

Fiscal Year (FY) 2005 Budget Estimates

Washington Headquarters Services (WHS)



February 2004

WASHINGTON HEADQUARTERS SERVICES
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2005 Budget Estimates
 Appropriation Highlights
 (Dollars in Millions)

<u>Appropriation Summary</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>

Budget Activity 4:

Operation and Maintenance, Defense-wide	585.632 *	-9.907	141.758	433.967	25.811	-12.612	447.166
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* Includes \$103.381 million in Supplemental funding.

Narrative Explanation of Changes:

FY 2004 to FY 2005:

Increases include the establishment of a Base Relocation and Closure (BRAC) Commission (**+\$10.0 million**), and an increase (**+\$13.597 million**) to the Defense Continuity Integration Network-Pentagon Continuity Information System to support the information management plan for Site-R. Other increases include payments to the Pentagon Reservation Maintenance Revolving Fund Rent, which is a pro-rata cost for all the Pentagon tenants for the out-of-cycle standup costs of the Pentagon Force Protection Agency (**+\$26.215 million**). Other small increases address the transfer of the Executive Support Center from OSD, the Pentagon Renovation Furniture Program; payments to the Building Maintenance Fund for increasing security costs, and the cost of increasing personnel security investigations; (**for a total of +\$0.757 million**).

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Narrative Explanation of Changes (Continued):

Decreases include the Pentagon Renovation Project adjustment (**-\$28.584**) to the annual plan, and the Defense Travel Program reduction as a result of the prime contract restructure, and the realignment of the development, delivery and training requirements (**-\$11.854**). There is also a non-recurring X-Year program reduction (**-\$6,045**), and a reduced requirement for the Department's pro-rata share of the Government-wide E-Gov payments (**-\$5.591 million**). The Information Technology Program is reduced to reflect the completion of one-time FY 2004 initiatives (**-\$3.476 million**), and the support costs for the Office of the Special Assistant for Gulf War Illnesses (**-\$3.425 million**) are transferred to the Defense Health Program/TRICARE Management Activity. Other decreases include reduced site preparation requirements for the Air Force Memorial Foundation (**-\$1.733 million**), and the Public Key Infrastructure Program reduction to reflect the end of the development and deployment of the program, which is transitioning to a maintenance status (**-\$1.094**). Other small reductions address the maintenance costs of new IT equipment that will be under warranty in FY 2005, the changing requirements and mission completions of the recurring Commissions and Panels, and the operation cost adjustments to the payments to DFAS for financial services; (**for a total of -\$1.379 million**).

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SUMMARY OF INCREASES AND DECREASES
(Dollars in Thousands)

FY 2004 President's Budget Request	<u>BA 4</u> 405,500
1. Congressional Adjustments	
a. General Provisions	
1) Section 8094: Improvements in Professional Support Services	-2,274
2) Section 8126: Management Efficiencies	-1,937
b. Earmarks	
1) Section 8044: Indian Lands Environmental Impact	-249
Total Congressional Adjustments	-4,460
FY 2004 Appropriated Amount	401,040
2. Emergency Supplemental	
a. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)	
1) Chemical-Biological-Radiological-Nuclear (CBRN) program equipment, support and initiatives	3,376
2) War related administrative support costs	13,000
Total Emergency Supplemental	16,376
3. Fact-of-Life Changes	
a. Functional Transfers	
1) Transfers In	
a) Information Technology Support Costs are transferred from the Office of the Secretary of Defense to offset the contract costs required to replace the support mission	

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previously provided by the Air Force Pentagon Communications Agency (AFPCA)	2,400	
b) The Defense Continuity Integration Network - Pentagon Continuity Information System funding is transferred from the Army to WHS to better align the management responsibility for Site-R within the Department.	31,000	
2) Transfers Out		
a) The Federal Voting Assistance Program is transferred to the Defense Human Resources Activity which is more appropriate, Based on the Defense-wide and World-wide missions of this program	-5,451	
b) The support costs associated with the Department Advisory Committee on Women in the Services (DACOWITS) are transferred to the Defense Human Resources Activity based on the functional transfer of the mission from the Office of the Secretary of Defense	-99	
Total Transfers		27,850
b. Emergent Requirements		
1) Program Increase		
a) One-Time Costs		
i) Operational support for Multiple-year Commissions and Boards assigned by the President, Congress or the Department		5,967
Total Program Increases		5,967
2) Program Reductions		

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a) Program Decreases	
i) Redistribution of funds for the customers of the Pentagon Reservation Maintenance Revolving Fund, based on a redistribution of space adjustments	-890
Total Program Decreases	-890
Revised FY 2004 Estimate	450,343
4. Less: Emergency Supplemental Funding	-16,376
Normalized Current Estimate for FY 2004	433,967
5. Price Change	25,811
6. Functional Transfers	
a. Transfers In	
1) The Executive Support Center transfer from the Office of the Secretary of Defense (+2 FTE) to provide one source of communications for the Secretary of Defense and his immediate office	296
b. Transfers Out	
1) WHS support costs for the Office of the Special Assistant for Gulf War Illnesses are transferred to the Defense Health Program/TRICARE Management Activity based on the functional Transfer of the office between those Defense components	-3,425
Total Transfers	-3,129

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7. Program Increases		
a. One-Time FY 2005 Costs		
1) Funding to support the FY 2005 Base Relocation and Closure (BRAC) Commission	10,000	
b. Program Growth in FY 2005		
1) The Defense Continuity Integration Network - Pentagon Continuity Information System funding is increased to support the information management plan for Site-R	13,597	
2) Furniture for the Pentagon Renovation Project increases to support the annual plan, which varies significantly from year-to-year, and is charged on a pro-rata basis to all tenants of the Pentagon building	241	
3) Pentagon Reservation Maintenance Revolving Fund rent is increased to support the operational requirements of the fund. These costs are charged on a pro-rata basis to all the customer-tenants of the Pentagon building	26,215	
4) Payments to the Building Maintenance Fund are increased to reflect space adjustments, and increasing security costs	183	
5) Payments to the Defense Security Service are increase to meet the operational adjustments approved for this fee for service program, which provides personnel security reviews	37	
Total Increases		50,273
8. Program Decreases		
a. One-Time FY 2005 Costs		
1) Completion of one-time FY 2004 IT initiatives	-3,476	
2) Non-recurring X-Year program reduction	-6,045	
b. Program Decreases in FY 2005		

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1) Reduction of equipment maintenance costs associated with the procurement of new IT equipment that will be under warranty in FY 2005	-612
2) The Defense Travel System is decreased as a result of the prime contract restructure, and the realignment of development, delivery and training requirements	-11,854
3) The Pentagon Renovation Project is reduced to support the annual plan, which is shared by all the tenants of the Pentagon building on a pro-rata basis	-28,584
4) The Public Key Infrastructure Program is reduced to reflect the end of the development/deployment of the program, to a maintenance status	-1,094
5) Reduced payment to DFAS for financial services, based on an operational cost adjustment	-227
6) Recurring Commissions and Panels is reduced to reflect the changing requirements and scheduled completion of missions	-540
7) Reduced demolition and site preparation requirements for the Air Force Memorial Foundation Site	-1,733
8) Reduced requirements for Department's pro-rata share payments for Government-wide E.Gov projects	-5,591
 Total Decreases	 -59,756
 FY 2005 Budget Request	 447,166

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FISCAL YEAR (FY) 2005 BUDGET ESTIMATES
MANPOWER CHANGES IN FULL-TIME EQUIVALENT
FY 2003 through FY 2005

	<u>US Direct Hire</u>	<u>Total</u>
1. FY 2003 FTEs	590	590
Underexecution of Special Employment Programs corrected	15	15
Underexecution of Core Operational Programs corrected	14	14
Functional Transfers		
Federal Voting Assistance Program (to DHRA)	-13	-13
2. FY 2004 FTEs	606	606
Functional Transfers		
The Executive Support Center (from OSD)	2	2
3. FY 2005 FTEs	608	608

WASHINGTON HEADQUARTERS SERVICES
 FISCAL YEAR (FY) 2005 BUDGET ESTIMATES
 MANPOWER CHANGES IN FULL-TIME EQUIVALENT
 FY 2003 through FY 2005

	US Direct Hire	Total
4. SUMMARY		
FY 2003		
O&M Total	590	590
Direct Funded	590	590
Reimbursable Funded	0	0
FY 2004		
O&M Total	606	606
Direct Funded	606	606
Reimbursable Funded	0	0
FY 2005		
O&M Total	608	608
Direct Funded	608	608
Reimbursable Funded	0	0

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PERSONNEL SUMMARY

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2004/</u> <u>FY 2005</u>
<u>Active Military End Strength (Total)</u>				
Officer	52	68	68	0
Enlisted	110	127	127	0
 <u>Civilian End Strength (Total)</u>				
US Direct Hire	593	580	582	2
 <u>Active Military Average Strength (A/S) (Total)</u>				
Officer	52	68	68	0
Enlisted	110	127	127	0
 <u>Civilian FTEs (Total)</u>				
US Direct Hire	590	606	608	2

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WASHINGTON HEADQUARTERS SERVICES
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 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY 2003 Program	Price Growth		Program Growth	FY 2004 Program	
		Percent	Amount			
Civilian Personnel Compensation						
101	Exec., General & Special Schedules	56,336	4.2	2,391	-3,489	55,238
107	Voluntary Separation Incentive Payments	652	0.0	0	-352	300
111	Disability Compensation	259	4.0	10	-158	111
199	Total Civilian Personnel Compensation	57,247	4.2	2,401	-3,999	55,649
Travel						
308	Travel of Persons	3,301	1.3	44	-684	2,661
Other Fund Purchases						
672	Pentagon Reservation Maintenance Revolving Fund	123,370	-14.6	-18,072	-31,056	74,242
	(Rent Payments)	(91,470)	(-14.6)	(-13,400)	(-51,039)	(27,031)
	(Pentagon Renovation Project)	(25,200)	(-14.6)	(-3,691)	(25,072)	(46,581)
	(Furniture - Pentagon Renovation Project)	(6,700)	(-14.6)	(-981)	(-5,089)	(630)
673	Defense Finance and Accounting Service	1,250	14.2	178	293	1,721
678	Defense Security Service	2,000	3.0	60	22	2,082
680	Purchases from Building Management Fund	2,954	1.5	45	27	3,026
299	Total Purchases	129,574	-13.7	-17,789	-30,714	81,071
Transportation						
771	Commercial Transportation	1,893	1.3	24	-1,830	87
Other Purchases						
912	Rental Payments to GSA (SLUC)	27,029	1.7	473	-1,014	26,488
913	Purchased Utilities (Non-DBOF)	717	1.3	9	-71	655
914	Purchased Communications (Non-DBOF)	21,433	1.3	289	-7,914	13,808
917	Postal Services (U.S.P.S.)	164	0.0	0	2	166
920	Supplies & Materials (Non-DBOF)	18,974	1.3	256	749	19,979
921	Printing/Reproduction	2,010	1.3	27	299	2,336
922	Equipment Maintenance by Contract	5,175	1.3	69	2,115	7,359
923	Facility Maintenance by Contract	1,680	1.3	22	-310	1,392
925	Equipment Purchases (Non-DBOF)	62,509	1.3	843	-23,071	40,281
932	Management & Professional Support Services	23,329	1.3	314	-20,440	3,203
987	Other Intra-governmental Purchases	63,532	1.3	857	-8,515	55,874
989	Other Contracts	99,552	1.3	1,343	-42,482	58,413
998	Other Costs	67,513	1.3	911	-3,879	64,545
999	Total Other Purchases	393,617		5,413	-104,531	294,499
9999	Total	585,632		-9,907	-141,758	433,967

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 Summary of Price and Program Changes
 (Dollars in Thousands)

		FY 2004	Price Growth		Program	FY 2005
		Program	Percent	Amount	Growth	Program
Civilian Personnel Compensation						
101	Exec., General & Special Schedules	55,238	2.3	1,272	-250	56,260
107	Voluntary Separation Incentive Payments	300	0.0	0	0	300
111	Disability Compensation	111	3.3	4	0	115
199	Total Civilian Personnel Compensation	55,649	2.3	1,276	-250	56,675
Travel						
308	Travel of Persons	2,661	1.5	41	-312	2,390
Other Fund Purchases						
672	Pentagon Reservation Maintenance Revolving Fund	74,242	27.0	20,082	-2,128	92,196
	(Rent Payments)	(27,031)	27.0	(7,303)	(26,215)	(60,549)
	(Pentagon Renovation Project)	(46,581)	27.0	(12,600)	(-28,584)	(30,597)
	(Furniture - Pentagon Renovation Project)	(630)	27.0	(179)	(241)	(1,050)
673	Defense Finance and Accounting Service	1,721	4.3	74	-227	1,568
678	Defense Security Service	2,082	0.0	0	37	2,119
680	Purchases from Building Management Fund	3,026	1.6	49	183	3,258
299	Total Purchases	81,071	24.9	20,205	-2,135	99,141
Transportation						
771	Commercial Transportation	87	1.1	1	0	88
Other Purchases						
912	Rental Payments to GSA (SLUC)	26,488	1.5	410	70	26,968
913	Purchased Utilities (Non-DBOF)	655	1.4	9	0	664
914	Purchased Communications (Non-DBOF)	13,808	1.4	200	0	14,008
917	Postal Services (U.S.P.S.)	166	0.0	0	0	166
920	Supplies & Materials (Non-DBOF)	19,979	1.4	289	0	20,268
921	Printing/Reproduction	2,336	1.4	33	-428	1,941
922	Equipment Maintenance by Contract	7,359	1.4	106	-705	6,760
923	Facility Maintenance by Contract	1,392	1.4	20	0	1,412
925	Equipment Purchases (Non-DBOF)	40,281	1.4	584	-6,088	34,777
932	Management & Professional Support Services	3,203	1.4	46	-92	3,157
987	Other Intra-governmental Purchases	55,874	1.4	810	-7,893	48,791
989	Other Contracts	58,413	1.4	846	19,388	78,647
998	Other Costs	64,545	1.4	935	-14,167	51,313
999	Total Other Purchases	294,499		4,288	-9,915	288,872
9999	Total	433,967		25,811	-12,612	447,166

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I. Description of Operations Financed:

a. The Washington Headquarters Services (WHS) was established under Title 10, United States Code, on October 1, 1977 as a Department of Defense (DoD) Field Activity to provide operational support to specified DoD activities in the National Capital Region. In general, the Core Operational Support Activities of the organization represents a consolidation of functions which provides a variety of administrative and operational support and services to designated DoD activities which are not authorized their own support capability. WHS enables support functions to be centralized for maximum efficiency and control, by assuming the responsibility of planning, managing and administering the following functions:

(1) Administrative support of the Office of the Secretary of Defense (OSD), certain DoD Field Activities, and other specified Defense activities, including budgeting and accounting, civilian and military personnel management, office services, personnel and information security, correspondence and cables management, directives and records management, travel, and other such administrative services.

(2) Information Technology (IT) resources in support of the decision and policy-making processes of the sixteen organizational components of the Office of the Secretary of Defense and the Washington Headquarters Services. Develops information management strategies and programs; acquires services and systems to support the programs; and, manages those services and systems over their life cycles.

(3) Real Property management services for the Pentagon Reservation and other DoD-occupied, General Services Administration (GSA)-controlled administrative space in the NCR and DoD common support facilities, including office space, law enforcement, environmental safety and health, maintenance, repair and alteration of assigned buildings, custodial services, physical security, and building administration.

(4) Common office services, including printing, graphics, contracting, procurement of supplies and equipment, communications, concessions, and other support services.

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(5) Administration and oversight for the implementation of the Defense Privacy Program within the Department of Defense, which includes providing management, guidance, and assistance to DoD Components to avoid conflicts of policy or procedures.

I. Description of Operations Financed (Continued):

(6) Administration of the Freedom of Information Act Program through timely compliance with its policies, consistent with the Department's responsibility to ensure national security. Conducts security review consistent with Executive Order 12958, and current Department directives, of all material prepared by military and civilian employees, contractors, and sources outside the Department of Defense submitted for such reviews.

b. WHS also programs and funds Defense Programs, including:

(1) The Project Management Office (PMO) for the Defense Travel System (DTS) which was established to provide procurement management and system fielding support of DTS worldwide. The is the standard DoD business travel services system that combines reengineered travel policies and procedures with the best industry practices and technology. The DTS provides full travel management support from arranging for travel and approving travel authorizations, to processing reimbursement vouchers following travel and maintaining appropriate government records. The DTS is a fully electronic process that leverages technology to speed the coordination of travel, incorporates a digital signature capability, and embraces standard industry electronic procedures.

(2) The DoD Public Key Infrastructure (PKI) effort, which is a critical element in achieving a security Information Assurance (IA) posture for the Defense Information Infrastructure (DII).

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(3) Other Defense support includes the DoD Commissions, Panels, Boards and Task Forces Program, the Federal Executive Boards Program, and the Defense Continuity Integration Network - Pentagon Continuity Information System.

c. The Washington Headquarters Services (WHS) Core Operational Support Activities finances the following functions/missions:

(1) Program, budget and accounting: Formulates, presents, and executes the Program Objective Memoranda, President's Budgets, and Future Years Defense Programs for the OSD, WHS, and certain DoD Field Activities. It also administers the Official Representation

I. Description of Operations Financed (Continued):

Program for the OSD, including the development of policies for use of these funds; for DoD officials, military and civilian employees, consultants and experts, and others authorized to travel on official business at Government expense under the auspices of OSD. Provides information system technology and management; installation level accounting support for appropriations allocated or allotted to OSD and WHS; and develops, establishes and administers control procedures for apportionment and allocations at the intermediate level for OSD. WHS also develops, implements and assists the accounting and reporting systems for the DoD Trust Funds and appropriation level reporting for OSD; manages the Treasury Index 97 (Defense-Wide) debt collection and cash management programs, and the OSD Government Travel Card Program.

(2) Correspondence and Communications: Provides administrative support to the immediate offices of the Secretary and Deputy Secretary of Defense and their principal assistants. Ensures an orderly flow of time-sensitive correspondence, cable traffic, and intelligence items for consideration, moving between the President, members of his cabinet and congress, and senior officials throughout the government and numerous foreign countries. Manages the DoD Directives System; implements records management for all OSD functional elements, systematic declassification, historical research programs, and administers the Freedom of Information Act (FOIA) Program to ensure compliance with policies and procedures that govern the program. Also serves as the proponent for the

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Department's regulation and other discretionary instructions and guidance to ensure timely and reasonable uniform implementation of the FOIA. Internally administers the IA Program for the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Combatant Commands. In so doing, promotes public trust by making the maximum amount of information available to the public, consistent with the Department's responsibility to ensure national security.

(3) Personnel and personnel security: Provides personnel, security, training and equal employment opportunity (EEO) services for military and civilian personnel assigned to the Office of the Secretary of Defense and a variety of DoD Field Activities, Defense Agencies, Military Departments, the White House, the National Security Council and the Congress. This includes a National Capital Region Human Resource Service Center which provides consolidated personnel services for participating DoD agencies, to include

I. Description of Operations Financed (Continued):

administration for various automation initiatives, and numerous services to on-site personnel offices.

(4) Facilities and operational services: Provides administrative and operational support to specified DoD activities in the National Capital Region (NCR), including space management, law enforcement, maintenance, repair and alteration of assigned buildings, custodial, physical security, building administration, graphics services, acquisition, property management, safety, environmental management, and other support services. Also directs, coordinates and administers the Pentagon Renovation Program for the development of strategic and facility plans to meet the long-range administrative space needs for the DoD in the NCR and a capital improvement program for the Pentagon Reservation. WHS also provides for the Management of DoD-occupied, General Services Administration-controlled administrative space in the NCR and DoD common support facilities includes office space, concessions, layout design and other related building administrative functions.

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(5) Provides information technology resources for approximately 12,000 IT seats, including networked personal computers, stand alone personal computers and laptops in WHS and the sixteen organizational components of OSD. Special emphasis is placed on continuing to develop, implement, and control enterprise-wide common applications and systems resulting in efficient, cost-effective and interoperable IT solutions for the OSD and WHS organizations. Also, special emphasis is placed on establishing and managing an effective and accredited security architecture that protects the IT from the full spectrum of cyber threats. The IT program funds the acquisition of hardware, software and operational services, such as, help desks, network management, system administration services, software licenses, hardware and software maintenance, and facilities maintenance.

(6) Individual privacy: Serves as the focal point for the coordination of Privacy Act matters with the Defense Privacy Board; the Defense Privacy Board Legal Committee; the Office of Management and Budget; the General Accounting Office; the Office of the Federal Register, in conjunction with the OSD Federal Register Liaison Officer; and other Federal agencies as required. Supervises the implementation of the right to Financial Privacy Act, and any other legislation that impacts directly on individual privacy.

I. Description of Operations Financed (Continued):

Coordinates on all personnel policies that may affect the Department's Privacy Program, and ensures that training programs are established for those whose duties involve design, development, operation and maintenance of any system of records.

(7) Miscellaneous activities: Provides such services as mess stewards and receptionists in support of the Secretary and Deputy Secretary of Defense and their senior staff.

d. The Defense-wide Programs included in the Washington Headquarters Services account consist of the fiscal and manpower resources assigned to the following recurring and non-recurring functions:

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(1) The Defense Travel System and Project Management Office (PMO) operations, system deployment, system training, records management and operations maintenance.

(2) The Pentagon Renovation Project, which provides for payments to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) to fund the multi-year construction project, based on the combined Office of the Secretary of Defense/Washington Headquarters Services total occupancy.

(3) The DoD Public Key Infrastructure (PKI) initiative, which provides funding for the implementation of DoD PKI policy.

(4) Other Defense programs provide non-recurring funding to various activities assigned by the OSD as Executive Agents for the management of key Defense, Government-wide and international programs. Recurring resources are also provided to support the short-term DoD Commissions and Panels, and the Department's reimbursement for the administrative and personnel costs of the regional Federal Executive Boards.

II. Financial Summary (O&M: \$ in Thousands):

A. Activity Groups:

	FY 2003 Actuals	FY 2004			FY 2005 Estimate
		Budget Request	Appropriation	Current Estimate	
1. Core Operational Support Activities					
a. Compensation and Benefits Program	54,460	54,403	54,403	53,421	54,563
b. Support Services, Materials & Equipment	47,831	57,367	56,443	56,150	57,480
c. Information Technology	80,432	88,581	87,154	89,271	82,502
d. Contracts/Support Services	43,183	42,972	42,280	38,861	31,805
e. Pentagon Rent	91,470	28,089	28,089	27,031	60,549
f. Pentagon Renovation Project	25,200	46,581	46,581	46,581	30,597
g. Pentagon Renovation Furniture	6,700	630	630	630	1,050
h. Building Management Fund	2,954	3,026	3,026	3,026	3,258

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i. GSA Rent	26,945	25,888	25,888	25,888	26,518
j. US Mission to NATO	2,955	3,081	3,031	3,024	3,056
k. OSD/WHS Training Program	4,166	3,696	3,636	3,614	3,673
l. Travel	<u>1,075</u>	<u>1,457</u>	<u>1,434</u>	<u>1,241</u>	<u>1,253</u>
Sub-Totals	387,371	355,771	352,595	348,738	356,304
2. <u>Defense Programs</u>					
a. Defense Travel System	58,240	38,426	37,806	37,718	26,356
b. Commissions and Panels	15,866	7,742	7,617	7,599	17,158
c. Federal Executive Boards	1,073	1,111	1,111	1,111	1,155
d. Public Key Infrastructure	1,869	2,450	2,411	2,405	1,342
e. Defense Continuity Integration Network	0	0	-500	30,429	44,851
f. Classified (DERF Transfer) Program	28,000	0	0	0	0
g. Ofc of Reconstruction/Humanitarian Asst.	93,070	0	0	0	0
h. Drug Interdiction Program	<u>143</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Totals	198,261	49,729	48,445	79,262	90,862
O&M, Dw Totals	585,632	405,500	401,040	428,000	447,166
3. <u>Special Programs</u>					
a. X-Year Funds (Commissions)	0	0	0	5,967	0
Overall Totals	585,632*	405,500	401,040	433,967	447,166

* Includes \$103.381 million of supplemental funding.

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II. Financial Summary (O&M: \$ in Thousands) (Continued):

B. Reconciliation Summary:

	<u>Change</u> <u>FY 2004/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
Baseline Funding	405,500	433,967
Congressional Adjustments (Distributed)	-	-
Congressional Adjustments (Undistributed)	-	-
Congressional Adjustments (General Provisions)	-4,211	-
Congressional Earmarks (Billpayer)	-249	-
Subtotal Appropriated Amount	401,040	-
Price Change	-	25,811
Functional Transfers	27,850	-
Program Changes	5,077	-12,612
Current Estimate	433,967	447,166

C. Reconciliation of Increases and Decreases:

	<u>BA 4</u>
FY 2004 President's Budget Request	405,500
1. Congressional Adjustments	
a. General Provisions	
1) Section 8094: Improvements in Professional Support Services	-2,274
2) Section 8126: Management Efficiencies	-1,937
b. Earmarks	
1) Section 8044: Indian Lands Environmental Impact	-249
Total Congressional Adjustments	-4,460

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FY 2004 Appropriated Amount 401,040

II. Financial Summary (O&M: \$ in Thousands) (Continued):

2. Emergency Supplemental

- a. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)
 - 1) Chemical-Biological-Radiological-Nuclear (CBRN) program equipment, support and initiatives 3,376
 - 2) War related administrative support costs 13,000

Total Emergency Supplemental 16,376

3. Fact-of-Life Changes

- a. Functional Transfers
 - 1) Transfers In
 - a) Information Technology Support Costs are transferred from the Office of the Secretary of Defense to offset the contract costs required to replace the support mission previously provided by the Air Force Pentagon Communications Agency (AFPCA) 2,400
 - b) The Defense Continuity Integration Network - Pentagon Continuity Information System funding is transferred from the Army to WHS to better align the management responsibility for Site-R within the Department. 31,000
 - 2) Transfers Out
 - a) The Federal Voting Assistance Program is transferred to the Defense Human Resources Activity which is more appropriate, based on the Defense-wide and World-wide missions of this program -5,451

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b) The support costs associated with the Department Advisory Committee on Women in the Services (DACOWITS) are transferred to the Defense Human Resources Activity based on the functional transfer of the mission from the Office of the Secretary of Defense -99

Total Transfers 27,850

II. Financial Summary (O&M: \$ in Thousands) (Continued):

b. Emergent Requirements

1) Program Increase

a) One-Time Costs

i) Operational support for Multiple-year Commissions and Boards assigned by the President, Congress or the Department 5,967

Total Program Increases 5,967

2) Program Reductions

a) Program Decreases

i) Redistribution of funds for the customers of the Pentagon Reservation Maintenance Revolving Fund, based on a redistribution of space adjustments -890

Total Program Decreases -890

Revised FY 2004 Estimate 450,343

4. Less: Emergency Supplemental Funding -16,376

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Normalized Current Estimate for FY 2004	433,967
5. Price Change	25,811
6. Functional Transfers	
a. Transfers In	
1) The Executive Support Center transfer from the Office of the Secretary of Defense (+2 FTE) to provide one source of communications for the Secretary of Defense and his immediate office	296

II. Financial Summary (O&M: \$ in Thousands) (Continued):

b. Transfers Out	
1) WHS support costs for the Office of the Special Assistant for Gulf War Illnesses are transferred to the Defense Health Program/TRICARE Management Activity based on the functional Transfer of the office between those Defense components	-3,425
Total Transfers	-3,129
7. Program Increases	
a. One-Time FY 2005 Costs	
1) Funding to support the FY 2005 Base Relocation and Closure (BRAC) Commission	10,000
b. Program Growth in FY 2005	
1) The Defense Continuity Integration Network - Pentagon Continuity Information System funding is increased to support the information management plan for Site-R	13,597
2) Furniture for the Pentagon Renovation Project increases	

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to support the annual plan, which varies significantly from year-to-year, and is charged on a pro-rata basis to all tenants of the Pentagon building	241
3) Pentagon Reservation Maintenance Revolving Fund rent is increased to support the operational requirements of the fund. These costs are charged on a pro-rata basis to all the customer-tenants of the Pentagon building	26,215
4) Payments to the Building Maintenance Fund are increased to reflect space adjustments, and increasing security costs	183
5) Payments for personnel security investigations are increased to meet the expected operational requirements for the personnel assigned to the OSD and WHS	37

Total Increases

50,273

II. Financial Summary (O&M: \$ in Thousands) (Continued):

8. Program Decreases

a. One-Time FY 2005 Costs

1) Completion of one-time FY 2004 IT initiatives	-3,476
2) Non-recurring X-Year program reduction	-6,045

b. Program Decreases in FY 2005

1) Reduction of equipment maintenance costs associated with the procurement of new IT equipment that will be under warranty in FY 2005	-612
2) The Defense Travel System is decreased as a result of the prime contract restructure, and the realignment of development, delivery and training requirements	-11,854
3) The Pentagon Renovation Project is reduced to support the	

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annual plan, which is shared by all the tenants of the Pentagon building on a pro-rata basis	-28,584
4) The Public Key Infrastructure Program is reduced to reflect the end of the development/deployment of the program, to a maintenance status	-1,094
5) Reduced payment to DFAS for financial services, based on an operational cost adjustment	-227
6) Recurring Commissions and Panels is reduced to reflect the changing requirements and scheduled completion of missions	-540
7) Reduced demolition and site preparation requirements for the Air Force Memorial Foundation Site	-1,733
8) Reduced requirements for Department's pro-rata share payments for Government-wide E.Gov projects	-5,591
Total Decreases	-59,756
FY 2005 Budget Request	447,166

III. Performance Criteria and Evaluation Summary:

Washington Headquarters Services (WHS) is charged with providing administrative and operational support services to the Office of the Secretary of Defense (OSD) and certain Defense Agencies and joint activities which do not have their own administrative support capability. WHS objectives are to provide accurate and responsive support in correspondence control, mail services, records management, directives management, office services support, civilian and military personnel services, security, financial management, and other miscellaneous activities.

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In addition to these traditional services, WHS administers data systems in support of the OSD decision and policy making processes, provides automated data processing services, and manages Department of Defense occupied General Services Administration controlled space in common support facilities throughout the National Capital Region.

The following identifies some of the more significant indicators of WHS workload:

a. Core Operational Support Activities:

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
(1) <u>Program, Budget and Accounting</u>			
Program/Budget Coverage:			
Appropriation/Funds	15	15	15
Installation Accounting:			
Allotments	14	14	14
Transactions			
Direct Program (\$000)	2,095,049	2,200,000	2,400,000
Reimbursable Program (\$000)	1,060,732	1,080,000	1,100,000
Agency Accounting Reports:	1,730	1,730	1,730
(2) <u>Personnel and Personnel Security</u>			
NCR Civilian Personnel receiving			
Security services	55,193	55,193	55,193
Personnel serviced by Regional Center	10,454	9,794	9,794

III. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
(3) <u>Individual Privacy</u>			
Components supported	18	18	18
Privacy Act System of Records supported	1,153	1,153	1,153

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(4) Facilities and Operational Services

Space Managed (000 square feet)			
Pentagon Reservation	4,864	4,864	4,864
Other	12,136	12,136	12,136
Purchase Card			
Number of Transactions	12,156	12,363	12,573
Value (\$000)	11,560	11,757	11,956
Number of Card holders	178	181	184
Graphic Services			
Number of projects	3,535	3,111	3,167
Communications			
Number of lines	13,731	13,964	14,216
Number of Instruments	9,310	9,477	9,477
Personnel Serviced	4,577	4,655	4,739
IT Seats (Networked PCs, Stand Alone PCs, and Laptops)	10,558	10,558	10,558
OSD & WHS Organizational Components	18	18	18

(5) Correspondence and Communications

Congressional Correspondence	6,300	6,500	6,500
Classified correspondence processed	50,000	45,000	50,000
Unclassified correspondence processed	125,000	110,000	120,000
Cable/Message processing	360,000	360,000	360,000
Mail/Distribution for 43 activities	1,300,000	1,200,000	1,200,000

b. Defense-wide Programs: The Defense Travel System: Due to the complex nature of deploying major systems to DoD installations, fielding of DTS will occur in several phases. Phase I will deploy DTS to pilot sites covering four Services and some Defense Agencies that

III. Performance Criteria and Evaluation Summary (Continued):

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will support over 75,000 personnel generating an estimated 240,000 travel claims per year. Currently, DTS is operational at nineteen pilot sites.

<u>Event</u>	<u>Date</u>
Phase I Fielding of Pilot Sites	FY 2003
Phase II Fielding-High Volume Primary Sites (approximately 250 sites)	FY2003-FY2006
Phase III Fielding-Smaller, low volume sites (approximately 10,000 Sites)	FY2003-FY2006

IV. Personnel Summary:

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY2005</u>	<u>Change FY2004/FY2005</u>
<u>Active Military End Strength (E/S) (Total)</u>				
Officer	52	68	68	-
Enlisted	110	127	127	-
 <u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	593	580	582	+2
 <u>Active Military Average Strength (A/S) (Total)</u>				
Officer	52	68	68	-
Enlisted	110	127	127	-
 <u>Civilian FTEs (Total)</u>				

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U.S. Direct Hire 590 606 608 +2

V. OP-32 Line Items as Applicable (Dollars in Thousands):

	FY 2003 Estimate	Change from FY2003 to FY2004		FY 2004 Estimate	Change from FY2004 to FY2005		FY 2005 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth	
Exec., Gen.& Spec. Schedules	56,336	2,391	-3,489	55,238	1,272	-250	56,260
Voluntary Separation Incentive Pay	652	-	-352	300	0	0	300
Disability Compensation	259	10	-158	111	2	2	115
Travel of Persons	3,301	44	-684	2,661	41	-312	2,390
Pentagon Reservation							
Maintenance Revolving Fund	123,370	-18,072	-31,056	74,242	20,082	-2,128	92,196
Defense Finance & Accounting Svc	1,250	178	293	1,721	74	-227	1,568
Defense Security Service	2,000	60	22	2,082	0	37	2,119
Purchases from Building Management							
Fund	2,954	45	27	3,026	49	183	3,258
Commercial Transportation	1,893	24	-1,830	87	1	0	88
Rental Payments to GSA	27,029	473	-1,014	26,488	410	70	26,968
Purchased Utilities	717	9	-71	655	9	0	664
Purchased Communications	21,433	289	-7,914	13,808	200	0	14,008
Postal Services (USPS)	164	-	2	166	0	0	166
Supplies/Materials	18,974	256	749	19,979	289	0	20,268
Printing & Reproduction	2,010	27	299	2,336	33	-428	1,941
Equipment Maintenance by Contract	5,175	69	2,115	7,359	106	-705	6,760
Facility Maintenance by Contract	1,680	22	-310	1,392	20	0	1,412
Equipment Purchases	62,509	843	-23,071	40,281	584	-6,088	34,777
Management/Prof. Support Services	23,329	314	-20,440	3,203	46	-92	3,157
Other Intra-Government Purchases	63,532	857	-8,515	55,874	810	-7,893	48,791

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Other Contracts	99,552	1,343	-42,482	58,413	846	19,388	78,647
Other Costs	<u>67,513</u>	<u>911</u>	<u>-3,879</u>	<u>64,545</u>	<u>935</u>	<u>-14,167</u>	<u>51,313</u>
Total	585,632*	-9,907	-141,758	433,967	25,811	-12,612	447,166

* Includes \$103.381 million of Supplemental funding.