

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition**

I. Description of Operations Financed: Base Operations (BASEOPS) Facilities Sustainment, Restoration, Modernization activities refers to the routine repair, maintenance and modernization of Defense Health Program (DHP) medical and dental facilities located in CONUS and OCONUS where delivery of health care occurs within military installations and satellite locations.

Facility Restoration and Modernization - Resources required for facilities restoration and modernization projects including repair and replacement due to excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members).

Facility Sustainment - Resources required for maintenance and repair activities necessary to keep facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, emergency response and service calls for minor repairs. Sustainment also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, etc.

Demolition - Resources required for demolition and/or disposal costs associated with excess facilities, including buildings or any other permanent or temporary structure as well as pavements, utility systems, and other supporting infrastructure. Includes environmental costs directly attributable to demolition/disposal to include inspection and removal of hazardous material (such as lead-based paint or asbestos).

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition

I. Description of Operations Financed (cont.)

II. Force Structure Summary:

	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>
Inpatient Facilities	56	56	56
Medical Clinics	365	361	361
Dental Clinics	281	249	249
Veterinary Clinics	255	254	254

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition**

III. Financial Summary (\$ in thousands)

	FY 2012 <u>Actual</u>	Budget <u>Request</u>	FY 2013			Current <u>Estimate</u>	FY 2014 <u>Estimate</u>
			<u>Congressional Action</u>				
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>BA Subactivities</u>							
1. Facility Restoration/Modernization - CONUS	635,511	432,288	0	0.0	432,288	432,288	470,492
2. Facility Restoration/Modernization - OCONUS	63,088	57,547	0	0.0	57,547	57,547	72,687
3. Facility Sustainment - CONUS	486,528	350,082	0	0.0	350,082	350,082	407,674
4. Facility Sustainment - OCONUS	57,800	78,989	0	0.0	78,989	78,989	82,049
5. Demolition	0	0	0	n/a	0	0	0
Total	1,242,927	918,906	0	0.0	918,906	918,906	1,032,902

1. FY 2012 actuals includes \$0M for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, FY 2012(Division A), Public Law 112-74.
2. FY 2013 current estimate excludes \$0.7M for OCO.
3. FY 2014 request excludes OCO.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	918,906	918,906
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	918,906	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	918,906	
Supplemental	658	
Reprogrammings		
Price Changes		16,843
Functional Transfers		
Program Changes		97,153
Current Estimate	919,564	1,032,902
Less: Wartime Supplemental	-658	
Normalized Current Estimate	918,906	

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition

III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		918,906
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		918,906
2. OCO and Other Supplemental Enacted		658
a. OCO and Other Supplemental Requested		
1) OCO Request	658	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		919,564
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		919,564
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-658
FY 2013 Normalized Current Estimate		918,906
6. Price Change		16,843
7. Functional Transfers		
8. Program Increases		106,443
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Increased Baseline for Facilities Sustainment: Increased resources resulting from Facilities Sustainment Model Version 14.2a. The FY 2013 sustainment baseline is \$429.1M.	53,502	
2) Increased Baseline for Facilities Restoration and Modernization Projects: Additional resources to fill critical restoration and	51,151	

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
modernization (R&M) requirements to maintain facilities life and safety standards in lieu of declining MILCON funding. The FY 2013 restoration and modernization baseline is \$489.8M.		
3) Investment in Occupational Health: Facility renovation investments to accommodate Occupational Health and Industrial Hygiene programs to meet Occupational Safety and Health Administration and DoD standards. The FY 2013 restoration and modernization baseline is \$489.8M.	1,152	
4) Rate Changes for Defense Finance & Accounting Service (DFAS): Resources provided for rate adjustments for DFAS.	335	
5) National Intrepid Center of Excellence (NICoE) Satellite Locations: Increases funding for support costs (utilities, housekeeping, equipment, etc.) for the Secretary of Defense accepted and approved NICoE facilities. Provides support for two (2) of the original sites: Fort Belvoir, VA; and Camp Lejeune, NC. and six (6) new projected NICoE satellite sites that will be located at Camp Pendelton, CA; Joint Base Lewis-McChord, WA; Fort Bragg, NC; Fort Hood, TX; Fort Carson, CO; and, Fort Bliss, TX. The NICoE facilities will provide a 12-16 week program of evaluation, diagnosis and care to active duty service members dealing with a possible or probable diagnosis of Traumatic Brain Injury (TBI)/Psychological Health (PH) conditions.	303	
9. Program Decreases		-9,290

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Integrated Disability Evaluation System (iDES):	-3,883	
Program investment profile from FY 2013 to FY 2014.		
The reduction represents the incremental change from		
FY 2013 to FY 2014 for restoration and modernization		
(R/M)investments for iDES. The FY 2013 R&M		
investment provided a higher level of funding to		
cover high priority facility projects. The FY 2014		
budget request funds the continued baseline iDES		
program. The FY 2013 restoration and modernization		
baseline is \$489.8M.		
2) Manpower - Civilian Reprogramming:	-2,760	
Realigns thirty (30) current civilian workforce Full		
Time Equivalents (FTEs) to multiple Budget Activity		
Groups (BAGs) to meet changes in mission and		
priorities.		
3) Travel Reductions:	-2,123	
Reduction in non-patient travel (\$2.1M) in accordance		
with OMB Memo M12-12 (dated 11 May 2012) and		
Executive Order #13589 "Promoting Efficient Spending"		
(dated 9 November 2011). The FY 2013 travel baseline		
is \$4.7M.		
4) Funding Realignments:	-524	
Realignment of funds to multiple Budget Activity		
Groups to reflect proper execution.		
FY 2014 Budget Request		1,032,902

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition

IV. Performance Criteria and Evaluation Summary:

	FY 2012	FY 2013	FY 2014	Change	Change
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2012/2013</u>	<u>FY 2013/2014</u>
Facility Sustainment Funding:	544,328	429,071	489,831	-115,257	60,760
Facility Sustainment Model Requirement:	375,673	429,071	488,274	53,398	59,203
Sustainment Rate (MILPERS not included)	145%	100%	100%		

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition

<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Change FY 2012/ FY 2013</u>	<u>Change FY 2013/ FY 2014</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>	<u>0</u>
Officer	9	9	9	0	0
Enlisted	6	6	6	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>	<u>0</u>
Officer	9	9	9	0	0
Enlisted	6	6	6	0	0
<u>Civilian FTEs (Total)</u>	<u>310</u>	<u>292</u>	<u>244</u>	<u>-18</u>	<u>-48</u>
U.S. Direct Hire	304	275	227	-29	-48
Foreign National Direct Hire	0	13	13	13	0
Total Direct Hire	304	288	240	-16	-48
Foreign National Indirect Hire	6	4	4	-2	0
Average Annual Civilian Salary (\$ in thousands)	90.6	86.1	85.1	-4.5	-1.0
<u>Contractor FTEs (Total)</u>	<u>79</u>	<u>78</u>	<u>72</u>	<u>-1</u>	<u>-6</u>

Narrative for Civilian FTEs: The reduction of civilian FTEs from FY 2012 to FY 2013 and FY 2014 is a zero-based realignment within BASEOPS BAG or various BAGs in the DHP.

Narrative for Contractor FTEs: Comparison to previous cycles is not feasible due to revised methodology used to account for actual number of contractors during this budget cycle.