



AUSA BACKGROUND BRIEF



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Army Issue: LIMITING ACTIVE ARMY STRENGTH REDUCTIONS

EXECUTIVE SUMMARY

The projected FY 1995 Army end strength of 520,000 is the level required to accomplish mission requirements. The Army has been reducing its strength toward this objective.

The drawdown has been carefully managed by the Army to ensure that units continue to be effective by retaining strong leaders and the right balance of skilled personnel. At the same time, the Army seeks to be fair to those who must leave the Army due to the cutbacks.

If any additional cuts in Army end strength are deemed to be necessary, reductions should be taken after FY 1995 to avoid further disruption of units during this period of organizational turbulence.

Annual new accessions must continue at an adequate level to keep the force young and vigorous and to provide a source from which to select and train future leaders.

Financial advantages are limited during a year of additional personnel reductions because of the costs associated with separation of personnel from the Army.

ISSUE

The issue concerns how much and how fast Army active strength can be reduced without compromising its ability to accomplish the mission.

BACKGROUND

At the end of FY 1989, Army active duty strength stood at 770,000 soldiers. By the end of FY 1995, the authorized strength is projected to drop to 520,000. That means the Army will see a reduction of more than 32 percent in the six-year period.

The rate of reduction is gauged to changes in the Army force structure. Foremost in the minds of Army planners is the need to keep the force trained and ready — to avoid the pitfalls of the “hollow army” of the past. Current plans are based on fielding a 12-combat-division active Army.

Although personnel reductions are stated in aggregate numbers, the actual management of reductions has to be carried out in a controlled and detailed manner. The timing of these reductions must be closely correlated with changes in force structure. The objective is to keep the remaining units in a trained and ready status and capable of effective and full mission performance. Removing trained leaders and skilled soldiers prior to force structure changes leads to rapid deterioration of unit effectiveness.

The challenge for the Army is to keep the right people with the right grades and skills in the right numbers to match unit requirements on a continuing basis. This means close control over those leaving service, including voluntary departures, and the constant orchestration of soldier assignments to mesh with unit changes and unit needs. This is a complex and difficult task even during less turbulent times when the Army is not downsizing.

To the degree possible, the drawdown has been carefully managed to insure fairness to Army people. Congress has been helpful in providing transition benefits and options to facilitate the process with only limited resort to involuntary reductions in force.

The Pace of the Drawdown: The reductions in Army strength have, with one major exception, followed a steady glide path. In 1990, 19,000 were released and in 1991, 26,000. In 1992, 115,000 were released. (The high number of people released from the Army in 1992 was caused by large numbers who were called up or had their normal discharge dates delayed because of Operation Desert Storm and a major realignment of Army forces in Europe.) The projection is for 35,000 to be cut in 1993, another 35,000 in 1994 and 20,000 in 1995.

Unit effectiveness requires having enough trained people of the right grades and qualifications present for duty. This can only be accomplished through meticulous personnel management across the board.

Taking Care of People: Unlike previous drawdowns, this time we are dealing with an all-volunteer force; everyone present chose to join the Army. Many fully intended a career; others rightly expected to have tenure at their choice. The rapid cutback has changed all this.

Understanding that top priority must go to the preservation of a trained and ready force during the transition, we still must deal fairly and humanely with the people who are most directly affected. The first consideration for reduction was to curtail accessions. Next was to compel retirement for many who were eligible. Retention and reenlistment criteria were tightened and eligible individuals were encouraged to take voluntary separation using one of the special incentive programs authorized by Congress. Involuntary reductions-in-force would be used only as a last resort.

Two of the important incentives being used are the lump-sum Special Separation Benefit (SSB) and the Voluntary Separation Incentive (VSI) annuity. Even as many are being retired or otherwise separated, the Army must continue new accessions at a reduced but adequate level to meet the long-term needs of a smaller Army. This is necessary to keep the force young and vigorous and to provide a source from which to select and train future leaders. The numbers and types of job skills to be filled in the Total Army structure dictate that at any given time about 40 percent of the force will have no more than four years of service. This constant turnover necessitates a continuing need to attract quality people and calls for an annual input of about 5,400 new officers, 1,000 warrant officers and about 75,000 enlisted soldiers.

Separation incentives and other transition benefits cost up-front money. Except for curtailment of new accessions or increasing normal retirements, there are no budget savings in the execution year. In fact, increased reductions will probably require additional initial funding. Savings will, of course, be realized in subsequent years.

New Budget Cuts: The Clinton budget plan through FY 1997 is predicated on an active defense force of 1.4 million, some 200,000 less than the base force of 1.6 million on which the Bush plan is based.

Some proposals, not yet endorsed by the administration, have suggested an active military strength as low as 1.2 million, or a 400,000 cut from the base plan. The proposals are in two modes: (1) to continue the present reduction glide path through FY 1995 and make additional cuts through 1997 or even 1999; or (2) to take additional spaces as soon as possible to acquire up-front savings which can be diverted to other (nonmilitary) purposes. This accepts (or disregards) the risk of exceeding management capabilities and "crashing the force" from an effectiveness standpoint.

If the additional cuts were made on a proportional basis (with Army about 33 percent of the force), an additional 200,000 overall cut would translate to an added Army reduction of 66,000 spaces; a 400,000 defense cut would add 132,000 to the Army drawdown. This would not correlate with present Army missions or force structure. The larger cuts would essentially break the Army and would require major revision of its roles and missions to include the ability to support training of the reserve components.

If additional cuts are imposed before 1996, they must be taken from a negative trend line. Anything exceeding 45,000 per year would overstress the Army's management capability and would negate efforts to keep the whole process in balance. For these reasons, postponement of any additional cuts until after FY 1995 is important. Additional cuts will be much harder to make with fairness. The easy ones, involving voluntary separations with incentives and voluntary early retirements, will have been pretty well exploited. The rest will fall increasingly into the involuntary categories.

Additional personnel cuts now offer the prospect of eventual outlay savings. However, the hope for any substantial first-year savings is largely an illusion, given transition benefits and other costs incident to getting soldiers off the payroll.

CONCLUSIONS AND RECOMMENDATIONS

- A 520,000 Army end strength is fully justified on the basis of current and anticipated missions and requirements. Budget-driven cuts in excess of this greatly increase the risks against mission accomplishment.
- Any additionally-imposed personnel cuts should be phased in beyond 1995 and should be on a manageable glide path at, and preferably below, those of 1991 and 1993-1995 (1992 is excluded due to the great number of post-Desert Storm discharges and the European drawdown).
- Any additional cuts will require authorization and funding to extend the transition incentives and benefits beyond 1995.
- It is imperative to the long-term health of the Army to provide annual new accessions at a rate that will maintain the future force.
- It should be understood that little, if any, financial recoupment can be expected during the year of implementation because of the costs associated with transition.

(This *Background Brief* was prepared by the staff of the AUSA Institute of Land Warfare.)

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