

Fiscal Year (FY) 2005

Budget Estimates

Defense Human Resources Activity (DHRA)



February 2004

**DEFENSE HUMAN RESOURCES ACTIVITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2005 President's Budget**  
**Appropriation Highlights**  
**(Dollars in Thousands)**

Operation and Maintenance, Defense-Wide	<u>FY 2003 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2004 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2005 Estimate</u>
<b>BA 4: Administration and Service-Wide Activities</b>	247,080	4,378	26,165	277,622	4,512	36,806	318,940
<i>Memo: DIMHRS program transfers from Navy</i>				(-)		(24,700)	(24,700)
<b>BA 3: Training and Recruiting</b>	45,314	638	(3,588)	42,364	618	13,085	56,067
<b>Total O&amp;M,D-W</b>	<b>292,394</b>	<b>5,060</b>	<b>22,532</b>	<b>319,986</b>	<b>5,340</b>	<b>49,681</b>	<b>375,007</b>

**Description of Operations Financed:**

The Department of Defense Human Resources Activity (DHRA) is a Field Activity that gives the Under Secretary of Defense ((Personnel and Readiness)(USD(P&R))greater oversight and flexibility in coordinating the work of organizations that administer personnel policies, maintain comprehensive databases, and provide a variety of education and research programs. DHRA's operations and products help keep the wheels of P&R turning smoothly through automation and innovative technology. They enable the Department's policymakers, warfighters, and civilian managers to do their jobs more efficiently and effectively. The scope of DHRA's mission is necessarily broad; increased funding reflects additional support of new and expanded missions as well as modifications to existing infrastructure to accommodate new technologies. Funds support the execution, modification and maintenance of Departmental and Congressionally mandated programs in benefits, readiness, research, and force protection.

DHRA's operations are founded on providing the highest quality in customer service to clients inside and outside the Department. Programs and missions are results-driven and the Field Activity leadership is committed to promoting innovation and sharing lessons learned with other Federal Agencies and the private sector. DHRA implements new initiatives inexpensively, and in a timely manner, by leveraging existing systems, infrastructure, and decades of operational experience. The Field Activity has a proven track record of success in supporting the effectiveness, efficiency, and productivity of human resource operations throughout DoD.

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**Budget Activity 4: Administration and Service-Wide Activities**

Significant changes: The Defense Integrated Military Human Resource System (DIMHRS) transfers from the Navy to the Defense Human Resources Activity (DHRA) in FY 2005 (\$24,700). Between FY 2004 and FY 2005, the DHRA also increases the following Budget Activity (BA) 4 programs (descriptions provided below), with partial offsets from Contracts:

Defense Eligibility and Enrollment Reporting System (DEERS) (\$5,517),  
Defense Business Fellows Program, (\$4,400)  
National Security Personnel System (NSPS) (\$7,000), and  
Regionalization and Systems Modernization (\$2,457).

**Defense Integrated Military Human Resources System** is critical to the Department's transformation of military personnel and pay management. It will replace 79 disparate and duplicative legacy systems in the Services and DFAS by providing a single, fully integrated, all-Service, all-Component personnel and pay management system built on a COTS base and full business process reengineering. In FY 2005, funding transfers from the Navy to DHRA to provide more effective OSD oversight, and ensure that the DIMHRS supports DoD-wide priorities and complies with the Business Management Modernization Program, which gives the OSD Principal Staff Assistants additional responsibilities for IT Portfolio Management.

**Defense Eligibility Enrollment Reporting System (DEERS)**. The increase for DEERS ensures eligible individuals continue to receive all authorized benefits - most importantly health benefits and associated prescription drug benefits. DEERS directly affects all active duty, retired, family members, surviving family members, Guard/Reserve personnel who are activated for a period in excess of 30 days, and other special categories of people who qualify for benefits. Funds are required to support the TNEX (next generation of TRICARE) contracts awarded in FY 2004. Thirty-five separate new capabilities must be added to DEERS to support TNEX, allowing for much better service to the beneficiaries and, in many cases, reduced cost of administration. Increase in FY 2005 provides for costs associated with the increase in correspondence volume needed to support both new TNEX capabilities as well as requirements mandated in the Healthcare Insurance Portability and Accountability Act. Without these funds

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**Description of Operations Financed: (continued)**

these new capabilities cannot be supported and costs for required correspondence would be unfunded. (\$+5,517)

**Defense Business Fellows Program (DBF)**. The Department established the DBF program in response to the impending loss of institutional knowledge through senior leader retirements. The program goal is to attract, develop and retain candidates with graduate degrees in business administration who have some practical experience. Required funding supports program development, personnel and supports costs for the program office, and for participant salaries, training and travel. (\$+4,400)

**National Security Personnel System (NSPS)** funding supports implementation of the NSPS, which will change the way civilians are hired, assigned, rewarded, advanced, and disciplined. FY 2005 funding supports establishment and operation of the NSPS Implementation Office, including staff, contract support (training development), office space, equipment, and travel. (\$+7,000)

**Regionalization and Systems Modernization (RegMod)** funds support civilian human resources (HR) portfolio management, system reviews, and business transformation initiatives to improve business processes and continue system integration across the Department. The cornerstone for these initiatives is the Defense Civilian Personnel Data System (DCPDS), operated by the RegMod office. This enterprise civilian HR data system is transforming civilian HR service delivery across the Department. (\$+2,457)

**Budget Activity 3: Training and Recruiting**

Significant changes: Two programs increase between FY 2004 and FY 2005, with partial offsets from Contracts:

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**Description of Operations Financed: (continued)**

- Program funding for the Defense Leadership and Management Program (DLAMP) increases (\$+9,556) due to the partial restoration to the required baseline. The additional funding will restore this vital executive development program to the FY 2003 baseline.
- Additional funding for the Joint Advertising and Market Research Studies (JAMRS) program (\$+3,984) will support the core functions of the JAMRS program and the purchase of print and on-line media.

**Defense Leadership and Management Program (DLAMP)** is a critical component of the DoD succession management strategy, develops future senior civilian leaders. FY 2005 funding restores program operations to provide critical leadership development, graduate education, backfill for students on long-term training, and program management/student support. (\$9,556)

**Joint Advertising Market Research Studies (JAMRS)** is the corporate-level complement to the recruiting advertising and market research programs of the individual services. The program's advertising and market research efforts have had a direct, positive, long-term impact on the ability of the Department and the military services to recruit quality personnel and they directly support the Department's Transformation goals for Personnel and Readiness. The JAMRS campaign is designed to increase the likelihood that adult influencers of youth will recommend military service. In FY 2004, the campaign placed print advertising in 27 national publications and reached 123 million people. This highly successful campaign and the market research, ad tracking, studies and polls will continue in FY 2005. (\$+3,909)

**DEFENSE HUMAN RESOURCES ACTIVITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2005 President's Budget**  
**Summary of Increases and Decreases**

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
FY 2004 President's Budget Request	35,262	276,802	312,064
1. Congressional Adjustments			
a. Distributed Adjustments			
Employer Support of the Guard and Reserve (ESGR)		2,000	2,000
Joint Advertising Market Research Studies (JAMRS)	7,500		7,500
b. Undistributed Adjustments			
c. General Provisions			
1) Section 8094 Prorate Professional Support Services	(203)	(1,600)	(1,803)
2) Section 8101 IT Cost Growth		(2,597)	(2,597)
3) Section 8126 Prorate Management Efficiencies	(174)	(1,362)	(1,536)
d. Congressional Earmarks			
Section 8044 Indian Lands Environmental Impact	(21)	(176)	(197)
FY 2004 Appropriated Amount	42,364	273,067	315,431
2. Emergency Supplemental			
a. Emergency Supplemental Funding Carryover			
b. FY 2004 Emergency Supplemental Appropriations Act			
3. Fact-of-Life Changes			
a. Functional Transfers			
1) Department Advisory Committee on Women in the Services (DACOWITS)		287	287
2) Federal Voting Assistance Program (FVAP)		5,451	5,451
Total Transfers In			
b. Program Reductions			
a) One-Time Costs			
b) Program Decreases		(1,183)	(1,183)

**DEFENSE HUMAN RESOURCES ACTIVITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2005 President's Budget**  
**Summary of Increases and Decreases**

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
Baseline Funding	42,364	277,622	319,986
4. Reprogramming			
a. Increases			
b. Decreases			
Revised FY 2004 Estimate	42,364	277,622	319,986
5. Less: Emergency Supplemental Funding			
Normalized Current Estimate for FY 2004	42,364	277,622	319,986
6. Price Change	618	4,512	5,130
7. Functional Transfers			
a. Transfers In			
Defense Integrated Military Human Resources System (DIMHRS)		24,700	24,700
b. Transfers Out			
8. Other Transfers (Non-functional Transfers)			
a. Transfers In			
b. Transfers Out			
9. Program Increases			
a. Annualization of New FY 2004 Program			
1) Defense Enrollment Eligibility Reporting System (DEERS)		5,969	5,969
2) Medical Readiness		185	185
3) Surveys		147	147
4) Defense Business Fellows Program		4,400	4,400
5) National Security Personnel System (NSPS)		7,000	7,000
6) Business Systems		7,026	7,026
7) Regionalization and Modernization		2,457	2,457
8) Defense Leadership and Management Program (DLAMP)	9,176		9,176
9) Joint Advertising Market Research Studies (JAMRS)	3,909		3,909

**DEFENSE HUMAN RESOURCES ACTIVITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2005 President's Budget**  
**Summary of Increases and Decreases**

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
b. One-Time FY 2005 Costs			
c. Program Growth in FY 2005			
10. Program Decreases			
a. One-Time FY 2004 Costs			
b. Program Decreases in FY 2005			
1) Common Access Card (CAC)		(1,150)	(1,150)
2) Real Time Automated Personnel Identification System (RAPIDS)		(10,811)	(10,811)
3) Universal Beneficiary Card (UBC)		(297)	(297)
4) Federal Voting Assistance Program (FVAP)		(1,670)	(1,670)
5) Employer Support of the Guard and Reserve (ESGR)		(1,150)	(1,150)
FY 2005 Budget Request	56,067	318,940	375,007

OPERATION AND MAINTENANCE, DEFENSE-WIDE  
 DEFENSE HUMAN RESOURCES ACTIVITY  
 PERSONNEL SUMMARY

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/2004</u>	<u>Change</u> <u>FY 2004/2005</u>
<u>Active Military End Strength (ES) (Total)</u>	16	16	16	0	0
Officer	14	14	14	0	0
Enlisted	2	2	2	0	0
 <u>Civilian End Strength</u>					
U.S. Direct Hire	725	809	827	84	18
 <u>Active Military Average Strength (Total)</u>	16	16	16	0	0
Officer	14	14	14	0	0
Enlisted	2	2	2	0	0
 <u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	702	786	807	84	21

**CIVILIAN PERSONNEL MANAGEMENT SERVICE**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2005 President's Budget**  
**Manpower Changes in Full-Time Equivalents (FTEs)**  
**FY 2003 Through FY 2005**

	<u>US Direct Hire</u>	<u>Direct Hire</u>	Foreign National <u>Indirect Hire</u>	<u>Total</u>
1. FY 2003 Full Time Equivalent (FTE)	702	0	0	702
Operation & Maintenance	702	0	0	702
2. FY 2004 Full Time Equivalent (FTE)	786	0	0	786
Operation & Maintenance	786	0	0	786
Changes:				
a. Federal Voting Assistance Program	13	0	0	13
b. Defense Business Fellows Program	7	0	0	7
c. Business Systems	4	0	0	4
d. Operations	(3)	0	0	(3)
3. FY 2005 Full Time Equivalent (FTE)	807	0	0	807
Operation & Maintenance	807	0	0	807
Changes:				
a. Federal Voting Assistance Program	13	0	0	13
b. DEERS	3	0	0	3
c. Defense Business Fellows Program	25	0	0	25
d. Business Systems	4	0	0	4
5. SUMMARY				
FY 2003 ACTUAL				
O&M Total	702	0	0	702
Direct Funded	702	0	0	702
Reimbursable Funded	0	0	0	0
FY 2004 ESTIMATE				
O&M Total	786	0	0	786
Direct Funded	786	0	0	786
Reimbursable Funded	0	0	0	0

CIVILIAN PERSONNEL MANAGEMENT SERVICE  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2005 President's Budget  
Manpower Changes in Full-Time Equivalents (FTEs)  
FY 2003 Through FY 2005

FY 2005 ESTIMATE				
O&M Total	807	0	0	807
Direct Funded	807	0	0	807
Reimbursable Funded	0	0	0	0

DEFENSE HUMAN RESOURCES ACTIVITY  
 Operation and Maintenance, Defense-Wide  
 FISCAL YEAR (FY) 2005 President's Budget  
 Summary of Price and Program Changes

Budget Activity 4	Change FY 2003/2004			Change FY 2004/2005			FY 2005 Estimate
	FY 2003 Actual	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	
CIVILIAN PERSONNEL COMPENSATION							
101 EXECUTIVE, GENERAL & SPECIAL SCHEDULE	64,550	2,005	6,446	73,001	1,661	1,434	76,096
106 BENEFITS TO FORMER EMPLOYEES	0	0	0	0	0	0	0
107 VOLUNTARY SEPARATION INCENTIVE PAY	0	0	0	0	0	0	0
111 DISABILITY COMPENSATION	83	0	15	98	0	8	106
199 TOTAL CIVILIAN PERSONNEL COMPENSATION	64,633	2,005	6,461	73,099	1,661	1,442	76,202
308 TRAVEL OF PERSONS	5,511	72	76	5,659	79	85	5,823
TOTAL TRAVEL	5,511	72	76	5,659	79	85	5,823
416 GSA MANAGED SUPPLIES & MATERIALS	503	7	(139)	371	5	22	398
499 TOTAL FUND SUPPLIES & MATERIALS PURCH	503	8	(139)	371	5	22	398
506 DLA EQUIPMENT	4	0	0	4	0	0	4
507 GSA EQUIPMENT	24	0	0	24	0	0	24
TOTAL EQUIP	28	0	0	28	0	0	28
633 DEFENSE PUBLICATION & PRINTING SVCS	68	(1)	0	67	0	1	68
671 COMMUNICATION SERVICES (DISA)	1	0	0	1	0	0	1
699 TOTAL OTHER FUND PUCHASES	69	(1)	0	68	0	1	69
771 COMMERCIAL TRANSPORTATION	136	1	7	144	2	6	152
799 TOTAL TRANSPORTATION	136	1	7	144	2	6	152
912 RENTAL PAYMENTS TO GSA LEASES(SLUC)	3,780	64	(136)	3,708	56	124	3,888
913 PURCHASED UTILITIES	72	1	59	132	2	6	140
914 PURCHASED COMMUNCIATIONS	2,311	30	12	2,353	33	70	2,456
917 POSTAL SERVICE (U.S.P.S.)	1,044	0	(4)	1,040	0	1	1,041
920 SUPPLIES & MATERIALS (NON-FUND)	612	8	(620)	0	0	0	0
921 PRINTING & REPRODUCTION	58	1	4	63	1	1	65
922 EQUIPMENT MAINTENANCE BY CONTRACT	697	9	(1)	705	10	39	754
923 FACILITY MAINTENANCE BY CONTRACT	37	0	1	38	1	0	39
925 EQUIPMENT PURCHASES (NON-FUND)	140	2	(35)	107	1	1	109
931 CONTRACT CONSULTANTS	18	0	(18)	0	0	0	0
933 STUDIES, ANAL, & EVAL	330	5	(335)	0	0	0	0
987 OTHER INTER _GOVT PURCHASES	0	0	0	0	0	0	0
989 OTHER CONTRACTS	166,738	2,168	21,034	189,940	2,659	35,000	227,599
998 OTHER COSTS	363	5	(201)	167	2	8	177
999 TOTAL OTHER PURCHASES	176,200	2,293	19,760	198,253	2,765	35,250	236,268
TOTAL DHRA BA4	247,080	4,378	26,165	277,622	4,512	36,806	318,940

DEFENSE HUMAN RESOURCES ACTIVITY  
 Operation and Maintenance, Defense-Wide  
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 Summary of Price and Program Changes

Budget Activity 3	Change FY 2003/2004			FY 2004 Estimate	Change FY 2004/2005		FY 2005 Estimate
	FY 2003 Actual	Price Growth	Program Growth		Price Growth	Program Growth	
CIVILIAN PERSONNEL COMPENSATION							
101 EXECUTIVE, GENERAL & SPECIAL SCHEDULE	1,957	68	519	2,544	58	15	2,617
106 BENEFITS TO FORMER EMPLOYEES	0	0	0	0	0	0	0
107 VOLUNTARY SEPARATION INCENTIVE PAY	0	0	0	0	0	0	0
111 DISABILITY COMPENSATION	0	0	0	0	0	0	0
199 TOTAL CIVILIAN PERSONNEL COMPENSATION	1,957	68	519	2,544	58	15	2,617
	0	0	0	0	0	0	0
308 TRAVEL OF PERSONS	1,719	29	873	2,621	39	171	2,831
TOTAL TRAVEL	1,719	29	873	2,621	39	171	2,831
	0	0	0	0	0	0	0
416 GSA MANAGED SUPPLIES & MATERIALS	17	0	19	36	1	2	39
499 TOTAL FUND SUPPLIES & MATERIALS PURCH	17	0	19	36	1	2	39
	0	0	0	0	0	0	0
506 DLA EQUIPMENT	0	0	0	0	0	0	0
507 GSA EQUIPMENT	0	0	0	0	0	0	0
TOTAL EQUIP	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
633 DEFENSE PUBLICATION & PRINTING SVCS	0	0	0	0	0	0	0
671 COMMUNICATION SERVICES (DISA)	0	0	0	0	0	0	0
699 TOTAL OTHER FUND PUCHASES	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
771 COMMERCIAL TRANSPORTATION	0	0	0				
799 TOTAL TRANSPORTATION	0	0	0				
912 RENTAL PAYMENTS TO GSA LEASES(SLUC)	0	0	0	0	0	0	0
913 PURCHASED UTILITIES	0	0	0	0	0	0	0
914 PURCHASED COMMUNCIATIONS	0	0	20	20	0	2	22
917 POSTAL SERVICE (U.S.P.S.)	0	0	0	0	0	0	0
920 SUPPLIES & MATERIALS (NON-FUND)	0	0	0	0	0	0	0
921 PRINTING & REPRODUCTION	0	0	0	0	0	0	0
922 EQUIPMENT MAINTENANCE BY CONTRACT	0	0	0	0	0	0	0
923 FACILITY MAINTENANCE BY CONTRACT	0	0	0	0	0	0	0
925 EQUIPMENT PURCHASES (NON-FUND)	0	0	0	0	0	0	0
932 CONTRACT CONSULTANTS	0	0	0	0	0	0	0
933 STUDIES, ANAL, & EVAL	0	0	0	0	0	0	0
987 OTHER INTER _GOVT PURCHASES	0	0	0		0	0	0
989 OTHER CONTRACTS	41,618	541	(5,076)	37,083	519	12,951	50,553
998 OTHER COSTS	3	0	57	60	1	(56)	5
999 TOTAL OTHER PURCHASES	41,621	541	(4,999)	37,163	520	12,897	50,580
TOTAL DHRA BA3	45,314	638	(3,588)	42,364	618	13,085	56,067

DEFENSE HUMAN RESOURCES ACTIVITY  
 Operation and Maintenance, Defense-Wide  
 FISCAL YEAR (FY) 2005 President's Budget  
 Summary of Price and Program Changes

DHRA TOTAL	Change FY 2003/2004			Change FY 2004/2005			FY 2005 Estimate
	FY 2003 Actual	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	
CIVILIAN PERSONNEL COMPENSATION							
101 EXECUTIVE, GENERAL & SPECIAL SCHEDULE	66,507	2,073	6,965	75,545	1,719	1,449	78,713
106 BENEFITS TO FORMER EMPLOYEES	0	0	0	0	0	0	0
107 VOLUNTARY SEPARATION INCENTIVE PAY	0	0	0	0	0	0	0
111 DISABILITY COMPENSATION	83	0	15	98	0	8	106
199 TOTAL CIVILIAN PERSONNEL COMPENSATION	66,590	2,073	6,980	75,643	1,719	1,457	78,819
						0	0
308 TRAVEL OF PERSONS	7,230	101	949	8,280	118	256	8,654
TOTAL TRAVEL	7,230	101	949	8,280	118	256	8,654
416 GSA MANAGED SUPPLIES & MATERIALS	520	7	(120)	407	6	24	437
499 TOTAL FUND SUPPLIES & MATERIALS PURCH	520	8	(120)	407	6	24	437
506 DLA EQUIPMENT	4	0	0	4	0	0	4
507 GSA EQUIPMENT	24	0	0	24	0	0	24
TOTAL EQUIP	28	0	0	28	0	0	28
633 DEFENSE PUBLICATION & PRINTING SVCS	68	(1)	0	67	0	1	68
671 COMMUNICATION SERVICES (DISA)	1	0	0	1	0	0	1
699 TOTAL OTHER FUND PUCHASES	69	(1)	0	68	0	1	69
771 COMMERCIAL TRANSPORTATION	136	1	7	144	2	6	152
799 TOTAL TRANSPORTATION	136	1	7	144	2	6	152
912 RENTAL PAYMENTS TO GSA LEASES(SLUC)	3,780	64	(136)	3,708	56	124	3,888
913 PURCHASED UTILITIES	72	1	59	132	2	6	140
914 PURCHASED COMMUNCIATIONS	2,311	30	32	2,373	33	72	2,478
917 POSTAL SERVICE (U.S.P.S.)	1,044	0	(4)	1,040	0	1	1,041
920 SUPPLIES & MATERIALS (NON-FUND)	612	8	(620)	0	0	0	0
921 PRINTING & REPRODUCTION	58	1	4	63	1	1	65
922 EQUIPMENT MAINTENANCE BY CONTRACT	697	9	(1)	705	10	39	754
923 FACILITY MAINTENANCE BY CONTRACT	37	0	1	38	1	0	39
925 EQUIPMENT PURCHASES (NON-FUND)	140	2	(35)	107	1	1	109
932 CONTRACT CONSULTANTS	18	0	(18)	0	0	0	0
933 STUDIES, ANAL, & EVAL	330	5	(335)	0	0	0	0
987 OTHER INTER _GOVT PURCHASES	0	0	0	0	0	0	0
989 OTHER CONTRACTS	208,356	2,709	15,958	227,023	3,178	47,951	278,152
998 OTHER COSTS	366	5	(144)	227	3	(48)	182
999 TOTAL OTHER PURCHASES	217,821	2,834	14,761	235,416	3,285	48,147	286,848
						0	
TOTAL DHRA BA4 & 3	292,394	5,016	22,577	319,986	5,130	49,891	375,007

**DEFENSE HUMAN RESOURCES ACTIVITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2005 President's Budget**  
**Budget Activity 3: Defense Human Resources Activity**

**I. Description of Operations Financed :**

The Department of Defense Human Resources Activity (DHRA) finances its military recruiting activities and executive leadership training in Budget Activity (BA) 3.

**Joint Advertising, Market Research and Studies (JAMRS) Program** is comprised of three programs described below: (1) Joint Advertising (JRAP); (2) Joint Market Research (JMRP); and (3) Joint Military Recruiting Studies (JMRS). Together, these programs:

- bolster the effectiveness of the Department's recruiting programs by providing the Services with core functions: corporate-level market research, personal contact information on millions of prospective recruits, and the tracking of the Services' individual advertisements;
- eliminate redundancies within each of the Services' advertising and market research efforts, thus yielding substantial cost savings; and
- provide the corporate-level campaign designed to complement the advertising efforts of the individual Services. This campaign has been designed to build advocacy among parents, teachers, coaches, who are the primary influencers of youth, and demonstrates the values and benefits of service to our country.

**Joint Recruiting Advertising Program (JRAP)**

JRAP is the corporate-level, recruiting advertising arm of the Department. In FY 2005, JRAP will continue its functions, which include:

- development of an enhanced corporate marketing communications campaign to increase the likelihood that adult influencers (i.e. parents, teachers, coaches) will recommend military service to young people;
- managing the purchase of more than 3.1 million graduating seniors' names for use in the Services' direct mail and lead generation programs;
- upgrading internet websites such as [www.todaysmilitary.com](http://www.todaysmilitary.com) and [www.myfuture.com](http://www.myfuture.com) that present military service as a smart choice;

**DEFENSE HUMAN RESOURCES ACTIVITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2005 President's Budget**  
**Budget Activity 3: Defense Human Resources Activity**

**I. Description of Operations Financed :**

- monitoring the Services' individual advertisements by sponsoring the Department's central advertising tracking system; and
- contracts with the Selective Service for monthly Joint-Service direct mail campaigns to new registrants to generate recruiting leads for the Services.

*Joint Market Research Program (JMRP)*

The mission of JMRP is to conduct studies that enable the Department to develop research-based communications and marketing strategies for its target markets. In FY 2005, JMRP will continue to:

- expand the Department's knowledge of the educator and college markets;
- conduct research on the barriers to enlistment;
- support Joint Service market research efforts to increase efficiencies and reduce redundancies; and
- conduct research on the opinions and attitudes of youth and adult influencers through the use of polls. Specifically, in FY 2005, JMRP will conduct two youth polls, one influencer poll and one adult poll that capture attitudes and opinions of these key target audiences on the Military and military service.

In FY 2005 and following years, the JMRP will focus on continuing to expand the Department's understanding of its major markets with emphasis on understanding the reasons for enlistment and the enlistment decision-making process. The JMRP will use surveys, polls, interviews and focus groups, as well as purchase of data from the private sector. The major markets include youth (prospects and pre-prospects), their influencers (parents, educators), adults, and core supporters (those who currently serve in the military, veterans, etc.). The JMRP will gather, analyze, and disseminate market research to both OSD officials and the Military Services.

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**I. Description of Operations Financed :**

The JMRP is also responsible for maintaining the Recruit Market Information System (RMIS) to include exploring, testing, evaluating and implementing new software and hardware as required by OSD and the Services to maintain an accurate, cost-effective web-based system. RMIS contains demographic data on the youth market that enable the Services to establish recruiting goals for their geographic recruiting areas.

*Joint Military Recruiting Studies (JMRS)*

JMRS is a program of separate studies to help ensure that Joint and Service recruiting resources and incentives are allocated effectively and efficiently while contributing to the Department's overall goal of recruiting, retaining, and developing military personnel. Recent efforts include re-evaluation of the DoD recruit quality benchmarks and evaluation of the military performance of "home schooled" recruits. In FY 2005, JMRS will support empirical studies on accession-related topics to obtain a better understanding of (1) the leading indicators of recruiting difficulty, to improve efficiency and timely allocation of scarce recruiting resources; and (2) the qualified and high-quality military-available population to improve allocation of recruiters and goals.

**Defense Leadership and Management Program**

The Department established the Defense Leadership and Management Program (DLAMP) in April 1997 (DoD Directive 1430.16), incorporating recommendations from the Commission on Roles and Missions (March 1995), as an executive development program to produce world-class leaders with a focus on the joint environment for key DoD leadership positions. Under DLAMP, the Department's high potential civilian employees take individualized programs of education and training experiences designed to optimize their executive leadership and managerial skills and to expand their knowledge and understanding of the Department's national security mission.

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DLAMP is a major component of the Department's succession management strategy, helping DoD prepare for the anticipated exodus of senior civilian employees over the next decade. With as much as 67 percent of the DoD career Senior Executive Service eligible to retire by 2008, it is critical that we invest now in the maturation of a cadre of future civilian leaders to fill anticipated vacancies. In December 1997, 291 participants were selected for the first DLAMP class. As of September 2003, there are 1,301 active participants.

The DHRA's Civilian Personnel Management Service (CPMS) is responsible for DLAMP management and stewardship, including the master's degree fellowship and tuition assistance programs, PME costs, program operations, administrative support, participant backfill, and TDY support. The provision for "backfills," whereby DLAMP provides funding to the DoD Components to hire temporary replacements for DLAMP participants who are away on mandatory long-term training (the full-time master's degree fellowship or ten-month PME course), is critically important to the success of the program. Additional program enhancements are scheduled for implementation in FY 2004, culminating in the Office of Personnel Management's recognition of DLAMP as a Senior Executive Service Candidate Development Program.

Based on an extensive program assessment, DLAMP was refocused and streamlined in FY 2002, but the program sustained a 50 percent budget decrement in FY 2003 which delayed full implementation of the streamlined curriculum. During FY 2004, all pillars of the refocused program will be operational.

Each participant must complete four mandatory elements of the program:

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- Professional Military Education (PME).
  - Each DLAMP participant must complete either the traditional 10-month PME course at a Senior Service School or a non-resident Senior Service School course, to expand the participant's knowledge of the Department's national security mission and foster an environment that strengthens communication between the Department's senior military and civilian leaders.
  - Participants may be required to complete introductory courses on national security strategy in preparation for Senior Service School attendance.
- Graduate Education. Each participant who enters the program without an advanced degree must complete a Master's Degree. Up to one hundred full-time master's program fellowships will be funded each year; other participants will attend graduate school on a part-time basis at local universities or through distance learning. Participants who possess an advanced degree (Master's or PHD) may require additional courses to satisfy DLAMP educational requirements. In such cases, the participant can take up to six graduate courses in business management and public policy areas to develop familiarity with the range of contemporary subjects and issues facing Defense leaders. These courses typically cover subject areas such as finance, information systems, economics, human resources, statistics, and law and public policy.
- Leadership Courses. Each participant completes two courses in leadership, one upon entry to the program and a final course prior to program completion.
- Developmental Assignment. Each participant must complete either a permanent or a temporary assignment that provides a minimum of four months experience in another functional discipline or operating level.

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**Defense Resources Management Institute (DRMI)**

The Defense Resources Management Institute is a jointly staffed DoD resource management educational institution operating under the supervision of a Policy Guidance Council. The Institute provides integrated professional education to selected military and civilian personnel involved in resource allocation and management functions subject to the provisions of DoD Directive 5010.16. It is located at the Naval Postgraduate School in Monterey, California.

**II. Force Structure Summary: N/A**

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**III. Financial Summary (O&M: \$ in thousands):**

A. Subactivities:	FY 2003 Actual	FY 2004		Current Estimate	FY 2005 Estimate
		Budget Request	Appropriated		
Joint Advertising Market Research Studies (JAMRS)	23,794	7,181	14,328	14,328	18,359
Joint Military Education Venture	500	0	0	0	0
Defense Leadership and Management Program	17,860	25,048	25,305	25,305	34,861
Defense Resource Management Institute	1,301	1,288	1,288	1,288	1,288
Labor	1,859	1,745	1,443	1,443	1,566
Total	*45,314	35,262	42,364	42,364	56,067

*\*Includes \$5.7 million correctly reported in BA3.*

B. <u>Reconciliation Summary:</u>	Change		Change	
	<u>FY 2004/</u>	<u>FY 2004</u>	<u>FY 2004/</u>	<u>FY 2005</u>
<b>1. Baseline Funding</b>		35,262		42,364
a) Congressional Adjustments (Distributed)		7,500		
b) Congressional Adjustments (Undistributed)		(377)		
c) Congressional Adjustments (General Provisions)				
d) Congressional Earmark Billpayers		(21)		
<b>2. Appropriated Amount</b>		42,364		
<b>3. Price Change</b>				618
<b>4. Program Changes</b>				13,085
<b>5. Current Estimate</b>		42,364		56,067

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III. Financial Summary (O&M: \$ in thousands):

		<u>(\$ in Thousands)</u>	
		<u>Amount</u>	<u>Totals</u>
<b>C. <u>Reconciliation of Increases and Decreases:</u></b>			
<b>FY 2004 President's Budget Request</b>			<b>35,262</b>
1.	Congressional Adjustments		
	a. Distributed Adjustments: Joint Advertising Market Research		7,500
	Studies Congressional addition in FY 2004		
	b. Undistributed Adjustments		-
	c. General Provisions		
	1) Section 8094 Professional Support Services	(203)	
	2) Section 8126 Management Efficiencies	(174)	
	Total Congressional Adjustments (General Provisions)		(377)
	d. Congressional Earmarks		
	Section 8044 Indian Lands Environmental Impact		(21)
	<b>FY 2004 Appropriated Amount</b>		<b>42,364</b>
2.	Emergency Supplemental		
	a. Emergency Supplemental Funding Carryover		-
	b. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)		-
3.	Fact-of-Life Changes		
	a. Functional Transfers		
	1) Transfers In		-
	2) Transfers Out		-
	b. Technical Adjustments		
	1) Increases		-
	2) Decreases		-
	c. Emergent Requirements		

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III. Financial Summary (O&M: \$ in thousands):

		<u>(\$ in Thousands)</u>	
		<u>Amount</u>	<u>Totals</u>
<b>C. <u>Reconciliation of Increases and Decreases:</u></b>			
1) Program Increases			-
2) Program Reductions			-
<b>Baseline Funding</b>			<b>42,364</b>
4. Reprogrammings			
a. Increases			-
b. Decreases			-
<b>Revised FY 2004 Estimate</b>			<b>42,364</b>
5. Less: Emergency Supplemental Funding			-
<b>Normalized Current Estimate for FY 2004</b>			<b>42,364</b>
6. Price Change			618
7. Functional Transfers			
a. Transfers In			-
b. Transfers In			-
8. Other Transfers (Non-functional Transfers)			
a. Transfers In			-
b. Transfers In			-
9. Program Increases			
a. Annualization of New FY 2004 Program			
1) Defense Leadership Management Program (DLAMP). The		9,176	
DLAMP program is responsible for identifying and			
producing world-class leaders for key DoD leadership			
positions. The program was decreased by \$20M in FY2003			
due to other priorities within DoD. In FY2004, \$9.5M			
was restored. The additional funding provided in FY2005			
completely restores this vital executive development			
program to the FY2003 baseline.			

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III. Financial Summary (O&M: \$ in thousands):

		<u>(\$ in Thousands)</u>	
<u>C. Reconciliation of Increases and Decreases:</u>		<u>Amount</u>	<u>Totals</u>
2) Joint Advertising Market Research Studies (JAMRS). Funding will be used to support a limited influencer Advertising Campaign and the core functions of the JAMRS program, including: (1) direct marketing (high school lists, Selective Service mailings, Web Sites); (2) Joint data buys; (3) Web Notes; (4) Polls and Surveys; and (5) research and analysis on important target market information. The Influencer Advertising Campaign includes: (1) creative production; (2) purchase of print media; and (3) purchase of on-line media.	3,909		
b. One-Time FY 2005 Costs			-
c. Program Growth in FY 2005			-
Total Program Increases			13,085
10. Program Decreases			
a. One-Time FY 2004 Costs			-
b. Program Decreases in FY 2005			-
<b>FY 2005 Budget Request</b>			<b>56,067</b>

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**IV. Performance Criteria and Evaluation (Continued):**

**Joint Advertising, Market Research and Studies (JAMRS) Program**

All three programs of JAMRS support the OUSD(P&R) performance metrics for recruiting and retention goals, which meet the objectives of the President's Management Agenda initiative of Strategic Management of Human Capital and fall primarily in the Force Management quadrant of the Balanced Scorecard. The program supports efforts to target the right number and quality of military recruits. Recruit quantity and quality are measured in the Balanced Scorecard and reported in the Annual Defense Report and Performance Assessment Review.

Joint Recruiting Advertising Program (JRAP) performance is measured in several ways:

1. Media plans will use standard advertising industry measures to ensure they reach market targets with cost-effective media. These industry measures include: calculations of reach and frequency, cost-per-thousand, Gross Ratings Points (GRPs), audience composition, audited circulation data, editorial profiles, and ratings. Post-buy analyses will be conducted to compare actual results to plan. In many cases, performance guarantees can be negotiated with media sources. JRAP will pursue advertising replacements if actual performance does not meet such guarantees.
2. JRAP tracks and analyzes its advertising impacts by collecting data from interviews with youth and adults. The analysis enables DoD to monitor the effects of military advertising on its key target markets - youth and adults. For example, the study measures the public's perception of the military (image), advertising slogan recognition, and recall and reaction to Service advertisements; it also links advertising awareness to prospects' interest in joining, and adults' likelihood of recommending the military.

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IV. Performance Criteria and Evaluation (Continued):

JRAP's integrated marketing campaign will capitalize on the Department's significant investment in market research on adult influencers of young people. . The effectiveness of the campaign can be measured through:

- Increasing the number of *parents* who are somewhat/very positive towards encouraging the military as an option for their kids;
- Increasing *adult* awareness of JRAP advertising;
- Increasing *adult* willingness to recommend military service;
- Increasing *DoD workforce* willingness to recommend military service;
- Capturing and increasing *recruit* leads via JRAP web sites ([www.TodaysMilitary.com](http://www.TodaysMilitary.com) , [www.MyFuture.com](http://www.MyFuture.com) ) while increasing total web site visits; and
- Increasing *adult influencer* leads via direct mail, Internet, and toll-free phone lines

Joint Market Research Program (JMRP) performance evaluation will be based on the results of a yearend satisfaction survey of the Services' Recruiting Commands. Results will be compared and analyzed in future years using FY 2002 base year as a benchmark. It includes satisfaction scales for each of the major projects within JMRP as well as the following overall measures:

- Overall satisfaction with JMRP services;
- "JMRP has been helpful in meeting my organization's objectives;"
- "Intend to use JMRP as key resources in the future;" and
- "Would recommend the information and services provided by JMRP." .

Joint Military Recruiting Studies (JMRS) performance will also be assessed as part of a yearend satisfaction survey.

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IV. Performance Criteria and Evaluation (Continued):

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**IV. Performance Criteria and Evaluation (Continued):**

**Defense Leadership and Management Program (DLAMP)** performance is measured by:

- Professional Military Education. Through September 2003, 615 of the active DLAMP participants have completed PME. There are 144 participants enrolled in PME courses for academic year 2003-2004. At least another 150 participants will be enrolled in academic year 2004-2005. DLAMP continues to work with the PME schools to increase the number of seats in resident and non-resident programs available to DLAMP students.
- Graduate Education. As of September 2003, 211 active participants require a master's degree. There will be up to 100 full-time master's degree fellowships awarded each year. In FY 2005, with the anticipated addition of the Class of 2004, an estimated 200 participants will attend graduate school for the purpose of achieving a Masters Degree on a full or part-time basis.

**Defense Resource Management Institute (DRMI)**

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concepts (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance in achieving programmatic objectives remain in place. The DRMI will continue to conduct Defense Resources Management Courses, International Defense Management courses, and a Senior International Defense Management course. It will also conduct Mobile International Defense Management Courses and achieve other training objectives defined by Departmental leadership in support of transformation. This program addresses the BSCs of Institutional and

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IV. Performance Criteria and Evaluation (Continued):

Future Challenges Risk, and provides training in support of Improved Financial Performance as described in the President's Management Agenda.

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V. <u>Personnel Summary:</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2004/ FY 2005</u>
<u>Active Mil End Strength (Total)</u>				
Officer	4	4	4	0
Enlisted	1	1	1	0
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	21	21	21	0
<u>Active Mil FTEs (Total)</u>				
Officer	4	4	4	0
Enlisted	1	1	1	
<u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	21	21	21	0

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VI. OP 32 Line Items (Dollars in Thousands):

	<u>Change FY 2003/2004</u>			<u>Change FY 2004/2005</u>			
	<u>FY 2003</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Prog</u> <u>Growth</u>	<u>FY 2004</u> <u>Est</u>	<u>Price</u> <u>Growth</u>	<u>Prog</u> <u>Growth</u>	
101 Executive, General & Special Schedule	1,957	68	519	2,544	58	15	2,617
199 Total Civilian Personnel Compensation	1,957	68	519	2,544	58	15	2,617
308 Travel Of Persons	1,719	29	873	2,621	39	171	2,831
399 Total Travel	1,719	29	873	2,621	39	171	2,831
416 GSA Managed Supplies	17	0	19	36	1	2	39
499 Total Supplies & Materials	17	0	19	36	1	2	39
914 Purchased Communications	0	0	20	20	0	2	22
989 Other Contracts	41,618	541	(5,076)	37,083	519	12,951	50,553
998 Other Costs	3	0	57	60	1	(56)	5
999 Total Other Purchases	41,621	541	(4,999)	37,163	520	12,897	50,580
9999 Total	45,314	(638)	(3,588)	42,364	618	13,085	56,067

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**I. Description of Operations Financed:**

The Defense Human Resources Activity (DHRA) uses Budget Activity 4 funding to finance management and improvement of the Department's principal human resources management organizations and systems. DHRA coordinates the work of several organizations that directly administer personnel policies, maintain comprehensive databases, provide a variety of education and research programs, and support benefit, readiness, force protection, and financial management efforts. These programs use automation and innovative technology to enable the Department's policymakers, warfighters, and civilian managers to do their jobs more efficiently and effectively. Major programs include:

**Defense Integrated Military Human Resources System (DIMHRS)**

The DIMHRS Personnel/Pay initiative, which is funded through all years of the Future Years Defense Program (FYDP), supports a totally integrated pay and personnel system for the all DoD Components' operational requirements. DHRA's Joint Requirements and Integration Office (JR&IO) provides functional direction for DIMHRS and retains Information Management (IM) and Business Process Reengineering (BPR) responsibilities and funding. Design and development funds were transferred to the Navy, as the Acquisition agency for DIMHRS, in FY 2002. In FY 2005, funding transfers from the Navy to DHRA to provide more effective OSD oversight, and ensure that the DIMHRS supports DoD-wide priorities and complies with the Business Management Modernization Program, which gives the OSD Principal Staff Assistants additional responsibilities for IT Portfolio Management.

There are three initiatives associated with the expanded DIMHRS program: a Manpower system; a Training and Education system; and a fully integrated military personnel/pay management system that will serve Service members and their families, military commanders, and the Services into the 21<sup>st</sup> century. In compliance with the Clinger-Cohen Act and the Government Performance and Results Act, the DIMHRS Personnel/Pay project is identifying "useful segments" that can demonstrate both rapid acquisition techniques and measurable functional benefits. OASD C3I certified that DIMHRS met the Clinger-Cohen Act requirements under section 8121 of the FY 2000 Defense Appropriations Act for Milestone I approval. DIMHRS received Milestone B1 approval in April 2003 when OUSD (Comptroller) certified that DIMHRS is consistent with the Business Management Enterprise Architecture. The DIMHRS Acquisition

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**I. Description of Operations Financed: (continued)**

Decision Memorandum (ADM), signed by the ASD (NII) in May 2003 approved DIHMRS entry into System Development and Demonstration.

Joint Requirements & Integration Office (JR&IO) Information Management (IM)

DHRA's JR&IO supports the Information Management responsibilities of the Office of the Under Secretary of Defense for Personnel and Readiness (OUSDP&R)). The office is responsible for information management, strategic plans, mission area analyses, and portfolio management. Responsibilities include initiating, coordinating, and executing project/program areas such as, Business Management Modernization Program, Interagency BPR, IM Analysis, Information Assurance, Critical Infrastructure Protection, Information Technology, Functional Data Administration, and Data Standardization. JR&IO coordinates participation in budget and program reviews and supports working level and executive participation in the interagency personnel records area. JR&IO sponsors business processing reengineering projects and conducts prototype demonstrations of innovative work processes and enabling information technologies such as automated exchange of digitized personnel records.

**Defense Eligibility Enrollment Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC)**

The DEERS, RAPIDS and CAC programs are interrelated and inter-dependent. All three programs continue to develop DoD-wide systems and capitalize on existing infrastructure. These highly successful, operational, production systems are up and running today to support critical missions throughout the Department.

- DEERS is the Department's personnel data repository (PDR).
- CAC uses the DEERS Personnel Data Repository database for authentication and personnel information.
- RAPIDS is the application through which DoD ID cards (including CAC) are issued and the DEERS database is updated.

**DEERS** is the Department's only database containing personnel records of all Service members, retirees, family members, DoD civilians, and selected contractors - virtually everyone

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**I. Description of Operations Financed: (continued)**

associated with the Department. Consequently, it provides the vehicle for rapid implementation of Department-wide initiatives, new programs, and directed mission changes. DEERS is the Department's first fully operational modern, Joint-Service, worldwide, automated personnel system. It is used for benefits verification, identity authentication, and issuing identification cards to over 23 million Service members, family members, retirees, and civilian employees of the Department. It gathers updated information from over 100 systems throughout the Department, and processes over 2.4 million transactions and updates each day. This system is continually updated and maintained to ensure full functionality and security of sensitive information protected by the Privacy Act of 1974.

DEERS identifies all users of DoD benefits. It collects, maintains, and provides demographic data on eligible beneficiaries to ensure that only eligible beneficiaries receive benefits and services. It improves the management, planning, and allocation of DoD benefits and reduces fraud in and abuse of DoD pay and benefit programs. DEERS automates benefits and entitlements determination and protects member entitlements and benefits to include medical, dental, commissary privileges, exchange privileges, life insurance benefits and Montgomery GI Bill (MGIB) educational benefits.

DEERS is critical to the effective operation of the Military Health System (MHS). As the only central system in the complex network of automated systems that make up the MHS, DEERS is the sole conduit for critical beneficiary information throughout the MHS. DEERS facilitates and safeguards access to benefits, particularly medical benefits, for over 23 million individuals - military members, including retirees, and their families. This protection is exercised more than 2.2 million times a day by managed care support contractors, Uniformed Services medical and dental treatment facilities, pharmacies throughout the U.S., and DoD personnel offices. DEERS has been extensively modified to bring new services to MHS coincident with the introduction of T-NEX, the next generation of TRICARE contracts. These changes include new centralized capability to determine and track Primary Care Managers and fees, deductibles and catastrophic cap amounts. Additionally, DEERS has been modified to implement the Department's enterprise requirements for the Healthcare Insurance Portability and Accountability Act (HIPAA).

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**I. Description of Operations Financed: (continued)**

DEERS Support Office (DSO) responds to phone, fax, mail, or e-mail questions, concerns and issues from DoD beneficiaries. The DSO provides assistance to Service members and their families by explaining available benefits packages as well as conditions necessary to qualify, and actions required to register for these benefits. It provides a human touch for members and their families experiencing real problems in collecting entitlements and benefits. Sponsors and family members contact the DSO to request DEERS record changes, obtain assistance in resolving TRICARE claim denials, and check on eligibility for TRICARE, Medicare, the TRICARE Senior Pharmacy Program, and the TRICARE For Life Program. DSO also operates four additional telephone functions including: the DEERS Eligibility line for those users without access to the DEERS database; the DoD Re-verification line to allow beneficiaries to re-verify DEERS status as part of the TRICARE For Life legislation; the Recruiter line for recruiters to confirm reenlistment eligibility; and the Military Funeral Honors Program phone line, for funeral home directors to request military honors support.

In addition to its personnel and medical role, DEERS has consistently proven its value to the Department's overall mission and plays a critical role in the DoD's responsibilities for Homeland Defense. Mission critical functions which proved to be invaluable in responding to the events of September 11, 2001, and have been used extensively during Operation Iraqi Freedom and Operation Enduring Freedom, include:

- locator for DNA Registry; personnel locator;
- panograph retrieval (full mouth dental x-rays) of military members;
- DNA Sample registration; fingerprint registry and retrieval;
- language capabilities and qualifications locator and registry;
- real-time mobilization support for Guard/Reserve and their families; and
- identification of Guard/Reserve participation in contingencies (mobilization unique benefits for members and their families).

**RAPIDS** is the Department's enterprise solution for annually issuing four to five million Uniformed Services Identification and Privilege Cards to Service members, active and Reserve component, civilian employees, retired members, eligible family members, and selected contractors. This system is fielded in over 1,200 locations around the world including

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**I. Description of Operations Financed: (continued)**

fixed-sites, mobilized Guard/Reserve activities, and Navy ships. In addition, RAPIDS provides the means to collect family member information so that eligible family members are appropriately categorized, entered into DEERS and issued ID cards that correctly reflect their entitlements and privileges. RAPIDS infrastructure, both hardware and software, is centrally managed by the Defense Manpower Data Center (DMDC). The infrastructure also includes comprehensive user support consisting of a multi-tiered help desk, telecommunication expertise, training, and equipment installation and maintenance.

The Department directed augmentation of the DEERS/RAPIDS infrastructure to issue the new DoD smart card - the Common Access Card (CAC). The CAC is a technologically advanced identification card that enables the DoD to reform business processes and better serve and support our Service men and women. Because it contains the Public Key Infrastructure (PKI) digital certificates, it is the key to protect the DoD information technology infrastructure, conduct electronic commerce with our business partners, move to web-based personnel and health administration, and implement the reengineered Defense Travel System. As the authentication database for CAC PKI, DEERS stores information related to the digital certificates held by the approximately four million CAC holders.

The CAC is the Department's passport to the electronic world. The technology provides authentication of cardholders via digital credentials, eliminating the need for a multitude of user identities and passwords to access different systems. Both the digital signature and the authentication allow the Department to move business and commerce away from cumbersome, paper-based systems, thus resolving the major impediment to achieving e-business and paperless goals.

The primary distinguishing, "smart" feature of the CAC is the integrated circuit chip. The chip provides the capability to read, write, and perform various functions and operations on several thousand bytes of information. The information stored on this chip is varied: identification, demographics, benefits, physical security, and card management. The chip will store certificates that enable cardholders to digitally sign documents such as e-mail, encrypt information, and establish secure web sessions to access and update their information via the Internet.

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**I. Description of Operations Financed: (continued)**

The CAC will be the principal card used for physical access to the Department's buildings and controlled access spaces. The CAC's physical access capability supports both the DoD Business Initiative Council Directive and the Federal Government initiative to forge a common, interoperable physical access solution for all federal government employees. The card contains bar codes as well as a magnetic stripe to support current access systems. Future access systems may be tied to a contact-less chip contained on the CAC.

RAPIDS is the application that issues the CAC. This means RAPIDS is not only the infrastructure which provides ID cards and collects family member information but is also, with the advent of the CAC, the Local Registration Authority (LRA) for issuance of the digital credentials necessary to implement a PKI for the Department. Using the existing DEERS/RAPIDS infrastructure to implement the CAC has allowed the Department to field this critical piece of the DoD Information Assurance solution quickly, without duplicate infrastructure costs. DEERS and RAPIDS' hardware and software are continuously updated and refreshed in order to meet DoD information assurance requirements.

RAPIDS systems are deployed to forward locations including Iraq, Afghanistan and the Balkans. In addition, CACs are issued to all Coast Guard (DOT), Public Health Service (HHS) and National Oceanographic and Atmospheric Administration (DOC) members and to selected members of all other Federal departments assigned overseas.

Taken as a whole, the DEERS, RAPIDS, and CAC programs provide the Department with a strongly authenticated personnel identity management solution. This solution is a pioneering effort within the Federal Government and is the largest secure identity solution in the world, either Government or private sector. These programs lead the way for secure electronic interchange between Government employees and their families, DOD and other Departments, Agencies and business partners.

**Regionalization and Systems Modernization**

The combined results of the Department's transformation efforts have greatly streamlined personnel operations and reduced the number of required staff. Three initiatives,

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restructuring of civilian human resources (HR) field operations into 22 regional service centers and approximately 300 customers support units (for face-to-face HR services); improving and reengineering business processes; and completing the fielding of the Defense Civilian Personnel Data System (DCPDS), have been implemented systematically to achieve the highest level of efficiency, ensuring that there are no adverse mission consequences, and improving civilian HR operations worldwide.

The development and operation of a single, modern civilian HR information system, under the direction of the Civilian Personnel Management Service, ensures a coherent, standardized, and cost effective system for the entire Department. The DHRA-CPMS budget contains the resources for the maintenance, sustainment, and operation of DCPDS. The system uses a commercial off-the-shelf product (Oracle HR) customized for the Federal and Defense environments. The system was upgraded in 2003 and now operates in a web-based environment that provides flexibility to respond to changes in the Department's civilian HR operational requirements. Additional enhancements planned for DCPDS include improving the security posture of the system by enabling the application for the DoD Public Key Infrastructure (PKI), integrating employee self-service functionality, implementing an electronic official personnel folder (EOPF), and incorporating additional HR automated system solutions, including a corporate data warehousing capability. Under a firm fixed-price contract, CPMS manages the operation, sustainment, and maintenance of DCPDS. In addition, Customer Support Unit application provides civilian employee data and report information to DoD managers and supervisors.

**Employer Support of the Guard and Reserve (ESGR)**

ESGR was chartered by Presidential Proclamation in 1972 to develop and promote a positive supportive relationship between National Guard and Reserve Component (Army, Navy, Air Force, Marine, and Coast Guard) service members and their employers. The central mission is to gain and maintain active support from all public and private employers for the men and women of the National Guard and Reserve as defined by demonstrated employers' commitment to employee military service. This program oversees and coordinates the efforts of a community-based national network of 55 committees consisting of over 4,200 volunteers. ESGR educates and encourages private and public sector employers of the Guard and Reserve Service members and advises the senior Service staffs, chiefs, and civilian leadership in the development of

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**I. Description of Operations Financed: (continued)**

regulations, policies, and legislation. ESGR implements programs and services to promote recruiting and retention of National Guard and Reserve Service members. It also provides resources for civilian pay, travel, advertising, surveys, educational seminars, training workshops, multiple employer outreach programs, management of information, and maintenance of information systems.

**Human Resource Strategic Assessment Program (HRSAP)**

The Human Resources Strategic Assessment Program (HRSAP) has the primary mission of providing the Department with an Internet and paper-and-pencil survey capability to quickly and accurately assess the attitudes and opinions of the entire DoD community--Active, and Reserve service members and DoD civilians. HRSAP's Internet personnel survey system establishes baselines and measures progress on components of USD(P&R)'s Strategic Human Resources Plan, and conducts in-depth studies in support of other USD (P&R) requirements.

In FY 2005, the HRSAP will administer and analyze nine Web surveys of active duty and Reserve component members and DoD civilian employees; plan and administer an Active-Duty Equal Opportunity Survey; analyze and report on topics of the surveys, such as retention, commitment to service, and attitudes regarding personnel and benefit issues; and make improvements to survey assessment methods and procedures.

**Office of Complaint Investigations**

The Office of Complaint Investigations (OCI) conducts Equal Employment Opportunity (EEO) investigations of alleged violations of the Civil Rights Act and other anti-discrimination laws in accordance with EEO Complaint Processing Regulations (29 CFR Part 1614). FY 2000 changes to 29 CFR 1614 and Section 1111 of the National Defense Authorization Act for FY 2001 required increased emphasis on Alternative Dispute Resolution (ADR) at the informal and formal stage of complaint processing. In concert with that guidance, OCI offers ADR on 100% of available cases. The changes to 29 CFR, Part 1614 also fortified the requirement for timely complaint processing by giving EEOC sanction authority against agencies, making timely investigations critical.

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**Medical Readiness**

The TRICARE Dental Program is a single program with an expanded benefits population to include the family members of active duty and Ready Reservists and their family members. The enrollment process will be enhanced through implementation of a Web portal that will allow timely and accurate enrollment of beneficiaries by sponsors – a process that will be enabled by the CAC. The Immunization Tracking System captures data on anthrax and other vaccine recipients, worldwide. The Guard and Reserve Portal allow sponsors to view their eligibility and enrollment of benefits as well as those of their dependents, providing guidance to correct inaccurate information.

**Universal Beneficiary Card (UBC) & National Enrollment System (NES)**

The Universal Beneficiary Card (UBC), coordinated with the implementation of NES, is the single TRICARE card customized for the regional and the medical plans. The National Enrollment System (NES) is a single enrollment process and a single national database for the TRICARE system. NES allows benefit portability as members move from region to region and seamless integration of fees, deductibles and catastrophic caps for families separated across regions. These capabilities have been considerably enhanced in anticipation of the introduction of T-NEX, the next generation of TRICARE contracts. Care under these new contracts is expected to commence in April 2004.

**Office of the Actuary**

Responsibilities of the DoD Office of the Actuary (OAct) have grown dramatically over the last ten years as a result of the Chief Financial Officers and Federal Financial Management Acts. In addition, the Medicare-Eligible Retiree Health Care Fund was created in the FY 2001 National Defense Authorization Act, along with a Medicare-Eligible Retiree Health Care Board of Actuaries. OAct is tasked with assisting in the Fund's implementation and providing support to the Board. In particular, OAct is responsible for computing DoD's and Treasury's Fund contributions for inclusion in annual budgets and for estimating the Fund's liability to be reported in DoD and government-wide annual financial statements. This is one of four trust funds for which OAct is responsible, including calculating liabilities of the DoD Military Retirement Fund (MRF), the Education Benefits Fund, the Voluntary Separation Incentive Fund, and the new Retiree Health Care Fund. The MRF financial statements are

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audited annually by the DoD IG and are the only major DoD statements that have consistently received an unqualified audit opinion. OAct calculates DoD's and Treasury's required annual contributions into each of the Funds using methods and assumptions approved by the Retirement, Education Benefits, and Health Care Boards of Actuaries. These amounts are needed for annual budgets. Congress continues to modify military benefits for active duty personnel, retirees and survivors, and Reserve personnel (e.g., pay table reform, retirement benefit changes for post-1986 members, 30-year paid-up survivor benefits, skilled nursing and home health care limitations enacted in the FY 2002 National Defense Authorization Act). OAct is responsible for producing cost estimates for legislative proposals involving military benefits (such as concurrent receipt) and for adapting calculations to legislated changes. The number of benefit changes enacted requiring cost estimates is expected to continue to grow.

**Quadrennial Review of Military Compensation (QRMC)**

Every four years, the QRMC directs a review of the principles and concepts of the compensation system that overarches an annual review of the adequacy of military pay and allowances. The 10<sup>th</sup> QRMC began in FY 2003 and will fold into a larger SecDef initiative establishing a Presidential Pay Commission, which will publish a report of its findings in FY 2005.

**Civilian Assistance and Re-Employment (CARE) Program**

The DoD Priority Placement Program (PPP) continues to be the Department's cornerstone placement program. The PPP focus, the placement of displaced dislocated workers, is enhanced through the use of web-based technology. Program managers are developing and transitioning the program to fully migrate the PPP into the Defense Civilian Personnel Data System. These initiatives combined with other systems innovations, e.g., development of meta-tags that easily identify on-line policy and procedural guidance for PPP counselors, and an on-going project to incrementally adapt the formal 3½-day PPP Training Course to on-line Electronic Distance Learning Training, have significantly reduced, and will continue to reduce, required staff time. We are committed to complete development of four course modules by the end of FY 2004 (one has been deployed; one has been developed and field tested). This initiative is

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**I. Description of Operations Financed: (continued)**

consistent with performance indicators as outlined in the HR Strategic Plan to conduct a comprehensive review of the program.

Since 1965, PPP has placed over 170,000 displaced employees who might otherwise have been involuntarily separated in positions at other DoD installations. Without the PPP and its mandatory placement provision, DoD would have had significant employee involuntary separations. During FY 2003, the program placed 1,855 displaced employees and had 5,491 new registrations in its databank.

We expect the number of displaced registrants to increase based on:

- Continued downsizing - Based on 2004 President's Budget data, the Department projects 13,400 reductions in its civilian strength through the end of FY 2008. This figure does not include potential employee layoffs resulting from base realignment and closure and commercial outsourcing actions.
- Projected base realignments and closures - Current law (P.L.107-107) establishes the authority for another round of realignment and closure of military installations beginning in FY 2005. This office has begun and will continue to seek regulatory and legislative changes to assist employees affected by these actions in transitioning to other positions, careers, or to private life. We expect, following a decade-plus of downsizing, that the continued Defense employment of affected employees to be a challenge. There are not enough DoD positions to accommodate such massive reductions. We are now planning to establish employment partnerships with other Federal, state, county and local governments to include trade/professional organizations, local Chambers of Commerce and private industry.
- Commercial outsourcing - Projections indicate a loss of approximately 20,000 civilian positions to outsourcing in FY 2004-2005. If current Administration commercialization guidelines hold, this number will increase significantly. CARE is part of an AT&L,

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Integrated Process Team (IPT) directly involved in the review and update of DoD A-76 regulatory guidance. This IPT is expected to continue work through FY 2004.

- Sustained workforce restructuring - Over a decade of reductions have left the Department with critical skill imbalances. To offset this and avoid any crucial mission degradation, the Department was given special authority to use separation incentives (buyouts) and early retirements for shaping the workforce (no mandatory loss of position). The National Security Personnel System (NSPS) legislative provides these authorities to the Secretary of Defense on a permanent basis.

In addition, the CARE Division administers and manages the application of the traditional buyout and early retirement authority that has been used effectively to mitigate the results of downsizing and realignment on the DoD workforce. We anticipate that the Department will use these incentives in FY 2004 to avoid employee separations and downgrades associated with ongoing reductions and realignment initiatives.

The CARE transition tools and the PPP have enabled DoD to maintain an overall involuntary separation rate of less than ten percent of total reductions. Combined with a 40 percent placement rate, this makes the PPP a model for other Federal agencies. The CARE office plans to exceed this "standard" by three percent through continued downsizing and through proposed closure and realignment action. Once base closures are announced, CARE anticipates a jump in PPP registrations of up to 40% as announced activities will want to start early registration and placement actions. This is based on similar registration numbers and the registration spike resulting from the 1989 realignment and closure announcement. Accordingly, we expect a corresponding spike in workload and travel to conduct PPP workforce briefings, employee counseling and PPP registration actions. As a responsible employer and advocate of the Congressional closure authority, we will continue to show a presence at most, if not all, realigned or potential closure locations.

Since 1994, the CARE staff has conducted briefings on the PPP and the CARE programs for 95,264 employees, 7,834 managers, and 828 union representatives. This action will continue.

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Based on past experience, we project about 6,000 (combined) employees will receive counseling in FY 2004; 15,000 in FY 2005; 20,000 in FY 2006; 23,000 in FY 2007 and 25,000 in FY 2008.

**Injury/Unemployment Compensation Program**

By law, DoD civilian employees who are injured on the job are compensated for lost wages. Injury compensation claims are processed and adjudicated by the Department of Labor, which bills DoD for approved claims. For FY 2003, the Defense Department was billed \$627 million for injury compensation claims. DoD leads the Federal Government in cost savings.

An Injury and Unemployment Compensation tracking system was developed to aid DoD liaisons and installation managers. The system was upgraded in 2002 to enable customers to gain access over the Internet and to file claim forms electronically to the Department of Labor (DOL). This electronic interchange with DOL expedites the processing of claims for injured workers and hastens medical authorizations, treatment and bill payment. The tracking system is presently used by over 400 activities. In FY 2003 DHRA/CPMS deployed a web-based Defense portal and cube (DefPAC) program to support personnel, safety officials and occupational health managers in gathering statistical data necessary to identify areas for program improvement. Users can extract reports and prepare charts showing historical trends in cost and injuries for DoD civilians. The use of the system is required by all Components.

In FY 1993, the Department established a centralized, consolidated case review and claims verification process for all DoD unemployment claims. DoD civilian employees who are separated through no fault of their own are entitled to unemployment compensation (UC) benefits. Audits on 414,011 unemployment compensation claims produced a cost avoidance of \$9.5 million for FY 1994 - FY 2003.

The ICUC Division provides consolidated technical and administrative services to DoD Components and installations in the administration of their injury and unemployment compensation programs. ICUC renders injury compensation advisory services, assists claims management, establishes verification procedures, provides liaisons collocated with Department of Labor (DOL) district offices, automates links between DOL and DoD data, nurtures home

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visit initiatives, and reduces program-related costs. It also provides compensation and unemployment training and technical assistance to Components and installations and serves as the primary contact between DoD, DOL, and the State Employment Security Agencies. It records and audits quarterly State unemployment compensation charges. As part of the audit function, the Division disputes unsupported charges and ensures that credits are received from the States. The Division provides a consolidated Department-wide injury and unemployment tracking system that eliminates duplication and enhances claims administration.

**Defense Personnel Security Research Center (PERSEREC)**

PERSEREC performs personnel security research and analysis for DoD Components and members of the intelligence community and evaluates improvements to personnel security procedures, programs, and policies. Upon request, PERSEREC provides advice and assistance to DoD Components and the intelligence community of selected security subjects. The Center's research program is divided into six programmatic areas: Automated Personnel Security Systems, Trust Betrayal, Vetting Systems, Continuing Evaluation, Special Projects, and Databases.

**Department Advisory Committee on Women in the Services**

The Defense Department Advisory Committee on Women in the Services (DACOWITS) provides the Department of Defense, through the Principal Deputy Under Secretary of Defense (Personnel and Readiness) (PUSD(P&R)), with advice and recommendations on matters and policies relating to the recruitment and retention, treatment, employment, integration, and well-being of highly qualified professional women in the Armed Forces. In addition, the Committee provides advice and recommendations on family issues related to the recruitment and retention of a highly qualified professional military.

**Federal Voting Assistance Program**

The Federal Voting Assistance Program (FVAP) administers the Uniformed and Overseas Citizens Absentee Voting Act, 42 USC 1973ff (UOCAVA); Title XVI of the National Defense Authorization Act of FY 2002 and portions of the Help America Vote Act of 2002. The UOCAVA covers the voting rights of all members of the Uniformed Services, merchant marine, their family members and all other U.S. citizens outside the United States. The Program has oversight

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responsibility for the Military Departments, including the Coast Guard and the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration, DoD Agencies and Federal Executive Branch Departments and Agencies. Management of the Program requires coordination with the Congress, State and Local Governments, political parties, U.S. Companies, and national and international organizations. The FVAP conducts national and international "Get Out the Vote" campaigns, maintains the automated Voting Information Center, and administers the National Voter Registration Act, which designates Armed Forces Recruiting Stations as Voter Registration Agencies.

**Defense Business Fellows Program**

The Deputy Secretary of Defense directed the Under Sec of Defense, P&R to develop a plan to strengthen DOD management ranks. The program's goal is to attract and retain to Federal service individuals with exceptional management potential who possess graduate degrees in business administration. The program will provide a platform for these individuals to advise DOD's senior managers in the current and projected business and managerial trends. The program will assist managers in identifying individuals who have a high probability of outstanding success in permanent management positions and facilitate placements and assignments.

**National Security Personnel System**

The program was authorized under the National Defense Authorization Act for FY 2004 (signed by the President on November 24, 2003). The legislation allows DOD to build a new personnel management system. It will change how civilians are hired, assigned, rewarded, advanced, and removed, as well as how appeals are handled- all within the context of merit system principles, accommodation of veterans' preference, and respect for bargaining.

**LABOR**

Funding is for costs associated with salary and benefits for DHRA employees.

**OPERATIONS**

Costs are associated with the operations of this Field Activity, including programs that provide a wide variety of support services to offices throughout the Department of Defense

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and other Federal Agencies. DHRA provides civilian personnel program support, functional information management, and civilian personnel administrative services to DoD Components and Activities. The Field Activity is the central DoD activity for the collection and interaction of manpower and personnel data to support tracking, analysis, research, studies and a wide variety of reporting requirements. DHRA programs support military and civilian personnel initiatives and improve the effectiveness, efficiency and productivity of operations throughout the Department and other Federal Agencies.

II. Force Structure Summary: N/A

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**III. Financial Summary (O&M \$ in thousands):**

A. Subactivities:	FY 2003 Actual	FY 2004			FY 2005 Estimate
		Budget Request	Appropriated	Current Estimate	
DIMHRS	14,008	14,344	14,008	19,211	47,055
JR&IO	2,586	3,417	2,586	2,586	2,415
DEERS	35,692	39,605	38,466	38,487	44,044
RAPIDS	27,440	38,917	37,801	37,822	27,046
Reg/Mod	37,102	37,105	34,834	34,834	37,291
Common Access Card (CAC)	15,850	19,313	18,759	18,759	17,609
HRSAP	4,923	4,681	4,547	4,550	4,704
Complaint Investigation	548	447	447	447	461
Chancellor for Education	328	289	289	0	0
Medical Readiness	4,523	3,512	3,411	3,413	3,643
Actuary	695	710	631	631	627
UBC	5,218	6,360	6,177	6,180	5,892
QRMC	500	1,163	1,162	1,150	365
CARE	95	93	93	93	98
ICUC	151	214	214	214	222
Defense Business Fellows	0	0	0	0	4,400
PERSEREC	2,852	2,900	2,867	2,867	2,897
ESGR	11,606	8,258	10,258	10,342	8,419
DACOWITS	0	0	0	287	315
FVAP	0	0	0	3,834	2,187
NSPS	0	0	0	0	7,000
Labor	64,648	71,292	71,292	74,102	77,148
Operations	18,295	24,182	25,225	17,813	25,142
Total	247,080*	276,802	273,067	277,622	318,940

\* Excludes \$5.7M correctly reported in BA3.

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III. Financial Summary (O&M \$ in thousands) (continued):

<u>B. Reconciliation Summary:</u>	<u>Change</u> <u>FY 2004- FY2004</u>	<u>Change</u> <u>FY 2004-</u> <u>FY 2005</u>
1. Baseline Funding	276,802	277,622
a. Congressional Adjustments (Distributed)	2,000	
b. Congressional Adjustments (Undistributed)		
c. Congressional Adjustments (General Provisions)	(5,559)	
d. Congressional Earmark Billpayers	(176)	
2. Appropriated Amount	273,067	
a. Across-the-Board Reduction (Recission)		
b. Approved Reprogrammings/Transfers	5,738	
3. Price Change		4,512
4. Program Change	(1,183)	36,806
5. Current Estimate	277,622	318,940

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**III. Financial Summary (O&M \$ in thousands) (continued):**

<b><u>C. Reconciliation of Increases and Decreases:</u></b>	<b><u>(\$ in Thousands)</u></b>	
	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<b>FY 2004 President's Budget Request</b>		<b>276,802</b>
1. Congressional Adjustments		
a. Distributed Adjustments		
1) Employer Support of the Guard and Reserve	2,000	
Total Distributed Adjustments		2,000
b. Undistributed Adjustments		
c. General Provisions		
1) Section 8094 Prorate Professional Support Services	(1,600)	
2) Section 8101 IT Cost Growth		
3) Section 8126 Prorate Management Efficiencies	(2,597)	
Total General Provisions	(1,362)	
		(5,559)
d. Congressional Earmarks		
Section 8044 Indian Lands Environmental Impact		(176)
<b>FY 2004 Appropriated Amount</b>		<b>273,067</b>
2. Emergency Supplemental		
a. Emergency Supplemental Funding Carryover		
b. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)		
3. Fact-of-Life Changes		
a. Functional Transfers		
1) Departmental Advisory Committee on Women in the Services (DACOWITS) from Washington Headquarters Services (WHS)	287	
2) Federal Voting Assistance Program (FVAP) from Washington Headquarters Services	5,451	

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**III. Financial Summary (O&M \$ in thousands) (continued):**

**C. Reconciliation of Increases and Decreases:**

**(\$ in Thousands)**

**Amount                      Totals**

Total Transfers In		5,738
2) Program Reductions		
a) One-Time Costs		
b) Program Decreases		(1,183)

**Baseline Funding** **277,622**

4. Reprogramming		
a. Increases		-
b. Decreases		-

**Revised FY 2004 Estimate** **277,622**

5. Less: Emergency Supplemental Funding

**Normalized Current Estimate for FY 2004** **277,622**

6. Price Change		4,512
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7. Functional Transfers		
a. Transfers In		-
1) Defense Integrated Military Human Resources System (DIMHRS) from Navy	24,700	
Total transfers In		24,700

  b. Transfers Out

8. Other Transfers (Non-functional Transfers)		
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a. Transfers In		-
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b. Transfers Out		-
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9. Program Increases

a. Annualization of New FY 2004 Program		
1) Defense Enrollment Eligibility Reporting System (DEERS)	5,969	

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III. Financial Summary (O&M \$ in thousands) (continued):

C. Reconciliation of Increases and Decreases:

(\$ in Thousands)

Amount                      Totals

Funding allows for cost growth in hardware and software maintenance costs and allows for refresh of software programs and price adjustments in hardware and software maintenance costs.

- |  |       |  |
|--|-------|--|
| 2) Medical Readiness. Funding allows for refresh of software programs and price adjustments in hardware and software maintenance costs.  | 185   |  |
| 3) Surveys. Funding accommodates additional requirements for DMDC to support P&R Balanced Scorecard efforts and the President's Management Agenda - these requirements are in addition to survey data collection and reporting.    | 147   |  |
| 4) Defense Business Fellows Program Funding supports the program to attract highly skilled individuals to leadership positions in DoD.   | 4,400 |  |
| 5) National Security Personnel System (NSPS) Funding supports the NSPS implementation program established by the Defense Authorization Act of 2003.  | 7,000 |  |
| 6) Business Systems Funds support the Department's business management modernization program domain - ownership and portfolio management strategy for DIMHRS and DCPDS.  | 7,026 |  |
| 7) Regionalization and Modernization funding restores the program back to its baseline. There are several initiatives and program changes that need to be performed to enhance the Defense Civilian Personnel Data System (DCPDS). | 2,457 |  |

b. One-Time FY 2005 Costs

-

c. Program Growth in FY 2005

27,184

10. Program Decreases

a. One-Time FY 2005 Costs

-

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III. Financial Summary (O&M \$ in thousands) (continued):

<u>C. Reconciliation of Increases and Decreases:</u>	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
b. Program Decreases in FY 2005		
1) Common Access Card (CAC) Decrease is due to the completion of program modifications.	(1,150)	
2) Real Time Automated Personnel Identification System (RAPIDS) Decrease is due to the completion of software refresh. The RAPIDS program is back in the maintenance phase.	(10,811)	
3) Universal Beneficiary Card (UBC) Card production costs decrease.	(297)	
4) Federal Voting Assistance Program (FVAP) Decrease is due to decrease contractual costs.	(1,670)	
5) Employer Support of the Guard and Reserve (ESGR) Decrease is due to the decrease of contractual costs.	(1,150)	
Total Program Decreases		(15,078)
<b>FY 2005 Budget Request</b>		<b>318,940</b>

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**IV. Performance Criteria and Evaluation Summary (continued):**

DHRA's programs have been reviewed for compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Each program has developed metrics to measure and evaluate its performance and has identified the BSC quadrant and OUSD P&R Performance Metric it supports. OUSD P&R Performance Metrics include leading the Department's compliance with the President's Management Agenda's Government-wide Initiatives, including the Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government and Budget and Performance Integration.

**Defense Integrated Military Human Resources System (DIMHRS) Personnel and Pay (Pers/Pay)**

The Performance goals of the DIMHRS (Pers/Pay) System will enable the transformation of all aspects of military personnel and pay management to support the requirements of the All Volunteer Force, which requires high morale, support for joint operations, and effective management decisions. The program will design, develop, test and deploy a fully integrated military personnel and pay system, using a Commercial off-the-shelf (COTS) capability, which will enable the transformation and provide superior, world class operating capabilities and reduce cost.

USD(P&R) is aligning its performance goals and measures with the President's Management Agenda and risk management framework. The information management program supports the "Strategic Management of Human Capital" as the primary performance metric. The following measures and goals support this responsibility and are related to the four risk factors from the balanced scorecard concept: Force Management Risk, Operational Risk, Future Challenges Risk, and Institutional Risk.

FY 2004 goals and metrics include:

- completing the Comprehensive Analysis of the 21 personnel and pay functional business areas;

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- identifying how commercial best practices can assist the Department in transforming personnel and pay processes, and those DoD requirements that must be added in order to meet mission requirements (Institutional Risk);
- developing the Concept of Operations and related doctrinal and training programs to support the testing, and acceptance of the initial operating capability (Operational and Institutional Risk);
- completing Milestone B review of DIMHRS that will approve the design and development of the integrated system. (Future Challenges Risk);
- supporting the selection of a Developer Implementer for DIMHRS (Institutional Risk);
- designing, developing, and beginning developmental testing of the initial operating capability (IOC) of the integrated system, to be implemented by the Army (Institutional Risk); and
- beginning development of Initial Capabilities Document (ICD) for DIMHRS (Manpower) (Future Challenges Risk).

FY 2005 goals and metrics include:

- completing deployment of the IOC (Operational and Institutional Risk);
- completing Milestone B review of DIMHRS subsequent Useful Assets for the Navy, Marine Corps and Air Force that will approve the design and development of remaining increments of the integrated system (Future Challenges Risk);
- obtaining Milestone C approval for the Operational Test and Evaluation for subsequent Useful Assets for the Navy, Marine Corps, and Air Force (Institutional Risk); and
- designing, developing, and beginning developmental testing of the system for implementation by the Navy, Marine Corps and Air Force (Institutional Risk).

FY 2006 goals and metrics include: conducting a Post-Implementation review of the Army IOC to measure and validate performance and benefits realization (Institutional Risk); and deploying subsequent Useful Assets for the Navy, and Air Force (Operational and Institutional Risk).

**Joint Requirements and Integration Office Information Management (JR&IO IM)**

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**IV. Performance Criteria and Evaluation Summary (continued):**

The OUSD (P&R) is aligning its performance goals and measures with the President's Management Agenda and the Department's Balanced Scorecard Concept's risk management framework. The information management program supports the "Strategic Management of Human Capital" as the primary President's Management Agenda initiative. The following measures and goals support this responsibility.

Information Management performance goals ensure that OUSD(P&R) has the functional support necessary for policy management, Departmental representation in various committees, Business Process Reengineering management, Planning, Programming, and Budget processes, and Military Personnel and Pay Issues Resolution.

The following performance goals and metrics are for budget years FY 2004 through FY 2006 and apply to the Balanced Scorecard Concept of Institutional Risk:

- providing timely support for the development of Departmental Information Technology (IT) policies;
- representing the Principal Staff Assistant in working groups, integrated product teams (IPTs), committees, and other forums that manage departmental IT requirements and capabilities;
- conducting Business Process Reengineering and prototype information management initiatives in the mission area of military personnel and readiness;
- participating in the Business Management Modernization Program as the primary lead for the Human Resources Management Domain;
- participating in the Planning, Programming, Budgeting, and Execution process to obtain and fully use resources in support of military personnel and readiness IM initiatives; and
- resolving all Military Personnel and Pay issues.

**Defense Eligibility Enrollment Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC)**

These programs support Expanded Electronic Government and Strategic Management of Human Capital through the use of cutting edge technology for identification and authentication

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purposes. Under the Balanced Scorecard Concept for Defense these programs support the Military's Health Care System's performance goals (Force Management Risk), and provide essential accurate data needed to assess the size and readiness of the Force and support force protection (Operational Risk). In addition, the DEERS program was cited in the President's Management Agenda as an essential contributor to Program Initiative #14 "Coordination of Veteran's Affairs and Defense Programs and Systems."

DEERS metrics include establishing and maintaining the highest standards of accuracy for over 23 million records and worldwide access times for over 2.4 million transactions processed daily. These transactions represent active and Reserve members, their families, and retirees being provided access to their eligible entitlements and medical services -- the right people getting the right services at the right time. Performance goals include:

- more than 99.5% availability for the database outside of scheduled maintenance;
- sub two second response time to coverage and claim queries (about 2 million transactions a day); and
- posting of updated information from the uniformed services no more than 24 hours from receipt.

RAPIDS goals are to: provide timely support of Service member mobilizations - within 24 hours of notification; achieve average issuance times of less than 15 minutes for all forms of the DoD Identification card; and achieve 97 percent availability for the RAPIDS system as measured as an aggregate across all locations. This goal includes sustained issuance of all Uniform Service Identification and Privilege cards (including CACs).

DSO performance metrics include monitoring the number of cases and ensuring they are researched accurately and responded to in a timely manner. The DSO annually handles more than 600,000 calls, researches over 50,000 cases and mails over 325,000 letters in response to beneficiary correspondence. In addition, over 2,000,000 letters were mailed to beneficiaries in support of the TRICARE For Life program. These services represent real people getting real answers to real problems. Performance goals are: consistently measure the level of support provided; maintain an average response time of less than two weeks for

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written queries; create and retain accurate reporting required by law or regulation such as MGIB, verification of military education, actuarial data, PERSTEMPO, linguist tracking, child and spouse abuse, federal parent locator, Defense incident reporting which feeds the National Incident Based Reporting System, EEO, Census, and demographics data; and provide accurate information and analysis for decision makers in DoD and other federal government entities.

CAC metrics and performance goals include:

- completing initial card issuance to substantially all of the 4.5 million recipients of the Common Access Card by 31 March 2004;
- ensuring card technology remains state-of-the-art, interoperable, and sufficiently secure to facilitate e-government and secure electronic transactions;
- accomplishing configuration management actions for card and DoD-wide applications;
- facilitating smart card program implementation by other government agencies and pioneer smart card technology advancement within the Federal government via support for the Government Smart Card Interoperability Specification (GSC-IS) sponsored by the National Institute of Standards (NIST);
- providing processes, procedures and lessons learned to other government agencies to reduce life-cycle costs to the Government;
- maintaining User Outreach Program to promote usage of the CAC and PK-enabled application development;
- providing information and presentations to the user community and plan major educational events at least 4 times during FY 2004;
- ensuring CAC adheres to Federal Government interoperability specifications and becomes a leader in the standardization of smart cards; and
- providing essential post-issuance capability.

New additions to improve performance and customer support include a Central Issuance Facility, a Logistic Portal to reduce manpower requirements for stocking and increase security, fielding a CAC PIN Reset (CPR) capability throughout FY 2004, and full post

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issuance capability. An additional performance goal is to limit times required to download necessary client software to not more than 2 minutes on average.

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Regionalization and Systems Modernization

The Defense Civilian Personnel Data System (DCPDS) provides civilian HR information system support for the DoD civilian workforce worldwide, replacing the legacy DCPDS, and supporting over 800,000 employee records and approximately 1.5 million position records.

When combined with the regionalization of civilian HR servicing, DCPDS will allow the Department to reach a target-servicing ratio of 1:88. DCPDS has enabled a significant improvement in the servicing ratio. The HR servicing ratio has already achieved significant savings by improving from 1:66 at program inception to 1:77 currently. This system eliminates duplicative Component system costs associated with previously used mainframe computer operations. Improved systems performance gained through upgrades to the system software and employment of newer, more scalable technology will facilitate further consolidation of the technical infrastructure supporting DCPDS, resulting in reduced costs for hardware acquisition, maintenance, and administration. The Economic Analysis (EA) for DCPDS estimates annual savings of about \$200 million after full implementation across the Department and servicing ratio goals are attained. These reduced costs are attributable to decreases in HR staff and facilities costs, and the elimination of duplicate legacy system maintenance. An independent review and analysis of DCPDS completed in April 2003 supported this projection over the life cycle of the program through FY 2010.

Sustainment, operation, and maintenance of DCPDS are managed by CPMS through a firm fixed-price contract. System performance metrics have been established and implemented to assess contractor performance. The contract provides incentives for reducing overall system maintenance costs and increasing efficiencies in operations. Contract management oversight exercised by this organization will leverage use of these incentives to increase efficiency and reduce costs. CPMS uses an automated system that captures performance metrics (such as system uptime, network availability, and patch time.)

Regionalization and Systems Modernization Program success is measured by systems development accomplishments, the quality of system functionality, customer feedback, and efficiencies achieved through automated process improvements. These measurement factors are assessed through customer feedback concerning the level of assistance provided and the avoidance of

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service disruption. The success of the program is best measured subsequent to deployment through the evaluation of regionalization and systems modernization technical and functional benefits. During 2003, the program manager instituted a periodic program review process through a commercial vendor. The key measure, for both the regionalization and modernization efforts, is improvement in the ratio of civilian HR staff to supported population across DoD. Finally, during FY 2003, all Army support databases were consolidated at a single location on a single database; Navy is pursuing a similar initiative after moving its servers to a single location. These actions portend additional regional support center reorganization and increased component savings.

Employer Support of the Guard and Reserve (ESGR)

ESGR has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. This program has metrics in place to measure and evaluate its performance. It focuses on the balanced scorecard concept of Force Management Risk and Future Challenges Risk by ensuring support for Guard and Reserve service members is in place to facilitate deployments when needed. The program also addresses the OUSD P&R's efforts to improve Quality of Life for Service members.

Performance goals include:

- growth of employer commitment;
- expansion of ESGR brand awareness through polling;
- increased awareness by employers of their vital duty to the national defense by providing a positive work environment conducive to the service of Guard and Reserve members; and
- continued monitoring of morale and productivity, and investing in training and professional development.

Metrics used to measure the program's performance include:

- the number of employment conflicts processed and resolved;

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- the number of "Statements of Support" signed by Federal and state agencies and private employers;
- evidence of companies implementing policies as a result of "Bosslifts," "Briefings with the Boss," and other Employer Outreach programs;
- the number of volunteers trained at annual, regional, and local committee sponsored sessions;
- Service members briefed at CONUS Replacement Centers; Employer recognition awards processed; and
- the effectiveness of advertising placements.

Human Resource Strategic Assessment Program (HRSAP)

The HRSAP has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. HRSAP has developed metrics to measure and evaluate its performance. This program focuses on the balanced scorecard concept of Force Management Risk and supports the OUSD(P&R)'s efforts to improve Quality of Life for Service members and ensure satisfaction with benefits and access to benefits. The HRSAP provides data to support: 1) USD(P&R)'s Strategic Human Resources Plan; 2) USD(P&R)'s Balanced Scorecard (BSC); and 3) DoD's efforts to support the President's Management Agenda. HRSAP has goals that can be measured and evaluated.

Goals and Metrics include: Conduct Internet surveys using state-of-the-art Internet capabilities and in-depth studies using traditional methods (e.g., paper-and-pencil surveys); Develop and administer surveys to address the information needs of OUSD(P&R) and produce resulting reports. Specifically, in FY 2005, HRSAP will administer three Web-based surveys of Active-duty Service members in November 2004, March 2005, and July 2005; three Web-based surveys of Reserve Components Service members in January 2005, May 2005, and September 2005; three Web-based surveys of DoD civilians in October 2004, February 2005 and June 2005; and one paper-and-pencil Active-Duty Equal Opportunity Survey between December 2004 and April 2005. These surveys will measure concepts in the Balanced Scorecard quadrant "Force

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Management Risk." These include satisfaction with work, retention intentions and commitment to service, and other quality of life issues (e.g., financial readiness). The HRSAP will use scientifically accepted practices in item development to ensure both reliable and valid results—maintaining internal consistency (i.e., reliability) of any reported scale at not less than .70 in terms of Chronbach's alpha. Representatives from OUSD(P&R) policy offices and external subject matter experts will be involved in the identification of survey content and will ensure items are state-of-the-art measures of the content areas. The HRSAP will: 1) draw samples of participants for each survey using a technically accepted stratified random sampling approach; 2) weight samples to ensure representativeness and acceptable margins of error—not to exceed +/- 5 percent—in reported results for 90 percent of pre-established interest groups; 3) ensure data from Web-survey results are available to the Department within 90 days of closing the field; and 4) widely distribute reports and deliverables within the DoD manpower and personnel community.

Office of Complaint Investigations (OCI)

Process improvements in OCI operations have resulted in increased efficiency over the last four years. Since FY 2000, OCI closed, on average, just under 3,700 Equal Employment Opportunity (EEO) complaint cases per year. Average processing time has been reduced since FY 2000.

These achievements are largely the result of OCI's continuing emphasis on Alternative Dispute Resolution (ADR) in resolving EEO cases. Since it established a mediation team in FY 1999, OCI invested significant dollars to train and certify its staff as mediators. OCI Investigators are now certified and trained mediators. As a result of increased ADR efforts, OCI reduced the average case processing time to 124 days in FY 2003. A mediator typically resolves a complaint in an average of less than 55 days. All investigators attempt to settle complaints, and when they do, they settle in an average of 76 days.

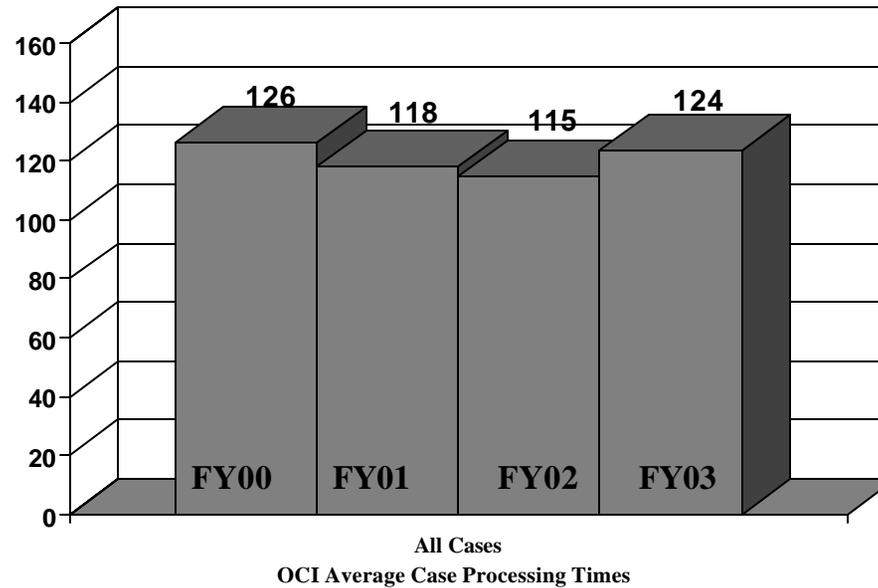
During FY 2003, OCI offered alternative resolution on 100 percent of the available cases, and resolved more than 1,000 complaints. For every complaint resolved, DoD avoids estimated costs of between \$40,000 and \$80,000 in case processing costs and potential additional litigation costs of between \$161,000 and \$310,000. Resolution of 4,621 complaints since FY

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2000 has potentially avoided more than \$277 million dollars in case processing costs, as well as potential litigation expenses projected at over \$1.0 billion. Resolution of more than 1,108 complaints during FY 2003 avoided potential processing and litigation costs of between \$66.0 million and \$260.0 million.

In FY 2005, OCI's goals are to: attempt alternative resolution of 100 percent of available EEO cases; resolve over 50 percent of EEO cases; reduce processing time by 10 percent to 112 days; avoid DoD potential processing costs of over \$200 million by practicing ADR; as well as to exceed customer expectations through process improvements, reduced processing time, and EEO complaint inventory reductions.



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<i>Fiscal Year</i>	<i>OCI Cases Closed</i>	<i>ADR Cases Closed</i>	<i>Potential ADR Cost Avoidance Per Year</i>
<i>OCI 00</i>	<b>3899</b>	<b>1247</b>	<b>\$75M - 293M</b>
<i>OCI 01</i>	<b>3913</b>	<b>1228</b>	<b>\$74M - 289M</b>
<i>OCI 02</i>	<b>3430</b>	<b>1038</b>	<b>\$62M - 244M</b>
<i>OCI 03</i>	<b>3401</b>	<b>1108</b>	<b>\$66M - 260M</b>

Oct 1, 2000 Prorated through-SEP 30, 2003

**Alternative Dispute Resolution Potential Cost Avoidance**

Office of the Actuary

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD(P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk, and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program focuses on the balanced scorecard concept of Institutional Risk by ensuring the Department is able to accurately forecast and meet its obligations regarding entitlements and benefits. This office supports the OUSD P&R's efforts to define and meet requirements and accurately project payment of retired pay. This program supports the President's Management Agenda's Government-wide Initiatives involving the Strategic Management of Human Capital, and Improved Financial Performance.

FY 2005 goals include:

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- contributing to receiving a favorable audit opinion on the Military Retirement Fund's annual financial statements;
- providing actuarial expertise to HA/OUSD(C) groups working to obtain a favorable audit opinion on the retiree health care liability reported in DoD and government-wide financial statements;
- ensuring that the MRF remains funded on an actuarially sound basis by providing support to the DoD Medicare-Eligible Retiree Health Care Board of Actuaries in calculating DoD and Treasury required trust fund contribution amounts for annual budget preparation;
- ensuring that the DoD Military Retirement Fund remains funded on an actuarially sound basis by providing similar support to the DoD Retirement Board of Actuaries for calculations related to the MRF and the Voluntary Separation Incentive Fund;
- ensuring that the DoD Education Benefits Fund remains funded on an actuarially sound basis by providing similar support to DoD Education Benefits Board of Actuaries for calculations related to DoD Education Benefits Fund;
- assisting policymakers in evaluating proposed benefit changes by providing cost estimates; and
- ensuring that all four trust funds are projected to remain solvent over the 100-year projection period.

Civilian Assistance and Re-Employment (CARE) Program

The DoD Priority Placement Program (PPP) continues to be the Department's cornerstone placement program. The PPP's current focus is to enhance operations using web-based technology. Program managers are developing and transitioning the program to fully migrate the PPP into the Modern Defense Civilian Personnel Data System. These initiatives combined with other systems innovations, e.g. development of meta-tags that easily identify on-line policy and procedural guidance for PPP counselors, and an on-going project to incrementally adapt the formal 3½-day PPP Training Course to on-line E-Training, have significantly reduced, and will continue to reduce, required staff time. This program has been reviewed to ensure compliance President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department

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including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program supports the OUSD P&R's Human Resources Strategic Plan and the President's Management Agenda initiatives; the Strategic Management of Human Capital and Competitive Sourcing.

This program is committed to complete development of five course modules by the end of FY 2004. This initiative likewise is consistent with performance indicators as outlined in the Human Resources Strategic Plan to conduct a comprehensive review of the program.

Since 1965, PPP has placed approximately 167,700 displaced employees in positions at other DoD installations that might otherwise have been involuntarily separated. Without the PPP and its mandatory placement provision, DoD would have had significant employee involuntary separations. As of September 30, 2002, the program had placed about 2,300 employees during FY 2002 and had about 4,700 displaced registrants who were still active in its databank. The number of displaced registrants is expected to increase based on the following factors:

Continued downsizing - Based on the 2003 President's Budget data, the Department projects 21,000 reductions in its civilian strength. This figure does not include potential employee layoffs resulting from commercial outsourcing actions.

Projected base realignments and closures - Public Law 107-107 establishes the authority for another round of realignment and closure of military installations beginning in FY 2005. This office has begun, and will continue to seek, regulatory and legislative changes to assist employees affected by these actions in transitioning to other positions, careers, or to private life. Following a decade-plus of downsizing it is expected that the continued Defense employment of impacted employees will be a challenge. There are not enough DoD positions to accommodate such massive reductions. Planning to establish employment partnerships with other Federal, state, county and local governments to include trade/professional organizations, local Chambers of Commerce and private industry is underway.

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Projections indicate a loss of approximately 20,000 civilian positions to commercial outsourcing in FY 2004-5. Current Administration commercialization guidelines hold will cause this number to increase significantly. CARE is part of an Acquisition Technology and Logistics (AT&L), Integrated Process Team (IPT) directly involved in the review and update of DoD A-76 regulatory guidance. This IPT is expected to continue work through FY 2004.

Over a decade of reductions have left the Department with critical skill imbalances. To offset this and avoid any crucial mission degradation, the Department was given special authority to use separation incentives (buyouts) and early retirements for shaping the workforce (no mandatory loss of position). This authority sunsets at the end of FY 2003; however, CARE developed a departmental proposal to extend the legislative authority through FY 2006. Based on past legislative experience, it is expected that the authority will be limited to 6,000 special authority actions in FY 2004.

In addition, the CARE Division administers and manages the application of the traditional buyout and early retirement authority that has been used so effectively to mitigate the results of downsizing and realignment on the DoD workforce. It is anticipated that these incentives will be used significantly in FY 2004 to avoid employee separations and downgrades (approximately 5,000 buyouts and 2,000 early retirement actions) associated with ongoing reductions and realignment initiatives.

CARE transition tools and the PPP have enabled DoD to maintain an overall involuntary separation rate of less than ten percent of total reductions. This combined with an unprecedented 47 percent placement rate, makes the PPP a model for other Federal agencies. The CARE office plans to exceed this "standard" by three percent through continued downsizing and through the proposed closure and realignment action. Once base closures are announced, CARE anticipates a jump in PPP registrations of 40 percent. This is based on similar registration numbers and the registration spike resulting from the 1989 realignment and closure announcement. Accordingly, a corresponding spike in workload and travel to conduct PPP workforce briefings and employee counseling and PPP registration actions is expected. As

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a responsible employer and advocate of the Congressional closure authority, the program will continue to show a presence at most, if not all, realigned or potential closure locations.

Since 1994, the CARE staff has conducted briefings on the PPP and the CARE programs for 92,541 employees, 7,664 managers, and 812 union representatives. This action will continue. Based on past experience, about 6,000 (combined) employees are projected to receive counseling in FY 2004; 15,000 in FY 2005; 20,000 in FY 2006; 23,000 in FY 2007 and 25,000 in FY 2008.

Injury Compensation/Unemployment Compensation

The ICUC Division plans to lead the effort to integrate the communities of Safety, Occupational Health, Environmental Safety and Human Resources to achieve Secretary Rumsfeld's goal of reducing lost production days by 50%. Specifically ICUC will:

- Conduct meetings of the DoD Quality Occupational Environment Working Group in FY 2004 and maintain a recurring work schedule.
- Identify key issues that materially erode or enhance a quality work environment by the second quarter of FY 2004.
- Work with Occupational Safety & Health to develop and implement action plans that demonstrably improve the overall quality of the workplace by the fourth quarter of FY 2005.
- Refine and implement business intelligence data management tools to help Working Group members, managers, and supervisors to create safer work places by the end of the second quarter of FY 2005.
- Actively support DoD installations in their effort to return injured employees to work at the first opportunity their health permits.
- Increase by ten percent the number of follow-up visits to persons on the compensation rolls.

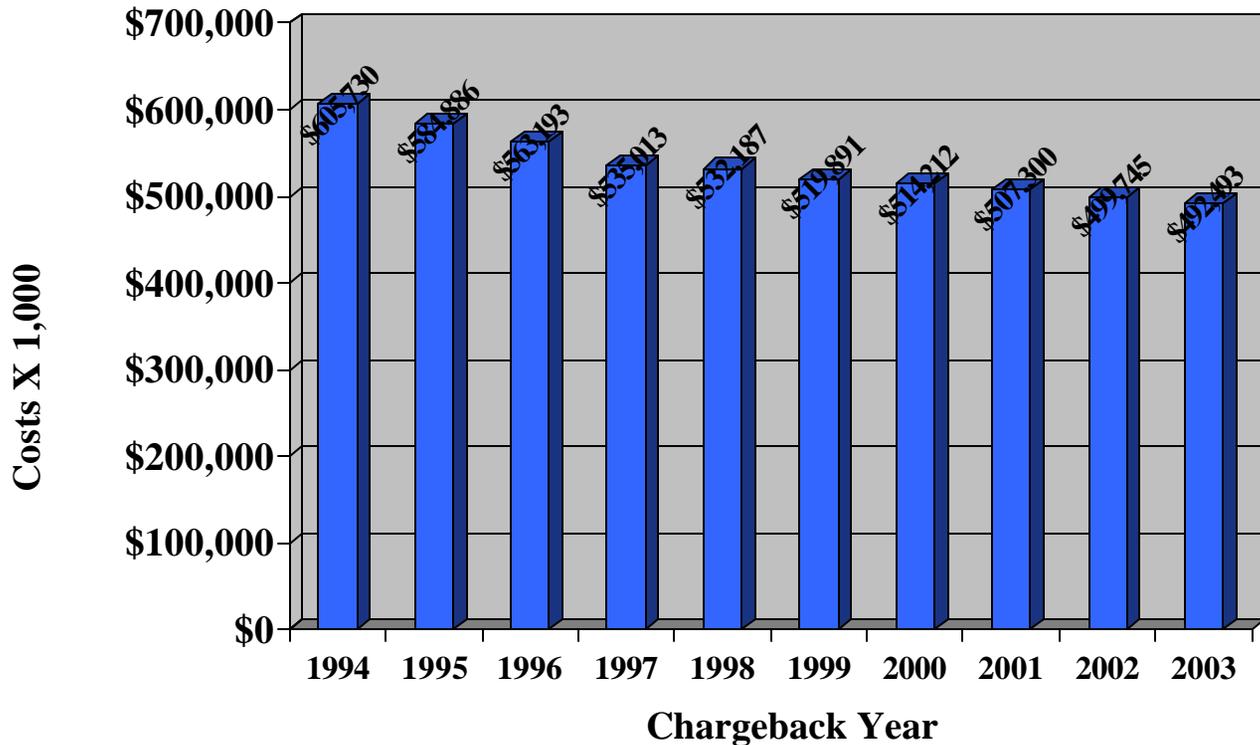
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Injury Compensation/Unemployment Compensation

DoD Inflation-Adjusted FECA Costs

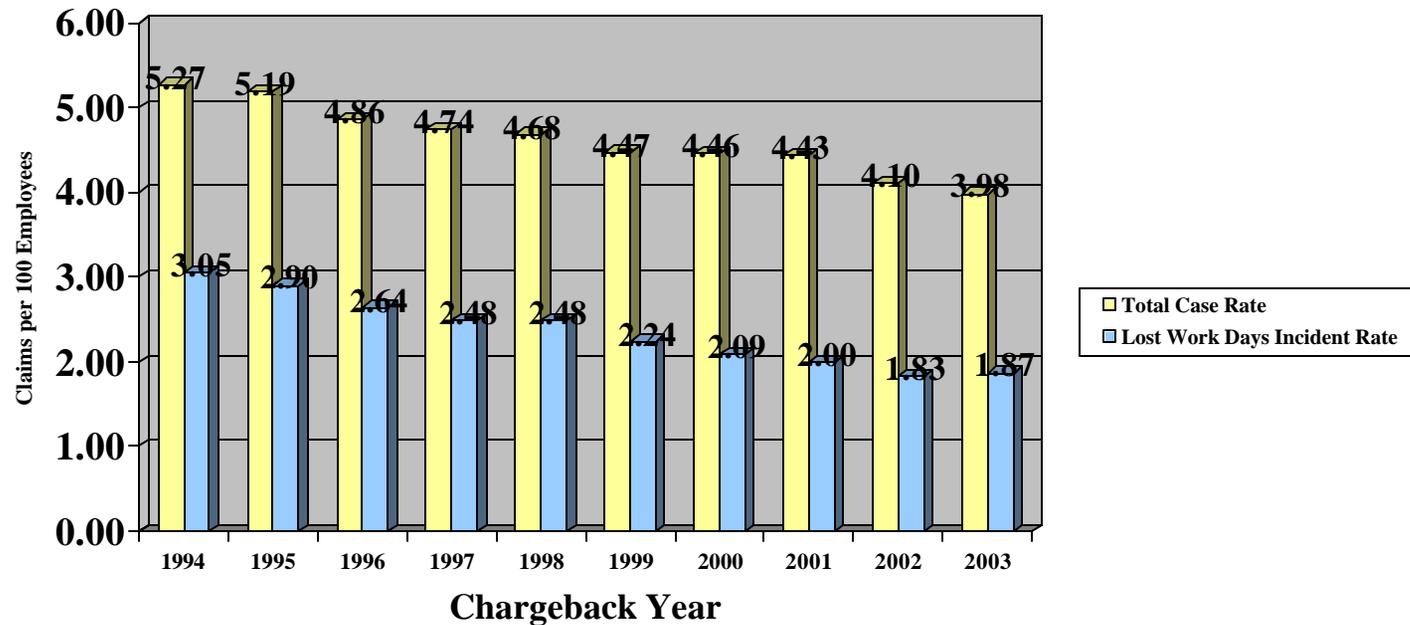
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**DoD FECA Claim Rates 1994-2003** The success of the Injury Compensation Program is measured by



cost avoidance and customer satisfaction. The customers who shape the organization's workload are the DoD Components, installation level program managers, installation/activity commanders, employees, and the Department of Labor (DOL). Prior to consolidation, most of the Components did not have the benefit of liaison specialists collocated at DOL offices to review injury cases, conduct home visits to injured employees, train, advise, and assist in reemployment efforts. Since October 1993, home visits were conducted in 65 areas with 3122 claimants visited. Actual savings over the same period totaled \$47.7 million with potential lifetime savings of \$1.631 billion. Since 1994, the Government-wide injury compensation bill increased by 28.1 percent. In contrast, the DoD injury compensation bill increased only 3.6 percent providing DoD a cost avoidance of \$148 million. Most individuals receiving wage loss

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and death benefits received a 2.4 percent increase in 2003 due to a cost of living adjustment, and overall Federal government costs for injured employees increased by 4.7 percent, but the DoD injury compensation bill increased by only 1.3 percent in 2003.

To ensure similar savings for FY 2004 and FY 2005, the DoD Quality Occupational Environment Working Group will continue in accordance with the DoD Strategic Plan to recommend and develop action plans to improve the overall quality of the work environment. The ICUC Division plans to lead the effort to integrate the communities of Safety, Occupational Health, Environmental Safety and Human Resources to achieve Secretary Rumsfeld's goal of reducing lost production days by 50%. Specifically ICUC will:

- Conduct meetings of the DoD Quality Occupational Environment Working Group in FY 2004 and maintain a recurring work schedule.
- Identify key issues that materially erode or enhance a quality work environment by the second quarter of FY 2004.
- Work with Occupational Safety & Health to develop and implement action plans that demonstrably improve the overall quality of the workplace by the fourth quarter of FY 2005.
- Refine and implement business intelligence data management tools to help Working Group members, managers, and supervisors to create safer work places by the end of the second quarter of FY 2005.
- Actively support DoD installations in their effort to return injured employees to work at the first opportunity their health permits.
- Increase by ten percent the number of follow-up visits to persons on the compensation rolls.

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**IV. Performance Criteria and Evaluation Summary (continued):**

Defense Personnel Security Research Center (PERSEREC)

PERSEREC's performance is evaluated by assessing the extent to which research results lead to improvements in the efficiency, effectiveness and fairness of the DoD personnel security system. Two performance criteria are employed: productivity is measured by the number of new projects initiated each fiscal year, and implementation rate is measured by an index reflecting the degree to which the results of applied research projects actually improve personnel security policies or operations. This program has been reviewed to ensure compliance President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program supports the OUSD P&R's Human Resources Strategic Plan and the President's Management Agenda initiatives including the Strategic Management of Human Capital. It supports the Balanced Scorecard Concepts of Force Management and Operational Risk.

Department Advisory Committee on Women in the Services

The Defense Department Advisory Committee on Women in the Services (DACOWITS) advises DoD on specified matters important to retaining highly qualified professional women and military families within all the Services. Performance criteria include: 1) assistance to the Department of Defense by advising on specified matters relating to the recruitment and retention, treatment, employment, integration, and well-being of highly qualified professional women in the services; 2) advice on family issues related to the recruitment and retention of a highly qualified professional military; 3) conducting approximately 14 installation visits, 4 business meetings, and subsequent research gathering information on women in the services and family related matters. DACOWITS provides an annual report with substantive policy or legislative recommendation to the Department of Defense at the end of one year of effort, and serves as a conduit of information and advice to the Department of Defense on issues relating to women in the services and family related matters.

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**IV. Performance Criteria and Evaluation Summary (continued):**

Federal Voting Assistance Program

BY law, FVAP submits a Report to the President and Congress after every presidential election year on the effectiveness of assistance under the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA), including a statistical analysis of voter participation and a description of federal and state cooperation in carrying out the provisions of the Act. The FVAP conducts a post election survey to determine participation in the electoral process by citizens covered by the UOCAVA, assesses the impact of efforts designed to simplify and ease the process of voting absentee, evaluates other progress made to facilitate absentee voting participation, and identifies any remaining obstacles to voting by these citizens.

The FY 2002 NDAA mandates a Report to the Congress in June 2005 on the Secretary's 2004 electronic voting project (i.e. the Secure Electronic Registration and Voting Experiment (SERVE)).

Performance measurement is derived from the UOCAVA, NVRA, DoD Goals and Objectives, and FVAP mission and strategic plan. Performance criteria are established in FVAP performance plans. Individual accomplishments towards the overall mission are evaluated on a continuing basis through daily feedback and discussion as well as formally during the performance review cycles. Accomplishments are documented and forwarded through the chain of command on an annual basis.

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<u>V. Personnel Summary:</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
<u>Active Mil End Strength (Total)</u>				
Officer	10	10	14	14
Enlisted	1	1	2	2
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	702	786	807	830
<u>Active Mil FTEs (Total)</u>				
Officer	10	10	14	14
Enlisted	1	1	2	2
<u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	702	786	807	830
<u>VI. Outyear Summary:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	
<u>Active Mil End Strength</u>	16	16	16	
<u>Civilian FTEs</u>	839	839	839	

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VII. OP 32 Line Items (Dollars in Thousands):

		<u>Change FY 2003/2004</u>			<u>Change FY 2004/2005</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>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
101 Executive, General & Special Schedule	64,550	2,005	6,446	73,001	1,661	1,434	76,096
107 Voluntary Separation Incentive Pay							
111 Disability Comp	83	0	15	98	0	8	106
199 Total Civilian Personnel Compensation	64,633	2,005	6,461	73,099	1,661	1,442	76,202
308 Travel Of Persons	5,511	72	76	5,659	79	85	5,823
399 Total Travel	5,511	72	76	5,659	79	85	5,823
416 GSA Managed Supplies & Materials	503	7	(139)	371	5	22	398
499 Total Fund Supplies & Materials	503	7	(139)	371	5	22	398
506 DLA Equipment	4	0	0	4	0	0	4
507 GSA Equipment	24	0	0	24	0	0	24
599 Total Revolving Fund Equipment Purchases	28	0	0	28	0	0	28

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VII. OP 32 Line Items (Dollars in Thousands):

	FY 2003 <u>Actual</u>	<u>Change FY 2003/2004</u>		FY 2004 <u>Estimate</u>	<u>Change FY 2004/2005</u>		FY 2005 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
633 Defense Publication & Printing Services	68	(1)	0	67	1	0	68
671 Communication Services DISA	1	0	0	1	0	0	1
699 TOT OTHER FUND PURCHASES	69	(1)	0	68	1	0	69
771 Commercial Transportation	136	1	7	144	2	6	152
799 Total Transportation	136	1	7	144	2	6	152
912 Rental payments to GSA (SLUC)	3,780	64	(136)	3,708	56	124	3,888
913 Purchased Utilities	72	1	59	132	2	6	140
914 Purchased Communications	2,311	30	12	2,353	33	70	2,456
917 Postal Service (U.S.P.S.)	1,044	0	(4)	1,040	0	1	1,041
920 Supplies & Materials (Non Fund)	612	8	(620)	0	0	0	0
921 Printing & Reproduction	58	1	4	63	1	1	65
922 Equipment Maintenance by Contract	697	9	(1)	705	10	39	754

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VII. OP 32 Line Items (Dollars in Thousands):

	FY 2003 <u>Actual</u>	<u>Change FY 2003/2004</u>		FY 2004 <u>Estimate</u>	<u>Change FY 2004/2005</u>		FY 2005 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
923 Facility Maintenance by Contract	37	0	1	38	1	0	39
925 Equipment Purchases (Non Fund)	140	2	(35)	107	1	1	109
931 Contract Consultants	18	(0)	(18)	0	0	0	0
933 Studies, Analysis & Evaluation	330	5	(335)	0	0	0	0
989 Other Contracts	166,738	2,168	21,034	189,940	2,659	35,000	227,599
998 Other Costs	363	5	(201)	167	2	8	177
999 Total Other Purchases	176,200	2,293	19,760	198,253	2,765	35,250	236,268
9999 Total	247,080	4,378	26,165	277,622	4,512	36,806	318,940