Blue Ribbon Commission Members

Professor Frank J. Barrett
Naval Postgraduate School

Professor Coit D. Blacker
Director, Freeman Spogli Institute for International Studies, Stanford University

Professor Donald Campbell
U.S. Military Academy at West Point

Professor Kathleen Campbell
U.S. Military Academy at West Point

Dr. Ralph M. Carney
Defense Personnel Security Research Center

Professor Mark J. Eitelberg
Naval Postgraduate School

Admiral John D. Hutson (Ret.)
Former JAG, U.S. Navy, 1997-2000

Dr. Lawrence J. Korb
Former Assistant Secretary of Defense, 1981-1985

Honorable William J. Perry
Former Secretary of Defense, 1994-1997

Col. Timothy Ringgold
U.S. Army (Ret.)

Glenn T. Ware, Esq.
Military law expert

Professor Aaron Belkin
University of California, Santa Barbara (Chair)

*Col. Ringgold is CEO of Defense Solutions, a consulting firm whose clients include University of California.

FINANCIAL ANALYSIS OF "DON'T ASK, DON'T TELL":
How much does the gay ban cost?

Blue Ribbon Commission Report
February, 2006

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Executive Summary

In February 2005, the Government Accountability Office (GAO) released a report titled, "Financial Costs And Loss Of Critical Skills Due to DOD's Homosexual Conduct Policy Cannot Be Completely Estimated." GAO found that the costs of discharging and replacing service members fired for homosexuality during the policy's first ten years, from fiscal year 1994 through fiscal year 2003, totaled at least $190.5 million.

However, oversights in GAO's methodology led to both under- and overestimations of the financial cost of implementing "don't ask, don't tell." By correcting these oversights, and after careful analysis of available data, this Commission finds that the total cost of implementing "don't ask, don't tell" between fiscal year 1994 and fiscal year 2003 was at least $363.8 million, which is $173.3 million, or 91 percent, more than originally reported by GAO. Given that we were not able to include several cost categories in our estimate and that we used conservative assumptions to guide our research, our estimate of the cost of implementing "don't ask, don't tell" should be seen as a lower bound estimate.

Acknowledgements

Numerous individuals provided expertise, guidance and assistance to the Commission, and we are grateful to all of them. To begin, the Commission thanks the offices of Congressman Marty Meehan (D-MA) and Senator Frank Lautenberg (D-NJ) for extensive assistance obtaining data. In addition, we thank Professor Ann P. Bartel, A. Barton Hepburn Professor of Economics at Columbia University; Jesse Bernal of the University of California, Santa Barbara; Professor Chai Feldblum of Georgetown University Law School; Kevin Ivers of Center Strategies; Greg Kaminski; Dr. Temina Madon; Dr. Jason McNichol of the Social Science Research Council; Vince Patton (USCG, Ret.); S. Dennis Winstead, Associate, Booz Allen Hamilton; a senior level military operations research analyst at U.S. Army Accessions Command who must remain anonymous; various members of all branches of the U.S. armed forces who must remain anonymous; and various staff members at a number of Freedom of Information Offices who responded graciously to our requests for data. Five current and former representatives of the service members Legal Defense Network provided extensive assistance including Dixon Osburn, Sharra Greer, Sharon Alexander, Stacy Vasquez and Christopher Neff. Four members of the Center for the Study of Sexual Minorities in the Military provided outstanding help including Geoffrey Bateman, Dr. Nathaniel Frank, Allison Hoffman, and Karla Milosevich.

Finally, the Commission has been blessed with the help of three incredibly talented individuals, and we express our thanks to all of them. Patrick Endress served as our tireless and meticulous Research Coordinator in Washington. Professor Mary Malina of the Graduate School of Business and Public Policy at the Naval Postgraduate School reviewed and vetted our original research design and report. Dr. Malina, who is an expert in cost accounting, management control systems and managerial accounting practice, gave generously of her time. And Dr. Gary Gates of the Williams Project at UCLA School of Law served as Senior Project Consultant. The Williams Project generously donated his time, and Dr. Gates provided extensive and essential statistical and conceptual analysis and support. Without their help, this report could not have been completed.

Introduction

In 1993, former president Bill Clinton sought to lift the Pentagon's longstanding ban on gays serving in the U.S. military as one of the first steps of his new administration. A protracted battle among the administration, the Pentagon and Congress resulted in a compromise that would let gays serve so long as their sexual orientation remained secret and they refrained from homosexual conduct, including statements about their sexual identity as well as efforts to marry a member of the same sex. Congress then passed a law, the Fiscal Year 1994 Defense Authorization Act, meant to codify the new policy, bringing the matter under the jurisdiction of federal statute for the first time.[1]

Under the policy, known informally as "don't ask, don't tell," more than 10,000 service members have been fired for homosexuality since 1994.[2] Given the urgent national security interest in attracting, training and retaining competent service members, some members of Congress recently have raised concerns as to whether "don't ask, don't tell" serves the interests of the armed forces. In 2004, as part of this effort to reassess the efficacy of the policy, Congressman Marty Meehan (D-Mass) as well as 21 other members of the House of Representatives requested that the Government Accountability Office (GAO) estimate the financial costs associated with the implementation of the policy.

In February 2005, GAO released its report, which is entitled, "Financial Costs And Loss Of Critical Skills Due to DOD's Homosexual Conduct Policy Cannot Be Completely Estimated."[3] GAO found that the costs of discharging and replacing service members fired for homosexuality during the policy's first ten years, from fiscal year 1994 through fiscal year 2003, totaled at least $190.5 million. GAO estimated that the training costs for the occupations performed by enlisted service members separated for homosexuality from fiscal year 1994 through fiscal year 2003 were approximately $95.1 million, and that the total estimated cost to recruit replacements for the enlisted service members separated for homosexuality during this period was approximately $95.4 million.[4]

GAO researchers used well-established research and accounting procedures in some parts of their analysis. But, questions about GAO's methods prompted us to come together under the auspices of a Blue Ribbon Commission to verify the plausibility of GAO's findings. We decided to attempt to re-estimate the financial cost of implementing "don't ask, don't tell" for the following two reasons.

First, we suspected that GAO's conceptual model may have resulted in an overestimation of some of the costs associated with the implementation of "don't ask, don't tell." Specifically, GAO calculated the cost of recruiting and training replacements for service members who were discharged under the policy, yet failed to offset costs with the value recovered by the military through the time

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[1] U.S. Code 654 (codifying National Defense Authorization Act for Fiscal Year 1994), Pub.L.103-160 571, 107 Stat., 1547 (Washington, D.C.: Government Printing Office, 1993).

[2] For discharge statistics, see www.sldn.org, the web page of the Servicemembers Legal Defense Network.

[3] GAO 05-299, February 2005. This report subsequently will be referred to as GAO.

[4] The exact figure was $95,393,000. GAO, pp. 3-4. GAO reported its figures in 2004 dollars.

served before discharge. As a result, GAO's cost estimates may be higher than the actual cost of implementing "don't ask, don't tell." As we discuss below, the appropriate cost measure for the policy is not the cost of replacing those fired, but rather the value of service years lost from each premature firing.

Our second reason for reassessing the cost of implementing "don't ask, don't tell" was a suspicion that GAO may have underestimated some costs. Underestimation may have resulted from two features of GAO's research. First, as GAO acknowledges, its report did not include some costs that could have been included, such as the cost of training officers who were discharged for homosexuality. If these costs had been included, GAO's estimate of the cost of implementing "don't ask, don't tell" would have been higher. Second, GAO used some figures that seem inconsistent with its previous research. For example, GAO reported in a 1998 study that "In fiscal year 1998, DOD estimates the average cost of…training each enlistee is…$28,800…"[5] Although the 1998 study suggested that the average cost for training an enlisted service member was $28,800, GAO reported in its recent study on "don't ask, don't tell" that the Navy's per-capita enlisted training cost is approximately $18,000; the Air Force's cost is $7,400; and the Army's cost is only $6,400.[6] While costs can vary over time, it was hard for us to understand how training costs could have declined so precipitously. Due to its acknowledged failure to include all relevant costs, and its use of inaccurate figures to derive estimates, we suspected that GAO's figures may have been lower than the actual cost of implementing "don't ask, don't tell" in some categories.

An essential component of social scientific analysis is replicability.[7] Studies conducted with publicly available data and transparent accounting methods should be replicable by other social scientists in a way that yields similar results over repeated attempts. In order to assess the validity of the methods and results of the GAO study and to verify the validity of our notion that GAO may have under- and overestimated the actual costs of implementing "don't ask, don't tell," we conducted an independent assessment of the financial cost of discharging service members for homosexuality.

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[5] GAO 98-213 *Military Attrition: Better Data, Coupled With Policy Changes, Could Help the Service Reduce Early Separations*, pp. 27-28. The $28,800 figure was the average cost for basic plus initial skill training for enlisted service members in 1998 dollars.
[6] GAO, pp. 14-15.
[7] Gary King, Robert O. Keohane, and Sidney Verba, *Designing Social Inquiry: Scientific Inference in Qualitative Research* (Princeton: Princeton University Press, 1994), pp. 26-27.

Commission Data and Methodology

Prior to the commencement of research, the Commission outlined its plans for data collection as well as its research design. The Commission decided that it would collect as much data as possible from publicly available sources, including the use of military libraries, Congressional offices, the Department of Defense, Freedom of Information Act requests, and the individual research and expertise of Commission members. The Commission also decided that in order to minimize the risk of overestimation, it would use conservative assumptions and transparent and widely accepted accounting methodologies throughout the research process.

In gathering its data, the Commission identified two distinct categories of costs associated with the implementation of the "don't ask, don't tell" policy. *Lost benefit* costs are costs associated with losses to the military because a trained person is not in the services anymore. These costs include expenditures for recruiting and training service members who are subsequently discharged for homosexuality before completing the time in uniform that they would have served had they not been discharged prematurely. *Implementation* costs are costs directly associated with the implementation of the "don't ask, don't tell" policy, such as the costs of investigations and discharge review boards.

Service members are discharged for homosexuality at different stages of their careers. The Commission assumes that the cost of discharging any particular individual depends on the timing of that person's discharge, because some costs (such as recruiting costs) are incurred prior to training, some are incurred only during training, and some (such as salary and benefits) are incurred throughout the length of the service member's career.

Unlike GAO, our estimate of the cost of "don't ask, don't tell" does not reflect the cost of replacing those individuals who were discharged under the policy, because GAO's emphasis on replacement costs assumes that the military fails to recover any of its investment in discharged service members. Instead, we assess the lost value that results from premature discharges. Our focus, in other words, is the estimation of how much value the military lost from each premature discharge under the policy.[8]

To illustrate our reasoning, consider two extreme, hypothetical examples. In one case, a service member is discharged for homosexuality after 29 years, 11 months, and 29 days of service, just a day before he or she would have retired at thirty years. In this case, it would seem inaccurate to attribute the entire cost of replacing this individual to "don't ask, don't tell," because only one day's service was lost by the premature discharge, and the military received almost all possible

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[8] We are grateful to Professor Ann P. Bartel, A. Barton Hepburn Professor of Economics at Columbia University, for assistance in developing our approach for estimating cost recovery. Professor Bartel is a distinguished economist with particular expertise in the area of employers' recovery of worker training costs. See, for example, Ann P. Bartel, "Measuring the Employer's Return on Investments in Training: Evidence from the Literature," *Industrial Relations* 39, no. 3 (2000), pp. 502-524. Any errors in our methodological approach, of course, are the responsibility of the Commissioners.

value from the service member's career. By contrast, consider a service member discharged the day after completing initial skill training (IST).[9] In this case, the military invested considerable resources into the service member's career, but received no value in return. Lost value, in other words, depends on the duration of service, and should not be assumed to be the same in each case.

In order to estimate the lost value for each premature discharge, we begin by estimating the cost of recruiting, entry-level training (basic plus initial skill training), mid-career training, and separation travel. Then, we estimate how much of that investment the military recovered from each individual during a "cost recovery period." Finally, we subtract the recovery amount from the initial investment. For example, if the military invested $30,000 in the recruiting, training, and out-processing of a service member, and then recovered $3,000 of that investment from time served in uniform, we would attribute $27,000 to the cost of "don't ask, don't tell" in that hypothetical case.

As noted above, estimating the value that the military lost from each premature discharge requires specifying a cost recovery period for each individual. To do so, we first make an assumption about how long each individual likely would have served in uniform had they not been discharged for homosexuality. More specifically, we assume that absent the "don't ask, don't tell" policy, each individual would have served in uniform for the same duration as other members of his or her cohort. By analyzing attrition and continuation data from the 1980's and 1990's, we were able to estimate the average career duration of all enlisted personnel and officers, depending on time served in uniform (See Table 1). For example, we estimated that on average, active-duty enlisted service members who have not completed any service end up serving a total of 5.3 years while those who have completed their first year have a career duration of 6.4 years.

Next, we measure the time each individual spent in training, and we assume that the military receives no value from the service member during this period. Then, we specify the cost recovery period for each individual as the amount of time that individual would have spent in uniform had they not been discharged for homosexuality, minus the time they spent in training. For example, imagine an enlisted service member discharged after serving one year, six months of which was spent in initial skill training. As noted above, enlisted personnel who have completed one year in uniform serve an average of 6.4 years. In this case, the cost recovery period would be 6.4 (expected career duration) minus 0.5 (time spent in training) = 5.9 years. This is the period during which the military could have received value from the individual's service had he or she not been discharged prematurely (i.e. after the first year in uniform).

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[9] Initial skill training is defined as "training given immediately after commissioning or recruit training and leading toward the award of a military occupational specialty or rating at the lowest skill level." See Susan M. Gates and Albert A. Robbert, *Comparing the Costs of DoD Military and Civil Service Personnel* (Santa Monica: RAND, 1998), p. 38. GAO refers to "advanced individual training" (AIT) rather than IST but we use the latter, more generic term, as this is a joint service study.

Table 1: Expected Total Career Duration by Years of Completed Service (Active Component)[10]

Years of Service Completed	Expected Career Duration (Enlisted) in Years	Expected Career Duration (Officers) in Years
0	5.3	10.3
1	6.4	10.6
2	7.0	10.9
3	7.9	11.2
4	9.6	12.1
5	13.1	13.3
6	14.5	14.3
7	16.0	15.1
8	17.2	16.0
9	18.1	16.9
10	19.0	17.8
11	20.0	18.5
12	20.1	19.5
13	21.1	20.4
14	21.4	20.9
15	21.6	21.4
16	21.8	21.9
17	21.9	22.3
18	22.0	22.7
19	22.0	23.0
20	22.1	23.3
21	23.9	24.1
22	24.8	25.0
23	25.7	25.9
24	26.6	26.7
25	27.4	27.5
26	28.1	28.2
27	28.8	28.8
28	29.3	29.4
29	29.8	29.8

[10] We estimated these data by calculating year-to-year continuation rates for multiple years in the 1980's and 1990's and then averaging the rates across cohorts. For example, among those officers who entered the military in 1988, 21,805 completed two years of service and 21,006 completed three years of service. For those who entered in 1989, the numbers are 23,532 and 22,717 respectively. Hence, for the 1988 cohort, the percent of officers who continued from the second year to the third year was 21,006 / 21,805 = 96.3 and for the 1989 cohort the percent was 22,117 / 23,532 = 94.0. By averaging these rates across multiple cohorts in the 1980's and 1990's, we were able to estimate average continuation rates for a hypothetical "aggregate" cohort. For officers, we were unable to obtain year-to-year continuation rates after the 23rd year of service. However, Asch et. al. report average continuation rates for all officers serving more than 20 years for each year between 1989 and 2000. We calculated the average of those rates (77 percent) and applied them to each subsequent year after the 23rd year. See Beth Asch, James Hosek, Jeremy Arkes, Christine Fair, Jennifer Sharp and Mark Totten, *Military Recruiting and Retention After the Fiscal Year 2000 Military Pay Legislation* (Santa Monica: RAND, 2002), p. 92. For enlisted personnel, we extrapolated by applying the enlisted continuation rate for the 22nd year (76 percent) to each subsequent year. Finally, we used the continuation rates and the number of personnel entering the military each year to derive the average expected career duration for individuals at each year of their career.

Finally, we specify a prorated cost recovery function for determining the military's return on investment. We assume that the benefits of a service member to the Defense Department accrue evenly over the cost recovery period. In the hypothetical example above, the enlisted service member spent one year in uniform prior to discharge, but half of that year was spent in training. Hence, the service member only "returned" value to the military for six months, or half of one year. In this case, we assume that the military received 0.5 / 5.9 of the total value that it should have received from the individual's service. If the military invested $30,000 into the service member's career, we assume that it recovered (0.5 / 5.9) * 30,000 = $2,542. The total cost of "don't ask, don't tell" in this hypothetical case is $30,000 - $2,542 = $27,458.

The Commission was able to gather sufficient data to correct GAO's over- and underestimations of the costs of training and recruiting, and also estimate the costs of various items that GAO did not include in its report, including the costs of officer training, Marine training, and separation travel.

Costs of Implementing "Don't Ask, Don't Tell"

Recruiting (Enlisted)

Revised estimated cost: $79,279,285

In its 2005 report, GAO calculated the total estimated cost to recruit potential replacements for enlisted service members fired for homosexuality between fiscal year 1994 and fiscal year 2003. GAO notes that "Each of the services annually reports recruiting costs to DOD that are weighted by the size of the force to determine an average cost per recruit."[11] GAO multiplied the annual recruiting cost per enlisted recruit for each service by the number of recruits fired for homosexuality by the given service in each given year, and converted the total into 2004 dollars. According to GAO, the total cost to recruit replacements for service members fired for homosexuality between fiscal year 1994 and fiscal year 2003 was approximately $95.4 million (Table 2).

We suggest that GAO overestimated the actual cost of recruiting. The critical value for estimating this cost, we would argue, is not how much the military spent to replace service members fired for homosexuality. Rather, the appropriate consideration is how much value the military lost as a result of each homosexual discharge. For example, in the extreme hypothetical situation described above, in which the service member served for almost 30 years in uniform prior to discharge, we suggest that the military barely lost any value from the premature discharge for homosexuality.

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[11] GAO, p. 1.

Table 2: GAO's Total Estimated Recruiting Costs to Replace Enlisted Personnel Separated for Homosexuality, FY 1994 - 2003
(Dollars in thousands)

Fiscal Year	Army	Air Force	Marines	Navy	Total
1994	$1,305	$879	$265	$1,755	$4,204
1995	2,023	1,086	395	2,152	5,656
1996	2,040	1,345	389	2,632	6,406
1997	2,263	1,613	492	3,446	7,814
1998	4,035	2,097	499	2,958	9,589
1999	3,855	2,289	788	3,159	10,091
2000	8,110	1,443	860	3,587	14,000
2001	9,585	1,807	980	3,221	15,593
2002	6,638	1,192	879	2,860	11,569
2003	6,091	1,322	580	2,478	10,471
Total	**$45,945**	**$15,073**	**$6,127**	**$28,248**	**$95,393**
Percent	48	16	6	30	100

Source: GAO, *Financial Costs and Loss of Critical Skills Due to DOD's Homosexual Conduct Policy Cannot Be Completely Estimated*, p. 30.

To correct for GAO's failure to credit the military with any recovered value on its initial investment in recruiting, we must first consider how much it cost to recruit service members fired for homosexuality. GAO found that the total cost to recruit replacements for those service members fired between fiscal year 1994 and fiscal year 2003 was approximately $95.4 million (in 2004 dollars). We used this figure as our estimate of the cost of recruiting the discharged service members.[12]

Next, we estimated how much of the military's original investment in recruiting was recovered by the military from service members who were subsequently discharged for homosexuality. To estimate this figure, we determined the length of time required to train each service member who was subsequently discharged for homosexuality; the length of time that service members served in uniform after the completion of their training but prior to their discharges for homosexuality; and the return on original investment in recruiting that the military recovered for each month of post-training service.

To calculate training time for each enlisted service member who was subsequently discharged for homosexuality, we began with the length of basic training (boot camp), which GAO reported as 84 days for the Marines, 63 days

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[12] Doing so implies that adjusting recruiting costs for an earlier cohort of recruits (those discharged, as opposed to their replacements) would not alter the average. GAO findings show that average recruiting costs were relatively stable from 1994-1998 and began to increase in 1999. If early 1990's costs were similar to those reported for 1994-1998 then adjusting for the earlier cohort would lower the costs, meaning our estimates might overstate the costs slightly.

for the Army, 56 days for the Navy, and 42 days for the Air Force.[13]

Then, we added the length of initial skill (IST) and mid-career training for each service member from data we obtained through a Freedom of Information Act (FOIA) request. These data include the exact training courses, as well as the length in months for each course, completed by all 9,359 enlisted service members discharged for homosexuality.[14] Because our FOIA data also include the service branch of each individual discharged for homosexuality, we were able to calculate the total length of training for each individual by adding the length of that individual's basic training to the length of their initial skill and mid-career training.

To determine how long each enlisted service member served in uniform outside of time spent in training, we turned again to our FOIA data, which reported the time in service in months for each enlisted service member discharged for homosexuality.[15] We then subtracted the length of time spent in training from the individual's total time in service. This yielded the total time in uniform beyond training, but prior to discharge for homosexuality.

To find the return on the military's original investment in recruiting recovered by the armed forces for each month of post-training service, we began with the average cost of recruiting for each enlisted service member, $10,193.[16] The cost recovery period, during which the military could have recovered its investment in recruiting for each service member, was then calculated by subtracting the length of time it took to train any given enlisted service member from that person's

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[13] GAO, p. 17.

[14] Our FOIA data indicated that 9,359 enlisted, active-duty service members were fired for homosexuality between fiscal year 1994 and fiscal year 2003. GAO reported that 9,352 were fired, the Undersecretary of Defense for Personnel and Readiness reported that 9,501 were fired, and Servicemembers Legal Defense Network reported that 9,682 were fired. See GAO, p. 6. Unlike GAO's as well as our figures, SLDN's figures include officers as well as some members of the Coast Guard and reserve forces. Our FOIA data included the start date and stop date for each course. We cleaned the data in terms of the following decision rules in order to identify all initial skill and mid-career training courses, in other words courses that enlisted service members took after the completion of basic training: For any course that began and ended in the same month, we assumed that the length of the course was one month. We excluded all officers' courses, courses titled "Recruit Basic Military Training" or "Basic Training" or "Recruit Training," courses that had no title, courses occurring before enlistment and courses with start month=0. We reduced training time for courses containing OSUT (One Station Unit Training) in the title or "Reception Battalion Attrition" by the number of days of basic training. We counted duplicate courses only once. We set basic training + total initial skill and mid-career training to the number of months of enlisted service if training times exceeded service duration.

[15] GAO reports that 19 percent of enlisted service members fired for homosexuality between fiscal year 1994 and fiscal year 2003 were fired during recruit training, 11 percent were fired during initial skill training, 29 percent were fired during the next 365 days, 16 percent were fired during the next 365 days, and 25 percent were fired during subsequent periods. We used our length-of-service data, obtained via FOIA, rather than GAO's data because our data was specific to each individual, and hence more precise. See GAO, p. 31.

[16] This figure was derived by dividing GAO's reported total spent on recruiting, $95,393,000, by the number of enlisted service members fired, 9,359.

expected total career duration, as reported in Table 1.

For example, if an enlisted service member was discharged for homosexuality after completing one year in uniform, that individual's expected career duration was 6.4 years. (As noted in Table 1, enlisted service members who complete one year in uniform serve a total of 6.4 years, or 77 months, on average.) If the service member spent 6 months in training, then the period during which the military could have recovered its investment in that individual's recruiting is 77 - 6 = 71 months.

To determine the military's monthly return on investment, we divided the average cost of recruiting each enlisted service member ($10,193) by the number of months during which the military could have recovered its investment in that individual's recruiting. In the hypothetical example above, $10,193 / 71 = $143.56. For each enlisted service member, we credited the military with a monthly return on its investment in recruiting for each month served, except for those months spent in initial and mid-career training. The cost of enlisted recruiting was determined by GAO to be $95,393,000. Total recovery on investment, from equation one in Appendix One, is calculated as $16,113,715. The total spent on recruiting, $95,393,000, minus the recovery on investment, $16,113,715 yields a total of $79,279,285.

Training (Enlisted)

Revised estimated cost: $252,374,051

GAO calculated that the training cost for the occupations performed by the approximately 9,400 enlisted service members separated for homosexuality between fiscal years 1994 and 2003 was $95.1 million. GAO derived its estimate by multiplying the number of enlisted service members discharged for homosexuality from each service by that service's average cost for training one enlisted service member. The Navy informed GAO that its estimated per-capita enlisted training cost was approximately $18,000; the Air Force reported that its cost was $7,400; and the Army reported that its cost was $6,400.[17] The Marines either were unwilling or unable to calculate the average per-person cost to train one enlisted service member.

GAO claims that "We reviewed the services' general methodology for developing training-cost estimates and found them to be acceptable."[18] However, it is unclear how GAO could have accepted the services' per-capita cost estimates, given the following two considerations. First, GAO reported in a 1998 study that "In fiscal year 1998, DOD estimates the average cost of…training each enlistee is…$28,800…"[19] Having reported in a 1998 study that the average cost required to train an enlisted service member was $28,800, it is difficult for us to

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[17] GAO, pp. 14-15.
[18] GAO, pp. 25-26.
[19] GAO 98-213 *Military Attrition: Better Data, Coupled With Policy Changes, Could Help the Service Reduce Early Separations*, pp. 27-28. The $28,800 figure was the average cost for basic plus initial skill training for enlisted service members in FY 1998.

understand how GAO could have accepted the services' new estimates.

Second, GAO's per-person enlisted training figures ostensibly reflect the cost of both basic and initial skill training. Yet according to widely available Pentagon estimates, in some cases the cost of basic training alone exceeds GAO's estimate of basic *plus* initial skill training.[20] It is unclear to us how, for example, the Army's reported cost for basic training could exceed its cost for basic plus initial skill training.

Indeed, a senior level military operations research analyst at U.S. Army Accessions Command informed us that in 2004, "The average cost of training a new [Army] recruit from the time the individual walks into a recruiting station until he reaches his first duty station is $56.4K, if he goes to Basic Training (BT)/Advanced Individual Training (AIT), or $45.6K if he goes to One Station Unit Training (OSUT)." These costs include $14,400 for basic training and $24,400 for initial skill training (which the Army refers to as AIT or advanced individual training). Because these figures are not reported in publicly available sources, and because they refer to a period—fiscal year 2004—that is outside the range of our inquiry, we do not base our estimates on them. Nonetheless, for purposes of verification, it is important to note that these higher estimates of training costs are consistent with other published data.[21]

It is possible that GAO assumed that the cost of initial skill training for service members discharged for homosexuality is lower than training costs for other service members. Because some service members are discharged for homosexuality during basic training, perhaps GAO believed that the military spends less money training gays and lesbians than average per-capita training costs. While possible, we discovered that on average, enlisted service members discharged for homosexuality received an average of 112 days of initial skill and mid-career training, which is more than the 100-day average length of initial skill training which GAO says all other service members receive. GAO notes that in general, initial skill training (which GAO refers to as advanced individual training, or AIT) lasts approximately 100 days, and GAO does not take into account any courses taken by gays and lesbians after the completion of IST.[22] By contrast, we calculated on the basis of our FOIA data that the 9,359 enlisted service members discharged for homosexuality received, on average, 112 days of instruction after the completion of basic training, including IST and mid-career

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[20] For example, in 2003 the Pentagon reported that the costs for basic training were $12,543 for the Navy, $6,204 for the Air Force, $6,566 for the Army, and $14,493 for the Marines, but GAO now says that the total cost of basic plus IST are $18,000 for the Navy, $7,400 for the Air Force, and $6,400 for the Army. See *Department of Defense Performance and Accountability Report*, Fiscal Year 2004, p. 63, available at http://www.dod.mil/comptroller/par/fy2004/00-00_Entire_Document.pdf. Figures are reported in fiscal year 2004 dollars.

[21] For example, the U.S. Army Center for Health Promotion and Preventive Medicine reports that the average cost of IST per soldier for enlisted combat arms personnel is $26,656. See http://chppm-www.apgea.army.mil/hcp/figurestables.aspx. The source for the $26,656 figure is HQ TRADOC, Deputy Chief of Staff for Resource Management, Resource Analysis Division.

[22] According to GAO, "For the purpose of our analysis, we considered advanced individual training as 100 days following recruit training, which is about the average number of days for this type of training." See GAO, p. 17.

training. Hence, it does not seem plausible to suggest that GAO used drastically lower training figures because gays and lesbians received less training than other service members.

In short, it seems clear to us that GAO underestimated the cost of enlisted training by relying on unrealistically low estimates of the cost of training and by failing to include some items that should have been included, such as the cost of Marine training. At the same time, GAO overestimated the cost of enlisted training by failing to credit the military with any recovered value on its investment in training for those service members who served in uniform after the completion of their initial training.

We correct for these errors by calculating a cost-of-training figure for each service member fired for homosexuality, and then reducing that figure for each month beyond the completion of training that the individual served in uniform (except for those months spent in training). Because, as described above, we obtained via FOIA the service branch, time-in-service, and length of training for each service member fired for homosexuality, we were able to more precisely calculate the training costs for each individual.

Due to the discrepancies, noted above, between figures reported privately by the Defense Department to GAO and other available information, we relied on publicly available Pentagon data to determine the costs of basic training. These data reveal that basic training costs and the length of time for basic training vary by the branch of service. We averaged the costs of basic training (given in constant 2004 dollars) within each service branch for five years (1999-2003) as reported in *Department of Defense Performance and Accountability Report*, Fiscal Year 2004, and Secretary of Defense Donald Rumsfeld's *2003 Annual Report to the President and the Congress*.[23] These averages are as follows: Marines: $13,075; Army: $5,735; Navy: $9,704; Air Force: $5,817 (Table 3). We assume that these five-year averages are stable over time and reflect the average costs of basic training within each branch.

Next, we adopted the figures reported by GAO for the length of time of basic training in each branch of service: 84 days for the Marines, 63 days for the Army, 56 days for the Navy, and 42 days for the Air Force.[24] We computed a monthly basic training cost for each service by dividing the service's average per-capita cost of basic training by the length of basic training for that service in months.

To calculate the monthly cost of basic training for each service member fired for homosexuality, we multiplied the length of time each individual spent in basic training by the average monthly basic training cost for his or her service. Hence if a Marine was fired after only two months, the cost of his or her basic training would be $13,075 divided by the length of basic training (expressed in months as

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[23] *Department of Defense Performance and Accountability Report*, Fiscal Year 2004, p. 63, available at http://www.dod.mil/comptroller/par/fy2004/00-00_Entire_Document.pdf; *2003 Secretary of Defense Annual Report to the President and the Congress*, p. 99, available at http://www.dod.gov/execsec/adr2003/pdf_files/08_Appendix.pdf. Figures in the Commission's report are presented in 2004 dollars.

[24] GAO, p. 17.

84 / 30)[25] multiplied by two (the number of months served by this particular individual), for a total of $9,339.29. Finally, to obtain the overall cost of basic training, we summed the cost for each individual across all 9,359 enlisted service members fired for homosexuality.

To calculate the cost of initial skill training (IST) as well as mid-career training courses taken after the completion of basic training, we began by relying on GAO's report in a 1998 study that "In fiscal year 1998, DOD estimates the average cost of…training each enlistee is…$28,800…".[26] The $28,800 figure was the average cost for basic plus initial skill training in 1998 for enlisted service members, as expressed in 1998 dollars. Converted to 2004 dollars, the average cost of training in 1998 was $33,372. To obtain the cost of initial skill training, we subtracted the average cost of basic training (in constant 2004 dollars) across all branches of service as derived from sources listed above from the 1998 basic + initial skill figure.

This calculation yielded a per-person estimate for 1998 initial skill training of $25,379 (in 2004 dollars). As a mid-point year in the decade-long focus of our analysis, and also given that initial skill training costs appear to be stable,[27] we used the figure of $25,379 as our estimate of the average cost of initial skill training for all enlisted service members.

Table 3: Basic Training Costs by Branch of Service in 2004 Dollars FY 1999 – 2003 (in 2004 Dollars)

Fiscal Year	Army	Air Force	Marines	Navy	Weighted Average*
1999	$6,029	$5,110	$13,644	$6,570	$7,494
2000	4,389	5,546	13,218	10,799	7,809
2001	5,485	5,223	12,791	8,175	7,328
2002	6,205	7,000	11,231	10,434	8,205
2003	6,566	6,204	14,493	12,543	9,132
Average	$5,735	$5,817	$13,075	$9,704	$7,993

*Yearly Averages are calculated in 2004 dollars. Averages are weighted by the proportion in each service, and then converted into 2004 dollars.

Sources: *Department of Defense Performance and Accountability Report*, Fiscal Year 2004, p. 63; *2003 Secretary of Defense Annual Report to the President and the Congress*, p. 99

As mentioned above, GAO reports that the average time of initial skill training is 100 days.[28] As such, we calculated the average monthly cost of initial skill

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[25] Marine Corps basic training is 84 days. We use thirty as the number of days per month. Hence, 84 / 30 is the length in months of Marine Corps basic training, or 2.8 months.

[26] GAO 98-213 *Military Attrition: Better Data, Coupled With Policy Changes, Could Help the Service Reduce Early Separations*, pp. 27-28.

[27] As noted above, the Army's average IST cost in 2004 was $24,400.

[28] GAO, p. 17.

training as $25,379 divided by 100 days (expressed in months as 100 / 30) or $7,614. We then assumed that the monthly cost of initial skill training is equivalent to the monthly cost of other mid-career instruction. To calculate the cost of initial skill and mid-career training for each service member fired for homosexuality, we multiplied the length of time each individual spent in training after the completion of basic training by the monthly cost of $7,614.[29]

Hence, if a service member's initial skill and subsequent mid-career training required only two months of courses, we calculated the cost of the training in this particular case as $7,614 multiplied by two, for a total of $15,228. For a service member whose initial skill and mid-career training required four months of courses, we calculated the cost of training in this case as $7,614 multiplied by four, for a total of $30,456. Finally, to obtain the overall cost of initial skill and mid-career training, we summed the cost for each individual across all 9,359 enlisted service members fired for homosexuality.

To correct for GAO's failure to credit the military with any recovered value on its investment in enlisted training, we needed to determine how much of the military's investment in training was recovered by the armed forces from service members who were subsequently discharged for homosexuality. To estimate this figure, we relied on our previous calculations, described above, of the time required to train each service member who was subsequently discharged for homosexuality, and how long service members served in uniform outside of training. Then, we calculated how much return on the original investment in enlisted training the military recovered for each month of post-training service.

To identify the return on the original investment in training the military recovered, we began with the cost of training each enlisted service member, as described above. To determine the cost recovery period during which the military could have recovered its investment in training each service member, we simply subtracted the length of time it took to train each enlisted service member from each person's expected total career duration as reported in Table 1. This procedure is described in greater detail in the discussion, above, on enlisted recruiting.

To determine the military's monthly return on investment, we divided the cost of training each particular service member by the number of months during which the military could have recovered its investment in that individual's training.

Consider a hypothetical example in which the cost recovery period is 81 months, and basic training is followed by four months of initial skill training. In this case, the cost of basic plus initial skill training is $5,735 + (4 x $7,614), for a total of $36,191. Hence, the military's monthly return on investment in this hypothetical case is $36,191 / 81 = $446.80. For each enlisted service member, we credited the military with a monthly return on its investment in training for each month served, except for those months spent in initial and mid-career training.

The formula for estimating the cost of enlisted training is given in equation one

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[29] The length of time spent in post-basic training includes all initial skill training as well as mid-career courses taken by service members subsequently discharged for homosexuality.

in Appendix One. Spending on enlisted training, prior to any recovery of costs, is $331,866,779. Total recovery on investment, from equation one, is calculated as $79,492,728. The total spent on training, $331,866,779, minus the recovery on investment, $79,492,728, yields a total cost to the military of $252,374,051.

Training (Officers)

Estimated cost: $17,772,070

Curiously, GAO did not include the cost of training officers in its estimate of the financial cost of implementing "don't ask, don't tell."[30] Between fiscal year 1994 and fiscal year 2003, 137 officers were fired for homosexuality. With the help of Congressman Marty Meehan (D-MA), we obtained data from the Defense Department describing each of these officers, including rank, duration of service in years, service branch, and duty occupation code and title. (See Appendix Two.)

To quantify the losses associated with firing officers for homosexuality, we estimated the cost of training to commission as well as post-commission training. Then, as was the case with our estimates of recruiting and enlisted training costs, we reduced our estimates by crediting the military with any recovered value on its initial investment in officer training for those officers who served after the completion of their training. Unlike enlisted service members, however, in the case of officers we did not include mid-career training costs in our estimates.

In calculating the cost of training to commission, we first identified five different paths by which individuals can receive a commission: graduation from a service academy such as the U.S. Military Academy at West Point; completion of a Reserve Officers Training Corps (ROTC) program; completion of Officer Candidate School/Officer Training School (OCS/OTS); direct appointment; and other/unknown paths. For each year between fiscal year 1994 and fiscal year 2003, we obtained a distribution of officers' commission paths (the percentage of individuals who received their commissions via each route).

For example, in 2000, the percent of officers who followed each path was as follows: service academies: 16.54 percent; ROTC: 37.19 percent; OCS/OTS: 22.24 percent; direct appointment: 18.49 percent; other: 5.54 percent.[31] Costs for these paths are as follows: service academy: $340,000; ROTC: $86,000; OCS/OTS: $32,000.[32] We were unable to obtain cost estimates for direct appointments and other/unknown paths to commission, and to be conservative

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[30] GAO, p. 25.

[31] These percentages were obtained from Office of the Under Secretary of Defense, Personnel and Readiness, *Population Representation in the Military Services*, Fiscal Years 1994-2003, usually from "Appendix B: Active Component Accessions by Source of Commission, Service, and Gender," available at http://www.dod.mil/prhome/.

[32] Michael R. Thirtle, *Educational Benefits and Officer-Commissioning Opportunities Available to U.S. Military Servicemembers* (Santa Monica: RAND, 2001), p. 21. Thirtle notes that "Costs represent averages across the services and have been inflated to FY97 dollars by using a 4-percent-per year rate of inflation from their FY90 base."

we assumed that the cost of these routes was zero. Within each year, we multiplied the percent that followed each route by the cost for that particular route, and then summed all figures to obtain a weighted average cost for that year. For example, in a hypothetical year, if 20 percent of a new class of officers received their commissions from the service academies, 40 percent from ROTC, 20 percent OCS, 10 percent from direct appointment and 10 percent from other or unknown paths, then our calculation is: (340,000*0.20) + (86,000*.40) + (32,000*0.20) + (0*0.10) +(0*0.10).

Finally, we converted all results to 2004 dollars to obtain a weighted annual pre-accession cost for each discharge, based on when the discharged officer received his or her commission. For those who received their commissions prior to 1994, the pre-commission training cost is estimated as the average of the weighted average costs from 1994-2003.

We calculated the costs associated with post-commission training as follows: because we were unable to obtain data specifically describing the post commission training costs for each occupational specialty, we assumed that the post-accession training cost for each officer was $92,924, the amount (in 2004 dollars) that it cost the Navy to train a surface warfare officer in 1998.[33]

We understand that officer training costs vary considerably by occupational specialty, but in the absence of actual figures for the training costs of each specialty, we used 1998 surface warfare training costs as a proxy for the following two reasons.

First, several members of our commission with expertise in military budgeting, as well as an outside expert in naval training costs, confirmed that surface warfare officers are less expensive to train than most other officers' occupational specialties. For example, the Navy reported that its 2003 cost to train one jet pilot (T-45 line), was $1,439,754.[34] And GAO reported in a 1992 study that "In fiscal year 1990, recruiting and initial training costs associated with the replacement of personnel discharged for homosexuality were estimated to be… $120,772 for each officer."[35] If reported in 2004 dollars, the 1990 average cost to recruit and train an officer would be $174,454, according to GAO. Hence, the use of surface warfare officer training costs as a proxy for other occupational specialties reflected a conservative assumption that was intended to minimize the risk of overestimation. Our second reason for using this figure is that 1998 is a midpoint year for the ten years under consideration in our study.

We assumed that one year of post-commission training was required to train each officer who was subsequently discharged for homosexuality. For those discharged during training, the cost for each officer discharge is equal to the number of years in training multiplied by the yearly training cost. For officers

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[33] Michael D. Makee, *Training Costs for Junior Surface Warfare Officers* (Monterey: Naval Postgraduate School, 1999), p. 31. Makee's estimate to train a surface warfare officer was $80,194 in 1998 dollars, but we converted this figure into 2004 dollars.

[34] Naval Education and Training Command (NAVEDTRACOM) *Cost Factors Handbook* (for fiscal year 2003), p. 165.

[35] GAO/NSIAD 92-98, *Defense Force Management: DOD's Policy on Homosexuality*, p. 4.

discharged after training is completed, the cost to the military is the total cost of training discounted by the costs that are recovered as the individual serves beyond training.

To calculate how much recovered value should be credited back to the military for its initial investment in officer training, we needed to determine how much of the military's investment in training was recovered by the armed forces from officers who were discharged for homosexuality after the completion of their initial training. We calculated how long each officer served in uniform after the completion of training but prior to his or her discharge for homosexuality by subtracting one year from the individual's total time in service.

Finally, we calculated how much return on the original investment in officer training the military recovered for each year of post-training service. To determine the return on the investment in training recovered by the military for each year of post-training service, we first estimated the cost to train each officer. To find this value, we added the cost of pre-commission training as described above to the cost of post-commission training, also described above.

To determine the cost recovery period during which the military could have recovered its investment in recruiting for each service member, we subtracted one year, the length of time we assumed it took to train each officer after commissioning, from the expected career duration (as reported in Table 1) for each individual. For those who served less than one year, we assumed that the military did not recover any of its investment in the individual's training.

To determine the military's monthly return on investment, we divided the cost of training each officer by the number of months during which the military could have recovered its investment in that particular officer's training. For each officer who served beyond the completion of training, which we assumed to require one year, and for each month served beyond the first year, we credited the military with a monthly return on its investment in officer training.

The formula for estimating the cost of officer training is given in equation one in Appendix One. Spending on officer training, prior to any recovery of costs, is $27,553,701, of which $15,752,353 is for pre-commission training, and $11,801,348 is for post-commission training. Total recovery on investment, from equation one, is calculated as $9,781,631. The total spent on training, $27,553,701, minus the recovery on investment, $9,781,631, yields a total loss to the military of $17,772,070.

Separation Travel

Estimated cost: $14,344,873

In the same way that the military must invest in recruiting and training all service members, out-processing costs are an investment that the military must make in each individual. Out-processing costs are not paid until the end of a service member's career, but the military must pledge to pay such costs at the time of enlistment. Hence, they should be viewed as an investment in each service

member, similar to recruiting and training.

When service members are fired prematurely, the military pays for out-processing costs without receiving as much value from the service member as possible. Although the Commission was not able to estimate all out-processing costs, we do include the cost of separation travel. The 2003 per-person costs of separation travel for enlisted personnel and officers are displayed in Table 4.[36]

We applied fiscal year 2003 separation travel costs to every year in our study because we lacked data for some years, and because the data that we were able to obtain suggest that, in general, fiscal year 2003 travel costs were lower than in previous years. For example, the Army's per person separation travel costs for enlisted personnel declined from $1,895 in fiscal year 1997 to $1,600 in fiscal year 2003.[37] Hence, our use of fiscal year 2003 separation travel costs represents a conservative estimate of total separation travel costs.

Table 4: Separation Travel Costs, FY 2003 (2004 dollars)		
Branch of Service	**Officer**	**Enlisted**
Army	$3,571	$1,600
Air Force	5,353	2,305
Marines	5,136	1,121
Navy	4,503	1,730
Average	**$4,641**	**$1,689**

Source: *Fiscal Year 2005 Budget Estimates, Military Personnel*, Departments of the Army, Air Force, and Navy

We calculated the total cost of separation travel for those discharged under the policy by multiplying the fiscal year 2003 costs by the number of discharged enlisted personnel and officers in each service, each year. For example, in fiscal year 2003, the Army fired 378 enlisted service members and 2 officers for homosexuality. Hence the Army's fiscal year 2003 separation travel costs were (378 * $1,599.72) + (2 * 3,571.31) = $611,837. After calculating the cost for each service and each year, we summed across all years and services.

For personnel serving beyond training, we reduced costs to adjust for the value that the military recovered for time served, according to exactly the same procedure used above to calculate cost recovery for training and recruiting.

The formula for estimating the cost of separation travel is given in equation one

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[36] The figures are reported in 2004 dollars. See *Fiscal Year 2005 Budget Estimates, Military Personnel* for the various services, available at http://www.dod.mil/comptroller/defbudget/fy2005/index.html.

[37] These figures are reported in 2004 dollars. See *Fiscal Year Budget Estimates, Military Personnel, Department of the Army*, various years, at http://www.asafm.army.mil/budget/fybm/fybm-chart.asp.

in Appendix One. Spending on enlisted and officer separation travel, prior to any recovery of costs, is $16,633,308 and $638,381, respectively. Total recovery on investment, from equation one, is calculated as $2,926,816. The total spent on separation travel, $17,271,689 minus the recovery on investment, $2,926,816, yields a total of $14,344,873.

Future Research

There is at least one way in which our analysis may overestimate the costs of implementing "don't ask, don't tell," and five ways in which our analysis may underestimate the costs of implementation. All of these issues could be addressed in future research.

First, with respect to overestimation, the military has required some service members fired for homosexuality to repay the costs of their education and training. Because we were not able to determine the number of individuals forced to repay these costs, we did not include an estimate of the amount of money returned to the armed forces as a result. Lawyers at Servicemembers Legal Defense Network, which has represented thousands of service members fired for homosexuality, have suggested that there were fewer than 100 cases between fiscal year 1994 and fiscal year 2003 in which the military attempted to recoup educational training costs from active-duty officers fired for homosexuality.

A related point to consider is that although service members fired for homosexuality between fiscal year 1994 and fiscal year 2003 were not entitled to same-sex partner benefits, it is certainly possible if not likely that following the eventual lifting of the ban, gay and lesbian service members will be entitled to such support. Hence these costs should be included in any estimate of the future costs and benefits of repeal. A recent study indicates that approximately 65,000 gay and lesbian service members are serving in the armed forces at this time.[38] Evidence from foreign militaries that have lifted their gay bans suggests that some gays and lesbians request partner benefits for their spouses once allowed to do so, although most do not. In Canada, for example, 17 claims for medical, dental and relocation benefits for gay and lesbian partners of soldiers were filed in 1998, six years after Canada's 1992 decision to lift its gay ban.[39]

By contrast, our estimates probably underestimate the actual cost of implementing "don't ask, don't tell" for the following reasons. First, we were unable to obtain reliable data for some costs that were omitted from GAO's original report. For example, we were unable to obtain reliable data for the costs of discharge review boards, security clearances, out-processing costs, investigations into service members' sexual orientation, re-enlistment bonuses, and officer recruiting. In addition, we were unable to obtain reliable data for the cost of the government's preparation for and participation in the more than half

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[38] Gary Gates, *Gay Men and Lesbians in the U.S. Military; Estimates from Census 2000* (Washington, DC: Urban Institute, 2004).
[39] Aaron Belkin and Jason McNichol, "Homosexual Personnel Policy in the Canadian Forces; Did Lifting the Gay Ban Undermine Military Performance?" *International Journal* 56, no. 1 (2001), p. 79.

dozen constitutional challenges to "don't ask, don't tell," as well as extensive litigation surrounding the Solomon Amendment, litigation that would not have occurred in the absence of "don't ask, don't tell." Adding the cost of these items to our calculations would increase the estimated cost of implementing "don't ask, don't tell."[40]

Second, as noted above, our use of the training costs for a surface warfare officer as a proxy for the cost of training all officers reflects a conservative assumption that probably reduced our overall cost estimate. The cost to train a surface warfare officer is $92,924, while the cost to train one jet pilot (T-45 line) is $1,439,754.[41] The list of officers fired for homosexuality includes physicians, pilots, dentists, and other individuals with highly technical training.

Third, many gays and lesbians do not re-enlist after fulfilling their service obligations because they are unwilling to continue to conceal their identity. According to a new survey of 445 gay, lesbian, bisexual and transgendered veterans, 19.6 percent of respondents left the armed forces "voluntarily because they could not be open about being LGBT while in the military."[42] While it is impossible to know with certainty how many gays and lesbians fail to re-enlist because of "don't ask, don't tell," these preliminary results suggest that the military may be losing some of its investment in recruiting and training individuals who would remain in uniform if the ban were repealed.

Fourth, we assumed that the benefits of a service member to the Defense Department accrue evenly over the cost recovery period. Hence, for each month of service (except for those spent in training), we credit the military with a constant amount for the return on its investment every month. The amount differs for each individual, depending on the individual's branch and amount of training, but for each individual, the rate is assumed to be constant over time. This is a conservative assumption given that, as is the case in most industries, service members' value to the military increases with experience. And, unlike other industries, the military is unique in that it has to "grow" its own employees and cannot, in general, hire laterally from other sectors. As a result, length-of-service and on-the-job training are very valuable to the armed forces, and a service member returns much more value to the military as his or her experience

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[40] GAO also did not include costs associated with recruiting and training members of the Coast Guard who were subsequently fired for homosexuality. According to Servicemembers Legal Defense Network, 143 individuals were fired from the Coast Guard for homosexuality between fiscal year 1994 and fiscal year 2003. We were unable to obtain data as to the precise time in service for each of these individuals. Hence, we were not able to calculate the costs of training and recruiting according to the same procedures we used throughout the rest of the study. The Coast Guard reported to us that the average cost for recruiting plus basic training is $7,803 per person. (This estimate is conservative, as it does not include many components that other training estimates in this study included, in particular advanced training). If average service lengths for all "don't ask, don't tell" discharges were the same as the other service branches (23 months), then the cost of Coast Guard recruiting and enlisted training would be $825,713.

[41] The surface warfare figure is for training in 1998, but expressed in 2004 dollars, while the cost of pilot training is reported in 2003 dollars.

[42] Private communication with Dr. Kimberly Balsam, University of Washington, concerning results from a forthcoming manuscript.

increases. Factoring this consideration into our estimates would reduce the total amount that the military recovered on its investment in training and recruiting, and increase the total estimated cost of implementing "don't ask, don't tell."

Fifth, we did not include the costs of marriage benefits for gays and lesbians who get married to opposite-sex individuals to avoid military scrutiny of their sexual orientation, and who then file claims for military benefits for their spouses.[43] According to the new survey of 445 gay, lesbian, bisexual and transgendered veterans mentioned above, 18 percent of respondents (80 individuals) got married to avoid military scrutiny of their sexual orientation.[44] Also as noted above, a recent study found that 65,000 gays and lesbians are serving currently in the armed forces. To the extent that gays and lesbians are claiming marriage benefits for spouses who they married to avoid military scrutiny of their sexual orientation, and that such a phenomenon would be less likely to occur after the lifting of the ban, the cost of partner benefits should be included in the total costs of implementing "don't ask, don't tell."

Conclusions

After careful analysis of available data, including an assessment of the 2005 GAO report titled, "Financial Costs And Loss Of Critical Skills Due to DOD's Homosexual Conduct Policy Cannot Be Completely Estimated," this Commission finds that the total costs of implementing "don't ask, don't tell" between fiscal year 1994 and fiscal year 2003 was at least $363.8 million, which is $173.3 million, or 91 percent, more than the $190.5 million figure reported by GAO (Table 5).

**Table 5: Estimated Total Cost of Implementing
"Don't Ask, Don't Tell"
FY 1994 – 2003**

Component	Cost
Enlisted Recruiting	79,279,285
Enlisted Training	252,374,051
Officer Training	17,772,070
Separation Travel	14,344,873
Total	**$363,770,279**

The Commission has found that GAO made several errors in compiling and processing its data. In particular, (1) GAO did not incorporate into its estimate any value that the military recovered from gay and lesbian service members prior to their discharge; (2) GAO omitted various costs such as the costs of training

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[43] Kimberly Bonner, a student in the sociology department at the University of Maryland, is completing a thesis on this phenomenon, and brought it to our attention.
[44] Private communication with Dr. Kimberly Balsam, University of Washington, concerning results from a forthcoming manuscript.

officers that could have been included; and (3) GAO used various unrealistic figures in its estimates. For example, even though GAO itself reported in a 1998 study that the average cost to train each enlistee was $28,800, in the current study GAO accepted the Army's claim that its average cost to train an enlisted service member is $6,400.

As discussed throughout this report and in the section on future research, we were not able to correct for all of the deficiencies in GAO's report. For example, similar to GAO, we were unable to obtain reliable data for some cost categories such as the cost of recruiting officers. That said, we were able to correct for what we believe were the most important oversights in GAO's methodology, both in terms of GAO's overestimations and underestimations of the actual cost of implementing "don't ask, don't tell." In particular, we were able to (1) estimate the value that the military recovered from gay and lesbian service members prior to their discharge, and credit the military with this value, hence lowering the overall estimate of the costs of implementation; (2) include various costs that GAO omitted such as the cost of training officers; and (3) use more realistic figures based on publicly-available data including GAO and Pentagon data.

In our discussion of future research, we listed one way in which our calculations overestimated the cost of "don't ask, don't tell," and five ways in which our calculations underestimated the cost. In the absence of reliable data on these factors, it is impossible to know, with certainty, whether these factors cancel out, or whether our estimate is too high or too low. Given that there are several cost categories which were omitted by GAO and which we have not been able to estimate, and that we used conservative assumptions concerning officer training and other factors, our strong sense is that our final estimate is too low, and that the net result is that we have under-reported the total cost of implementing "don't ask, don't tell." Hence, our conclusion that the cost of implementing "don't ask, don't tell" between fiscal year 1994 and fiscal year 2003 was $363.8 million should be seen as a lower-bound estimate.

Appendix One

Basic Cost Function

The basic cost function used for estimates of the cost of recruiting, training, and separation travel can be expressed as follows:

$$C = \sum \left(T - \left(d \left(\frac{T}{l} \right) \right) \right)$$
Eq. (1)

where:

d: Service duration in months for each "don't ask, don't tell" discharge, minus time spent in training

T: Total amount spent for each "don't ask, don't tell" discharge

l: Expected service duration in months for each "don't ask, don't tell" discharge, minus time spent in training

Costs are summed over all active-duty enlisted and officer "don't ask, don't tell" discharges. The second term in the equation represents the costs that are recouped by the military based on time served in uniform prior to discharge.

Appendix Two

Officers Discharged Under "Don't Ask, Don't Tell"
FY 1994-2003

#	Pay Grade	Branch of Service	Duty Occupation Title	Fiscal Year of Separation	Years of Service
1	O02	NAVY	Health Services Administration Officers	1994	7
2	O03	NAVY	Physicians	1994	3
3	O03	NAVY	Other Fixed-Wing Pilots	1994	6
4	O03	NAVY	Physicians	1994	3
5	O03	NAVY	Health Services Administration Officers	1994	2
6	W02	NAVY	Aviation Maintenance and Allied	1994	16
7	O02	USAF	Logistics, General	1994	4
8	O03	USAF	Aircraft Crews	1994	8
9	O03	USAF	Other Fixed-Wing Pilots	1994	6
10	O04	ARMY	Physicians	1995	8
11	O01	NAVY	Students	1995	2
12	O01	NAVY	Students	1995	8
13	O02	NAVY	Operations Staff	1995	3
14	O03	NAVY	Missiles	1995	9
15	O03	NAVY	Physicians	1995	6
16	O03	NAVY	Administrators, General	1995	10
17	O04	NAVY	Health Services Administration Officers	1995	6
18	O05	NAVY	Physicians	1995	15
19	O01	USAF	Manpower and Personnel	1995	2
20	O01	USAF	Administrators, General	1995	9
21	O03	USAF	Other Fixed-Wing Pilots	1995	11
22	O03	USAF	Operations Staff	1995	7
23	O03	USAF	Physicians	1995	4
24	O03	USAF	Other Fixed-Wing Pilots	1995	5
25	O03	USAF	Other Fixed-Wing Pilots	1995	6
26	O04	USAF	Physicians	1995	2
27	O04	USAF	Physicians	1995	9
28	O01	ARMY	Ground and Naval Arms	1996	2
29	O01	ARMY	Police	1996	2
30	O04	ARMY	Police	1996	17
31	W01	ARMY	Counterintelligence	1996	13
32	O02	NAVY	Procurement and Production	1996	6
33	O02	NAVY	Supply	1996	5
34	O03	NAVY	Administrators, General	1996	8
35	O03	NAVY	Ground and Naval Arms	1996	9

Officers Discharged Under "Don't Ask, Don't Tell" *Continued*

#	Pay Grade	Branch of Service	Duty Occupation Title	Fiscal Year of Separation	Years of Service
36	O03	NAVY	Administrators, General	1996	9
37	O03	NAVY	Health Services Administration Officers	1996	6
38	O03	NAVY	Ship Machinery	1996	12
39	W02	NAVY	Nurses	1996	5
40	O01	USAF	Nurses	1996	3
41	O01	USAF	Nurses	1996	5
42	O03	USAF	Other Fixed-Wing Pilots	1996	11
43	O03	USAF	Construction and Utilities	1996	8
44	O03	USAF	Transportation	1996	8
45	O03	USAF	Nurses	1996	7
46	O03	USAF	Aircraft Crews	1996	11
47	O03	USAF	Physicians	1996	5
48	W01	USMC	Administrators, General	1996	12
49	O03	ARMY	Intelligence, General	1997	8
50	O02	NAVY	Officer in Charge, Naval Shore Activity	1997	6
51	O02	NAVY	Communications Intelligence	1997	3
52	O03	NAVY	Operations Staff	1997	5
53	O03	NAVY	Physicians	1997	3
54	O03	NAVY	Supply	1997	8
55	O04	NAVY	Dentists	1997	16
56	O01	USAF	Manpower and Personnel	1997	3
57	O02	USAF	Nurses	1997	3
58	O02	USAF	Intelligence, General	1997	4
59	O03	USAF	Physicians	1997	2
60	O04	USAF	Communications and Radar	1997	18
61	O01	ARMY	Ground and Naval Arms	1998	1
62	O01	NAVY	Students	1998	2
63	O01	NAVY	Supply	1998	4
64	O02	NAVY	Comptrollers and Fiscal	1998	4
65	O02	NAVY	Ship Machinery	1998	3
66	O02	NAVY	Intelligence, General	1998	3
67	O02	NAVY	Electrical/Electronic	1998	13
68	O02	NAVY	Ground and Naval Arms	1998	3
69	O03	NAVY	Educators and Instructors	1998	17
70	O04	NAVY	Supply	1998	13
71	O02	USAF	Electrical/Electronic	1998	4
72	O02	USAF	Nurses	1998	3
73	O03	USAF	Information	1998	10

Officers Discharged Under "Don't Ask, Don't Tell" *Continued*

#	Pay Grade	Branch of Service	Duty Occupation Title	Fiscal Year of Separation	Years of Service
74	O04	USAF	Manpower and Personnel	1998	17
75	O04	USAF	Aviation Maintenance and Allied	1998	14
76	O04	ARMY	Intelligence, General	1999	12
77	O01	NAVY	Students	1999	3
78	O01	USAF	Nurses	1999	0
79	O02	USAF	Electrical/Electronic	1999	0
80	O02	USAF	Nurses	1999	5
81	O02	USAF	Aircraft Crews	1999	3
82	O03	USAF	Biomedical Sciences & Allied Health Officers	1999	0
83	O03	USAF	Nurses	1999	11
84	O04	USAF	Chaplains	1999	14
85	O03	USMC	Communications and Radar	1999	22
86	O01	ARMY	Ground and Naval Arms	2000	7
87	O01	ARMY	Biomedical Sciences & Allied Health Officers	2000	9
88	O02	ARMY	Ground and Naval Arms	2000	4
89	O02	ARMY	Nurses	2000	1
90	O03	ARMY	Dentists	2000	4
91	O03	ARMY	Operations Staff	2000	4
92	O01	NAVY	Administrators, General	2000	0
93	O01	NAVY	Administrators, General	2000	3
94	O02	NAVY	Ground and Naval Arms	2000	7
95	O02	NAVY	Ship Machinery	2000	6
96	O05	NAVY	Information	2000	17
97	O01	USAF	Students	2000	0
98	O02	USAF	Communications and Radar	2000	3
99	O03	USMC	Fixed-Wing Fighter and Bomber Pilots	2000	7
100	O01	ARMY	Ground and Naval Arms	2001	0
101	O01	ARMY	Ground and Naval Arms	2001	1
102	O01	ARMY	Ground and Naval Arms	2001	2
103	O01	ARMY	Transportation	2001	0
104	O03	ARMY	Ordnance	2001	6
105	O04	ARMY	Physicians	2001	2
106	O04	ARMY	Physicians	2001	12
107	W03	ARMY	Helicopter Pilots	2001	8
108	O01	NAVY	Students	2001	2
109	O02	NAVY	Safety	2001	3

Officers Discharged Under "Don't Ask, Don't Tell" *Continued*

#	Pay Grade	Branch of Service	Duty Occupation Title	Fiscal Year of Separation	Years of Service
110	O04	NAVY	Physicians	2001	10
111	O01	USAF	Communications and Radar	2001	2
112	O01	USAF	Students	2001	2
113	O01	USAF	Other	2001	2
114	O01	USAF	Communications and Radar	2001	2
115	O02	USAF	Procurement and Production	2001	3
116	O02	USAF	Manpower and Personnel	2001	4
117	O03	USAF	Dentists	2001	2
118	O05	USAF	Physicians	2001	10
119	O01	ARMY	Transportation	2002	1
120	O01	ARMY	Intelligence, General	2002	2
121	O04	ARMY	Helicopter Pilots	2002	16
122	O05	ARMY	Physicians	2002	12
123	O02	NAVY	Students	2002	2
124	O02	NAVY	Administrators, General	2002	3
125	O02	NAVY	Operations Staff	2002	6
126	O03	NAVY	Manpower and Personnel	2002	7
127	O02	USAF	Other Fixed-Wing Pilots	2002	4
128	O03	USAF	Transportation	2002	10
129	O03	USAF	Police	2002	4
130	O03	USAF	Physicians	2002	0
131	O04	USAF	Physicians	2002	8
132	O03	USMC	Other	2002	6
133	O02	ARMY	Health Services Administration Officers	2003	2
134	W02	ARMY	Counterintelligence	2003	11
135	O01	NAVY	Students	2003	2
136	O04	NAVY	Students	2003	11
137	O03	USAF	Aviation Maintenance and Allied	2003	8