GAO

May 2001

NATIONAL PERSONNEL RECORDS CENTER

Plan Needed to Show How Timeliness Goal Will be Achieved

GAO

Accountability * Integrity * Reliability

Contents

Abbreviations

NARA   National Archives and Records Administration
NPRC   National Personnel Records Center
VBA   Veterans Benefits Administration

GAO

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

May 31, 2001

The Honorable Tom Harkin
The Honorable Paul Wellstone
The Honorable Tom Daschle
The Honorable John D. Rockefeller IV
United States Senate

The Honorable Lane Evans
House of Representatives

The National Personnel Records Center (NPRC), part of the National
Archives and Records Administration (NARA), is responsible for
maintaining the official military personnel records of discharged members
of the military services.[1] In fiscal year 2000, NPRC answered about 1.4
million inquiries, including over 700,000 written requests for document
copies and information extracted from records.[2] Veterans and their
representatives depend on NPRC for timely and accurate responses to
their requests for records. A survey of requests completed by NPRC during
a 1-month period in 2000 showed that the majority of requests were from
veterans themselves.[3] Veterans frequently need their records for a variety
of reasons, such as obtaining disability compensation, health benefits, GI
bill education benefits, home loan guarantees, and burial in national
cemeteries. However, access to these benefits has been hampered due to
delays in obtaining documentation of their military service from NPRC.
For example, the Veterans Benefits Administration had cited waiting to
obtain information from NPRC as a significant factor affecting its
timeliness in completing veterans' disability compensation claims and has
established a unit at the NPRC to obtain needed information more quickly.

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[1]The NPRC consists of the Military Personnel Records Center and the Civilian Personnel
Records Center. For this report, NPRC refers to the activities of the Military Personnel
Records Center.

[2]The NPRC measures timeliness for these written requests. The remaining inquiries
received consisted of referring requests to other agencies, returning requests to requesters
for more information, returning records to military departments, and transferring records
to other agencies.

[3]Other requesters included the Department of Veterans Affairs and other federal agencies
(15 percent), veterans' next of kin (9 percent), and state and local governments (6 percent).

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This report responds to your request that we evaluate NPRC's timeliness in responding to veterans' requests for records. The objectives of our review were to determine (1) how long it takes NPRC to answer veterans' requests for records and (2) whether actions NPRC is taking will improve response time. To address these issues, we reviewed timeliness and workload data provided by NPRC. We discussed timeliness goals, reasons for any delays, and actions NPRC is taking to improve response time with NARA and NPRC officials. We also visited NPRC's records facility in St. Louis, Missouri, and other public and private sector records management organizations to observe their records management practices. We conducted our review between August 2000 and April 2001 in accordance with generally accepted government auditing standards.

Results in Brief

In fiscal year 2000, NPRC took an average of 54 days to respond to written requests for records, answering about 6 percent of written requests within 10 working days. NPRC's long-term goal is to answer 95 percent of requests within 10 working days by fiscal year 2005. NPRC officials attribute delays primarily to the current backlog of requests waiting to be processed. They attribute initial growth in the backlog to the loss of 43 employees out of a staff of 273 in fiscal year 1995 and more recent growth to the disruptions caused by its ongoing effort to reengineer its outmoded, manual process for responding to record requests.

Actions that NPRC is taking to respond more quickly are unlikely to significantly improve timeliness soon, and prospects for meeting its fiscal year 2005 goal are not clear. To improve response time, NPRC is having staff work overtime in an attempt to control the backlog while it is implementing its business reengineering project, which includes reorganizing and relocating staff, introducing new staffing roles and responsibilities, and providing computer capabilities. However, even with NPRC's overtime the backlog grew by about 69,000 cases to 214,000 cases in the first 6 months of fiscal year 2001. In addition, NPRC officials believe that as employees continue adjusting to a new processing approach, the backlog will get worse, growing to over 240,000 cases by December 2001. It is also unclear whether NPRC's actions will enable it to meet its long-term goal. NPRC does not yet have a plan that shows how it will achieve its fiscal year 2005 timeliness goal. This is due, in part, to the lack of data, such as the level of production NPRC can achieve in the reengineered environment, that is needed to develop an adequate plan. NPRC is currently developing such data. Furthermore, NPRC is depending on certain computer technologies, such as electronic receipt of requests and

access to other agency data bases, to significantly improve timeliness. However, these computer technologies have not yet been implemented.

We are recommending that NPRC develop a plan that shows what is needed to meet its fiscal year 2005 goal and how its use of overtime and reengineering will enable it to meet those needs.

NARA provided comments on a draft of this report. NARA agreed with our recommendation and provided additional information.

Background

NPRC maintains the personnel and medical records of nearly all former members of the U.S. military service departments who served during the twentieth century and responds to requests for these records. The records maintained by NARA are the property of the Department of Defense (DoD), which reimburses NARA for storing and servicing the records.[4]

NARA maintains DoD's records at the Military Personnel Records facility in St. Louis, Missouri, which opened in 1955 for this purpose. Although the building experienced a major fire in 1973 that destroyed some records,[5] it currently contains about 55 million military personnel records and an additional 39 million auxiliary records such as military pay vouchers. The records—paper copy—are kept in cardboard boxes stacked on 10 foot high shelves. They are filed in sections according to branch of service, time period of service, or date of transfer to NPRC. Within the sections, records are filed alphabetically, by service number or by registry number (a sequential numbering system). Each box is marked with the name or number of the first record in the box to identify its contents. Figure 1 shows the central corridor of a typical storage area, and figure 2 shows a typical row of records in the storage area.

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[4]NARA's Federal Record Center Program was converted to a fee-for-service program effective as of fiscal year 2000.

[5]The fire destroyed about 80 percent of the records for Army personnel discharged between November 1, 1912, and January 1, 1960. About 75 percent of the records for Air Force personnel with surnames from "Hubbard" through "Z" discharged between September 25, 1947, and January 1, 1964, were also destroyed. Since there were no indices to the records involved, and millions of records were on loan to the Veterans Administration at the time of the fire, precisely which records were destroyed is not known.

Figure 1: Central Corridor of Typical Storage Area

Source: National Archives and Records Administration

Figure 2: Row of Records in Typical Storage Area
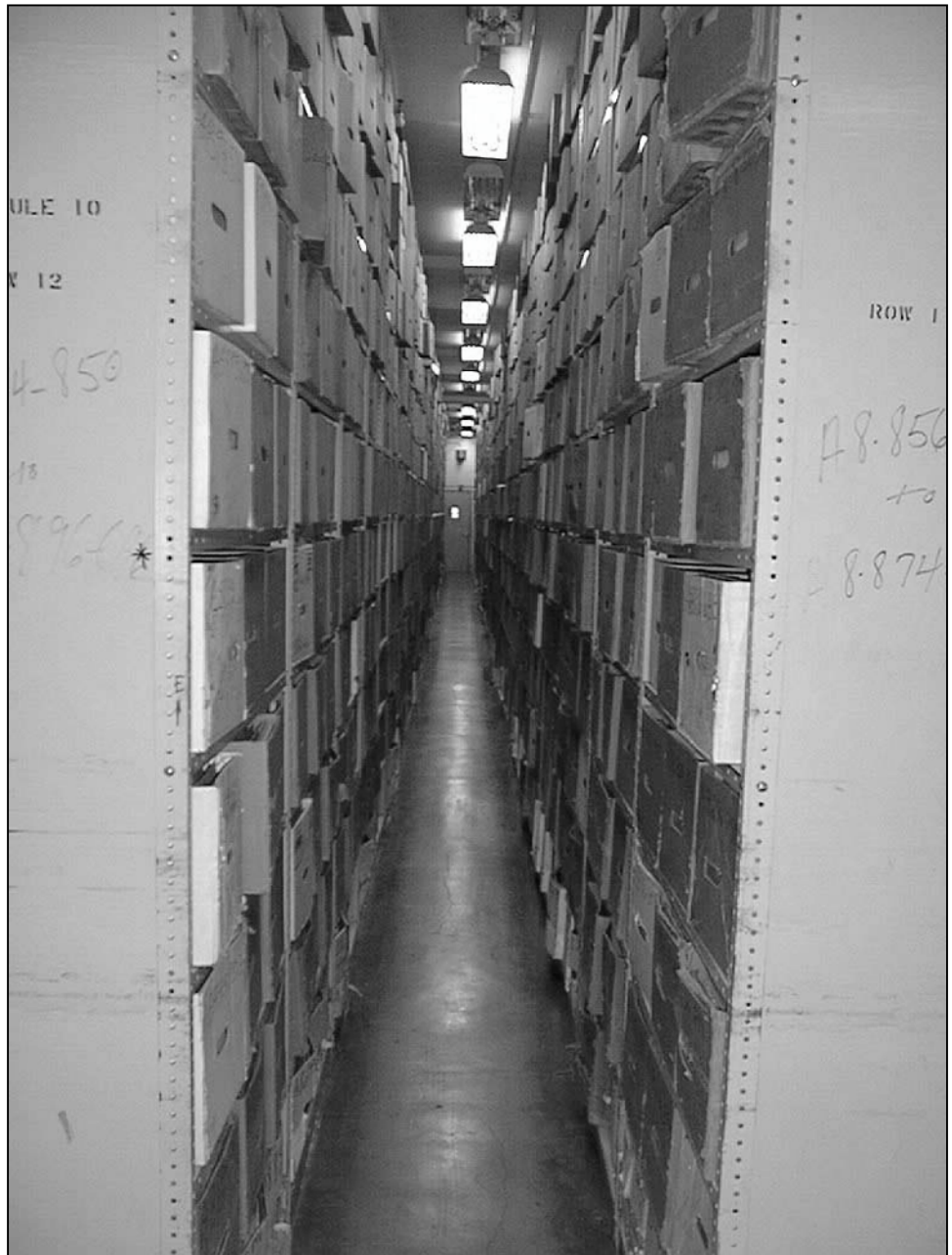
Source: National Archives and Records Administration

Prior to 1999, NPRC operated in the same fashion as it had since the 1950s, when its building first opened. Request processing was manual and labor

intensive. Only recently has the NPRC begun to make computers and other technology available to its staff that processes requests. Even telephones were not installed on employees' desks until February 2000. The pre-reengineering philosophy was that having telephones on the desks of all technicians might reduce productivity. As a result of not having telephones on their desks, technicians generally did not contact requesters to obtain additional information to assist them in locating the requested military service record or to clarify an unclear request. In the past, requests that were unclear and could not be clarified were returned to the requester. For requests that were clear, staff located the appropriate cardboard box, pulled the record, processed the request, and later returned the record. For each request, staff created a reply using forms with preprinted responses that could be checked off. The forms were handwritten and sent out with the relevant record copies.

NPRC was organized by branches of service—the Army, Navy and Air Force—and each branch processed its own records. Technicians were assigned work based on the level of difficulty of the tasks required to fulfill the requests. These tasks could range from simply photocopying a form to formulating complex correspondence. More complex cases were assigned to higher pay grade employees. However, the division of workload among branches and pay grades made it difficult to respond to fluctuations in workload and affected timeliness and customer service, according to NPRC officials.

In 1997, NPRC began an ongoing business process reengineering project to improve timeliness among other things.[6] In February 1999, a pilot team began using the new work processes. When the reengineering project is fully implemented, NPRC will be organized into five units or cores. As of March 2001, four of the cores had been implemented. Each core will process requests pertaining to records of veterans in all military services. Within the cores, each technician is expected to be able to process requests of varying levels of difficulty. In addition, NPRC is introducing computer technology into its processing. NPRC has implemented an interim computer system with the capability to track requests electronically, identify duplicate requests, and access prior responses concerning a record. Ultimately, NPRC expects to implement a more capable computer system that, among other things, will enable it to

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[6] According to NARA, project goals also included improving quality of responses, decreasing cost per request and enhancing individual and organizational development.

receive requests electronically and directly access other agencies' data bases in order to fulfill requests. NPRC officials expect these two features to significantly improve timeliness.

The challenge that NPRC faces in shortening the amount of time it takes to respond to requests for records is in part a function of its human capital challenges. Our designation in January 2001 of strategic human capital management as a governmentwide high-risk area underscored the connection between human capital challenges and programmatic challenges and risks.[7] To help agencies manage these challenges, in September 2000 we published a human capital self-assessment checklist.[8] The checklist emphasized the need to pursue a workforce planning strategy, through which an organization should identify its current and future human capital needs, including the size and deployment of its workforce across the organization, and the knowledge, skills, and abilities needed for the agency to pursue its mission, goals, and business strategies.[9] Moreover, an agency's workforce planning strategy should be linked to strategic and program planning efforts.

NPRC Response Time Lagging

In fiscal year 2000, on average, NPRC took 54 days to respond to written requests for records.[10] Although NPRC completed about 6 percent of record requests within 10 days in fiscal year 2000, its goal is to eventually complete 95 percent of requests within 10 days by fiscal year 2005. This goal is identified in NARA's strategic plan under the Government Performance and Results Act. NPRC officials attribute delays in completing requests primarily to the large backlog of requests waiting to be processed. As of the end of the second quarter of fiscal year 2001, NPRC had a backlog of about 214,000 requests. This would represent about a 3-month wait from the time NPRC receives the request to the time that a technician begins to process the request. NPRC officials identify two events as the cause of the backlog. The first is the loss of 43 employees out

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[7] *High Risk Series: An Update* (GAO-01-263, Jan. 2001).

[8] *Human Capital: A Self-Assessment Checklist for Agency Leaders* (GAO/OCG-00-14G, Sept. 2000).

[9] *Human Capital: Meeting the Governmentwide High-Risk Challenge* (GAO-01-357T, Feb. 2001).

[10] According to NARA, requests involving burials and medical emergencies are answered within 24 hours. However, officials told us they do not keep timeliness statistics on expedited requests.

of a staff of 273 who accepted buyouts—cash incentives to retire or resign—in fiscal year 1995. According to NARA, the buyout was part of a governmentwide effort to streamline the federal workforce. The second is the ongoing implementation of NPRC's reengineering project. NPRC officials told us that reengineering slowed down productivity because employees were participating in training, moving to redesigned work spaces, and adjusting to the restructuring of the work process.

Data from NPRC showing changes in the backlog appear consistent with NPRC's explanation of the causes of the backlog. Specifically, the backlog initially increased dramatically in fiscal year 1995, the year of the buyout; dropped to about 61,000 in 1997 as the number of staff rose to pre-buyout levels; and increased dramatically again during fiscal years 1999 and 2000 when NPRC began implementing the reengineering project.[11] Our analysis of workload and staffing data provided by the NPRC shows that productivity declined by about 25 percent from the end of fiscal year 1997 to the end of fiscal year 2000. Figure 3 shows the request backlogs from 1993 through 2000.

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[11]In general, the number of requests received by the NPRC has been in decline since fiscal year 1995.

Figure 3: Backlog of Requests at NPRC at End of Fiscal Year

Requests pending (in thousands)
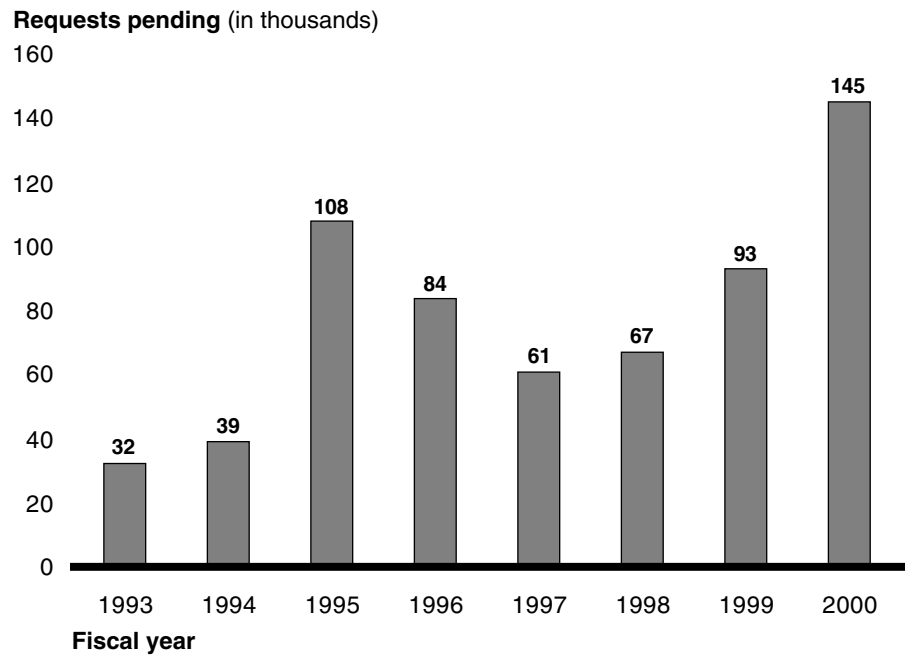
Source: NPRC data.

NPRC's Efforts Unlikely to Improve Response Time in Short-Term and Long-Term Results Not Clear

NPRC's current efforts are not likely to improve response time soon, and it is unclear whether NPRC will meet its fiscal year 2005 timeliness goal. NPRC's use of overtime has not stopped the growth in the backlog of requests while reengineering is being implemented. NPRC expects the backlog to continue to increase as its employees adjust to the new process. Moreover, in the long term it is not clear that the reengineering project will result in NPRC meeting its timeliness goals. NPRC does not have a plan that shows how it will achieve its fiscal year 2005 timeliness goal, in part because NPRC does not yet have data to show what level of production it will achieve by operating in the reengineered environment. In addition, NPRC has not yet implemented its proposed computer system, which it expects to have a significant impact on timeliness.

NPRC's Efforts Unlikely to Improve Response Time Soon

NPRC is using overtime in an attempt to contain the growth of the backlog while it implements its reengineering. However, the number of cases completed through overtime work has not reduced the backlog. Even while using overtime, NPRC was unable to complete its incoming workload in the first 6 months of fiscal year 2001. As a result, the backlog

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of cases grew by about 69,000 cases to 214,000 cases in the first half of fiscal year 2001. NPRC projects that it can complete about 26,000 to 28,000 additional cases per year by using overtime given its current overtime budget. Even if NPRC could keep up with its normal workload during regular hours and overtime efforts were applied only to reducing the backlog, we estimate it would take over 7 years to eliminate the backlog.

NPRC officials expect the backlog of requests to increase as it implements its reengineering. According to NPRC officials, employees are still adjusting to their expanded roles and the new process. These adjustments include learning to work in teams, handling requests of varying difficulty levels and for different service branches, and using computers to receive, track, and draft responses to requests. The productivity of staff working under the old system is greater than that of staff working under the reengineered system. According to NARA, NPRC's units working in the new environment completed about 15 cases per staff day. In fiscal year 2000 units still operating under the old process completed about 31 cases per staff day. However, according to NPRC officials, future productivity numbers may not be comparable to those achieved under the old process. This is because NPRC anticipates handling cases completely and correctly the first time they are received, which could take longer. NPRC officials estimate that the backlog could exceed 240,000 cases at the end of this year. This is almost 100,000 cases more than at the end of fiscal year 2000.

It is Not Clear Whether NPRC Will Meet Its Long-Term Timeliness Goal

Currently, it is not clear whether reengineering will result in NPRC meeting its goal of answering 95 percent of requests within 10 working days by fiscal year 2005. NPRC does not have a plan that shows how it will achieve its fiscal year 2005 timeliness goal. NPRC has not identified specific timeframes, staff, or production levels needed to meet its long-term goal and how its use of overtime and its reengineering efforts will enable it to meet the goal. According to NPRC officials, they do not have such a plan because they do not have enough information to develop such a plan. For example, the officials said that they do not have data on the overall NPRC productivity improvements anticipated in the reengineered environment. NPRC is currently developing this type of data.

While NPRC has begun implementing its reengineering, full implementation of its proposed computer technologies has not occurred. NPRC is depending on electronic receipt of requests and the ability to access other agency data bases to significantly improve timeliness. NPRC officials believe that these technologies will significantly free up time for staff to work on more cases. They believe that in some situations requests

will be filled electronically without human intervention. NPRC officials do not anticipate beginning to implement receipt of electronic requests until April 2002, and accessing other agency data bases could begin as late as fiscal year 2004.

Conclusion

NPRC is attempting to improve its timeliness in responding to requests for veterans' records. NPRC is using overtime to control the backlog while it implements the business reengineering in an effort to revamp its outmoded manual process. However, NPRC's use of overtime has not been able to control its backlog, which is expected to increase significantly. NPRC's ability to realize any potential benefits from reengineering is hampered by the existence of the backlog. Computer technology, which is expected to significantly improve timeliness, has not been fully implemented. NPRC does not have a plan that shows what it needs to meet its long-term timeliness goal and how its actions will enable it to do so. Without such a plan, NPRC cannot provide assurances that it will meet its timeliness goal and that its actions will be sufficient to improve timeliness.

Recommendation for Executive Action

We recommend that NARA require NPRC to develop a plan that shows what is needed to meet its fiscal year 2005 timeliness goal, including human capital issues such as staffing and production levels and timeframes, and how its use of overtime and reengineering will enable it to meet its goal.

Agency Comments and Our Evaluation

We received written comments on a draft of this report from NARA (see app. I). In its comments, NARA stated that it supported our recommendation to develop a plan that shows what is needed to meet its fiscal year 2005 timeliness goal. NARA noted that it expects to complete a plan that will link reengineering milestones to cycle time improvements by mid-July of this year.
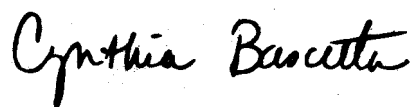
NARA also indicated that the draft report did not take into account its customer service and human capital management initiatives. However, the draft report discussed changes in both the work environment and quality of customer service as they potentially relate to timeliness – the central focus of our review. NARA also commented that timeliness was just one facet of its effort and that its "balanced scorecard" approach established other goals. We agree that measuring timeliness without measuring other factors, such as quality of the work, would be inappropriate. Finally, NARA commented that the draft report tried to

compare productivity statistics from before reengineering to the pilot phase of the reengineering project. We disagree. In fact, we explicitly acknowledged that future productivity numbers may not be comparable to those achieved under the old process because of the NPRC's plan to handle cases completely and correctly the first time they are received. This approach may take longer than the previous system, but, to the extent that it reduces duplicate requests and other rework, it would ultimately improve timeliness.

NARA also provided technical comments, which we incorporated where appropriate. NARA stated that the NPRC backlog is not a factor in the timeliness of the Veterans Benefits Administration's (VBA's) servicing of disability compensation claims. However, our previous work on VBA's process shows that NPRC is an external source from which VBA often needs documentation. To expedite obtaining this information, VBA established its own unit at the NPRC in 1999.

As agreed with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies of this report to the Honorable John Carlin, Archivist of the United States; appropriate congressional committees; and other interested parties. We will also make copies available to others on request.

If you have any questions about this report, please call me on (202) 512-7101 or Irene Chu, Assistant Director, on (202) 512-7102. Other key contributors were Martin Scire, Bob Sampson, and Patrick di Battista.

Cynthia A. Bascetta
Director, Education, Workforce,
  and Income Security Issues

Appendix: Comments from the National Archives and Records Administration

National Archives and Records Administration

8601 Adelphi Road
College Park, Maryland 20740-6001

MAY 1 0 2001

Ms. Cynthia A. Bascetta
Director
Education, Workforce, and Income Security Issues
General Accounting Office
441 G Street NW
Washington, DC 20548

Dear Ms. Bascetta:

Thank you for the opportunity to review and comment on the draft report on the National Personnel Records Center (NPRC). The draft report recognizes that the National Archives and Records Administration (NARA) is making a serious and sustained effort to improve services to America's military veterans, and we support the recommendation to develop a quantitative plan to meet our FY 2005 timeliness goal. We would like to clarify several points in the report, however, and correct some factual errors.

First, the draft report and its recommendation states that NARA has no plan for how to meet the goals of the business process reengineering project at NPRC. While we agree that we do not have a quantitative plan that links reengineering milestones to cycle-time improvements, we certainly have a plan to effect positive changes, and there are legitimate reasons why such quantitative data elements have not yet been included in our plan. Features of our plan include a new core business process and the deployment of an information technology system that will enable us to access external databases in our efforts to respond to inquiries. Attempts to quantify the gains that may be achieved without sufficiently piloting and testing these new initiatives would have led to inaccurate forecasts.

Having now tested the new business process, we are developing a plan that shows what is needed to meet the FY 2005 timeliness goals. This plan will include human capital issues such as staffing and production levels and timeframes. In addition, this plan will show how the use of overtime and reengineering will enable us to meet these goals. The plan will be completed by mid July and will incorporate a timeline and milestones paralleling the acquisition, development, prototyping, and deployment of a robust, new customer relationship management system.

Second, in the short term we have taken several actions in the midst of our piloting of the BPR recommendations to ensure that veterans with critical needs get fast and accurate service, but these are not mentioned in the draft report. We created a special customer service unit to respond to emergency requests. Requests involving burials and medical emergencies are answered within 24 hours of receipt, and requests involving homeless veterans, mortgage approvals, and other urgent matters are answered within a matter of days. Requests for service separation

NARA's web site is http://www.nara.gov

statements (DD 214s), which veterans need for benefit requests for loans, jobs, health benefits, and more are answered in 32 days or less. These requests comprise more than 30 percent of the total requests we receive, and we expect our response time on these to drop to 15 days or less by the end of this summer.

We also are using limited overtime funds to try to manage the correspondence backlog in the short term. Our recent success with the Army medals program shows that overtime can reduce these backlogs. We believe the key to reducing the correspondence backlog in the short-term lies in obtaining additional personnel resources. Unfortunately, because this is a reimbursable-funded program, the budget constraints of the Armed Services have limited our access to overtime funds and therefore to overtime itself.

Third, while the General Accounting Office has designated strategic human capital management as a government-wide high-risk area, the draft report does not take into account the significant changes NARA is making in human capital management at NPRC and the challenges we face in doing so. As noted in the report, NPRC has been operating with the same manual and labor intensive processes for 50 years and our workforce was hired and trained to operate in that environment. To improve service to veterans we are developing new processes and introducing information technology to staff that never before even had telephones on their desks. NARA made a commitment to our current staff that we would train them to work in this new environment and provide career incentives, including competency-based career ladder positions and new promotion potential, for staff willing to embrace change. In return, staff are given more accountability and are being held to rigorous performance standards. This kind of systemic, sustainable change does not happen quickly, however. We are making progress, but it will take more time to see dramatic results.

Fourth, although the draft report focuses solely on NPRC's timeliness in responding to veterans' requests for records, as requested by the Congressmen who asked for the report, it would add context to the report to note that we adopted a "balanced scorecard" approach for our reengineering project. Using this approach, we had several goals for the project:
- Decrease the cycle time per request
- Decrease the cost per request
- Increase the quality per request
- Enhance individual and organizational development

Timeliness was just one facet of our effort. It would have been faster and easier to focus solely on reducing the cycle time of our responses to veterans, which likely would have resulted in increased costs and poor service quality. We rejected this method in favor of the balanced scorecard approach.

Fifth, the draft report tries to compare productivity statistics from before the BPR to the pilot phase of the BPR. These numbers are not equivalent. Under our old methods, staff used an assembly line, piecework approach to move a request through the process. The new processes we are instituting include work by teams to answer a veteran's request from start to finish—and to answer it correctly the first time. We have eliminated most of the paper handoffs and are emphasizing quality *and* quantity. This will improve our service and reduce the number of duplicate requests now clogging our response backlog. Although this may take more time than
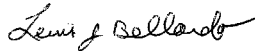
under the previous system, the request is answered to the satisfaction of the customer the first
time.

Thank you for considering our comments. We also have enclosed more specific comments on
factual errors and minor corrections to the draft report. One correction warrants particular
attention. The Veterans Benefits Administration response time to veterans claims for disability
is not adversely affected by the NPRC backlog. A detailed explanation is included in our
enclosure.

If you have any questions, please contact Lori Lisowski, Director of Policy and
Communications, at 301-713-7360.

Sincerely,

LEWIS J. BELLARDO
Deputy Archivist of the United States

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