPONSE
TO
DODIG DRAFT REPORT OF AUGUST 7, 1998
ON
UNACCOMPANIED ENLISTED PEROSNNEL HOUSING
REQUIREMENTS FOR NAVAL AIR STATION NORTH ISLAND, CALIFORNIA
REPORT NO. 6CG-0072.08

Recommendation: We recommend the Commander, Naval Facilities Engineering Command:

a. Recompute barracks requirements for permanent party personnel reported on the R-19 report for NAS North Island. Specifically, in computing the requirements:

- Identify all current and future base loading personnel data.
- Remove improperly classified tenant activities from fleet air squadrons.
- Remove activities leaving NAS North Island who are reported in permanent party data.

Department of the Navy Response:

Concur - All current and future base loading personnel data will be identified. This is an ongoing process which has been and will continue to be updated.

Concur - All tenant activities will be corrected before the next R-19 is generated.

Concur - Per the revised record of decision dated May/June 1998, the relocating activities were removed during the 1998 update cycle.

Recommendation: We recommend the Commander, Naval Facilities Engineering Command:

b. Recompute the inventory of adequate bachelor housing assets that is used to satisfy unaccompanied permanent party enlisted barracks requirements. Specifically, in computing the inventory:

- Validate the number of existing permanent party enlisted barracks spaces reported on the R-19 report. Re-designate grade assignment for a barracks when the barracks can be better utilized to house another grade based on actual experience.
- Document the rationale for classifying barracks spaces as being inadequate.
- Include private housing occupied by E-1 to E-4 personnel in the inventory of private housing assets.

Department of the Navy Response:

Partially Concur - The inventory data is updated annually and will be validated to reflect current designation prior to the next R-19. If we require adjustments to the inventory each time the utilization changes, many hours of effort will be spent updating the property records to properly identify a short term position. Additionally, the Navy policy is to house only E1-E4 permanent party and E1-E6 homeported rotational personnel except for resident advisors and in overseas or remote/isolated areas. The best usage of quarters is to house the junior enlisted population and we are working towards that position. Further, as part of our response to the NS San Diego audit, we are redesigning the R-19 to separate the permanent party from transient inventory. Along with that, we will be reflecting current and projected data (requirements, inventory and deficits for both permanent party and transients). The current data will reflect existing designation while the projected section will reflect the best usage under the new construction standards.

Concur - Procedures in place to determine inadequacy (NAVFACINST 11010.44) will be adhered and documented. Such documentation will be filed in the facility maintenance folder.

Non-Concur - When the revised R-19 is implemented, the current position will reflect any E1-E4 currently occupying community housing. Since the Navy's position is all E1-E4 bachelors are to reside on base, the projected position should reflect all E1-E4 on base and no community assets being used to satisfy these future requirements.

Audit Results: The following addresses each of the items reflected in Table 2. Overstated Barracks Requirements for Unaccompanied Permanent Party Enlisted Personnel.

a. Permanent Party Personnel: The report identifies 254 personnel who were not reported thereby understating the barracks requirement. We concur with the number of under reported personnel and the costs associated with adding them to the barracks requirements. Additional costs = $19.7 million.

b. Rotational Personnel: The report identifies 688 rotational personnel who do not deploy and should be added to the requirements. We concur with this assessment and the associated costs. Additional requirements = $51.1 million.

c. Geographic Bachelors: The report identifies 93 personnel shown as geographic bachelors who should not be considered bachelor housing requirements. We concur with this assessment and the associated reduction in requirements. Reduced costs = $5.6 million.

d. Understated Barracks Spaces: The report identified 1,277 barracks spaces as available for assignment and reduces the requirement by $69.0 million. We non-concur with this position. These spaces have been re-designated as inadequate due to the cost of upgrading these to the new construction standard. These quarters are being utilized today only due to lack of adequate barracks spaces. This is common throughout DoD in order to provide shelter to our Servicemembers. The MILCON requested is to replace these inadequate quarters with ones that meet the DoD standards. We, therefore, non-concur with the reported savings. Reduced costs = $0.0.

e. Unreported Private Housing Assets: The report identified 515 E1-E4 personnel housed in private assets which should be included as available adequate assets. We non-concur with this assessment. The Navy policy is to house all E1-E4 personnel on-base. This policy is being implemented as personnel rotate to new assignments. As the R-19 is a projection document, it reflects the requirements five years in the future. At that time there should be no E1-E4 personnel living in the private sector. Thus there will be no savings. Reduced costs = $0.0.

In summary, based on the findings of the report we concur with an increased requirement of 849 personnel at a cost of $65.2 million as shown in the following chart.

Total Costs of the Audit Results

Description	Change to Personnel Requirements	Associated Costs
Permanent Party Personnel	+254	+$19.7M
Rotational Personnel	+688	+$51.1M
Geographic Bachelors	- 93	-$ 5.6M
Understated Barracks Spaces	0	$ 0.0M
Unreported Private Housing Assets	0	$ 0.0M
Total	+849	+$65.2M

Audit Team Members

The Contract Management Directorate, Office of the Assistant Inspector General, prepared this report for Auditing, DoD

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