

Fiscal Year (FY) 2003 Budget Estimates Defense Human Resources Activity (DHRA)



February 2002

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2003 Budget Estimates
Appropriation Highlights
(Dollars in Thousands)

Budget Activity 4: Administration and Service-Wide Activities

FY 2001 Actual	Price Change	Program Change	FY 2002 Estimate	Price Change	Program Change	FY 2003 Estimate
186,700	4,459	3,882	195,041	8,314	52,687	256,042

The Defense Human Resources Activity (DHRA) has increases between FY 2002 and FY 2003 in several programs.

Funding for the Defense Eligibility and Enrollment Reporting System (DEERS) and the Real Time Automated Personnel Identification System (RAPIDS) increases between FY 2002 and FY 2003. Additional funding for these programs supports hardware and software refreshes required to update and maintain the systems to ensure full functionality and security of the sensitive data maintained in the database.

The Defense Civilian Personnel Data System (DCPDS) program funding increases between FY 2002 and FY 2003. The increase supports system maintenance and modifications needed to operate and adapt the modern DCPDS to current and future environments and to ensure system security.

DHRA's Labor funding increases between FY 2002 and FY 2003. This increase includes funding associated with FTEs for the Common Access Card (CAC) and Defense Civilian Personnel Data System (DCPDS) programs; locality and IT pay adjustments; an increase to civilian pay accounts due to legislation charging agencies the full share of the retirement costs for CSRS employees and the health care costs of future retirees; and increased FTEs associated with the provision of training related to civilian personnel field advisory services support.

DHRA's Operations funding increases between FY 2002 and FY 2003 to support the development of a program that will provide accurate and timely feedback on strategic issues to policy makers in support of the planned transformation of the forces and pending implementation of the *2002 Strategic Human Resources Plan*. Additional resources support a projected increase in DoD telecommuting costs, which are centrally funded by DHRA.

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Budget Activity 3: Training and Recruiting

<u>FY 2001 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2002 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2003 Estimate</u>
70,419	1,221	-19,900	51,740	1,144	36,277	89,161

Program funding for the Joint Recruiting and Advertising Program (JRAP), Joint Market Research Program (JMRP), Joint Market Research Studies (JMRS) was reduced in FY 2002 to adjust for lags in the obligation and disbursement rates of FY 2001 funding. JRAP has an increase in FY 2003 for the development of an enhanced corporate advertising campaign via television, print advertising, public outreach, expanded Internet and direct market to help sustain or revitalize patriotism in the American public. JMRP and JMRS return to their normal funding levels in FY 2003.

Summary:

<u>FY 2001 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2002 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2003 Estimate</u>
257,119	5,680	-16,018	246,781	9,458	88,964	345,203

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

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Summary of Increases and Decreases

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
1. FY 2002 President's Budget Request	86,190	198,157	284,347
2. Congressional Adjustments (Distributed)			
Defense Leadership and Management Program (DLAMP)	(10,000)		(10,000)
Total Congressional Adjustments (Distributed)	(10,000)		(10,000)
3. Congressional Adjustments (Undistributed)			
Defense Joint Accounting System (DJAS)	(336)		(336)
Total Congressional Adjustments (Undistributed)	(336)		(336)
4. Congressional Adjustments (General Provisions)			
a. Section 8123 - Reduction for Business Process Reform		(1,793)	(1,793)
b. Section 8146 - Savings from Government Purchases Card	(16)		(16)
Total Congressional Adjustments (General Provisions)	(16)	(1,793)	(1,809)
5. Congressional Earmarks			
a. Section 8047 - Indian Lands Mitigation			
b. Section 8154 - Commission on Future Aerospace Industry			
c. Section 8155 - Memorial 9/11/01, Somerset Co., PA			
Total Congressional Earmarks	(100)	(224)	(324)
6. FY 2002 Appropriation Enacted	75,738	196,140	271,878
7. Price Change	120	33	153
8. Transfers			
9. Program Decreases			
a. Joint Recruiting and Advertising	(24,000)		(24,000)
b. TRICARE/National Enrollment System		(1,100)	(1,100)
c. Program offset for pricing indices changes	(120)	(33)	(153)
Total Program Decreases	(24,120)	(1,133)	(25,253)
10. FY 2002 Current Estimate	51,738	195,040	246,778

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Summary of Increases and Decreases

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
11. Price Change	1,144	8,314	9,458
12. Transfers			
13. Program Increases			
a. Defense Resources Management Institute (DRMI)	100		100
b. Joint Recruiting and Advertising (JRAP)	49,200		49,200
c. Defense Civilian Personnel Data System (DCPDS)		23,870	23,870
d. Human resources training		4,300	4,300
e. Telecommuting		200	200
f. Quarterly Review of Military Compensation (QRMC)		744	744
g. DEERS/RAPIDS/CAC		14,329	14,329
h. Strategic Assessment Program (SAP)		5,064	5,064
i. Medical Readiness		252	252
j. Universal Beneficiary Card/National Enrollment System (UBC/NES)		869	869
k. Locality and information technology pay		1,700	1,700
l. Operations support		1,360	1,360
Total Program Increases	49,300	52,688	101,988
14. Program Decreases			
Defense Leadership and Management Program (DLAMP)	(13,023)		(13,023)
Total Decreases	(13,023)		(13,023)
15. FY 2003 Budget Request	89,159	256,042	345,201

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Summary of Price and Program Changes

	Change FY 2001/2002			Change FY 2002/2003			FY 2003 Estimate
	FY 2001 Actual	Price Growth	Program Growth	FY 2002 Estimate	Price Growth	Program Growth	
CIVILIAN PERSONNEL COMPENSATION							
101 EXECUTIVE, GENERAL & SPECIAL SCHEDULE	57812	2529	1818	62159	6712	5918	74789
106 BENEFITS TO FORMER EMPLOYEES	0	0	0	0	0	0	0
107 VOLUNTARY SEPARATION INCENTIVE PAY	66	0	-66	0	0	0	0
111 DISABILITY COMPENSATION	116	0	-116	0	0	0	0
199 TOTAL CIVILIAN PERSONNEL COMPENSATION	57994	2529	1636	62159	6712	5918	74789
						0	0
308 TRAVEL OF PERSONS	8159	130	1385	9674	146	-3132	6688
TOTAL TRAVEL	8159	130	1385	9674	146	-3132	6688
416 GSA MANAGED SUPPLIES & MATERIALS	1161	18	-624	555	8	3	566
499 TOTAL FUND SUPPLIES & MATERIALS PURCH	1161	18	-624	555	8	3	566
506 DLA EQUIPMENT	5	0	1	6	0	0	6
507 GSA EQUIPMENT	175	3	22	200	3	0	203
TOTAL EQUIP	180	3	23	206	3	0	209
633 DEFENSE PUBLICATION & PRINTING SVCS	0	0	0	0	0	0	0
671 COMMUNICATION SERVICES (DISA)	105	14	0	119	16	-10	125
673 DFAS	804	-38	58	824	-37	70	857
699 TOTAL OTHER FUND PUCHASES	909	-24	58	943	-21	60	982
771 COMMERCIAL TRANSPORTATION	72	0	-23	49	1	0	50
799 TOTAL TRANSPORTATION	72	0	-23	49	1	0	50
912 RENTAL PAYMENTS TO GSA LEASES(SLUC)	3221	65	-254	3032	60	35	3127
913 PURCHASED UTILITIES	0	0	0	0	0	0	0
914 PURCHASED COMMUNCIATIONS	1366	22	-263	1125	17	-9	1133
917 POSTAL SERVICE (U.S.P.S.)	188	0	73	261	0	1	262
920 SUPPLIES & MATERIALS (NON-FUND)	0	0	0	0	0	0	0
921 PRINTING & REPRODUCTION	359	6	197	562	9	8	579
922 EQUIPMENT MAINTENANCE BY CONTRACT	698	11	-398	311	5	1	317
923 FACILITY MAINTENANCE BY CONTRACT	19	0	-3	16	0	0	16
925 EQUIPMENT PURCHASES (NON-FUND)	0	0	0	0	0	0	0
932 CONTRACT CONSULTANTS	0	0	0	0	0	0	0
933 STUDIES, ANAL, & EVAL	314	5	-319	0	0	0	0
987 OTHER INTER _GOVT PURCHASES	0	0	0	0	0	0	0
989 OTHER CONTRACTS	182459	2919	-17510	167868	2518	86079	256465
998 OTHER COSTS	20	0	0	20	0	0	20
999 TOTAL OTHER PURCHASES	188644	3028	-18477	173195	2609	86115	261919
TOTAL DHRA BA4 & 3	257119	5684	-16022	246781	9458	88964	345203

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Personnel Summary

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Change</u> <u>FY 2002/2003</u>
<u>Active Military End Strength (ES) (Total)</u>	14	14	14	0
Officer	12	12	12	0
Enlisted	2	2	2	0
 <u>Civilian End Strength</u>				
U.S. Direct Hire	682	700	757	57
 <u>Active Military Average Strength (Total)</u>	14	14	14	0
Officer	12	12	12	0
Enlisted	2	2	2	0
 <u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	672	690	747	57

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Budget Activity 3: Training and Recruiting

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 were trained, educated, and developed. The CORM recommended mandatory rotational assignments, a structured educational system, enhanced opportunities for civilians to attend military service schools, and DoD organizational cost reimbursement for 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 key DoD leadership positions. Under DLAMP, high potential civilian employees from within the Department were put through a rigorous individualized program of educational courses and training experiences designed to optimize their executive leadership and managerial skills and to expand their knowledge and understanding of the Department's national security mission. The Department of Defense Human Resources Activity's (DHRA) Civilian Personnel Management Service (CPMS) is responsible for program management and stewardship of centralized DLAMP funding.

The program is being refocused and streamlined in FY 2002 to be more flexible, cost-effective, and efficient in meeting short and long-term requirements for highly capable civilian leaders. There are two mandatory elements of the program that each participant must complete. The elements are:

- Professional Military Education (PME).
 - The National Defense University will provide 4-5 courses on national security strategy and leadership. These courses will provide an excellent

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I. Description of Operations Financed (Continued):

introduction to national security and leadership issues in preparation for Senior Service School attendance and are required for all participants.

- Each DLAMP participant is required to complete either the traditional 10-month PME course at a Senior Service School or a Non-resident Senior Service Course. 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 that strengthens communication between the Department's senior military and civilian leaders.
- Graduate Level Education. Each DLAMP participant must complete a Masters Degree. One hundred full-time masters program participants will be funded each year (200 students for partial school years) at local universities or through distance learning. Employees participating in the initial program will receive assistance in completing a Masters Degree. Participants who possess an advanced degree (Masters or PHD) may require additional courses to satisfactorily meet DLAMP educational requirements. In this case, the DLAMP participant will take between 4 to 6 graduate courses to develop familiarity with the range of contemporary subjects and issues facing Defense leaders. For example, these courses would cover such subject areas as finance, information systems, economics, human resources, statistics, and law and public policy.

Of critical importance to the success of the program is the provision for "backfills" whereby DLAMP provides funding to the DoD Components to hire temporary replacements for DLAMP participants who are away on mandatory long-term training (the full time masters degree fellowship or ten-month PME course). CPMS is responsible for the masters degree

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I. Description of Operations Financed (Continued):

scholarship and tuition assistance programs, program operations, administrative support, participant backfill, and TDY support.

Joint Recruiting Advertising Program (JRAP)

The Joint Recruiting Advertising Program (JRAP) 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). 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.

As a result of the Department's advertising and market research reinvention effort, JRAP's functions were expanded in FY 2000 to include the development of an enhanced corporate advertising campaign via television, print advertising, public outreach, expanded Internet, and direct marketing. Increased funding in FY 2003 provides for an all-media blitz to create and sustain a positive, patriotic image of the military with the American public. Other core functions 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); and upgrading internet websites (todaysmilitary.com, militarycareers.com, myfuture.com) that present why military service is a smart choice. JRAP's mission also includes evaluating the effectiveness of advertising employing the Department's central advertising tracking system, as well as fielding the Magazine Advertising Credit System (MACS) to ensure the Services receive the lowest rates possible on print media buying. The JRAP funding also

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I. Description of Operations Financed (Continued):

provides contract support with the Selective Service for monthly Joint-Service direct mail campaigns to new registrants to generate recruiting leads for the Services. In today's increasingly difficult military recruiting environment, the JRAP mission is more critical than ever.

Joint Market Research Program (JMRP)

The Joint Market Research Program (JMRP) is the corporate-level, recruiting market research arm of the Department. The 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.

The Department's FY 1999 comprehensive review of military advertising and market research programs recommended greatly expanding market research and develop an exemplary market research program that tracks key data on DoD's major markets (i.e., prospects and pre-prospects, their influencers, adult Americans, and Service members). Additionally, the market research program should support recruitment advertising efforts (e.g., JRAP's expanded "corporate" role). To address these recommendations, in FY 2003 JMRP will conduct studies that enable the Department to develop research-based communications and marketing strategies for its target markets. Key activities such as trimester polls of youth and adults will be continued and 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, recruiting managers and researchers, and will be made available via an e-mail/web application titled, "Defense Market Research Executive Notes." JMRP will conduct other core research, e.g., 2003 Military Recruiter Survey. During FY 2003, a Joint-Service database that supports recruiting headquarters'

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I. Description of Operations Financed (Continued):

analysis of the youth market, the Recruit Market Information System, will continue to be fielded on 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 200,000 new recruits annually in the active and Reserve components. Today, largely because of increased youth college enrollment, the Military Services find it challenging to achieve their recruiting goals.

The recruiting challenge is made more daunting because of the need for high-quality personnel. This pool of potential enlistees is surprisingly small. Nationwide, there are about 15 million high school graduates between the ages of 17 and 21. According to the National Center for Education Statistics, nearly two-thirds of these graduates start college immediately after high school, which reduces the pool significantly. The JMRS' program funding supports analyses of military recruiting. Recent examples include reevaluation of the DoD recruit quality benchmarks and evaluation of the military performance of "home schooled" recruits. The Center for Naval Analysis is working on a report and the study is on-going.

During FY 2003, a National Academy of Sciences (NAS) Committee on the Youth Population and Military Recruiting will be funded for a fourth 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 private-sector policy analysts with expertise in marketing, communications, youth attitudes, personnel

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management, and military recruiting. This group will analyze implications of demographic

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I. Description of Operations Financed (Continued):

and cultural trends on recruiting and training, and evaluate recruiting strategies for youth population segments to inform military personnel policy.

JMRS will also fund a portion of the Advertising Tracking Study. This study provides fast, continuous feedback on how well DoD and Service advertising campaigns are working. DoD has never before had a central index of advertising effectiveness or the effects of current events (e.g., USS Cole) on enlistment propensity. Finally, the Department will continue studies in support of military recruiting (e.g., the home schooler and National Guard Challenge Program).

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. 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.

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I. Description of Operations Financed (Continued):

- Provide such courses for foreign countries and international agencies as requested, and as justified on the basis 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.

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Budget Activity 3: Training and Education

II. Force Structure Summary: N/A

III. Financial Summary (O&M: Dollars in Thousands):

A. Subactivities:	FY 2001 Actuals	FY 2002		Current Estimate	FY 2003 Estimate
		Budget Request	Appropriated		
DLAMP	42,109	57,260	46,743	46,743	34,653
JRAP	16,840	16,769	16,741	46	41,595
JMRP/Market Research	5,217	5,390	5,390	-	5,389
JMRS	1,934	1,996	1,996	-	1,996
DRMI	900	1,201	1,200	1,201	1,301
Labor	-	3,574	3,670	3,750	4,227
Total	67,000	86,190	75,740	51,740	89,161

In FY 2001 actual BA 3 labor is included in BA 4.

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III. Financial Summary (O&M: Dollars in Thousands) (Continued):

B. <u>Reconciliation Summary:</u>	<u>Change</u> <u>FY 2002/</u> <u>FY 2002</u>	<u>Change</u> <u>FY 2002/</u> <u>FY 2003</u>
1. Baseline Funding	86,190	51,740
a. Congressional Adjustments (Distributed)	(10,000)	-
b. Congressional Adjustments (Undistributed)	(336)	-
c. Congressional Adjustments (General Provisions)	(16)	-
d. Congressional Earmark Billpayers	(98)	-
2. Appropriated Amount	75,740	-
a. Cross-the-board Reduction (Rescission)	-	-
b. Approved Reprogrammings/Transfers	-	-
3. Price Change	120	1,144
4. Program Changes	(24,120)	36,277
5. Current Estimate	51,740	89,161

C. Reconciliation of Increases and Decreases:

	<u>(Dollars in</u> <u>Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
1. FY 2002 President's Budget Request		86,190
2. Congressional Adjustments (Distributed) Defense Leadership and Management Program (DLAMP)		(10,000)
3. Congressional Adjustments (Undistributed) Defense Joint Accounting System		(336)
4. Congressional Adjustments (General Provisions)		

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C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
		<u>(Dollars in Thousands)</u>
Section 8146—Savings from Government Purchases Card		(16)
5. Congressional Earmarks		
a. Section 8047—Indian Lands Mitigation		
b. Section 8154—Commission on Future Aerospace Industry		
c. Section 8155—Memorial 9/11/01 Somerset Co, PA		
Total Congressional Earmarks		(98)
6. FY 2002 Appropriation Enacted		75,740
7. FY 2002 Rescission		-
8. Transfers-In		-
9. Transfers-Out		-
10. Price Change		120
11. Program Increase		-
12. Program Decrease		
a. Joint Recruiting and Advertising Program (JRAP). Reduces program to reflect one-time decrease for underexecution in FY 2001 and forward funding the FY 2002 program. (FY 2002 base: \$0)	(24,000)	
b. Adjustment for updated inflation indices.	(FY (120)	

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C. Reconciliation of Increases and Decreases:

	<u>(Dollars in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
2002 base: \$0)		
Total Program Decrease		(24,120)
13. Revised FY 2002 Estimate		51,740
14. Price Growth		1,144
15. Transfers-In		-
16. Transfers-Out		-
17. Program Increases		
a. Joint Recruiting Advertising and Market Research Studies Program. Restores in FY 2003 the one- time decrease in FY 2002 for underexecution.	25,218	
b. Advertising Media Blitz. Funding provides for the development of an enhanced corporate advertising campaign via television, print advertising, public outreach, expanded internet, and direct marketing to sustain and revitalize patriotism in the American public. (FY 2002 base: \$0)	24,000	
b. DRMI. Funding is provided for upgrades to IT equipment. (FY 2002 base: \$1,201)	82	
Total Program Increases		49,300
18. Program Decreases		
Defense Leadership and Management Program (DLAMP).		(13,023)

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C. Reconciliation of Increases and Decreases:

	<u>(Dollars in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
Decrease due to refocusing and streamlining to become more flexible, cost-effective, and efficient. Participants must complete two mandatory elements - a professional military education school and graduate level education (a Master's degree) (FY 2002 base: \$50,238)		
19. FY 2003 Budget Request		89,161

IV. Performance Criteria and Evaluation:

Defense Leadership and Management Program (DLAMP)

DLAMP was established to develop world-class leaders for key DoD-wide leadership positions. Participants in the program are selected from General Schedule (GS) grades 13 through 15, or equivalent. In December 1997, 291 participants were selected for the first DLAMP class. As of January 2002, DLAMP active participants numbered 1,116. Graduation from DLAMP now requires successful completion of two mandatory elements:

- Professional Military Education (PME).
 1. National Defense University courses (4-5) on national security strategy and leadership are mandatory for Senior Service School participation.
 2. Completion of a Senior Service School PME course (resident or non-resident).

Through January 2002, 525 DLAMP participants have completed PME; 98 participants are currently attending PME; and 587 active participants require PME. We expect to enroll 92 additional students in resident PME programs beginning in July/August 2002.

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IV. Performance Criteria and Evaluation (Continued):

Alternative non-resident programs are being pursued to increase the number of DLAMP participants in PME programs.

- Minimum of a Masters Degree. There will be approximately 100 full-time master's degree fellowships awarded each year. Other participants will take up to 6 graduate courses in business management and public policy areas. As of January 2002, 229 active participants require a master's degree.

Participants are evaluated annually. The first program participants graduated in October 2000. As of January 2002, 15 additional participants have met all requirements of the former program for graduation; 62 DLAMP participants have been selected for Senior Executive Service, or equivalent, positions since program inception.

Joint Recruiting Advertising Program (JRAP)

The DHRA's Defense Manpower Data Center's (DMDC) JRAP conducts corporate-level recruitment advertising to complement and support the individual Services' advertising programs. During FY 2003, JRAP will develop media plans and execute them. Increased funding in FY 2003 supports an all-media blitz and expands television advertising to 33 weeks and funds 9 months of print exposure in magazines and other types of public outreach. 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.

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IV. Performance Criteria and Evaluation (Continued) :

Second, JRAP has implemented the Department's first Joint-Service advertising tracking study. This study began in March 2001 and is an ongoing 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. This study enables DoD to monitor the effects of military advertising on target markets - youth and adults. For example, the study tracks prospects' consideration of joining the military and adults' consideration of recommending the military and links 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.

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 2003 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 are documented deliverables which will be distributed widely. 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-

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sponsored website, "Defense Market Research Executive Notes." This web site is accessible by

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IV. Performance Criteria and Evaluation (Continued):

Comptroller staff. To determine if these deliverables and outputs assist the Military Services in better understanding target markets, DMDC will consult with both senior OSD officials and the Military Services. DMDC staff consults with the Services through the Joint Marketing and Advertising Committee (JMAC), which reports to a flag and general officer-level committee (Joint Accession Group) chaired by the Deputy Assistant Secretary of Defense for Military Personnel Policy. Also during FY 2003, DMDC will continue annual syntheses of information on the major markets. Outputs will be in the form of briefings and will be widely distributed.

Finally, 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. RMIS will continue to be fielded in 2003. Documentation on these upgrades can be made available. These types of joint projects also are cost effective, preventing duplication of effort and costs by all Services.

Since FY 2000, the major goal of JRAP and JRMP has been to increase the American public's willingness to recommend military service to our youth. These two programs have specifically focused on:

- Increasing the willingness of parents, other adult influencers, and opinion makers outside the Armed Forces to recommend military service to American youth.

Metric Description: Determine the effectiveness of advertising executions as measured by ad tracking studies and adult market research polls. Using adult polls and ad tracking data, improve likelihood to recommend military service, increase awareness of advertising for the "US military in general," and increase the association of the military with "allowing young people to do something their family would respect and be proud of", while controlling for unemployment and other measurable variables.

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IV. Performance Criteria and Evaluation (Continued):

- Increasing the willingness of members of the DoD workforce to recommend military service to American youth.

Metric Description: Improve likelihood of DoD workforce to recommend military service to youth. Enhance importance and relevance of military to people in the DoD workforce. Use DMDC surveys (e.g., Active Duty Survey) to track and improve likelihood to recommend military service.

Joint Military Recruiting Studies (JMRS)

Most projects funded in this program are documented in reports to Congress as well as in Congressional testimony by the Under Secretary of Defense (Personnel & Readiness) and Assistant Secretary of Defense (Force Management Policy). Evaluation of the various study initiatives centers on improved recruiting productivity. For the FY 2003 continuation of home schooler and National Guard Challenge Program, the process includes documenting the scope of the initiatives, determining appropriate measurement approaches, collecting data, and assessing the initiatives. The results will be a factual determination of the extent to which this initiative contributes to increased recruiting productivity, including the nature, magnitude, and timing of the contribution.

The National Academy of Sciences project will produce deliverables that will be distributed to DoD recruiting managers and officials. The Advertising Tracking Study data will be available at a web site and quarterly reports will be produced. JMRS are discreet studies that seek to inform the recruiting process. As such, they contribute to the overall DoD goal of recruiting, retaining, and developing personnel. More specifically, JMRS seeks to inform the Department's ability to recruit the right number and quality of people.

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IV. Performance Criteria and Evaluation (Continued) :

Recruiting the right number of people:

Metric Description: Department-wide targets for enlisted recruiting represent the projected number of new personnel needed each year to maintain statutory military end-strengths and the proper distribution of rank, allowing for discharges, promotions to higher rank, and anticipated retirements. As personnel trends change during the year, monthly recruiting objectives must be adjusted. This process yields a revised DoD-wide annual target against which recruiting is evaluated.

Recruiting the right quality of people:

Metric Description: Quality benchmarks for recruiting were established in 1992 based on a study conducted jointly by DoD and the National Academy of Sciences. The results produced a model linking recruit quality and recruiting resources to the job performance of enlistees. The model illuminates the relationships among costs associated with recruiting, training, attrition, and retention. It uses as a standard the performance levels demonstrated by servicemen and women on active duty during the Gulf War. The Department has adopted recruiting targets derived from this model—90 percent high school diploma graduates and 60 percent top-half aptitude personnel (AFQT Categories I-III A)—as its minimum acceptable quality thresholds. Adhering to these benchmarks will reduce personnel and training costs, while ensuring that the force meets high performance standards.

Defense Resource Management Institute (DRMI)

In FY 2003, 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.

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V. <u>Personnel Summary:</u>	FY 2001	FY 2002	FY 2003	Change FY 2002/ <u>FY 2003</u>
<u>Active Mil End Strength (Total)</u>	4	4	4	0
Officer	4	4	4	0
Enlisted	0	0	0	0
<u>Civilian End Strength (Total)</u>	0	43	43	0
	0	43	43	0
<u>Active Mil FTEs (Total)</u>	4	4	4	0
Officer	4	4	4	0
Enlisted	0	0	0	0
<u>Civilian FTEs (Total)</u>	0	43	43	0
U.S. Direct Hire	0	43	43	0

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

		<u>Change FY 2001/2002</u>			<u>Change FY 2002/2003</u>			
		FY 2001	Price	Prog	FY 2002	Price	Prog	FY 2003
		<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>
101	Executive, General & Special Schedule	0	0	3,495	3,495	394	54	3,943
106	Benefits to Former Employees	0	0	0	0	0	0	0
107	VSIP	0	0	0	0	0	0	0
111	Disability Compensation	0	0	0	0	0	0	0
199	Total Civilian Personnel Compensation	0	0	3,495	3,495	394	54	3,943
308	Travel Of Persons	7,195	115	138	7,448	112	(4,035)	3,525
399	Total Travel	7,195	115	138	7,448	112	(4,035)	3,525
914	Purchased Communications	0	0	60	60	1	0	61
921	Printing and Reproduction	47	1	2	50	1	7	58
989	Other Contracts	34,867	558	3,760	39,185	588	(9,050)	30,723
999	Total Other Purchases	34,914	559	3,822	39,295	590	(9,043)	30,842
9999	Total	42,109	674	7,455	50,238	1,096	(13,024)	38,310

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VI. OP 32 Line Items (Dollars in Thousands) JRAP, JMRP, JMRS:

		<u>Change FY 2001/2002</u>			<u>Change FY 2002/2003</u>			
		FY 2001	Price	Prog	FY 2002	Price	Prog	FY 2003
		<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>
101	Executive, General & Special Schedule	0	0	255	255	29	0	284
106	Benefits to Former Employees	0	0	0	0	0	0	0
107	VSIP	0	0	0	0	0	0	0
111	Disability Compensation	0	0	0	0	0	0	0
199	Total Civilian Personnel Compensation	0	0	255	255	29	0	284
989	Other Contracts	24,991	384	(24,329)	46	1	49,219	49,226
999	Total Other Purchases	24,991	384	(24,329)	46	1	49,219	49,226
9999	Total	23,991	384	(24,074)	301	30	49,219	49,5501

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

		<u>Change FY 2001/2002</u>			<u>Change FY 2002/2003</u>			
		FY 2001	Price	Prog	FY 2002	Price	Prog	FY 2003
		<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>
989	Other Contracts	900	14	287	1,201	18	82	1,301
999	Total Other Purchases	900	14	287	1,201	18	82	1,301
9999	Total	900	14	287	1,201	18	82	1,301

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I. Description of Operations Financed:

The Department of Defense Human Resources Activity (DHRA) is a five year old Field Activity designed to give the Under Secretary of Defense ((Personnel and Readiness) (USD(P&R)) greater oversight and flexibility in overseeing and coordinating the work of several organizations that directly administer personnel policies, maintain comprehensive databases, and provide a variety of education and research programs. DHRA's operations and products help keep the wheels of P&R turning smoothly through automation and cutting edge technology. They enable the Department's policymakers, CINCs, warfighters, and civilian managers to do their jobs more efficiently and effectively.

Defense Integrated Military Human Resources System (DIMHRS) and Joint Requirements and Integration Office (JR&IO)

In 1997, the Department embarked on an undertaking that has never before been attempted in DoD - - the joint development and implementation of a single personnel and pay system that will support all Military personnel, active, guard, reserve, and retired, and their families through their entire careers and beyond. The Defense Integrated Military Human Resources System (DIMHRS) will transform military personnel and pay management processes. It will be the biggest personnel and pay system in the world, in both scope and numbers of people served. It has been identified by the Under Secretary (Personnel and Readiness) as a major DoD initiative and as a precedent setting success in business process reengineering.

The program has completed an evaluation of the current processes and systems and has identified the changes in processes and functions that need to be made to ensure that: all Service members receive the pay and benefits to which they are entitled; all personnel managers have accurate and complete data for operational use; all Joint Commanders have visibility and control of their personnel assets; and OSD can do effective, cross-cutting analyses to ensure that policy decisions are well-informed. This work will transform military personnel and pay management, provide the support that is needed to joint task forces, and ensure that all users have access to clean, accurate, timely data.

Today, our processes and systems do not support all the requirements of the All-Volunteer Force, which requires high morale, support for joint operations, and effective management decisions. Service members in all components experience lengthy delays in getting access to

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i. Description of Operations Financed (Continued):

pay and benefits while serving. Further, when Service members leave military careers (either through retirement or separation), they are dependent on the Department for verification of entitlements they have earned that are provided by other Federal Agencies. The lack of responsiveness of our personnel and pay systems is often a source of stress for our Service members in theater and a source of annoyance at all times. When Service members are aware of problems with their records, it can take months or even years to get them corrected. This can impact promotions, assignments, compensation and all aspects of career development.

The impact of DIMHRS is immense. It will transform all aspects of military personnel and pay management, including accessions, assignments, training, deployments, mobilizations, compensation, promotions, separations, retirement and all other personnel functions. The program has worked with DIA and other security organizations to ensure that DIMHRS does not compromise intelligence or personal security. It has incorporated requirements of outside agencies to ensure that DIMHRS will support the access to benefits even after Service members have left DoD (when their DoD records are needed to verify eligibility for specific benefits).

DIMHRS will have a real and dramatic impact on every Service member in the Department and will greatly enhance the ability of the Department and the Joint Commanders to manage the force.

After a competitive solicitation, the PeopleSoft Commercial off-the-shelf (COTS) product was selected as the basis for DIMHRS (Pers/Pay). The program was re-baselined during 2001 and is fully funded in the POM. In recognition of the Navy's role as the Acquisition agency for DIMHRS, design and development funds were transferred to the Navy beginning in FY 2002. The Joint Requirements and Integration Office (JR&IO) retains functional oversight.

During FY 2002, extensive analyses and risk reduction activities are being performed to support a Milestone B review in July 2002. These activities include a comprehensive fit/gap analysis to ensure that all mission essential requirements are met. When feasible, the Department will adopt the processes and data used by the COTS product to further streamline DoD management. It is fully recognized however, that DoD has some mission requirements that are not addressed in the private sector. When gaps are identified, they will be met in the most cost-effective manner - - whether through interface with other COTS products or through

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extensions or modifications of the PeopleSoft product. So far, the comprehensive analysis has

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I. Description of Operations Financed (Continued):

found a high degree of fit. Also in August of 2002, a contract will be let to a developer/implementer to support the development phase of the program.

After achieving Milestone B, FY 2003 will be a year of true development in the sense of creating a working DIMHRS (Pers/Pay) system through the COTS product.

DIMHRS (Pers/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 Joint Requirements and Oversight Council (JROC) approved the Milestone B Operational Requirements Document (ORD) in August 2001. The ORD contains the key functional requirements and Key Performance Parameters that establish performance and evaluation criteria for the program.

In compliance with the Clinger-Cohen Act and the Government Performance and Results Act, the DIMHRS Personnel/Pay project has identified "useful segments" that will demonstrate both rapid acquisition techniques and measurable functional benefits. OSD C3I certified that DIMHRS met the Clinger Cohen Act requirements under section 8121 of the FY 2000 Defense Appropriation Act for Milestone I approval.

The DHRA's JR&IO provides functional direction and oversight for DIMHRS. Congress provided direction in the FY 1999 Defense Appropriations Act and Conference Report that expanded the scope of DIMHRS to manpower and training. As a result of that Act, DIMHRS has been divided into three separate initiatives. The first, DIMHRS (Pers/Pay) is the fully integrated personnel and pay management system described above and reflected in the current DIMHRS program. There will also be future programs for DIMHRS (Manpower) and DIMHRS (Training).

Defense Enrollment Eligibility Reporting System (DEERS)

DEERS is the Department's only central personnel data repository - a cross-Service, worldwide automated system that is fully operational. 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

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I. Description of Operations Financed (Continued):

management, planning, and allocation of DoD benefits resources; and reduces fraud and abuse of DoD benefit programs. DEERS protects the following member entitlements and benefits:

- Medical entitlements
- Dental benefits
- Commissary privileges
- Exchange privileges
- Life insurance benefits
- Montgomery GI Bill educational benefits

DEERS is the only database in the Department which contains personnel records of all members, employees, retirees and family members - virtually everyone associated with the Department. Consequently, it has provided solutions for Departmental initiatives and directed program changes. DEERS is critical to the effective operation of the Military Health System (MHS). As the only central system in the complex network of systems which makes up the MHS, DEERS is the conduit for critical information throughout the MHS. DEERS, managed by DHRA's Defense Manpower Data Center (DMDC), protects and safeguards access to benefits (especially medical benefits) for over 23 million individuals, military members and their families. This protection is exercised more than 1.5 million times per day by managed care support contractors, Uniformed Services medical and dental treatment facilities, pharmacies throughout the U.S., and DoD personnel offices. DEERS is the host for the new National Enrollment System implemented in TRICARE in 2001. Congress directed the establishment of a TRICARE for Life program, extending Medicare benefits throughout the TRICARE delivery system. This program required a new set of benefits. As the central repository of benefits data for the Department, DEERS was critical to TRICARE for Life's implementation.

DEERS has consistently proven its value to the Department. Responding to the events of September 11, DEERS played a major role in the behind the scenes activity including:

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- Serving as the locator for DNA Registry.
- Providing lists of those who work in the Pentagon.
- Retrieving panorgraphs (full mouth dental x-rays) of military members thought to be missing.
- Providing fingerprints of missing individuals both in New York and Washington.
- Providing information on language capabilities and individual qualifications.
- Providing immediate support to called up Reservists by providing additional Real-time Automated Personnel Identification System (RAPIDS) equipment to allow on-line updates, and modifying codes and procedures to support newly established benefit programs.

Another major feature of DEERS is the DEERS Support Office (DSO) which fields benefit-related questions from DoD beneficiaries received by phone, by mail, or by e-mail. The DSO provides a much needed service by explaining available benefits packages as well as conditions necessary to qualify and actions required to register for these benefits. It provides a human touch for members and their families who may be experiencing real problems in collecting both entitlements and benefits. Sponsors and family members can contact the DSO to request DEERS & RAPIDS record changes; check on eligibility for TRICARE, Medicare, and the TRICARE Senior Pharmacy Program; and get assistance in resolving claim denials. In addition to the DEERS Beneficiary line, DSO operates five separate telephone functions: the DEERS Eligibility line for those users who do not have access to the DEERS database; the Field Support line to assist RAPIDS users with data discrepancies on DEERS; the Recruiter line for recruiters to confirm reenlistment eligibility; the Military Funeral Honors Program phone line; and the Gulf War Medical Registry line for veterans desiring enrollment in the Comprehensive Clinical Evaluation program.

The DEPSECDEF leveraged DEERS once again by directing that the DEERS/RAPIDS infrastructure be augmented to issue the new DoD smart card - the Common Access Card (CAC). DEERS was chosen as the authenticating database for the CAC Public Key Infrastructure as a cheaper, more secure, and more disciplined system than the proposed alternative. As the authentication database, DEERS stores information related to the digital certificates held by the approximately 4 million people receiving the CAC.

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I. Description of Operations Financed (Continued):

Additionally, in FY 2003 DHRA will initiate a managed lifecycle technology management and enhancement program for DEERS hardware and software. The current DEERS system was designed in 1996 and implemented in 1998 and is based on current relational database technology with an artificial intelligence front-end. Funds have been provided to continue to update and maintain these systems to ensure full functionality and security of the sensitive data maintained in the database. The information in the database is used for benefit verification and to issue identification cards to dependents and retirees. DMDC does not anticipate a complete redesign of the system; specific parts of the software will be rewritten to incorporate new technology and new information security techniques within the same basic information systems technology. This will be accomplished in the context of a parallel redesign of the RAPIDS software and fielding of new RAPIDS hardware. RAPIDS is used by identification card issuing facilities around the world.

The DEERS and RAPIDS systems require hardware and software modifications in order to continue to meet DoD information assurance requirements and continue to function on current versions of the COTS software which underlie these systems.

Real Time Automated Personnel Identification System (RAPIDS)

RAPIDS is the Department's enterprise solution for issuing Uniformed Services Identification Cards to all service members, active and reserve, civilian employees, retired members and eligible family members. This system is fielded in over 1,000 locations around the world and issues approximately 4 million identification cards a year. In addition, the RAPIDS system provides the means to collect family member information so that eligible family members are correctly categorized and entered into the DEERS system and are issued appropriate ID cards which correctly reflect their entitlements and privileges. The RAPIDS infrastructure, both hardware and software, is centrally managed by DHRA's Defense Manpower Data Center (DMDC).

RAPIDS is also the application system that issues the CAC. This means RAPIDS is not only the infrastructure which provides ID cards, collects family member information, but with the advent of the CAC, RAPIDS is also the Local Registration Authority (LRA) for issuance of the digital credentials necessary to implement a Public Key Infrastructure (PKI) for the Department. Leveraging the Department's existing DEERS/RAPIDS infrastructure to accomplish

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I. Description of Operations Financed (Continued):

the CAC has resulted in considerable Departmental savings and allowed the early fielding of this critical piece of the DoD Information Assurance solution.

As described above, in FY 2003, the DEERS and RAPIDS systems hardware and software will be updated and refreshed in order to continue to meet DoD information assurance requirements. RAPIDS requires both a software rewrite and hardware replacement as part of a continuous lifecycle technology management and enhancement program focused on continued system functionality and security.

Common Access Card (CAC)

The Deputy Secretary directed the CAC to be the new Uniformed Services Identification Card. The CAC has all the properties of the old ID card and is also a smartcard encoded with digital authentication credentials. DHRA's DMDC fielded the first test systems less than one year ago and entered production with the system within 18 months after receiving the DEPSECDEF directive. The CAC program employs revolutionary technology that provides the key to protecting the DoD information technology infrastructure, conducts electronic commerce with the Department's business partners, supports web-based personnel and health administration, and implements the reengineered Defense Travel System. It is the Department's passport to the electronic world. The primary distinguishing feature of the CAC - what makes it "smart" - is the integrated circuit chip. The chip provides the capability to read, write, and perform various functions and operations on several thousands of bytes of information. The information that will be stored on this chip falls into a few categories - identification, demographics, benefits, physical security and card management. The chip will store certificates that enable cardholders to digitally sign documents such as email, encrypt information, and establish web sessions to access and update information via the Internet. The initial target population to receive the CAC is active and Reserve members, DoD civilian employees, and DoD contractors needing access to DoD systems, approximately 4 million individuals.

The CAC will be the principal card used for physical access to the Department's buildings and controlled access spaces. The card contains bar codes as well as a magnetic stripe to support

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I. Description of Operations Financed (Continued):

current access systems. Future access systems will be tied to a contact-less chip contained on the CAC.

CAC is funded for a number of functional requirements not included in the original scope due to the program's rapid expansion. These additional requirements include:

- Integrating CAC into the National Security Administration's (NSA) Public Key Infrastructure and Key Management Infrastructure Class 4 Security Profiling
- Providing post issuance update capability as required by the Services
- Providing full 24x7 support and fail over (back-up capacity) for the CAC program
- Providing hardware to run the card management system, card application load balancers, firewalls, and hubs
- Participating in GSA's Interoperability for Smart Card efforts to enable the Department to purchase Smart Cards at a competitive cost
- Obtaining software licenses for middleware, additional training, and testing to support Post Issuance applications to be loaded on the Smart Cards by the Services
- Certifying new smart cards and smart card readers with approved post-issuance applications
- Acquiring additional hardware to support the increase in transaction volume as well as additional software licenses

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Regionalization and Systems Modernization/Defense Civilian Personnel Data System (DCPDS)

The Department has been 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 by March 2002); and (3) improving and reengineering business processes. Together, these reforms greatly streamline personnel operations while reducing the number of required staff. These projects are being implemented systematically to achieve the highest level of efficiency while ensuring that there are no adverse mission consequences.

The development and operation of a single, modern civilian personnel information system under the direction of the DHRA's Civilian Personnel Management Service (CPMS) ensures a coherent, standardized, and cost effective system for the entire Department. The DHRA budget contains the resources for the maintenance, sustainment, and operation of the modern DCPDS. Component funding supports additional hardware and software purchases necessary to operate the modern DCPDS. The modern DCPDS uses a commercial off-the-shelf product (Oracle HR) customized for the Federal and Defense environments. The system uses a client server environment that provides flexibility to respond to changes in the Department's civilian personnel operational requirements. Under a firm fixed-price contract with Lockheed Martin Systems Integration (LMSI), CPMS manages the operation, sustainment and maintenance of the modern DCPDS. By March 2002, the modern DCPDS will provide personnel support services for the DoD civilian workforce worldwide, replacing the legacy DCPDS.

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I. Description of Operations Financed (Continued):

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.

Office of 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 placed increased emphasis on Alternative Dispute Resolution in resolving EEC 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 among institutions through on-site exchanges, the Metrics of Excellence Task Force and annual DoD-wide conferences. 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 (Continued):

Medical Readiness

In the last few years the Department has successfully implemented two new medical readiness programs, Immunization Tracking System (ITS), and the new TRICARE Dental Program. DHRA's Defense Manpower Data Center (DMDC) supports a number of medical readiness applications; these two programs were developed and implemented using the DEERS infrastructure, on time and within budget. ITS was created by augmenting DEERS data to track, worldwide, recipients of the anthrax vaccine. Once again DEERS serves as a central system for the Military Health Services, required because service members can get shots at any military base but a single Service has no place to record the fact that they gave a shot to a member of another Service. 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).

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 have been merged into a single program with an expanded benefits population to include the family members of Selected Reservists. The single AIS for both programs 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 — a process that will be enabled by the CAC. Funding provides for systems maintenance and enhancements.

National Enrollment System (NES)/Universal Beneficiary Card (UBC)

In July 2001, DHRA's DMDC implemented a National Enrollment System for TRICARE. This new capability allows a single enrollment process and a single national database throughout the TRICARE system. It replaces a number of legacy systems that existed in each of the 12 TRICARE regions. These decentralized systems were a major source of beneficiary dissatisfaction with TRICARE as they did not allow for benefit portability as members moved from region to region

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or for seamless integration of fees, deductibles or catastrophic caps for families split across regions. The NES is expected to:

- Reduce Departmental cost of portability by establishing a single system tracking all TRICARE enrollments
- Eliminate Composite Health Care System Managed Care Support Contractor dual data entry in each region
- Eliminate the enrollment reconciliation among Composite Health Care, DEERS and the Managed Care Support Contractor Systems
- Reduce the Managed Care Support Contractor disenrollment functions
- Increase the Government's responsibility for TRICARE enrollment card production through the production of a single TRICARE enrollment card through DEERS, the Universal Beneficiary Card (UBC)
- Reduce deferred claims due to more accurate and timely enrollments

The NES capability implemented in July addresses most problems and further development in FY 2002 will accomplish full portability. Coordinated with the implementation of NES was the issuance of the Universal Beneficiary Card (UBC). This card is a single TRICARE card customized for the region and the plan in which a beneficiary enrolls. The UBC replaces multiple card systems run by the Managed Care Support contractors in each of the TRICARE regions.

Office of the Actuary

Responsibilities of the DoD Office of the Actuary (OAct) have grown dramatically over the last ten years as a result of the Chief Financial Officers and Federal Financial Management Acts. In addition, the new Medicare-Eligible Retiree Health Care Fund was created in the FY 2001 National Defense Authorization Act, along with a new Medicare-Eligible Retiree Health Care Board of Actuaries. OAct is tasked with assisting in the fund's implementation and providing support to the Board. In particular, OAct will be responsible for computing DoD's and Treasury's fund contributions for inclusion in annual budgets and for estimating the fund's

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liability to be reported in DoD and government-wide annual financial statements. Contractor support is needed for this new requirement. Because of the significant additional burden of this new requirement, a new senior-level health actuary position has been added to the OAct staff. This new trust fund brings the number of trust funds that OAct is responsible for to four. OAct is now responsible for calculating liabilities of the DoD Military Retirement Fund (MRF), the Education Benefits Fund, the Voluntary Separation Incentive Fund, and the new Retiree Health Care Fund. The MRF financial statements, 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. OAct calculates DoD's and Treasury's required annual contributions into each of the Funds using methods and assumptions approved by the Retirement, Education Benefits, and Health Care Boards of Actuaries. These amounts are needed for annual budgets. Congress has continued to expand 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 producing cost estimates for legislative proposals involving military benefits and for adapting calculations to legislated changes. The number of benefit changes enacted and requiring cost estimates is expected to continue to grow.

OAct receives contractor support in the following two areas: (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 2002, at which point OAct will require training and continued technical support. (2) OAct has contractor support in estimating DoD's retiree health care liability, supporting the new Health Care Board of Actuaries, and calculating needed budget numbers for the new trust fund. In 1998 President Clinton and Secretary Cohen committed DoD to achieving a clean audit opinion on DoD's financial statements; the Retiree health care liability is a material portion of the total reported liabilities. OAct is assisting in this regard.

USD(P&R) Strategic Assessment Program (SAP)

The Strategic Assessment Program (SAP) is administered by DHRA's Defense Manpower Data Center (DMDC). Historically, Joint-Service surveys have been conducted on behalf of the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) and, under DoDI

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1100.13, has been the 'clearinghouse' for Joint-Service surveys. Policy oversight for this program is provided by USD(P&R). In FY 2002, SAP was initiated for the purposes of: 1) establishing and operating an Internet personnel survey system for use in setting baselines and measuring progress on components of USD(P&R)'s *2002 Strategic Human Resources Plan (SHRP)*, and 2) conducting in-depth studies (i.e., paper-and-pencil surveys) in support of congressional requirements (e.g., FY 1997 NDAA) and on populations who are less likely to be willing to participate in Internet studies (e.g., spouses of Service members). The primary mission of SAP is to provide the Department with the capability to quickly and accurately assess the attitudes and opinions of the entire DoD community--Active, Reserve, civilians, and family members--on the full range of personnel issues.

At the direction of the USD(P&R), the transformation of DMDC's survey operation into SAP began in FY 2002 with the initiation of feasibility studies, establishment of contractor support, and an initial test project. The implementation of SAP in FY 2003 will include: 1) administration and analysis of Internet surveys of Active Duty and Reserve Component members; 2) planning and administration of two in-depth surveys on sexual harassment and equal opportunity; 3) analysis and reporting on topics of the surveys (e.g., leadership, sexual harassment, retention, and Reserve Component personnel and benefit issues); and 4) continuation of efforts to improve the strategic assessment methods and procedures.

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 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 10th QRMC, will begin in FY 2003 and will publish a report of its findings in FY 2005.

Civilian Assistance and Re-Employment (CARE) Program

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For over a decade, the Department of Defense has been downsizing, reorganizing, realigning, and closing bases. Even with this organizational and employee upheaval, the Department has been extremely successful in effectively reducing the number of civilian positions in a humane and efficient manner and without mission disruption. This has largely been the result of strategic planning, close program oversight, and the implementation and use of innovative legislative and transition assistance tools. To date, DoD has accounted for the majority of the downsizing of the Federal workforce. Between October 1989 and September 2001, DoD has reduced its civilian employment by over 423,000 positions. By September 2006, an additional 35,000 positions could be eliminated. In addition, if all administration reduction initiatives (including another round of base realignment and closures) are implemented, another several thousand positions could be eliminated.

The Civilian Personnel Management Service (CPMS) Civilian Assistance and Re-Employment (CARE) Division manages the operation of all Department's civilian reduction and career transition assistance programs including the DoD Priority Placement Program (PPP), the Voluntary Separation Incentive Program (VSIP or Buyout), the Special Workforce Restructuring Buyout, and the Voluntary Early Retirement Authorities (VERA). These Congressional, policy and programmatic efforts support the achievement of necessary reductions with minimum workforce turbulence. Development of legislative language to implement new transition assistance programs or extend current downsizing and workforce restructuring initiatives is on-going and instrumental to the CARE mission. These highly effective, and emulated programs include the:

- Priority Placement Program (PPP), which continues to place over 200 displaced employees each month.
- Voluntary separation incentive (or buyout) program through which DoD has avoided almost 160,000 involuntary separations (reduction-in-force actions) since 1993.
- Voluntary early retirement program through which employees retire with reduced age and service to help mitigate reductions in force; almost 65,000 employees have retired under this program since 1993.
- Special Workforce Restructuring Buyout Authority through which the Department offers separation incentives to employees who voluntarily separate and whose position vacancies are reengineered. This authority as well as the more traditional downsizing buyout and

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- early retirement programs will also be used to support the Administration's initiative to flatten the hierarchy as well as the Defense Efficient Facilities Initiative.

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 2001, the Defense Department was billed \$615 million for injury compensation claims. In FY 1993, the Department established a centralized, consolidated case review and claims verification process for all DoD unemployment claims. DoD civilian employees, who are separated through no fault of their own, are entitled to unemployment compensation (UC) benefits. Audits on 275,158 UC claims produced a cost avoidance of \$7.8 million for FY 1994 - FY 2001. DoD leads the Federal Government in cost savings. The DoD Injury and Unemployment Tracking System was developed to aid DoD liaisons and installation Injury and Unemployment Compensation managers. The system was upgraded in 2001 to enable customers to gain access over the Internet. It is being used by 415 activities.

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

LABOR

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

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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 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. 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: Dollars in Thousands):

A. Subactivities:	FY 2001	FY 2002		Current Estimate	FY 2003 Estimate
		Budget Request	Appropriated		
DIMHRS	19,825	13,068	13,005	13,068	13,953
JR&IO	2,780	3,344	3,344	3,506	3,695
DEERS	25,715	31,763	31,263	31,263	36,804
RAPIDS	13,656	18,613	18,315	18,315	28,278
Access Card	20,833	17,806	17,520	17,520	16,345
RegMod/DCPDS	24,620	23,475	24,300	21,600	43,472
DITRS	1,862	-	-	-	-
Complaint Investigation	1,391	1,425	933	933	932
Chancellor	403	413	413	281	290
Medical Readiness	3,024	4,504	4,432	4,432	4,684
NES/UBC	-	5,700	5,608	4,508	5,377
Actuary	518	715	705	705	721
SAP	-	-	-	-	5,064
QRMC	299	-	-	-	744
CARE	234	235	258	258	257
ICUC	187	186	186	187	517
PERSEREC	1,741	2,697	2,697	2,415	2,500
Labor	57,812	57,192	57,192	58,409	70,562
Operations	15219	17,021	15,969	17,640	21,847
Total	190,119	198,157	196,140	195,040	256,042

Labor for BA 3 is carried in BA 4 in the FY 2001 actual column.

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III. Financial Summary (O&M: Dollars in thousands) (Continued):

B. <u>Reconciliation Summary:</u>	Change	Change
	<u>FY 2002/</u>	<u>FY 2002/</u>
	<u>FY 2002</u>	<u>FY 2003</u>
1. Baseline Funding	198,157	195,040
a. Congressional Adjustments (Distributed)	-	-
b. Congressional Adjustments (Undistributed)	-	-
c. Congressional Adjustments (General Provisions)	(1,793)	-
d. Congressional Earmark Billpayers	(224)	-
2. Appropriated Amount	196,140	-
e. Adjustments to Meet Congressional Intent	-	-
f. Across-the-board Reduction (Rescission)	-	-
g. Approved Reprogrammings/Transfers	-	-
3. Price Change	33	8,314
4. Program Changes	(1,133)	52,688
5. Current Estimate	195,040	256,042

C. Reconciliation of Increases and Decreases:

	(Dollars in Thousands)	
	<u>Amount</u>	<u>Totals</u>
1. FY 2002 President's Budget Request		198,157
2. Congressional Adjustments (Distributed)	-	-

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III. Financial Summary (O&M: Dollars in thousands) (Continued):

C. Reconciliation of Increases and Decreases:

	(Dollars in Thousands)	
	<u>Amount</u>	<u>Totals</u>
3. Congressional Adjustments (Undistributed)	-	-
4. Congressional Adjustments (General Provisions) Section 8123-Reduction for Business Process Reform		(1,793)
5. Congressional Earmarks		
a. Section 8047 - Indian Lands Mitigation		
b. Section 8154 - Commission on Future Aerospace Industry		
c. Section 8155 - Memorial 9/11/01 Somerset, PA		
Total Congressional Earmarks		(224)
6. FY 2002 Appropriation Enacted		196,140
7. FY 2002 Rescission		-
8. Transfers-In		-
9. Transfers-Out		-
10. Price Change		33

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III. Financial Summary (O&M: Dollars in thousands) (Continued):

C. Reconciliation of Increases and Decreases:

	(Dollars in Thousands)	
	<u>Amount</u>	<u>Totals</u>
11. Program Increases		-
12. Program Decreases		
a. TRICARE NES and Universal Briefing Card (UBC). Adjustment funding for support to TRICARE National Enrollment System through the UBC program.	(1,100)	
b. Adjustment updated for inflation indices.	(33)	
Total Program Decreases		(1,133)
13. FY 2002 Current Estimate		195,040
14. Price Change		8,314
15. Transfers-In		-
16. Transfers-Out		-
17. Program Increases		
a. DCPDS. Funding supports required system modifications and security (PKI, PKE, VPN) and a fact of life adjustment. FY 2002 base:	23,870	

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III. Financial Summary (O&M: Dollars in thousands) (Continued):

C. Reconciliation of Increases and Decreases:

	(Dollars in Thousands)	
	<u>Amount</u>	<u>Totals</u>
\$24,300)		
b. Human Resources Training. Funding provides for advisory services training to meet civilian human resources customer's requirements. Training is provided at no cost to the customer. (FY 2002 base: \$0)	4,300	
c. Telecommuting. Funding supports increase in telecommuting opportunities mandated by the Congress (Section 359 of P.L. 106-346. (FY 2002 base: \$300)	200	
d. QRMC. Funding supports the Quarterly Review of Military Compensation contractual requirements. (FY 2002 base: \$0)	744	
e. DEERS/RAPIDS/CAC. Funding supports implementation of the CAC and the refreshment of the DEERS/RAPIDS hardware and software supporting the CAC. (FY 2002 base: \$67,098)	14,329	
f. Strategic Assessment Program (Surveys). Funding supports in-depth studies in support of Congressional requirements, and to provide the Department with the capability to quickly and accurately assess the attitudes and opinions of the entire DoD community on the	5,064	

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III. Financial Summary (O&M: Dollars in thousands) (Continued):

C. Reconciliation of Increases and Decreases:

		(Dollars in Thousands)	
		<u>Amount</u>	<u>Totals</u>
	full range of personnel issues. (FY 2002 base: \$0)		
g.	Medical Readiness. Funding is provided for software modifications. (FY 2002 base: \$4,432)	252	
h.	Universal Beneficiary Card/National Enrollment System. Funding supports an increase in the number of cards issued. (FY 2002 base: \$4,508)	869	
i.	Funding supports Congressional increases to locality pay to regions in California and increased basic pay rates for IT personnel. (FY 2002 base: \$0)	1,700	
j.	Funding supports increased costs for existing support agreements, physical security upgrades, and improvements to internal controls and program oversight. (FY 2002 base: \$17,841)	1,360	
	Total Program Increases		52,695
17.	Program Decreases		-

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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 and validated revised Key Performance Parameters (KPP) in August 2001. Program performance criteria, which are evaluated during operational testing and subsequent performance reviews, are summarized in eight KPP. 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 at the source data collection point (12 hours for specified information).
2. Whenever DIMHRS (Pers/Pay) external interfaces are inoperable, DIMHRS (Pers/Pay) shall store transactions in a queue for later transmission. DIMHRS (Pers/Pay) shall prioritize stored transactions with the highest priority assigned to Joint Personnel Asset Visibility (JPAV) - related transactions. Whenever DIMHRS (Pers/Pay) external interfaces are restored, DIMHRS (Pers/Pay) shall transmit queued transactions according to highest priority first. Whenever transactions queued for transmission have equal priority, the transaction having the earliest (oldest) time stamp shall be transmitted soonest (first in first out). The system will notify the operator when transactions are being stored and when transactions automatically begin transmitting.
3. DIMHRS (Pers/Pay) will support data accuracy (logical consistency of the data), which is measured by the validity of all information accepted based on defined business rules, using standard codes and consistent with data already present.
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.

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IV. Performance Criteria and Evaluation:

5. All personnel and pay data on personnel still in service (regardless of component or status) or for 24 months after separation or death will be retrievable online based on a single query. All personnel data will be maintained on retirees for 24 months after the retiree's death and will be retrievable online based on a single query.
6. DIMHRS (Pers/Pay) shall use standard pers/pay data elements generated from the set of common personnel processes and business rules across all Service/Components (except those with precisely defined Agency/Service specific pers/pay data elements) as DIMHRS (Pers/Pay) is fully implemented within each Service to ensure data interoperability. Data interoperability is an integral part of the Global Combat Support System Family of Systems.
7. DIMHRS (Pers/Pay) shall allow qualified and authorized personnel to provide members with personnel and pay service support across Service and Component affiliations at Full Operating Capability. There will be at least two levels of support; one for members of a command, and another for general support.
8. Information Exchange Requirements (IER) identified in the ORD will be satisfied to the standards specified in the Threshold (T) and Objective (O) values.

Entitlement Eligibility and Personnel Identification (DEERS/RAPIDS)

The Defense Enrollment Eligibility Reporting System (DEERS) the Real-time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC) are three interrelated programs within the Department of Defense. DEERS is the DoD personnel data repository, CAC uses the DEERS database for authentication and personnel information, and RAPIDS is the system through which the DEERS database is updated and CAC's are issued. 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 such as health and GI Bill benefits and will enable moving towards web-based personnel and health administration.

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IV. Performance Criteria and Evaluation:

Performance in these functional areas can be measured by the number of records accurately maintained and the world-wide access times to those records, the number of ID card and eligibility transactions posted against the DEERS database, and the number of phone calls, research cases and letters handled at the DSO. For FY 2001, an average of 23 million records were maintained and more than 1.5 million transactions were processed daily in DEERS (over 300 million transactions in the year). In FY 2002 claims and queries resulting from the new TRICARE for Life benefits program may conservatively increase daily DEERS transactions to 1.75 million. The DSO handled more than 600,000 calls during FY 2001, researched over 50,000 cases and mailed over 325,000 letters in response to beneficiary correspondence. These numbers are also expected to grow as a result of the TRICARE for Life program.

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 which prevents or reverses suspension of DVA benefits for Service members whose eligibility has been erroneously reported; and produces analytical tools for program monitoring. In FY 2001 approximately 40% of the 450,000 Reserve Component members eligible for MGIB benefits participated in the program. Approximately 110,000 of the 975,000 active duty service members currently enrolled in the MGIB program actively used this benefit in FY 2001.

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IV. Performance Criteria and Evaluation:

The Smart Card/Common Access Card (CAC)

The CAC is the military and civilian ID card, the predominant platform for physical and logical access, and the predominant platform for the PKI authentication token. Performance measures include: complete initial card issuance to approximately 4.0 million people; Executive Secretary support to the Smart Card Senior Coordinating Group (SCSCG) and its associated working groups through monthly meetings; complete required procurement of initial issuance; and accomplish configuration management actions for card and DoD-wide applications.

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. 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.

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 decreases in personnel and facilities costs, and the elimination of duplicate legacy system maintenance. The personnel savings are already reflected in the Military Department and Defense agency budgets.

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IV. Performance Criteria and Evaluation:

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 is managed by CPMS through a firm fixed-price contract with Lockheed Martin Systems Integration (LMSI). 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 measure, for both the regionalization and modernization efforts, is improvement in the ratio of civilian HR staff to supported population across DoD.

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 Complaint Investigations (OCI)

Process improvements in OCI operations have resulted in increased efficiency over the last three years. In FY 1999, FY 2000, and FY 2001, OCI closed, on average, more than 4,000 Equal Employment Opportunity (EEO) complaint cases per year. Processing time has also improved by 21 percent. These achievements are largely the result of OCI's continuing

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IV. Performance Criteria and Evaluation:

emphasis on Alternative Dispute Resolution (ADR) in resolving EEO cases. During FY 2001, OCI offered resolution on 100 percent of the available cases, and the number of cases closed through resolution increased 3 percent. Every time OCI is successful in resolving an EEO complaint through ADR, DoD avoids costs estimated between \$40 thousand and \$80 thousand in case processing costs and potential additional litigation costs between \$161 thousand and \$310 thousand. Resolution of more than 1,200 complaints during FY 2001 avoided potential case processing costs of up to \$99 million, as well as potential litigation expenses projected at well over \$200 million.

In FY 2003, OCI's goal is to attempt resolution of 100 percent of available EEO cases. The OCI objective is to resolve over 50 percent of EEO cases; reduce processing time by 10 percent; and avoid DoD potential processing costs of over \$200 million by practicing ADR; as well as to exceed customer expectations through process improvements, reduced processing time, and EEO complaints inventory reductions.

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 2002: (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; (3) cataloging programs providing education and professional development to DoD civilians; (4) development of an approach to apply quality standards to the identified programs; (5) development of models and guidelines for better assessment of the value of educational institutions for use in the EFI processes; and (6) sponsor and conduct the Fourth Annual DoD Conference on Civilian Education.

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IV. Performance Criteria and Evaluation:

The initial measure of progress was the number or percentage of DoD civilian education institutions that are accredited by a recognized accrediting body or are actively engaged in the process of candidacy for accreditation. In FY 2002, three additional schools received accreditation, while the remaining schools are making satisfactory progress towards achieving accreditation. Other FY 2002 milestones are expected to be met except for (5); that effort was broadened to include an analysis of issues and trade-offs in the evaluation of DoD civilian education and professional development infrastructure.

Milestones for 2003 will include: (1) Review and refinement of standards and metrics for DoD civilian education institutions; (2) implementation of the academic cost reporting system now in prototype form; (3) development of quality assurance processes for DoD education and professional development programs for civilians; and (4) sponsor and conduct the Fifth Annual DoD Conference on Education and Professional Development.

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 and Voluntary Separation Incentive Fund.
- Provide similar support to DoD Education Benefits Board of Actuaries for calculations related to DoD Education Benefits Fund.
- Assist policymakers in evaluating proposed benefit changes by providing cost estimates.

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IV. Performance Criteria and Evaluation:

Strategic Assessment Program (SAP)

The SAP conducts both quick turnaround surveys using state-of-the-art Internet capabilities and in-depth studies using traditional methods (e.g., paper-and-pencil surveys). During FY 2003, SAP will develop surveys to address the information needs of OUSD(P&R), administer these surveys, and produce results in a user-friendly format. Performance in this area can be measured in several ways.

First, all surveys constructed will use scientifically accepted practices in item development to ensure both reliable and valid results. OUSD(P&R) and subordinate policy offices will be involved in the identification of survey content and will ensure items address topics of value to the Department.

Second, samples of participants for each survey will be drawn using a technically recognized stratified random sampling approach that will ensure representativeness and will be sufficient to ensure acceptable margins of error in reported results for all pre-established interest groups.

Finally, reports of results will be timely, user friendly, and will adhere to established standards for reporting data of this type. In addition to standardized reports, SAP will establish and maintain the capability to conduct quick turnaround analyses of collected data in a technically defensible fashion for use in policy decision making and program evaluation and support. All reports and deliverables will be widely distributed within the P&R community and to others in DoD responsible for manpower and personnel issues.

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IV. Performance Criteria and Evaluation:

Civilian Assistance and Re-Employment (CARE) Program

The DoD Priority Placement Program (PPP) has and continues to be the Department's cornerstone placement program. The PPP focus is to enhance operations using web-based technology. Program managers are developing and transitioning the program to fully migrate the PPP into the Modern Defense Civilian Personnel Data System. These initiatives combined with other systems innovations, e.g. development of meta-tags that easily identify on-line policy and procedural guidance for PPP counselors, and on-going project to incrementally adapt the formal 3½-day PPP Training Course to on-line E-Training, have significantly reduced and will continue to reduce required staff time because of continued streamlining.

Since 1965, PPP has placed approximately 167,000 displaced employees in positions at other DoD installations who might otherwise have been involuntarily separated. Without the PPP and its mandatory placement provision, DoD would have had significant employee involuntary separations. As of the end of FY 2001, the program has about 1,800 displaced registrants (total PPP registrants exceed 7,700). We expect the number of displaced registrants to increase significantly based on continued downsizing, projected future base closures, commercial outsourcing, and sustained workforce restructuring. The PPP has enabled DoD to maintain an involuntary separation rate of less than ten percent of total reductions. This combined with an unprecedented 47 percent placement rate, makes the PPP a model for other Federal agencies.

Since 1994, the CARE staff have conducted briefings on the PPP and the CARE programs for 90,276 employees, 7,562 managers, and 801 union representatives.

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IV. Performance Criteria and Evaluation:

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 offices to review injury cases, conduct home visits to injured employees, train, advise, and assist in reemployment efforts. Since October 1993, home visits were conducted in 48 areas with 2,101 claimants visited. Actual savings over the same period totaled \$47.7 million with potential lifetime savings of \$1.631 billion. Since 1994, the Government-wide injury compensation bill increased by 17.4 percent. In contrast, the DoD injury compensation bill only increased 1.5 percent providing DoD a cost avoidance of \$96 million. (The DoD injury compensation bill increased by 2.2 percent in 2001. Rising medical costs contributed to 70 percent of the increase in the injury compensation bill.) Similar cost avoidance is expected for FY 2002 and FY 2003.

Personnel Security Research Center

<i>Workload</i>	<i>FY 2001</i>	<i>FY 2002</i>	<i>FY 2003</i>
	<i>Actual</i>	<i>Estimate</i>	<i>Estimate</i>
Research Projects	24	27	27

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V. <u>Personnel Summary:</u>	FY 2001	FY 2002	FY 2003	Change FY 2002/ <u>FY 2003</u>
<u>Active Mil End Strength (Total)</u>	7	9	9	0
Officer	7	9	9	0
Enlisted	0	0	0	0
<u>Civilian End Strength (Total)</u>	682	653	710	57
U.S. Direct Hire	682	653	710	57
<u>Active Mil FTEs (Total)</u>	7	9	9	0
Officer	7	9	9	0
Enlisted	0	0	0	0
<u>Civilian FTEs (Total)</u>	672	647	704	57
U.S. Direct Hire	672	647	704	57

BA 3 FTEs and endstrength are included in BA 4 in FY 2001.

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

	Change FY 2001/2002				Change FY 2002/2003			
	FY 2001 <u>Actual</u>	Price <u>Growth</u>	Prog <u>Growth</u>	FY 2002 <u>Est</u>	Price <u>Growth</u>	Prog <u>Growth</u>	FY 2003 <u>Est</u>	
101 Executive, General & Special Schedule	57,812	2,529	(1,932)	58,409	6,289	5,864	70,562	
106 Benefits to Former Employees	0	0	0	0	0	0	0	
107 VSIP	66	0	(66)	0	0	0	0	
111 Disability Compensation	116	0	(116)	0	0	0	0	
199 Total Civilian Personnel Compensation	57,994	2,529	(2,114)	58,409	6,289	5,864	70,562	
308 Travel Of Persons	964	15	1,247	2,226	34	903	3,163	
399 Total Travel	964	15	1,247	2,226	34	903	3,163	
416 GSA Managed Supplies & Materials	1,161	18	(624)	555	8	3	566	
499 Total Fund Supplies & Materials	1,161	18	(624)	555	8	3	566	
506 DLA Equipment	5	0	1	6	0	0	6	
507 GSA Equipment	175	3	22	200	3	0	203	
599 Total Revolving Fund Equipment Purchases	180	3	23	206	3	0	209	
671 Communication Srvcs DISA	105	14	0	119	16	(10)	125	
673 DFAS	804	(38)	58	824	(37)	70	857	
699 Total Other Fund Purchases	909	(24)	58	943	(21)	60	982	

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

	<u>Change FY 2001/2002</u>			<u>Change FY 2002/2003</u>			<u>FY 2003</u>
	<u>FY 2001</u>	<u>Price</u>	<u>Prog</u>	<u>FY 2002</u>	<u>Price</u>	<u>Prog</u>	
	<u>Est</u>	<u>Growth</u>	<u>Growth</u>	<u>Est</u>	<u>Growth</u>	<u>Growth</u>	
771 Commercial							
Transportation	72	0	(23)	49	1	0	50
799 Total Transportation	72	0	(23)	49	1	0	50
912 Rental payments to GSA (SLUC)	3,221	65	(254)	3,032	60	35	3,127
914 Purchased Communications	1,366	22	(323)	1,065	16	(9)	1,072
917 Postal Srvc (U.S.P.S.)	188	0	73	261	0	1	262
921 Printing & Reproduction	312	5	195	512	8	1	521
922 Equipment Maintenance by Contract	698	11	(398)	311	5	1	317
923 Facility Maintenance by Contract	19	0	(3)	16	0	0	16
933 Studies, Anal, & Eval	314	5	(319)	0	0	0	0
989 Other Contracts	122,701	1,935	2,799	127,435	1,911	45,829	175,175
998 Other Costs	20	0	0	20	0	0	20
999 Total Other Purchases	128,839	2,043	1,770	132,652	2,000	45,858	180,510
9999 Total	190,119	4,584	337	195,040	8,314	52,688	256,042