

# FY 2002 Amended Budget Submission

## Defense Human Resources Activity (DHRA)



June 2001

**DEFENSE HUMAN RESOURCES ACTIVITY**  
**Operation and Maintenance, Defense-Wide**  
**FY 2002 Amended Budget Submission**  
**DHRA Highlights**  
**(Dollars in Thousands)**

| <b>FY 2000<br/>Actual</b> | <b>Price<br/>Change</b> | <b>Program<br/>Change</b> | <b>FY 2001<br/>Estimate</b> | <b>Price<br/>Change</b> | <b>Program<br/>Change</b> | <b>FY 2002<br/>Estimate</b> |
|---------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| 232,384                   | 5,018                   | 11,315                    | 248,717                     | 5,271                   | 30,359                    | 284,347                     |

**Summary:**

The scope of DHRA's mission to support the requirements of the Under Secretary of Defense (Personnel and Readiness) (USD(P&R)) is necessarily broad to provide the flexibility needed to explore and field new technologies and programs that benefit military personnel and DoD civilians. DHRA is a diverse, responsive, customer service-oriented organization with expertise in developing and improving automated systems that serve the entire DoD community. Increased funding between FY 2001 and FY 2002 reflects new and expanded missions as well as modifications to existing infrastructure to accommodate new technologies. Funds are provided in support of the execution, modification and maintenance of Departmental and Congressionally mandated programs in the benefit, readiness, research, recruiting, and force protection areas. These mandates impact the Defense Eligibility Enrollment Reporting System (DEERS), the Real-Time Automated Personnel Identification System (RAPIDS), the development and implementation of Smart Card and PKI technologies by the Common Access Card Office (CAC) and the Defense Civilian Personnel Data System (DCPDS). DHRA programs improve the effectiveness, efficiency and productivity of Personnel and Readiness operations throughout DoD.

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

| <b>FY 2000<br/>Actual</b> | <b>Price<br/>Change</b> | <b>Program<br/>Change</b> | <b>FY 2001<br/>Estimate</b> | <b>Price<br/>Change</b> | <b>Program<br/>Change</b> | <b>FY 2002<br/>Estimate</b> |
|---------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| 172,485                   | 3,992                   | 1,055                     | 177,532                     | 3,995                   | 16,630                    | 198,157                     |

As a leader in the Department's implementation of the Common Access Card (CAC) and Public Key Infrastructure (PKI) initiatives, DHRA will be fielding the CAC to two new populations, adding over 2 million records to Defense Eligibility Enrollment Reporting System (DEERS). In FY 2002 DHRA will also produce a universally recognized, centrally produced ID card that will

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improve TRICARE service to beneficiaries as well as other initiatives supporting medical readiness. Existing infrastructure will require increased support to ensure uninterrupted telecommunications at all levels. Funding is increased to support enhancement and sustainment of DEERS, Real Time Automated Personnel Identification System (RAPIDS), and the Defense Civilian Personnel Data System (DCPDS) to allow these systems to implement mandated PKI initiatives.

DHRA's Office of the Actuary is funded in FY 2002 to perform the audit on the Military Retirement Trust Fund, as part of the Department wide effort to achieve a clean audit opinion. The Personnel Security Research Center (PERSEREC) will perform a workforce screening project to assist the Department in reducing the backlog of personnel security clearance processing.

Funding was realigned from DHRA to the Navy Program Office's appropriation to correctly and directly fund Navy support to the DIMHRS program. DHRA's Joint Requirements and Integration Office (JR&IO) received increased funding for additional workshops required to support the implementation of DIMHRS.

Funding reductions to the CAC budget reflect direct funding by the Services for the costs of card stock; the end of the Defense Integrated Travel and Relocation Solutions (DITRS) Office, as well as the end of the cycle of contract costs for the Quadrennial Review of Military Compensation (QRMC) comprise the other reductions.

**Budget Activity 3: Training and Recruiting**

| <u>FY 2000<br/>Actual</u> | <u>Price<br/>Change</u> | <u>Program<br/>Change</u> | <u>FY 2001<br/>Estimate</u> | <u>Price<br/>Change</u> | <u>Program<br/>Change</u> | <u>FY 2002<br/>Estimate</u> |
|---------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| 59,899                    | 1,026                   | 10,260                    | 71,185                      | 1,276                   | 13,729                    | 86,190                      |

Program growth in FY 2002 supports the Department's military recruiting market research and advertising initiative with educators of youth to increase the likelihood these influencers will recommend military service. The Joint Recruiting and Advertising Program's (JRAP)

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objective is to counteract the current, increasingly more difficult recruiting environment by providing clear and accurate, nationwide awareness of the opportunities available for youth in the Armed Forces. The Joint Marketing Research Program (JMRP) performs studies and surveys that provide data essential to the accurate measurement of youth attitudes toward military service. These programs benefit all of the Services during this challenging period of recruiting and address one of the top priorities establishing and maintaining the strongest possible All-Volunteer Force.

Funding also supports increased Component participation in the Defense Leadership and Management Program (DLAMP), course delivery, operations and facilities, and participant TDY and backfill costs. Additional funding is also provided to support personnel costs and the IT infrastructure modernization and sustainment at the Defense Resource Management Institute (DRMI).

Program decreases reflect a one-time Congressional add for recruiting initiatives in FY 2001.

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**Summary of Increases and Decreases**

|   | <u>BA 3</u> | <u>BA 4</u> | <u>Total</u> |
|---|-------------|-------------|--------------|
| 1. FY 2001 President's Budget Request           | 78,299      | 184,856     | 263,155      |
| 2. Congressional Adjustments (Distributed)      |             |             |              |
| a. DHRA   | (2,818)     | (2,182)     | (5,000)      |
| b. JRAP   | 2,000       | 0           | 2,000        |
| c. DLAMP  | (5,000)     | 0           | (5,000)      |
| Total Congressional Adjustments (Distributed)   | (5,818)     | (2,182)     | (8,000)      |
| 3. Congressional Adjustments (Undistributed)    |             |             |              |
| a. Management Headquarters Reduction            | (25)        | (95)        | (120)        |
| b. CAAS   | (74)        | (167)       | (241)        |
| c. DJAS   | (130)       | (290)       | (420)        |
| Total Congressional Adjustments (Undistributed) | (229)       | (552)       | (781)        |
| 4. Congressional Earmarks                       |             |             |              |
| Congressional Earmarks Bill Payer               | (125)       | (279)       | (404)        |
| Total Congressional Earmarks                    | (125)       | (279)       | (404)        |
| 5. FY 2001 Appropriation Enacted                | 72,127      | 181,843     | 253,970      |
| 6. FY 2001 Recission                            | (160)       | (398)       | (558)        |
| 7. Transfers In                                 | 0           | 0           | 0            |
| 8. Transfers Out                                |             |             |              |
| a. DFAS charges transferred to DCMA             | 0           | (616)       | (616)        |
| b. Financial Management Training to OSD         | 0           | (1)         | (1)          |
| Total Transfers Out                             | 0           | (617)       | (617)        |
| 9. Price Change                                 | 0           | 0           | 0            |
| 10. Program Increases                           |             |             |              |
| a. Realignment from BA-3 to BA-4                | 0           | 782         | 782          |
| b. Locality Pay for Monterey, CA                | 0           | 1,100       | 1,100        |
| c. DoD Actuary workload                         | 0           | 600         | 600          |
| Total Program Increases                         | 0           | 2,482       | 2,482        |
| 11. Program Decreases                           |             |             |              |
| a. Realignment from BA-3 to BA-4                | (782)       | 0           | (782)        |
| b. Interim Personnel support costs              | 0           | (5,778)     | (5,778)      |
| Total Program Decreases                         | (782)       | (5,778)     | (6,560)      |
| 12. Revised FY 2001 Current Estimate            | 71,185      | 177,532     | 248,717      |

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**Summary of Increases and Decreases**

|   | <u>BA 3</u>    | <u>BA 4</u>    | <u>Total</u>   |
|---|----------------|----------------|----------------|
| 13. Price Growth  | 1,276          | 3,995          | 5,271          |
| 14. Transfers In  |                |                |                |
| a. Military Retirement Trust fund from the DoDIG                                | 0              | 200            | 200            |
| b. Universal Beneficiary Card from DHP  | 0              | 5,900          | 5,900          |
| Total Transfers In  | 0              | 6,100          | 6,100          |
| 15. Transfers Out   |                |                |                |
| DIMHRS to Navy to appropriate agency and appropriation                          | 0              | (6,545)        | (6,545)        |
| 16. Program Increases   |                |                |                |
| a. Operations   | 0              | 277            | 277            |
| b. Technical Security Center Measures research                                  | 0              | 1,000          | 1,000          |
| c. JR&IO Business Process Reengineering   | 0              | 759            | 759            |
| d. DEERS  | 0              | 7,100          | 7,100          |
| e. RAPIDS   | 0              | 5,299          | 5,299          |
| f. Medical Readiness  | 0              | 1,475          | 1,475          |
| g. Enhanced DCPDS   | 0              | 5,778          | 5,778          |
| h. DCPDS PKI  | 0              | 730            | 730            |
| i. Defense Resources Management Institute                                       | 285            | 0              | 285            |
| j. DLAMP PME support  | 200            | 0              | 200            |
| k. Increase in DLAMP core program funding to<br>support Component participation | 12,947         | 0              | 12,947         |
| m. Increase in DLAMP support for rotational assignments                         | 1,300          | 0              | 1,300          |
| n. Increased support for joint recruiting and advertising                       | 1,031          | 0              | 1,031          |
| Total Increases   | 15,763         | 22,418         | 38,181         |
| 17. Program Decreases   |                |                |                |
| a. Common Access Card   | 0              | (2,593)        | (2,593)        |
| b. DITRS support ends in FY 2001  | 0              | (2,451)        | (2,451)        |
| c. QRMC - contractual support is cyclical                                       | 0              | (299)          | (299)          |
| d. FY 2001 funding included a one-time Congressional<br>add for JRAP            | (2,034)        | 0              | (2,034)        |
| Total Decreases   | <u>(2,034)</u> | <u>(5,343)</u> | <u>(7,377)</u> |
| 18. FY 2002 Budget Request  | 86,190         | 198,157        | 284,347        |

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 Personnel Summary

|   | <u>FY 2000</u> | <u>FY 2001</u> | <u>FY 2002</u> | <u>Change</u><br><u>FY 2001/2002</u> |
|---|----------------|----------------|----------------|--------------------------------------|
| <u>Active Military End Strength (ES) (Total)</u>    | 7              | 11             | 13             | 2                                    |
| Officer   | 6              | 11             | 13             | 2                                    |
| Enlisted  | 1              | 0              | 0              | 0                                    |
| <br><u>Civilian End Strength</u>                    |                |                |                |                                      |
| U.S. Direct Hire                                    | 700            | 685            | 697            | 12                                   |
| <br><u>Active Military Average Strength (Total)</u> | 7              | 11             | 13             | 2                                    |
| Officer   | 6              | 11             | 13             | 2                                    |
| Enlisted  | 1              | 0              | 0              | 0                                    |
| <br><u>Civilian FTEs (Total)</u>                    |                |                |                |                                      |
| U.S. Direct Hire                                    | 680            | 680            | 690            | 10                                   |

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 Summary of Price and Program  
 (Dollars in Thousands)

|   | FY 2000<br><u>Actuals</u>               | Foreign<br>Currency<br><u>Rate Difference</u> | <u>Price Growth</u><br>Percent | <u>Amount</u> | Program<br><u>Growth</u> | FY 2001<br><u>Program</u> |        |
|---|---|---|--------------------------------|---------------|--------------------------|---------------------------|--------|
| <u>CIVILIAN PERSONNEL COMPENSATION</u>                  |   |   |                                |               |                          |                           |        |
| 101   | Executive, General & Special Schedule   | 54,371  | 0                              | 0.04          | 2,161                    | 998                       | 57,530 |
| 106   | Benefits to Former Employees            | 255   | 0                              | 0.00          | 0                        | (181)                     | 74     |
| 107   | Voluntary Separation Incentive Pay      | 327   | 0                              | 0.00          | 0                        | (327)                     | 0      |
| 199   | TOTAL CIVILIAN PERSONNEL COMPENSATION   | 54,953  | 0                              | 0             | 2,161                    | 490                       | 57,604 |
| <u>TRAVEL</u>   |   |   |                                |               |                          |                           |        |
| 308   | Travel of Persons                       | 6,266   | 0                              | 0.02          | 100                      | 3,909                     | 10,275 |
| 399   | TOTAL TRAVEL                            | 6,266   | 0                              |               | 100                      | 3,909                     | 10,275 |
| <u>SUPPLIES &amp; MATERIALS PURCHASES</u>               |   |   |                                |               |                          |                           |        |
| 416   | GSA Managed Supplies & Materials        | 65  | 0                              | 0.02          | 1                        | 0                         | 66     |
| 499   | TOTAL SUPPLIES & MATERIALS PURCHASES    | 65  | 0                              |               | 1                        | 0                         | 66     |
| <u>EQUIPMENT PURCHASES</u>                              |   |   |                                |               |                          |                           |        |
| 506   | DLA Equipment                           | 12  |                                | 0.05          | 1                        | (13)                      | 0      |
| 507   | GSA Managed Equipment                   | 19  |                                | 0.02          | 0                        | (19)                      | 0      |
| 599   | TOTAL FUND EQUIPMENT PURCHASES          | 31  |                                | 0             | 1                        | (32)                      | 0      |
| <u>OTHER FUND PURCHASES (EXCLUDE TRANSPORTATION)</u>    |   |   |                                |               |                          |                           |        |
| 671   | Communication Services (DISA)           | 48  |                                | 0.00          | 0                        | 57                        | 105    |
| 673   | Defense Finance and Accounting Services | 792   |                                | 0.00          | 39                       | (27)                      | 804    |
| 699   | TOTAL PURCHASES                         | 840   |                                | 0.00          | 39                       | 30                        | 909    |
| <u>CIVILIAN PERSONNEL COMPENSATION (TRANSPORTATION)</u> |   |   |                                |               |                          |                           |        |
| 771   | Commercial Transportation               | 172   |                                | 0.02          | 2                        | (98)                      | 76     |
| 799   | TOTAL TRANSPORTATION                    | 172   |                                | 0.02          | 2                        | (98)                      | 76     |



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 Summary of Price and Program  
 (Dollars in Thousands)

|                        | FY 2000                                    | Foreign  | <u>Price Growth</u>    |                | Program       | FY 2001        |         |
|------------------------|--|----------|------------------------|----------------|---------------|----------------|---------|
|                        | <u>Program</u>                             | Currency | <u>Rate Difference</u> | <u>Percent</u> | <u>Amount</u> | <u>Growth</u>  |         |
|                        |  |          |                        |                |               | <u>Program</u> |         |
| <u>OTHER PURCHASES</u> |  |          |                        |                |               |                |         |
| 912                    | Rental Payments to GSA Leases (SLUC)       | 2,822    | 0                      | 0.02           | 54            | 19             | 2,895   |
| 914                    | Purchased Communications (non-Fund)        | 1,129    | 0                      | 0.02           | 18            | (9)            | 1,138   |
| 917                    | Postal Services (U.S.P.S.)                 | 815      | 0                      | 0.00           | 0             | 66             | 881     |
| 920                    | Supplies & Materials (non-Fund)            | 2,049    | 0                      | 0.02           | 32            | (744)          | 1,337   |
| 921                    | Printing and Reproduction                  | 479      | 0                      | 0.02           | 7             | 44             | 530     |
| 922                    | Equipment Maintenance by Contract          | 910      | 0                      | 0.02           | 14            | (781)          | 143     |
| 923                    | Facility Maintenance by Contract           | 19       | 0                      | 0.02           | 0             | 2              | 21      |
| 925                    | Equipment Purchases (non-Fund)             | 196      | 0                      | 0.02           | 4             | 22             | 222     |
| 932                    | Management & Professional Support Services | 4        | 0                      | 0.02           | 0             | 310            | 314     |
| 989                    | Other Contracts                            | 161,614  | 0                      | 0.02           | 2,585         | 8,087          | 172,286 |
| 998                    | Other Costs                                | 20       | 0                      | 0.02           | 0             | 0              | 20      |
| 999                    | TOTAL OTHER PURCHASES                      | 170,057  | 0                      |                | 2,714         | 7,016          | 179,787 |
| 9999                   | TOTAL OPERATION & MAINTENANCE              | 232,384  | 0                      |                | 5,018         | 11,315         | 248,717 |

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|   |   | FY 2001 | Foreign         | Price Growth |        | Program | FY 2002 |
|---|---|---------|-----------------|--------------|--------|---------|---------|
|   |   | Program | Currency        | Percent      | Amount | Growth  | Program |
|   |   |         | Rate Difference |              |        |         |         |
| <u>CIVILIAN PERSONNEL COMPENSATION</u>                  |   |         |                 |              |        |         |         |
| 101   | Executive, General & Special Schedule   | 57,530  | 0               | 0.04         | 2,085  | 1,074   | 60,689  |
| 106   | Benefits to Former Employees            | 74      | 0               | 0.00         | 0      | 3       | 77      |
| 107   | Voluntary Separation Incentive Pay      | 0       | 0               | 0.00         | 0      | 0       | 0       |
| 199   | TOTAL CIVILIAN PERSONNEL COMPENSATION   | 57,604  | 0               |              | 2,085  | 1,077   | 60,766  |
| <u>TRAVEL</u>   |   |         |                 |              |        |         |         |
| 308   | Travel of Persons                       | 10,275  | 0               | 0.02         | 174    | (2,066) | 8,383   |
| 399   | TOTAL TRAVEL                            | 10,275  | 0               |              | 174    | (2,066) | 8,383   |
| <u>SUPPLIES &amp; MATERIALS PURCHASES</u>               |   |         |                 |              |        |         |         |
| 416   | GSA Managed Supplies & Materials        | 66      | 0               | 0.02         | 1      | 0       | 67      |
| 499   | TOTAL SUPPLIES & MATERIAL PURCHASES     | 66      | 0               |              | 1      | 0       | 67      |
| <u>EQUIPMENT PURCHASES</u>                              |   |         |                 |              |        |         |         |
| 506   | DLA Fund Equipment                      | 0       | 0               | 0.00         | 0      | 0       | 0       |
| 507   | GSA Managed Equipment                   | 0       | 0               | 0.02         | 0      | 0       | 0       |
| 599   | TOTAL FUND EQUIPMENT PURCHASES          | 0       | 0               |              | 0      | 0       | 0       |
| <u>OTHER FUND PURCHASES (EXCLUDE TRANSPORTATION)</u>    |   |         |                 |              |        |         |         |
| 671   | Communication Services (DISA)           | 105     | 0               | -0.14        | 14     | 1       | 120     |
| 673   | Defense Finance and Accounting Services | 804     | 0               | -0.05        | (38)   | 51      | 817     |
| 699   | TOTAL PURCHASES                         | 909     | 0               |              | (24)   | 52      | 937     |
| <u>CIVILIAN PERSONNEL COMPENSATION (TRANSPORTATION)</u> |   |         |                 |              |        |         |         |
| 771   | Commercial Transportation               | 76      | 0               | 0.02         | 1      | 2       | 79      |
| 799   | TOTAL TRANSPORTATION                    | 76      | 0               |              | 1      | 2       | 79      |

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 Summary of Price and Program  
 (Dollars in Thousands)

|                        | FY 2001                                    | Foreign  | <u>Price Growth</u>    |                | Program       | FY 2002        |         |
|------------------------|--|----------|------------------------|----------------|---------------|----------------|---------|
|                        | <u>Program</u>                             | Currency | <u>Rate Difference</u> | <u>Percent</u> | <u>Amount</u> | <u>Growth</u>  |         |
|                        |  |          |                        |                |               | <u>Program</u> |         |
| <u>OTHER PURCHASES</u> |  |          |                        |                |               |                |         |
| 912                    | Rental Payments to GSA (SLUC)              | 2,895    | 0                      | 0.02           | 43            | 11             | 2,949   |
| 914                    | Purchased Communications (non-Fund)        | 1,138    | 0                      | 0.02           | 19            | (10)           | 1,147   |
| 917                    | Postal Services (U.S.P.S.)                 | 881      | 0                      | 0.00           | 0             | 15             | 896     |
| 920                    | Supplies & Materials (non-Fund)            | 1,337    | 0                      | 0.02           | 23            | (9)            | 1,351   |
| 921                    | Printing and Reproduction                  | 530      | 0                      | 0.02           | 9             | 1              | 540     |
| 922                    | Equipment Maintenance by Contract          | 143      | 0                      | 0.02           | 2             | 3              | 148     |
| 923                    | Facility Maintenance by Contract           | 21       | 0                      | 0.02           | 0             | 1              | 22      |
| 925                    | Equipment Purchases (non-Fund)             | 222      | 0                      | 0.02           | 4             | 0              | 226     |
| 932                    | Management & Professional Support Services | 314      | 0                      | 0.02           | 5             | (319)          | 0       |
| 989                    | Other Contracts                            | 172,286  | 0                      | 0.02           | 2,929         | 31,601         | 206,816 |
| 998                    | Other Costs                                | 20       | 0                      | 0.02           | 0             | 0              | 20      |
| 999                    | TOTAL OTHER PURCHASES                      | 179,787  | 0                      |                | 3,034         | 31,294         | 214,115 |
| 9999                   | TOTAL OPERATION & MAINTENANCE              | 248,717  | 0                      |                | 5,271         | 30,359         | 284,347 |

**DEFENSE HUMAN RESOURCES ACTIVITY**  
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**Budget Activity 3: Recruitment and Training**

**I. Description of Operations Financed:**

Defense Leadership and Management Program

The Commission on Roles and Missions (CORM) in March 1995 called for changes in the way senior DoD civilians are trained, educated and developed. The CORM recommended mandatory rotational assignments, a structured educational system, enhanced opportunities for civilians to attend military service schools, and reimbursing DoD organizations with participants engaged in long term training via "backfill." In response, the Defense Leadership and Management Program (DLAMP) was established in April 1997, by DoD Directive 1430.16 as an executive development program to produce world-class leaders for a select group of approximately 3,000 key DoD-wide leadership positions.

The Department of Defense Human Resources Activity's (DHRA) Civilian Personnel Management Service (CPMS) is responsible for program management and stewardship of the centralized DLAMP funding. CPMS is responsible for the contract instructional staff, curriculum development and operation, administrative support, and participant backfill and TDY support.

Participants in the program are selected from General Schedule (GS) grades 13 through 15, or equivalent, and may include incumbents of DLAMP positions. In December 1997, 293 participants were selected for the first DLAMP class. As of July 2000, DLAMP participants numbered almost 1200. The development of 28 graduate courses and a capstone course was completed in FY 2000, with the overall effort shifting to course delivery.

On average, DLAMP participants are expected to take six to ten years to complete the program. Graduation from DLAMP requires successful completion of three mandatory elements:

- A career broadening rotational assignment of at least twelve months. Policies and processes for DLAMP rotational assignments have been implemented. The initial group of 9 rotations began in the summer of 1998. Through July 2000, an additional 105 participants have begun rotational assignments; 150 are projected for FY 2001 and 182 for 2002.

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**Budget Activity 3: Recruitment and Training**

**I. Description of Operations Financed (cont'd):**

- A Professional Military Education (PME) course. The DLAMP ten-month PME program will eventually enroll 200 civilians annually at DoD Senior Service Schools. The initial pilot group of 23 at Senior Service Schools completed their course of study in June 1998. Through July 2000, an additional 159 DLAMP students graduated from a ten-month PME course. Ninety-two more participants began a ten-month PME program in Academic Year (AY) 2000-2001; and 92 more in AY 2001-2002. DLAMP has also successfully developed and initiated a three-month PME course at the National Defense University, for DLAMP participants. This program has 67 graduates as of July 2000. Rapid incremental increases in the number of 3-month courses are projected as the program reaches maturity.
- A minimum of 10 advanced-level graduate courses. The DLAMP graduate curriculum consists of a total of 29 courses designed to develop mastery by Defense executives of a range of contemporary subjects and disciplines. Teams of educators and Defense experts have completed development of the 29 courses. Due to textbook changes, three courses have been revised. During FY 2001, an additional 11 courses will be revised due to changes in textbooks and in DoD business practices. Six courses are projected for revision during FY 2002.

Initial course offerings began in February 1998. As of July 2000, 139 courses were conducted; 1,915 participants attended these courses. Twenty additional classes are scheduled for the remainder of FY 2000; 120 classes are projected for FY 2001; 180 classes are projected for FY 2002.

Of critical importance to the success of the program is the provision for "backfills," whereby DLAMP provides the DoD Components with FTEs and the associated dollars to cover the salaries of DLAMP participants who are away on mandatory long-term training (i.e., the twelve-month rotational assignment or the ten-month PME course). Backfill is imperative if essential duties of DLAMP participants are to be performed while the

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**Budget Activity 3: Recruitment and Training**

**I. Description of Operations Financed (cont'd):**

participant is away from the job. With this in place, DLAMP will continue to attract the most highly qualified individuals from DoD organizations. Budget documentation will reflect the FTE and dollar resource transfers to support each Component in accordance with candidate participation levels.

Participants are evaluated annually. DoD Component boards will certify candidates for completion of the program. As of July 2000, 41 DLAMP participants have been selected for Senior Executive Service positions. The first program participants graduated in October 2000.

Joint Recruiting Advertising Program (JRAP)

The Joint Recruiting Advertising Program (JRAP) within the Defense Human Resources Activity's (DHRA) Defense Manpower Data Center (DMDC) is the corporate-level, recruitment advertising arm of the Department. Policy oversight for this program is provided by the Office of the Under Secretary of Defense for Personnel and Readiness (Force Management Policy)(Military Personnel Policy) (OUSD(P&R)(FMP)(MPP)). JRAP was established at the advent of the All-Volunteer Force for the purpose of providing corporate-level advertising to complement and support the individual Services' advertising programs. The primary mission of joint advertising is to increase propensity toward military service by creating a positive image of the U.S. Armed Forces among youth, their influencers, and the American public.

JRAP's functions were expanded in FY 2000 and critical functions for FY 2002 include: Purchasing mailing lists for all Services' use (e.g., managing the purchase of more than 3.1 million graduating seniors' names for use in the Services' direct mail and lead generation programs); developing and executing an influencer (e.g., parents) print advertising campaign; upgrading a new influencer internet website (todaysmilitary.com) that presents why military service is a smart choice; and developing a corporate image television advertising campaign to create a more positive image of the military with the American public. JRAP's mission also includes evaluating the effectiveness of advertising through implementation of the Department's first advertising tracking system; fielding the Magazine Advertising Credit System (MACS) to ensure the Services receive the lowest rates possible on print media buying;

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and managing a Selective Service monthly Joint-Service direct mail campaign to new registrants to generate recruiting leads for the Services. JRAP's mission is more critical than ever before in today's increasingly difficult military recruiting environment.

Joint Market Research Program (JMRP)

The Joint Market Research Program (JMRP) located within DHRA's DMDC, is the corporate-level, recruiting market research arm of the Department. Policy oversight is provided by OUSD(P&R)(FMP)(MPP). JMRP was established when the All-Volunteer Force was created for the purpose of providing the Office of the Secretary of Defense and the Military Services with market research and data on the youth market.

During the recent Secretary of Defense comprehensive review of military advertising and market research programs, outside experts recommended greatly expanding market research. They recommended that DoD, as the largest employer of youth, develop an exemplary market research program that tracks key data on DoD's major markets. This includes youth (prospects and pre-prospects), their influencers, adult Americans, and current Service members. Additionally, the market research program should support recruitment advertising efforts since "military advertising should be grounded in solid market research"; and JRAP's "corporate" role should be honored. To address these recommendations and strengthen support for military recruiting, in FY 2002 JMRP will continue to expand its market research capability by conducting studies that enable the Department to develop research-based communications and marketing strategies for its target markets. In particular, the educator influencer community will be studied and a strategic plan developed for it. A key component will be trimester polls of youth and adults that will probe their values, attitudes, and opinions toward the military. Additionally, JMRP will obtain private-sector data and research on these markets and will distribute this information to the Services. This market research also will be summarized for use by senior officials and used by non-technical audiences and will be made available via an e-mail/web application titled, "Defense Market Research Executive Notes." Additionally, JMRP will conduct other core research required, e.g., interview research with Active Duty and Reserve members. During FY 2001 and 2002, a

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critical Joint-Service database that supports recruiting headquarters' analysis of the youth market, the Recruit Market Information System, will be upgraded and moved to a web platform. Finally, JMRP will assist in the evaluation of advertising for JRAP's corporate image and print campaigns.

Joint Military Recruiting Studies (JMRS)

For over 25 years, the United States has relied on volunteers to satisfy military personnel requirements—approximately 350,000 new recruits annually in the active and Reserve components. Today, because of a booming economy and increased youth college enrollment, the Military Services are struggling to achieve their recruiting goals. The Army and the Navy missed their objective in FY 1998, and in FY 1999, the Army and the Air Force experienced recruiting shortfalls. Although all Services met recruiting objectives in FY 2000, recruiting still is a challenge and is likely to remain so in the future.

The recruiting challenge is made more daunting because of the need for high-quality personnel. The pool of potential enlistees is surprisingly small. Nationwide, there are about 15 million high school graduates between the ages of 17 and 21. More than 67 percent of those graduates start college immediately after high school, which reduces the pool significantly. The JMRS' program funding supports analyses of military recruiting; normally, these efforts have been directed by Congress. Recent examples include reevaluation of the DoD recruit quality benchmarks and evaluation of the military performance of "home schooled" recruits.

Starting in FY 2000 and continuing in FY 2001 and FY 2002, by Congressional direction, several tests are underway as a part of a DoD study to reengineer and privatize recruiting. These efforts will include a Joint-Service test of the effects of civilian telemarketing best business practices on recruiting productivity. A National Academy of Sciences (NAS) Committee on the Youth Population and Military Recruiting will be funded for a third year to study current recruitment challenges and long-term, social and demographic trends in the youth population. The NAS Committee is composed of social scientists, business experts, and



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private-sector policy analysts with expertise in marketing, communications, youth attitudes, personnel management, and military recruiting. This group will analyze implications of demographic and cultural trends on recruiting and training, and evaluate recruiting strategies for youth population segments to inform military personnel policy. An initiative to accomplish enlistment processing at locations distant from Military Entrance Processing Stations will be continued. The convenience associated with such remote processing promises to expand participation in eligibility screening. In FY 2002, studies will be undertaken to better understand the attitudes and opinions of educators about the military since youth consult with educators regarding post secondary opportunities. We will undertake studies that will evaluate the relative cost-effectiveness of the various recruiting resources (i.e., recruiters, advertising, enlistment bonuses, and education benefits) and analyses will be performed to determine if Service recruiting competition drives up the cost-per-new enlistee. In response to Congressional direction, we also will initiate a test to determine if cooperation with military recruiters by local educational agencies and institutions could be enhanced by improving the understanding of school educators about military recruiting and military career opportunities.

Defense Resources Management Institute

The Defense Resources Management Institute is a jointly staffed Department of Defense 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.

It is DoD policy that the DRMI will have the following objectives:

- Conduct resource management courses that enhance the understanding, competence, and capabilities of the U.S. and foreign military and civilian personnel involved in the development, operation, or maintenance of DoD and other government management systems.

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- Emphasis shall be placed on analytical concepts and techniques drawn from the disciplines of management decision theory, economics, and quantitative methods as they apply to the allocation and utilization of financial, logistic , and manpower resources.
- Provide such courses for foreign countries and international agencies as may be requested, and as can be justified on the bases of benefit to the U.S. government, within resource constraints, subject to the approval of the Under Secretary of Defense (Policy).
- Encourage and maintain a program of research related to defense resource management methods and processes and to defense resource management education.
- Develop understanding and improve competence in techniques of analysis and decision-making as they apply to the allocation and utilization of resources.
- Develop knowledge and understanding of the concepts, applications, and techniques of resource management systems.

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

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

| A. Subactivities:    | FY 2000<br>Actuals | FY 2001           |              | Current<br>Estimate | FY 2002<br>Estimate |
|----------------------|--------------------|-------------------|--------------|---------------------|---------------------|
|                      |                    | Budget<br>Request | Appropriated |                     |                     |
| DLAMP                | 33,487             | 49,664            | 42,256       | 42,109              | 57,261              |
| JRAP                 | 16,057             | 16,832            | 18,287       | 17,586              | 16,769              |
| JMRP/Market Research | 4,587              | 5,393             | 5,232        | 5,217               | 5,390               |
| JMRS                 | 1,997              | 1,998             | 1,939        | 1,934               | 1,996               |
| DRMI                 | 900                | 900               | 901          | 900                 | 1,200               |
| Labor                | 2,862              | 3,502             | 3,502        | 3,439               | 3,574               |
| Operations           | 9                  | 10                | 10           | 0                   | 0                   |
| Total                | 59,899             | 78,299            | 72,127       | 71,185              | 86,190              |

**B. Reconciliation Summary:**

|   | Change<br>FY 2001 /<br>FY 2001 | Change<br>FY 2001 /<br>FY 2002 |
|---|--------------------------------|--------------------------------|
| 1. Baseline Funding                       | 78,299                         | 71,185                         |
| Congressional Adjustments (Distributed)   | (5,818)                        | 0                              |
| Congressional Adjustments (Undistributed) | (229)                          | 0                              |
| Congressional Earmark Billpayers          | (125)                          | 0                              |
| 2. Appropriated Amount                    | 72,127                         | 0                              |
| Across-the-board Reduction (Rescission)   | (160)                          | 0                              |
| Approved Reprogrammings/Transfers         | 0                              | 0                              |
| 3. Price Change                           | 0                              | 1,276                          |
| 4. Program Changes                        | (782)                          | 13,729                         |
| 5. Current Estimate                       | 71,185                         | 86,190                         |

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

|   | <u>(\$ in Thousands)</u> |               |
|---|--------------------------|---------------|
|   | <u>Amount</u>            | <u>Totals</u> |
| 1. FY 2001 President's Budget Request           |                          | 78,299        |
| 2. Congressional Adjustments (Distributed)      |                          |               |
| a) DHRA   | (2,818)                  |               |
| b) JRAP   | 2,000                    |               |
| c) DLAMP  | (5,000)                  |               |
| Total Congressional Adjustments (Distributed)   |                          | (5,818)       |
| 3. Congressional Adjustments (Undistributed)    |                          |               |
| a) Management Headquarters Reduction            | (25)                     |               |
| b) CAAS   | (74)                     |               |
| c) DJAS   | (130)                    |               |
| Total Congressional Adjustments (Undistributed) |                          | (229)         |
| 4. Congressional Earmarks                       |                          |               |
| a) Indian Lands Mitigation                      | (96)                     |               |
| b) Mid East Regional Security Issues Program    | (10)                     |               |
| c) Bosque Redondo Memorial                      | (19)                     |               |
| Total Congressional Earmarks                    |                          | (125)         |
| 5. FY 2001 Appropriation Enacted                |                          | 72,127        |
| 6. FY 2001 Rescission                           |                          | (160)         |
| 7. Transfers-In                                 |                          | 0             |
| 8. Transfers-Out                                |                          | 0             |
| 9. Price Change                                 |                          | 0             |

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**C. Reconciliation of Increases and Decreases (cont'd):**

|     |   | <u>(\$ in Thousands)</u> |               |
|-----|---|--------------------------|---------------|
|     |   | <u>Amount</u>            | <u>Totals</u> |
| 10. | Program Increase  |                          | 0             |
| 11. | Program Decrease<br>Realignment from BA-3 to BA-4   |                          | (782)         |
| 12. | FY 2001 Current Estimate  |                          | 71,185        |
| 13. | Price Growth  |                          | 1,276         |
| 14. | Transfers-In  |                          | 0             |
| 15. | Transfers-Out   |                          | 0             |
| 16. | Program Increases   |                          |               |
|     | a) Funding supports personnel costs and the modernization and sustainment of the computing and information technology infrastructure at the Defense Resources Management Institute.       | 285                      |               |
|     | b) DLAMP PME support  | 200                      |               |
|     | c) Increase in DLAMP core funding to support increased Component participation, course delivery, facility operations, Sturbridge facility stand-up, student TDY and participant backfill. | 12,947                   |               |
|     | d) Increase in DLAMP support for rotational assignments.  | 1,300                    |               |

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C. Reconciliation of Increases and Decreases (cont'd):

|   | (\$ in Thousands) |         |
|---|-------------------|---------|
|   | Amount            | Totals  |
| e) Increased funding will support a DoD-wide, military recruiting market research and advertising initiative with educators of youth; purpose is to increase their likelihood of recommending military service. | 1,031             |         |
| Total Program Increases   |                   | 15,753  |
| 17. Program Decreases   |                   |         |
| FY 2001 funding included a one-time Congressional add for JRAP  | (2,034)           |         |
| Total Program Decreases   |                   | (2,034) |
| 18. FY 2002 Budget Request  |                   |         |
|   |                   | 86,190  |

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**IV. Performance Criteria and Evaluation Summary:**

Defense Leadership and Management Program

The Defense Leadership and Management Program (DLAMP) was established in April 1997, as an executive development program for producing world-class leaders for a select group of approximately 3,000 key DoD-wide leadership positions. High potential civilian managers from within the Department are put through a rigorous individualized program of educational courses and training experiences which have been designed to optimize their executive leadership and managerial skills and to expand their knowledge and understanding of the Department's national security mission. DLAMP is projected to grow significantly over the next several years.

The three mandatory elements of the program that must be completed with actual and projected performance measures are shown below:

- A Twelve-Month Rotational Assignment. The objective of the rotational assignment is to afford DLAMP participants the opportunity to quickly increase the breadth and depth of their experience outside that expected in their normal career progression. It will enhance the capacity of DLAMP participants to function as true executives with broad substantive knowledge and experiences without the narrowly restricted perceptions that may result from the traditional "stovepipe" career development practiced in the Department. Policies and processes for DLAMP rotational assignments have been implemented.
  
- A Professional Military Education (PME) Course. Each DLAMP participant is required to complete either the traditional 10-month PME course at a Senior Service School or, given the expected scarcity of available slots in the 10-month PME courses, a 3-month PME course developed by the National Defense University for DLAMP participants. The objective of the PME course is to expand the DLAMP participant's knowledge of the Department's national security mission and foster an environment which strengthens communication between the Department's senior military

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**IV. Performance Criteria and Evaluation Summary (cont'd):**

and civilian leaders. The DLAMP ten-month PME program will eventually enroll 200 civilians annually at the DoD Senior Service Schools. Likewise, increased participation in the number of 3-month courses is also projected.

- Graduate Level Education. A minimum of 10 graduate-level two-week courses must be completed by each DLAMP participant. The objective is to develop familiarity with the range of contemporary subjects and issues facing Defense leaders. The DLAMP graduate curriculum consists of a total of 29 courses covering such subject areas as finance, information systems, economics, human resources, statistics, and law and public policy.

Joint Recruiting Advertising Program (JRAP)

The Defense Manpower Data Center's JRAP conducts corporate-level recruitment advertising to complement and support the individual Services' advertising programs. During FY 2002, JRAP will develop media plans and execute them. Performance in this area can be measured in several ways.

First, media plans developed and fielded will use standard advertising industry measures to ensure market targets are reached 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, ratings, etc. Additionally, post-buy analyses will be conducted, whereby actual results can be compared to the media plan(s). In many cases, performance guarantees can be negotiated with media sources, and JRAP will pursue advertising replacements if actual performance does not meet such guarantees.

Second, JRAP will implement the Department's first Joint-Service advertising tracking study. This study will enable monitoring of the effects of military advertising on target markets - youth and adults. For example, the study will track prospects' consideration of joining the military and adults' consideration of recommending the



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**IV. Performance Criteria and Evaluation Summary (cont'd):**

military and link this information to advertising awareness, thereby providing the Department with information on the effects of specific advertising messages on youth propensity and adult endorsement rates. The study also can provide feedback on the quality of advertising copy - it provides measures of copy efficiency (an Awareness Index), campaign communications, empathic reactions to the ads, etc. This study was begun in March 2001 and is an on-going data collection (continuous interviews of youth and adults and posting of those interview results along with media that is being fielded) that is available via a web platform for OSD and Military Service use.

Finally, JRAP also maintains and can report on the Department's Magazine Advertising Credit System (MACS) which ensures the Services receive credit for each other's print ad insertions. This enables all Military Services to receive the lowest possible ad insertion rates.

Joint Market Research Program (JMRP)

One major FY 2002 JMRP program objective is to expand the Department's understanding of its major markets. These markets include youth (prospects and pre-prospects), their influencers (parents, educators), adults, and core supporters (those who currently serve in the military, veterans, etc.). To accomplish this, JMRP will gather, analyze and disseminate information to both OSD officials and the Military Services. The research methods employed typically are surveys, polls, interviews and focus groups, as well as purchase of data from the private sector.

Outcome measures for this program objective are several. First, since research and purchase of data will be contracted out, there will be deliverables and these will be distributed widely. Second, the extent to which information is disseminated can be documented and evaluated. Not only will deliverables and summary briefings be distributed, but summary-level information for recruiting managers and senior DoD officials also will be posted at a JMRP-sponsored website, "Defense Market Research Executive Notes." Finally, to determine if these deliverables and outputs assist the Military Service user group in better understanding the markets, DMDC will consult with the Joint Marketing and Advertising Committee (JMAC).

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**IV. Performance Criteria and Evaluation Summary (cont'd):**

The JMAC reports to a flag and general officer-level committee (Joint Accession Group), which is chaired by the Deputy Assistant Secretary of Defense for Military Personnel Policy. Meetings are held several times a year to review JMRP and Service market research efforts. If JMRP research does not support critical needs of the recruiting community, it is cancelled and replaced with projects that do. Third, during FY 2002, DMDC will for the first time begin synthesizing information on the major markets. Outputs will be in the form of briefings and will be distributed widely.

JMRP also is responsible for maintaining the Recruit Market Information System (RMIS). RMIS contains demographic data on the youth market that enable the Services, for example, to establish recruiting goals for their geographic recruiting areas. As a result of FY 2001 meetings with the RMIS user group (Military Services and OSD), DMDC has begun upgrading this system's platform (e.g., moving it to a web platform) and will continue to do so during FY 2002. Documentation on these upgrades can be made available. These types of joint projects also are cost effective and prevent duplication of effort and costs by all Services.

Joint Military Recruiting Studies

Each project in this study program must be documented in reports to Congress as well as in Congressional testimony by the Under Secretary of Defense (P&R) and Assistant Secretary of Defense (FMP). Evaluation of the various study initiatives centers on improved recruiting productivity. The process includes documenting the scope of the initiatives, developing test scenarios, determining appropriate measurement approaches, collecting data, and assessing the initiatives. The following results will be achieved:

- A factual determination of which initiatives contribute to increased recruiting productivity, including the nature, magnitude, and timing of the contribution.
- An understanding of successful initiatives that could be expanded within Services and/or across Services.

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**IV. Performance Criteria and Evaluation Summary (cont'd):**

- Insight into common issues and themes that will provide a deeper understanding of how to solve problems and exploit opportunities throughout the military recruiting function.
- Identification of new and promising initiatives that could be tested and evaluated in future studies.

Defense Resource Management Institute (DRMI)

In FY 2002, the DRMI will conduct five Defense Resources Management Courses, two International Defense Management courses, and one Senior International Defense Management courses. It will also conduct twelve Mobile International Defense Management Courses.

| <b>V. <u>Personnel Summary:</u></b>      | FY 2000 | FY 2001 | FY 2002 | Change<br><u>FY 2001/<br/>FY 2002</u> |
|--|---------|---------|---------|---------------------------------------|
| <u>Active Mil End Strength (Total)</u>   | 5       | 4       | 4       | 0                                     |
| Officer                                  | 4       | 4       | 4       | 0                                     |
| Enlisted                                 | 1       | 0       | 0       | 0                                     |
| <br><u>Civilian End Strength (Total)</u> | <br>37  | <br>43  | <br>43  | <br>0                                 |
| U.S. Direct Hire                         | 37      | 43      | 43      | 0                                     |
| <br><u>Active Mil FTEs (Total)</u>       | <br>5   | <br>4   | <br>4   | <br>0                                 |
| Officer                                  | 4       | 4       | 4       | 0                                     |
| Enlisted                                 | 1       | 0       | 0       | 0                                     |
| <br><u>Civilian FTEs (Total)</u>         | <br>37  | <br>43  | <br>43  | <br>0                                 |
| U.S. Direct Hire                         | 37      | 43      | 43      | 0                                     |

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

|      |                                       | <u>Change FY 2000/2001</u> |               |               | <u>Change FY 2001/2002</u> |               |               |                |
|------|---------------------------------------|----------------------------|---------------|---------------|----------------------------|---------------|---------------|----------------|
|      |                                       | <u>FY 2000</u>             | <u>Price</u>  | <u>Prog</u>   | <u>FY 2001</u>             | <u>Price</u>  | <u>Prog</u>   | <u>FY 2002</u> |
|      |                                       | <u>Actual</u>              | <u>Growth</u> | <u>Growth</u> | <u>Estt</u>                | <u>Growth</u> | <u>Growth</u> | <u>Est</u>     |
| 101  | Executive, General & Special Schedule | 2,613                      | 104           | 552           | 3,269                      | 119           | 11            | 3,399          |
| 199  | Total Civilian Personnel Compensation | 2,613                      | 104           | 552           | 3,269                      | 119           | 11            | 3,399          |
| 308  | Travel Of Persons                     | 4,449                      | 71            | 3,509         | 8,029                      | 136           | (2,066)       | 6,099          |
| 399  | Total Travel                          | 4,449                      | 71            | 3,509         | 8,029                      | 136           | (2,066)       | 6,099          |
| 989  | Other Contracts                       | 29,938                     | 479           | 3,663         | 34,080                     | 579           | 16,502        | 51,161         |
| 999  | Total Other Purchases                 | 29,938                     | 479           | 3,663         | 34,080                     | 579           | 16,502        | 51,161         |
| 9999 | Total                                 | 37,000                     | 654           | 7,724         | 45,378                     | 834           | 14,447        | 60,659         |

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VI. OP 32 Line Items (Dollars in Thousands) JRAP, JMRP/Market Research, DRMI:

|   | <u>Change FY 2000/2001</u>      |                               |                              | <u>Change FY 2001/2002</u>   |                               |                              |                              |
|---|---------------------------------|-------------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------|
|   | <u>FY 2000</u><br><u>Actual</u> | <u>Price</u><br><u>Growth</u> | <u>Prog</u><br><u>Growth</u> | <u>FY 2001</u><br><u>Est</u> | <u>Price</u><br><u>Growth</u> | <u>Prog</u><br><u>Growth</u> | <u>FY 2002</u><br><u>Est</u> |
| 101 Executive, General &<br>Special Schedule    | 249                             | 10                            | (91)                         | 168                          | 7                             | 0                            | 175                          |
| 199 Total Civilian<br>Personnel<br>Compensation | 249                             | 10                            | (91)                         | 168                          | 7                             | 0                            | 175                          |
| 308 Travel Of Persons                           | 9                               | 0                             | (9)                          | 0                            | 0                             | 0                            | 0                            |
| 399 Total Travel                                | 9                               | 0                             | (9)                          | 0                            | 0                             | 0                            | 0                            |
| 989 Other Contracts                             | 22,641                          | 362                           | 2,636                        | 25,639                       | 436                           | (719)                        | 25,356                       |
| 999 Total Other<br>Purchases                    | 22,641                          | 362                           | 2,636                        | 25,639                       | 436                           | (719)                        | 25,356                       |
| 9999 Total                                      | 22,899                          | 372                           | 2,536                        | 25,807                       | 442                           | (719)                        | 25,531                       |

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**I. Description of Operations Financed:**

The Department of Defense Human Resources Activity (DHRA), is a DoD-wide Field Activity chartered to support the Under Secretary of Defense ((Personnel and Readiness)(USD(P&R))). The scope of DHRA's mission is necessarily broad to provide the flexibility needed by the USD(P&R) to successfully explore and field new technologies and programs that benefit military personnel and DoD civilians. DHRA is the central Department of Defense (DoD) activity for the collection and interaction of manpower and personnel data to support Department-wide tracking, analyses, research, studies, and a wide variety of reporting requirements. The Field Activity provides civilian personnel program support, functional information management, and civilian personnel administrative services to DoD Components and activities. Work is performed in support of the execution, modification and maintenance of Departmental and Congressionally mandated programs in the benefit, readiness, and force protection areas. DHRA has several programs that support DoD-wide financial programs that detect and eliminate fraud. Data analysis revealed \$28M in erroneous payments due to fraudulent claims made against DoD entitlements. Billions of dollars in debt (money owed to a specific Federal agency by an employee) have been identified. Debt collection programs ultimately lead to the collection or resolution of outstanding debt owed to the Federal Government. DHRA programs improve the effectiveness, efficiency, and productivity of personnel operations throughout DoD. DHRA is underfunded \$1.5M in FY 2002 and the outyears for West Coast locality pay and the information technology pay increases.

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

The Operations and Maintenance fund requirements for DIMHRS are changing significantly from FY 2001 to FY 2002. Subsequent to a 3<sup>rd</sup> Quarter FY 2000 review by the OSD Overarching Integrated Product Team, the program was restructured. The objective of the restructuring is to provide more rapid benefits to the warfighters and the component personnel and pay communities. The restructured program was approved by the Milestone Decision Authority in October, 2000 and the necessary changes were made through the Department's programming and budget process. The Department has funded DIMHRS personnel/pay through FY 2007. In recognition of the Navy's role as the Acquisition agency for DIMHRS, design and

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development funds were transferred to the Navy beginning in FY 2002. The Joint Requirements and Integration Office (JR&IO) retains information management and Business Process Reengineering (BPR) responsibilities and funding.

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**I. Description of Operations Financed (cont'd):**

The JR&IO in DHRA provides functional direction for DIMHRS, which consists of three initiatives: 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; a Manpower system, and a Training and Education system. The DIMHRS Personnel/Pay received Milestone 0 approval in FY 1998, was certified to the Congress as ready for Milestone 1 approval in June 2000, and received Milestone I approval in October 2000. The Operational Requirements Document (ORD) was approved by the Joint Review and Oversight Council (JROC) in February 2000. The ORD contains the key functional requirements and Key Performance Parameters that establish performance/evaluation criteria for the program. Business Process Reengineering workshops are being conducted in the Manpower area and are planned for the Training and Education area. DIMHRS is doing risk reduction prototypes to further define the program and move toward an accelerated MS IIA in FY 2001, which will allow for the development of an integrated active and reserve pay module that will replace legacy systems while continuing to move toward an overall program MS II. It is anticipated that development of the personnel system would begin after the program MS II.

Congress provided direction in the FY 1999 Defense Appropriations Act and Conference Report that expands the scope of DIMHRS, now described as the DIMHRS enterprise. The DIMHRS Personnel/Pay initiative consists of the ongoing effort that supports functions encompassed by the business process reengineering effort initiated in 1992 and reviewed by the Defense Science Board Task Force in 1996. The Deputy Secretary of Defense approved this program with the objective of a totally integrated pay and personnel system supporting the functional requirements of all the components.

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. OSD C3I certified that DIMHRS met the Clinger Cohen Act requirements under 8121 of the FY 2000 Defense Appropriation Act for Milestone I approval.



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In compliance with Congressional direction, DIMHRS began DIMHRS Manpower and DIMHRS Training initiatives in FY 1999. Scoping workshops which define the functionality of the efforts as well as anticipated benefits, will include representation from all the DoD components.

**I. Description of Operations Financed (cont'd):**

Manpower workshops began in FY 1999 and Training and Education workshops will be held in the future.

Defense Enrollment Eligibility Reporting System (DEERS)

On November 10, 1999 the DEPSECDEF signed a memorandum directing that the DEERS/RAPIDS infrastructure be augmented to issue the new DoD Smart Card referred to as the Common Access Card (CAC). DEERS was chosen as the authenticating database for the CAC Public Key Infrastructure as a less expensive, more secure, and more disciplined system than a local registration authority. As the authentication database, DEERS will store information related to the digital certificates held by the approximately 4 million people receiving the CAC. The DEERS program is increased by \$5.5M in FY 2002 to cover additional costs generated by the program's expanding scope and to operate, maintain and refresh existing software and hardware. In addition the CAC Program received \$8.5M in FY 2002 to augment the DEERS program in order to support other CAC associated costs such as NSA's PKI Security Profiling, GSA Interoperability for Smart Cards, testing the Services' post-issuance applications to ensure they interact appropriately with the other applications on the card in addition to the DoD PKI, and to certify new Smart Cards and Smart Card readers with all of the approved post-issuance applications.

DEERS is the Department's only modern, redesigned, cross-Service, worldwide automation system that is fully operational. It maintains enrollment and confirms eligibility for DoD entitlements and privileges. DEERS identifies all users of DoD benefits; provides a means to ensure that only eligible beneficiaries receive benefits and services; collects, maintains, and provides demographic data on eligible beneficiaries; improves the management, planning, and allocation of DoD benefits resources; and reduces fraud and abuse of DoD benefit programs. The program combines automated sponsor data provided by

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the Uniformed Services and other Federal agencies, such as the Department of Veterans Affairs, with family member information provided through the Uniformed Services identification card issuing system to provide over 900 sites with accurate and timely information about people entitled to benefits. The DEERS database contains records on over 23 million individuals and is queried approximately 1.4 million times per day by managed care support contractors, Uniformed Services medical and

**I. Description of Operations Financed (cont'd):**

dental treatment facilities, and personnel offices. DEERS data serve as the bases for enrollment into TRICARE.

In FY 2002, DHRA anticipates receiving \$10M from the Defense Health Program in order to develop the Tricare National Enrollment Database (NED) which will provide full healthcare portability as requested by the TRICARE Management Agency.

**Real Time Automated Personnel Identification System (RAPIDS)**

The FY 2002 RAPIDS program funds are to meet emerging Departmental requirements by providing a current software platform and hardware infrastructure. DHRA has program responsibility for the Real Time Automated Personnel Identification System (RAPIDS), established to automatically produce a standardized, machine-readable, tamper resistant ID card for the Uniformed Services, as well as to provide the primary update vehicle for the Defense Enrollment Eligibility Reporting System (DEERS) database. RAPIDS, as an existing worldwide Identification Card network, is the vehicle identified by the Deputy Secretary of Defense for issue of Common Access Cards to all members of the Uniformed Services, members of the Guard/Reserve Components, and civilian employees of the Department. RAPIDS is also the primary source used to validate benefits eligibility for all active, Reserve, and retired Uniformed Services members, their eligible or pre-eligible family members, and beneficiaries. RAPIDS operates in over 900 locations in 13 countries and issues over 3 million identification cards every year. RAPIDS received \$3.6M in FY 2002 to meet the expanded requirements created by the addition of the CAC/PKI.

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Regionalization and Systems Modernization

The Department is engaged in three major reforms of civilian personnel administration: (1) restructuring field level civilian personnel operations into regional service centers (concluded in FY 1999); (2) implementing the modern Defense Civilian Personnel Data System (DCPDS) (scheduled to complete DoD-wide deployment during 2001); and (3) improving and reengineering business processes. Taken together, these reforms greatly streamline personnel operations while reducing the number of required staff. These projects are being implemented

**I. Description of Operations Financed (cont'd):**

systematically to achieve the highest level of efficiency while ensuring that there are no adverse mission consequences.

The DHRA budget contains the resources for the maintenance, sustainment, and operation of the modern Defense Civilian Personnel Data System (DCPDS) that will be used throughout the Department. Component funding supports purchasing additional hardware and software necessary to operate the modern DCPDS. The development and operation of a single, modern civilian personnel information system under the direction of the Civilian Personnel Management Service will ensure a coherent, standardized, and cost effective system for the entire Department. The modern DCPDS is built using a commercial off-the-shelf product customized for the Federal and Defense environment. The system uses a client server environment that provides flexibility to respond to changes in the Department's civilian personnel operational requirements. In October 1999, the Department awarded a firm fixed-price contract to Lockheed Martin Systems Integration (LMSI) for the operation and maintenance of the modern DCPDS. When the system is fully deployed in 2001, the modern DCPDS will replace the legacy DCPDS. Increased efficiencies are anticipated at that time.

The Smart Card/Common Access Card (CAC)

The CAC program is funded in FY 2002 with the exception of the funding for the card stock which is in the Services PKI budget. The Access Card Office (ACO) replaced the Smart Card

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Technology Office (SCTO) in FY 2000. The budget funds the implementation of the DoD Common Access Card (CAC) directed by DEPSECDEF memo, dated 10 November 99, subject: Smart Card Adoption and Implementation. The CAC, a smart card, will be the military and civilian ID card and will be the predominant card for logical and physical access and the predominant platform for the PKI authentication token. The target population for the CAC includes active duty military, Selected Reserve (including the National Guard), DoD civilian employees, and selected contractors (approximately 4 million people). Additionally, the CAC will have space allocated on the integrated circuit chip for other approved joint applications and for Component-unique applications. The CAC will be issued using the DEERS/RAPIDS infrastructure. Policy oversight is provided by the DoD CIO.

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**I. Description of Operations Financed (cont'd):**

Defense Integrated Travel Relocation Solutions (DITRS) Office

The DITRS office was created in compliance with the Defense Reform Initiative Directive (DRID) No. 50, Reengineering of Relocation and Reserve component Travel, signed by the Deputy Secretary in June 1999. That DRID directed implementation of the recommendations of a task force report on reengineering permanent change of station (PCS) travel and directed DITRS as the executive secretary of the 08 Travel Reengineering Steering Group. Funding for DITRS was provided through FY 2001.

Complaint Investigations

The Office of Complaint Investigations (OCI) conducts formal 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 place increased emphasis on Alternative Dispute Resolution in resolving EEO complaints.

The Office of the Chancellor for Education and Professional Development

The DoD Directive assigning duties and responsibilities to the Chancellor for Education and Professional Development was signed on September 27, 1999. The mission delineated for the Office of the Chancellor is "to serve as the principal advocate for the academic quality and cost effectiveness of all DoD civilian education and professional development activities." The Office of the Chancellor has been promoting academic quality and building a sense of community between institutions through on-site exchanges, the Metrics of Excellence Task Force and DoD-wide conferences held annually. The Metrics of Excellence Task Force has united members of the civilian education community, under the leadership of the Chancellor, in developing standards for academic quality and resource reporting. The Office of the Chancellor promotes and assists in the accreditation of DoD programs through the use of appropriate accrediting agencies recognized by the U.S. Department of Education.

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**I. Description of Operations Financed (cont'd):**

Medical Readiness

Medical Readiness programs increase in FY 2002 to broaden the capture and reporting of Immunization Tracking System (ITS) data and to redesign the TRICARE dental programs. DHRA's Defense Manpower Data Center (DMDC) supports a number of medical readiness applications, including ITS, the TRICARE Family Member Dental Program (TFMDP) and the TRICARE Selected Reserve Dental Program (TSRDP). ITS was created by augmenting DEERS data to track, worldwide, recipients of the anthrax vaccine. The scope of the ITS has expanded significantly since its inception to include members of Congress and their staffs, senior DoD and State Department officials, family members and others assigned or visiting overseas. Tracking of additional immunization programs, in addition to anthrax, is also planned. Expansion of ITS results in increased transaction volumes and requires a redesign of the reporting aspects of the Automated Information System (AIS). The two TRICARE dental programs provide services to active duty family members and members of the Selective Reserve. The Selected Reserve program was initiated following the Gulf War when dental problems prevented deployment of a number of Selected Reserve personnel called to active duty. Both dental programs are being merged into a single program with an expanded benefits population to include the family members of Selected Reservists. The single AIS for both programs will include new processes to standardize eligibility verification. The enrollment process will be enhanced through implementation of a Web portal which will allow timely and accurate enrollment by beneficiaries. Increased funding provides for development of systems enhancements and initial implementation.

Office of the Actuary

Responsibilities of the DoD Office of the Actuary (OAct) grew dramatically in the 1990s as a result of the Chief Financial Officers and Federal Financial Management Acts. OAct is responsible for calculating liabilities of the DoD Military Retirement Fund (MRF), the Education Benefits Fund, and the Voluntary Separation Incentive Fund. The MRF financial statements, prepared each year by OAct, are audited annually by the DoD IG and are the only major DoD statements that have consistently received an unqualified audit opinion.

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OAct also calculates, using methods and assumptions approved by the Retirement and Education Benefits Boards of Actuaries, DoD's and Treasury's required annual contributions into each of the

**I. Description of Operations Financed (cont'd):**

Funds. These amounts are needed for annual budgets. In recent years, a larger portion of OAct staffyears has been spent calculating and answering auditor requests related to the liability for future retiree health care, which is reported in the annual DoD and government-wide financial statements. A new fund for Medicare-eligible retiree health care, scheduled to begin in FY2003, has also increased OAct's workload. Congress recently expanded military benefits to 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). OAct is responsible for adapting calculations to legislated changes and producing cost estimates for legislative proposals involving military benefits. The number of benefit changes enacted and required cost estimates is expected to continue growing.

Because of the higher demands and a smaller staff, an increasing amount of work has been done by contractors. (1) OAct let a contract to reengineer the mainframe program that computes the MRF liability and required contributions. The effort was undertaken to satisfy audit recommendations. An initial version of the program is expected in FY 2001, at which point OAct will need training and continued technical support. (2) OAct has contractor support in estimating DoD's retiree health care liability. In 1998 President Clinton and Secretary Cohen committed DoD to achieving a clean audit opinion on the liability. OAct is currently assisting the Defense Management Council in this regard. (3) The FY 2001 National Defense Authorization Act expanded health care benefits to Medicare-eligible retirees and created a trust fund that provides for accrual financing for the benefits. The Act also created a Retiree Health Care Board of Actuaries that oversees and sets major assumptions for trust fund calculations. OAct is tasked with assisting in the fund's implementation and providing support to the Board. In particular, OAct will be 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. Contractor support is needed for this

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new requirement.

The Office of the Director of the Ninth Quadrennial Review of Military Compensation

Every four years, this Office 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. In 1999, the QRMC initiated a strategic review of the military compensation and

**I. Description of Operations Financed (cont'd):**

benefits system to assess the military's ability to recruit and retain the highest quality force in the face of changing demographics, a dynamic economic environment, and the new military strategy. The Director, QRMC, ensures the review fulfills the requirements of the Presidential Charter and prepares a report for the President to submit to Congress summarizing the review and making recommendations. The QRMC anticipates submitting its findings in early FY 2001 to be followed by a documented report in December 2001.

Civilian Assistance and Re-Employment Program

Reducing the DoD workforce has been and remains one of the most difficult tasks ever presented to the Defense Department. The Civilian Assistance and Re-Employment (CARE) program has been largely successful in this effort through the innovative use of special personnel programs and incentives. To date, DoD has accounted for the majority of the downsizing of the Federal workforce. Since October 1989, DoD has reduced its civilian employment by over 400,000 positions. By September 2003, another 65,000 positions could be eliminated, if all reduction initiatives are implemented. The CARE program supports achievement of the necessary reductions with minimum workforce turbulence. CARE officials manage the operation of the Department of Defense civilian reduction and career transition assistance programs. These highly effective, award-winning programs include the:

- Priority Placement Program (PPP), which continues to place approximately 300 employees each month.



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- Separation incentive or buyout program through which DoD has avoided over 139,000 involuntary (reduction in force) separations since 1993, and,
- Voluntary early retirement program through which employees retire at a reduced age and service to help mitigate reductions in force; over 59,000 employees have retired under this program since 1993.

Since 1994, the CARE staff has conducted briefings for 87,668 employees, 6,852 managers, and 784 union representatives on the PPP and Civilian Assistance and Re-Employment programs.

**I. Description of Operations Financed (cont'd):**

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 2000, the Defense Department was billed \$601.5 million for injury compensation claims. In FY 1993, the Department formed 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 275,158 UC claims produced a cost avoidance of \$7.6 million for FY 1994 - FY 1999. To aid DoD liaisons and installation Injury and Unemployment Compensation managers, the DoD Injury and Unemployment Tracking System was developed. The System has been deployed to 415 activities. DoD leads the Federal Government in cost savings, reducing the injury compensation costs by 0.7 percent since 1994, with a cost avoidance of \$74.6 million.

Defense Personnel Security Research Center (PERSEREC)

The 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 on selected security subjects. The

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Center's research program is divided into five programmatic areas: Automated Systems for Personnel Security, Vetting Systems, Continuing Evaluation and Aftercare, Utility Analyses, and Trust and Betrayal.

LABOR

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

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**I. Description of Operations Financed (cont'd):**

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 and other Federal Agencies. DHRA provides civilian personnel program support, functional information management, and civilian personnel administrative services to DoD Components and Activities. The Wage and Salary Division provides 2,342 pay schedules annually and the Field Advisory Services Division provides civilian personnel advisory services in support of operations Department-wide. 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. The Military Services and the Department of Veterans Affairs rely on data storage and analysis to ensure current members and veterans receive all appropriate entitlements and protect funding for these entitlements from fraudulent claims. Operation Mongoose develops and maintains strong fraud detection and prevention programs for the Department's financial systems. Cooperation between DHRA, the Defense Finance and Accounting Service, the DoD Inspector General, and Military Investigative or Audit Agencies led to the detection of over \$28M in erroneous payments made to retirees, annuitants, Service members, DoD civilians, and commercial vendors. The Verification of Military Experience and Training (VMET) and the Transition Bulletin Board (TBB) are two major programs, mandated by Public Law 101-510, that support the transition of military and civilian personnel from DoD to the private sector. As the central processing activity for the government-wide debt collection initiative, DHRA maintains computer-matching agreements with nine non-DoD agencies to facilitate the recovery of outstanding debts to the Federal Government. In FY 1999 this program identified \$2.4 billion dollars in debt. 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 2000 | FY 2001 |              |          | FY 2002  |
|-----------------------|---------|---------|--------------|----------|----------|
|                       |         | Budget  | Current      | FY 2002  |          |
|                       | Actual  | Request | Appropriated | Estimate | Estimate |
| DIMHRS                | 24,104  | 24,351  | 23,595       | 22,605   | 16,412   |
| DEERS                 | 25,938  | 26,603  | 25,792       | 25,715   | 31,763   |
| RAPIDS                | 11,612  | 14,132  | 13,697       | 13,656   | 18,613   |
| Reg/Mod               | 29,892  | 20,358  | 20,358       | 14,580   | 23,475   |
| Access Card           | 4,384   | 21,740  | 20,896       | 20,833   | 17,806   |
| DITRS                 | 4,362   | 1,912   | 1,912        | 1,862    | 0        |
| Complaint             | 1,345   | 1,446   | 1,446        | 1,361    | 1,425    |
| Investigation         |         |         |              |          |          |
| Chancellor            | 1,281   | 624     | 591          | 403      | 413      |
| Medical Readiness     | 0       | 3,133   | 3,032        | 3,024    | 4,504    |
| Actuary               | 0       | 0       | 0            | 518      | 715      |
| Universal Beneficiary | 0       | 0       | 0            | 0        | 5,700    |
| Card                  |         |         |              |          |          |
| QRMC                  | 600     | 299     | 299          | 299      | 0        |
| CARE                  | 228     | 255     | 255          | 232      | 235      |
| ICUC                  | 197     | 186     | 186          | 186      | 186      |
| PERSEREC              | 412     | 1,786   | 1,753        | 1,741    | 2,697    |
| Labor                 | 52,091  | 51,572  | 51,572       | 54,167   | 57,192   |
| Operations            | 16,039  | 16,459  | 16,459       | 16,350   | 17,021   |
| Total                 | 172,485 | 184,856 | 181,843      | 177,532  | 198,157  |

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

| B. <u>Reconciliation Summary:</u>            | Change<br><u>FY 2001 /</u><br><u>FY 2001</u> | Change<br><u>FY 2001/</u><br><u>FY 2002</u> |
|--|--|---|
| 1. Baseline Funding                          | 184,856                                      | 177,532                                     |
| a) Congressional Adjustments (Distributed)   | (2,182)                                      | 0   |
| b) Congressional Adjustments (Undistributed) | (552)  | 0   |
| c) Congressional Earmark Billpayers          | (279)  | 0   |
| 2. Appropriated Amount                       | 181,843                                      | 0   |
| d) Adjustments to Meet Congressional Intent  | 0  | 0   |
| e) Across-the-board Reduction (Rescission)   | (398)  | 0   |
| f) Approved Reprogrammings/Transfers         | (617)  | (445)                                       |
| 3. Price Change                              | 0  | 3,995                                       |
| 4. Program Changes                           | (3,296)                                      | 17,075                                      |
| 5. Current Estimate                          | 177,532                                      | 198,157                                     |

C. Reconciliation of Increases and Decreases:

|   | (\$ in Thousands) |               |
|---|-------------------|---------------|
|   | <u>Amount</u>     | <u>Totals</u> |
| 1. FY 2001 President's Budget Request           |                   | 184,856       |
| 2. Congressional Adjustments (Distributed)      |                   |               |
| DHRA  | (2,182)           |               |
| Total Congressional Adjustments (Distributed)   |                   | (2,182)       |
| 3. Congressional Adjustments (Undistributed)    |                   |               |
| a) Headquarters Personnel Reduction             | (95)              |               |
| b) CAAS   | (167)             |               |
| c) DJAS   | (290)             |               |
| Total Congressional Adjustments (Undistributed) |                   | (552)         |

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**C. Reconciliation of Increases and Decreases**  
**(cont'd):**

|     |   | <u>(\$ in Thousands)</u> |               |
|-----|---|--------------------------|---------------|
|     |   | <u>Amount</u>            | <u>Totals</u> |
| 4.  | Congressional Earmarks  |                          |               |
|     | a) Indian Lands Mitigation  | (215)                    |               |
|     | b) Mid East Regional Security Issues Program  | (21)                     |               |
|     | c) Bosque Redondo Memorial  | (43)                     |               |
|     | Total Congressional Earmarks  |                          | (279)         |
| 5.  | FY 2001 Appropriation Enacted   |                          | 181,843       |
| 6.  | FY 2001 Rescission  |                          | (398)         |
| 7.  | Transfers-In  |                          | 0             |
| 8.  | Transfers-Out   |                          |               |
|     | a) DFAS charges transferred to DCMA   | (616)                    |               |
|     | b) Financial Management Training to OSD   | (1)                      |               |
|     | Total Transfers Out   |                          | (617)         |
| 9.  | Price Change  |                          | 0             |
| 10. | Program Increases   |                          |               |
|     | a) Realignment from BA-3 to BA-4  | 782                      |               |
|     | b) Locality pay for the inclusion of Monterey,<br>CA in the San Francisco, GA region.   | 1,100                    |               |
|     | c) DoD Actuary for additional workload<br>associated with retiree benefits and the<br>management or the over 65 Health Benefits<br>program. | 600                      |               |
|     | Total Program Increases   |                          | 2,482         |

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|   |         |
|---|---------|
| 11. Program Decreases                   | 0       |
| Interim personnel system support costs. | (5,778) |

**C. Reconciliation of Increases and Decreases**  
**(cont'd):**

|  |       | <u>(\$ in Thousands)</u> |               |
|--|-------|--------------------------|---------------|
|  |       | <u>Amount</u>            | <u>Totals</u> |
| 12. FY 2001 Current Estimate   |       |                          | 177,532       |
| 13. Price Growth   |       |                          | 3,995         |
| 14. Transfers-In   |       |                          |               |
| a) Military Retirement Trust Fund audit funding from OIG to correctly realign agency funds.  | 200   |                          |               |
| b) Universal Beneficiary Card transfer from the Defense Health Program to produce a universally recognized, centrally produced beneficiary ID card to improve TRICARE portability and healthcare service to beneficiaries. | 5,900 |                          |               |
| Total Transfers In   |       |                          | 6,100         |
| 15. Transfers-Out  |       |                          |               |
| Transfer DIMHRS funding to Navy to correctly Align DIMHRS to the appropriate agency and appropriations.  |       |                          | (6,545)       |
| 16. Program Increases  |       |                          |               |
| a) Operations and support costs associated with small increase in FY 2002 personnel.   | 277   |                          |               |
| b) PERSEREC Workforce screening project associated with reducing the backlog of  | 1,000 |                          |               |

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processing personnel security clearances.

**C. Reconciliation of Increases and Decreases (cont'd):**

|   | (\$ in Thousands) |               |
|---|-------------------|---------------|
|   | <u>Amount</u>     | <u>Totals</u> |
| c) Increase represents a planned acceleration in the number of workshops being held jointly and with the individual Services to complete the DIMHRS BPR on schedule. The ramp-up in the workshop schedule was planned to occur after the selection of the COTS product, since these workshops integrate the capabilities of the Pay/Personnel COTS selected in FY 2001 with DoD requirements to support rapid implementation of the new system with termination of multiple, expensive legacy systems and achieve productivity increases. | 759               |               |
| d) DEERS. Increase supports program growth in Military Health System Federal Employees Health Benefits Program Pilot Program, TRICARE, TRICARE Prime Remote Program, TRICARE Senior Prime Program, the New Pharmacy Medicare Supplemental Program and associated increases in transaction volumes. Increase also funds the addition of 2 million records  | 7,100             |               |



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to the DEERS database as a result of the issuance of CAC ID cards to two new populations - DoD civilian employees and contractors that have access to DoD facilities

or information systems. Funds also support maintaining the system to ensure full functionality and security of the sensitive data maintained in the database and used by the RAPPIDS for verification of benefits and issuance of identification cards.

**C. Reconciliation of Increases and Decreases**  
**(cont'd):**

(\$ in Thousands)

|  | <u>Amount</u> | <u>Totals</u> |
|--|---------------|---------------|
| e) RAPIDS. Increase supports the additive telecommunications engineering staff, increased user help desk support, and the need for expanded initial and follow-on user training in the new complex CAC environment. These complexities are created by the addition of PKI requirements and associated need for uninterrupted telecommunications at all levels. | 5,299         |               |
| f) Medical readiness increase supports the immunization tracking system and TRICARE dental program.  | 1,475         |               |
| g) Funding supports enhancement and sustainment of the computing and information technology for the modern DCPDS.  | 5,778         |               |
| h) Support for DCPDS PKI   | 730           |               |
| Total Program Increases  |               | 22,418        |
| 17. Program Decreases  |               |               |
| a) Funding decreases for that portion of the   | (2,593)       |               |

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that Common Access Card budget for card stock

FY is included in the Services PKI budgets in  
 2002.

- |   |         |
|---|---------|
| b) Funding to support the Defense Integrated<br>Travel Relocation Solutions (DITRS) Office<br>ends in FY 2001.                              | (2,451) |
| c) Quarterly Review of the Military<br>Compensation Contractual support<br>requirements are cyclical. No funding is<br>required in FY 2002. | (299)   |

|                         |         |
|-------------------------|---------|
| Total Program Decreases | (5,343) |
|-------------------------|---------|

|                            |         |
|----------------------------|---------|
| 18. FY 2002 Budget Request | 198,157 |
|----------------------------|---------|

**IV. Performance Criteria and Evaluation:**

Defense Integrated Military Human Resources System (DIMHRS)

The Joint Requirements Oversight Council approved the DIMHRS Personnel and Pay Operational Requirements Document (ORD) in February 2000. Program performance criteria, which are evaluated during operational testing and subsequent performance reviews, are summarized in eight key performance parameters. These are:

1. The system shall update personnel and pay data changes (including deployment and unit affiliation data) in the corporate database within 24 hours of input (12 hours for specified information).
2. When communications are not available for transmission of data, processing of personnel and pay data will continue internal to DIMHRS (Pers/Pay) capable activities. Transmission of stored transactions will automatically begin as soon as communications are available, with priority going to Joint Personnel Asset Visibility (JPAV) system related transactions.

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3. DIMHRS (Pers/Pay) will support data accuracy, which is measured by the correctness of all information accepted into the system based on defined business rules.
4. Provide a single system, which fully integrates personnel and pay functionality across all active, guard, and Reserve component personnel and pay functions so that all data on an individual are collected and entered into the system only once. Success will be measured by the volume of transactions that require data recollection.
5. All personnel and pay data on personnel still in service (regardless of component or status) or up to 24 months after separation or retirement will be retrievable online based on a single query.
6. The personnel and pay data elements used by all Services/Components (except of precisely defined Service-specific data) shall be the same set of approved, standard data generated from common personnel processes and business rules.
7. A qualified and authorized personnel or pay specialist shall have the capability to provide members with core personnel or pay service support regardless of Service of Component affiliation.
8. The system shall provide interoperability with authorized external systems so that valid users can obtain the personnel and pay data they require. The system will interface with

**IV. Performance Criteria and Evaluation Summary (cont'd):**

all external systems that currently receive data from DIMHRS (Pers/Pay) legacy systems, except those eliminated as a result of BPR.

**Entitlement Eligibility and Personnel Identification**

The Defense Enrollment Eligibility Reporting System (DEERS) and the Real-time Automated Personnel Identification System (RAPIDS), located in DHRA's Defense Manpower Data Center (DMDC), are two closely related programs within the Department of Defense. These systems perform important DoD-wide functions in the accurate identification of our military members and their families. They also contribute to the appropriate adjudication of benefit eligibility for major DoD entitlement programs.

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Operation of a DMDC Support Office (DSO) for military beneficiaries includes a phone center to confirm eligibility and to provide customer service to military sponsors and their family members for a wide variety of programs. These programs include DEERS & RAPIDS record changes, TRICARE and Medicare eligibility, the Base Realignment and Closure (BRAC) Mail-Order Pharmacy Program, assistance in resolving claim denials, and general information. DSO analysts receive, research, resolve, and respond to problems faced by the more than 23 million people currently or potentially eligible for care under the military health care system. These cases involve record changes resulting from births, deaths, divorces, change-in-status, etc. DSO operates five separate telephone functions in addition to the DEERS Beneficiary line: the Gulf War Medical Registry line for veterans desiring enrollement in the Comprehensive Clinical Evaluation program, the Recruiter line for recruiters to confirm reenlistment eligibility, the Field Support line to assist RAPIDS users with data discrepancies on DEERS, the DEERS Eligibility line for those users who do not have access to the DEERS database and the Military Funeral Honors Program.

Performance in this functional area can be measured by the number of records accurately maintained in the database and the world-wide access times to those records, the number of ID card and eligibility transactions posted against the database, and the number of phone calls, research cases and letters handled at the Support Office. For FY 2001, an average of 23 million records will be maintained in DEERS, more than 1.4 million transactions will be

**IV. Performance Criteria and Evaluation Summary (cont'd):**

processed daily, up from 1.2 million transactions per day in FY 2000. The Support Office expects to handle more than 531,500 calls during FY 2001 to research over 36,800 cases and to mail over 306,530 letters to beneficiaries in response to the mail. In addition, the Support Office will mail a one time letter to 1.6 million beneficiaries to advise of new legislation. Approximately 10,000 calls will be received on the Gulf War line and more than 66,000 calls will be received by the Field Support Office RAPIDS 5.x Help lines during FY 2001. The Support Office projects 14,000 calls from Funeral Directors during the same period.

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The Montgomery GI Bill (MGIB), under Chapter 30, Title, 38, US Code, is an educational benefits program for active duty personnel in the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Service and the National Oceanographic and Atmospheric Administration (NOAA). The MGIB under Chapter 1606, Title 10, US Code is an educational benefits program for members of the Selected Reserve Components including: Army, Navy, Marine Corps, Air Force, and Coast Guard, the Army National Guard and Air National Guard.

The MGIB System: maintains a DoD-wide file for MGIB benefit and eligibility data; performs processing to provide eligibility data to the Department of Veterans' Affairs (DVA); updates the database with DVA benefit data; provides an update mechanism to the Services preventing or reversing suspension of DVA benefits for Service members whose eligibility has been erroneously reported; and produces analytical tools for program monitoring.

Regionalization and Systems Modernization

When combined with regionalization, the modern Defense Civilian Personnel Data System (DCPDS) will allow the Department to reach a target-servicing ratio of 1:88 by the end of FY 2001. This system eliminates duplicative Component system costs associated with previously used mainframe computer operations. These benefits are reflected throughout the budgets of DHRA, the Military Departments, and the Defense agencies. Additional details may be found in the individual Military Department and Defense agency budgets concerning program accomplishments and future plans to accomplish civilian personnel regionalization and systems modernization goals.

**IV. Performance Criteria and Evaluation Summary (cont'd):**

The Economic Analysis (EA) for the modern DCPDS, updated in 1999, confirms annual savings of about \$200 million after the system is fully implemented across the Department and servicing ratio goals are attained. These reduced costs are attributable to reduced personnel and facilities costs, and the elimination of duplicate legacy system maintenance. The personnel savings are already reflected in the Military Department' and Defense agencies' budgets.

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The DoD Chief Information Officer provided Milestone III approval and authorized full deployment of the modern DCPDS by Acquisition Decision Memorandum, dated May 19, 2000. Sustainment, operation, and maintenance of the modern DCPDS has been transferred to Lockheed Martin Systems Integration (LMSI) under a firm fixed-price, performance-based contract. Service Level Agreements (SLAs) and system performance metrics have been established and implemented to assess contractor performance. Performance bonus payments are earned on the basis of this assessment.

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. Upon regional standup, these measurement factors are assessed through customer feedback concerning the level of assistance provided and the avoidance of service disruption. Likewise, the success of the program is best measured subsequent to deployment through the evaluation of regionalization and systems modernization technical and functional benefits. The key, or bottom-line measure, for both the regionalization and modernization efforts, is improvement in the ratio of civilian HR staff to supported population across DoD.

The Smart Card/Common Access Card (CAC)

The CAC will be the military and civilian ID card, the predominant platform for physical and logical access, and the predominant platform for the PKI authentication token. The FY 2002 budget provides dollars to complete the initial issuance of the CAC to the remaining two thirds of the target population, sustain valid cards for those issued cards in FY 2001, continue to upgrade the CAC software and card management system, and provide configuration management support and program management for the CAC.

**IV. Performance Criteria and Evaluation Summary (cont'd):**

Performance measures include, initial card issuance to approximately 2.7 million people, and meeting implementation milestones. Additional performance measures include providing

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executive secretary support to the Smart Card Senior Coordinating Group (SCSCG), and its associated working groups through monthly meetings.

Defense Integrated Travel Relocations Solutions (DITRS) Office

The DITRS was given direction from the Deputy Secretary to reengineer the PCS travel processes that affect over 700,000 relocations each year. Funding for DITRS was provided through FY 2001.

Office of the Actuary

- Contribute to receiving a favorable audit opinion on the Military Retirement Fund's annual financial statements.
- Implement actuarial audit recommendations for the estimate of DoD's annual retiree health liability included in DoD and government-wide annual financial statements.
- Provide support to DoD Medicare-eligible Retiree Health Care Board of Actuaries in calculating DoD and Treasury required trust fund contribution amounts for annual budget preparation.
- Provide similar support to DoD Retirement Board of Actuaries for calculations related to Military Retirement Fund.
- Assist policymakers in evaluating proposed benefit changes by providing cost estimates.

Civilian Assistance and Re-Employment (CARE) Program

The Priority Placement Program (PPP) underwent a major systems change, converting from a Bulletin Board System (BBS) to full-fledged Web technology. Staff time has been significantly reduced because of this streamlined program process. Customer response and acceptance has been excellent. Other improvements are planned or under study. Recent performance assessment results indicate 91% of selecting officials and 85% of placed employees rate program operation

**IV. Performance Criteria and Evaluation Summary (cont'd):**

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as satisfactory or better. In order to better evaluate the program's current performance, a survey instrument of recent program placement actions is being compiled.

The CARE Division Web page went online in mid-October 1999. The site contains, for example, information on outplacement/transition assistance programs, information on displaced employees' benefits and entitlements, and very important FAQs. Since its activation, the site has been accessed approximately 6,000 times.

Injury/Unemployment Compensation Program

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 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 office to review injury cases, conduct home visits to injured employees, train, advise, and assist in reemployment efforts. By consolidating DoD liaison efforts, 10 manpower spaces were saved. Since October 1993, home visits were conducted in 43 areas with 1912 claimants visited. Actual savings over the same period totaled over \$38.3 million with potential lifetime savings exceeding \$1.335 billion. Since 1994, DoD reduced the injury compensation bill by 0.7 percent while compensation Government-wide increased by 11.6 percent, providing DoD a cost avoidance of \$74.6 million. The DoD injury compensation bill actually increased by 1.85 percent in 2000. Rising medical costs contributed to 99.3 percent of the increase in the injury compensation bill. Similar cost avoidance is expected for FY 2002 and FY 2003.

Office of Complaint Investigations (OCI)

Process improvements in OCI operations have resulted in increased efficiency over the last three years. In FY 1998, FY 1999, and FY 2000, OCI closed an average of 4252 Equal Employment Opportunity (EEO) cases per year. Processing time decreased 18 percent from FY 1998. Contract support was reduced from 12 percent in FY 1998, to 2 percent in FY 2000. These benefits are largely the result of OCI's emphasis on Alternative Dispute Resolution (ADR) in resolving EEO cases. OCI's resolution attempts on EEO cases increased to 73



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percent, and the number of cases closed through resolution increased 5 percent in FY 2000. Every time OCI is

**IV. Performance Criteria and Evaluation Summary (cont'd):**

successful in resolving an EEO complaint with ADR, DoD avoids estimated costs between \$40,000 and \$80,000 in case processing; and potential additional litigation costs between \$161,000 to \$310,000. OCI's 33 percent case resolution rate in FY 2000 avoided potential case processing costs of over \$85M as well as potential litigation expenses projected at well over \$200M. Millions in cost avoidance and increased productivity, in the face of a 9 percent reduction in staff, can be attributed to OCI process improvements and CPMS' investment in developing the ADR skills of its 90 certified mediators/investigators.

A significant increase in the number of resolutions is expected as a result of the Equal Employment Opportunity Commission's new regulatory emphasis on ADR, and OCI's reengineering efforts to institutionalize ADR in FY 2001. In FY 2002/2003, resolution will be attempted on 100 percent of EEO cases, over 50 percent of EEO cases will be resolved with ADR, processing time will be reduced by 10 percent, and case processing costs of well over \$120 M will be avoided by practicing ADR.

Office of the Chancellor for Education and Professional Development

A major objective of the Chancellor for Education and Professional Development is the development of DoD-wide standards for academic quality and resource reporting, applicable to those DoD institutions and programs that instruct DoD civilians. Performance criteria for the Chancellor's Office involved the accomplishment of the following milestones in FY 2000: (1) establishment of a Task Force of DoD educational institution heads to collaboratively oversee the development of DoD academic quality and resource reporting standards; (2) formation of working groups to develop both academic standards and resource reporting standards; (3) development of an initial consensus on standards; and (4) progress toward drafting a DoD Instruction incorporating the work of the Task Force on DoD civilian education standards. All of the FY 2000 milestones were met. Milestones for FY 2001 include: (1) circulation and coordination by appropriate DoD Components on draft DoD civilian education standards; (2) development, circulation and coordination of a draft

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document outlining academic quality and resource data collection procedures; (3) development and population of the prototype academic quality and resource database. While this process is taking place, an initial measure of progress will be the number or percentage of DoD civilian education institutions that are accredited by a recognized accrediting body or are actively

**IV. Performance Criteria and Evaluation Summary (cont'd):**

engaged in the process of candidacy for accreditation. Milestones for FY 2002 will include (1) implementation of quality standards and metrics for DoD civilian education institutions (either mandatory or voluntary as determined by higher authority): (2) approval of requirements for and initiation of development of the academic cost reporting system; and (3) development of appropriate cost effectiveness metrics.

Personnel Security Research Center

| <i>Workload</i>   | <i>FY 2000</i> | <i>FY 2001</i>  | <i>FY 2002</i>  |
|-------------------|----------------|-----------------|-----------------|
|                   | <i>Actual</i>  | <i>Estimate</i> | <i>Estimate</i> |
| Research Projects | 24             | 24              | 24              |

| <u>V. Personnel Summary:</u>         | FY 2000 | FY 2001 | FY 2002 | FY 2003 | Change<br>FY 2001/<br>FY 2002 | Change<br>FY 2002/<br>FY 2003 |
|--------------------------------------|---------|---------|---------|---------|-------------------------------|-------------------------------|
| <u>Active Mil End Strength</u>       | 2       | 7       | 9       | 9       | 2                             | 0                             |
| (Total)                              |         |         |         |         |                               |                               |
| Officer                              | 2       | 0       | 0       | 0       | 0                             | 0                             |
| Enlisted                             | 0       | 0       | 0       | 0       | 0                             | 0                             |
| <u>Civilian End Strength (Total)</u> | 663     | 643     | 653     | 634     | 10                            | (19)                          |
| U.S. Direct Hire                     | 663     | 643     | 653     | 634     | 10                            | (19)                          |
| <u>Active Mil FTEs (Total)</u>       | 10      | 10      | 10      | 10      | 0                             | 0                             |
| Officer                              | 10      | 10      | 10      | 10      | 0                             | 0                             |
| Enlisted                             | 0       | 0       | 0       | 0       | 0                             | 0                             |

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|                              |     |     |     |     |      |      |
|------------------------------|-----|-----|-----|-----|------|------|
| <u>Civilian FTEs (Total)</u> | 643 | 637 | 647 | 628 | 10   | (19) |
| U.S. Direct Hire             | 643 | 637 | 647 | 628 | (10) | (19) |

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

|   | <u>Change FY 2000/2001</u>  |                 |                | <u>Change FY 2001/2002</u> |                 |                |                          |
|---|-----------------------------|-----------------|----------------|----------------------------|-----------------|----------------|--------------------------|
|   | FY<br>2000<br><u>Actual</u> | Price<br>Growth | Prog<br>Growth | FY<br>2001<br><u>Est</u>   | Price<br>Growth | Prog<br>Growth | FY<br>2002<br><u>Est</u> |
| 101 Executive, General<br>&<br>Special Schedule | 51,509                      | 2,047           | 537            | 54,093                     | 1,961           | 1,061          | 57,115                   |
| 106 Benefits to Former<br>Employees             | 255                         | 0               | (181)          | 74                         | 0               | 3              | 77                       |
| 107 VSIP  | 327                         | 0               | (327)          | 0                          | 0               | 0              | 0                        |
| 199 Total Civilian<br>Personnel<br>Compensation | 52,091                      | 2,047           | 29             | 54,167                     | 1,961           | 1,064          | 57,192                   |
| 308 Travel Of Persons                           | 1,808                       | 29              | 409            | 2,246                      | 38              | 0              | 2,284                    |
| 399 Total Travel                                | 1,808                       | 29              | 409            | 2,246                      | 38              | 0              | 2.284                    |
| 416 GSA Managed<br>Supplies &<br>Materials      | 65                          | 1               | 0              | 66                         | 1               | 0              | 67                       |
| 499 Total Fund Supplies<br>& Materials          | 65                          | 1               | 0              | 66                         | 1               | 0              | 67                       |

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|     |  |     |    |      |     |      |    |     |
|-----|--|-----|----|------|-----|------|----|-----|
| 506 | DLA Equipment                                  | 12  | 1  | (13) | 0   | 0    | 0  | 0   |
| 507 | GSA Equipment                                  | 19  | 0  | (19) | 0   | 0    | 0  | 0   |
| 599 | Total Revolving<br>Fund Equipment<br>Purchases | 31  | 1  | (32) | 0   | 0    | 0  | 0   |
| 671 | Communication Srvcs<br>DISA                    | 48  | 0  | 57   | 105 | 14   | 1  | 120 |
| 673 | DFAS   | 792 | 39 | (27) | 804 | (38) | 51 | 817 |
| 699 | TOT OTHER FUND<br>PURCHASES                    | 840 | 39 | 30   | 909 | (24) | 52 | 937 |

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

|                                      | <u>Change FY 2000/2001</u> |                         |                        | <u>Change FY 2001/2002</u> |                         |                        |                            |
|--------------------------------------|----------------------------|-------------------------|------------------------|----------------------------|-------------------------|------------------------|----------------------------|
|                                      | <u>FY<br/>2000<br/>Est</u> | <u>Price<br/>Growth</u> | <u>Prog<br/>Growth</u> | <u>FY<br/>2001<br/>Est</u> | <u>Price<br/>Growth</u> | <u>Prog<br/>Growth</u> | <u>FY<br/>2002<br/>Est</u> |
| 771 Commercial<br>Transportation     | 172                        | 3                       | (99)                   | 76                         | 1                       | 2                      | 79                         |
| 799 Total<br>Transportation          | 172                        | 3                       | (99)                   | 76                         | 1                       | 2                      | 79                         |
| 912 Rental payments to<br>GSA (SLUC) | 2,822                      | 54                      | 19                     | 2,895                      | 43                      | 11                     | 2,949                      |
| 914 Purchased<br>Communications      | 1,129                      | 18                      | (9)                    | 1,138                      | 19                      | (10)                   | 1,147                      |
| 917 Postal Srvc<br>(U.S.P.S.)        | 815                        | 0                       | 66                     | 818                        | 0                       | 15                     | 896                        |
| 920 Supplies &<br>Materials          | 2,049                      | 33                      | (745)                  | 1,337                      | 23                      | (9)                    | 1,351                      |
| 921 Printing &<br>Reproduction       | 479                        | 8                       | 43                     | 530                        | 9                       | 1                      | 540                        |
| 922 Equipment                        | 910                        | 15                      | (782)                  | 143                        | 2                       | 3                      | 148                        |

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|------|---------------------|--------|-------|-------|--------|-------|--------|--------|
|      | Maintenance by      |        |       |       |        |       |        |        |
|      | Contract            |        |       |       |        |       |        |        |
| 923  | Facility            | 19     | 0     | 2     | 21     | 0     | 1      | 22     |
|      | Maintenance by      |        |       |       |        |       |        |        |
|      | Contract            |        |       |       |        |       |        |        |
| 925  | Equipment Purchases | 196    | 3     | 23    | 222    | 4     | 0      | 226    |
| 931  | Contract            | 4      | 0     | 310   | 314    | 5     | (319)  | 0      |
|      | Consultants         |        |       |       |        |       |        |        |
| 989  | Other Contracts     | 109,03 | 1,745 | 1,787 | 112,56 | 1,914 | 15,818 | 130,29 |
|      |                     | 5      |       |       | 7      |       |        | 9      |
| 998  | Other Costs         | 20     | 0     | 0     | 20     | 0     | 0      | 20     |
| 999  | Total Other         | 117,47 | 1,864 | 724   | 120,06 | 2,025 | 15,505 | 137,59 |
|      | Purchases           | 8      |       |       | 8      |       |        | 8      |
| 9999 | Total               | 172,48 | 3,992 | 1,055 | 177,53 | 3,995 | 16,630 | 198,15 |
|      |                     | 5      |       |       | 2      |       |        | 7      |