

Fiscal Year (FY) 2003 Budget Estimates

Office of Economic Adjustment (OEA)



February 2002

OFFICE OF ECONOMIC ADJUSTMENT
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2003 Budget Estimates
Budget Activity 4: Administration and Service-Wide Activities

I. Description of Operations Financed:

The Office of Economic Adjustment provides technical and financial assistance to communities: (a) that are affected by base closures, realignments, and reductions in defense industry employment; (b) where the local economy is heavily dependent on defense expenditures; (c) where expansion of the local military installation significantly increases the demand for public facilities and services; or (d) when community development and encroachment threatens the mission of an installation. In FY 2003, 105 communities will continue to receive technical and/or grant assistance from OEA.

The Office of Economic Adjustment (OEA)'s FY 2003 funding will be used to continue assistance to BRAC communities and those affected by other changes in DoD programs. Most communities will have completed their initial base reuse plans but will require OEA funding to undertake follow-on, specialized plans and for additional organizational support to facilitate the re-use of the base. Assistance to defense industry communities will also continue. It is also expected that more than thirty military installations will request assistance in preventing further community development from encroaching on the operational effectiveness of the base. Grant assistance will be provided to a small number of communities for advanced planning and state adjustment assistance.

OEA project managers will continue active support and oversight of base closure communities that have completed base reuse planning and are implementing their reuse plans. In addition, OEA will continue developing strategies and implementation of early property transfer opportunities; use of environmental insurance in cases where it facilitates faster, more cost-effective property transfer; and new efficient facilities initiatives, and a new 2005 base closure process.

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OEA will also continue international program support and travel to further DoD's international objectives including support to the Under Secretary of Defense (Policy), EUCOM/Joint Staff, and NATO for international defense restructuring and reforms, primarily in Eastern Europe and the Newly Independent States; threat reduction; NATO interoperability; and enhance relationships with Partner Nations.

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

		FY 2002				
A. <u>Activity Group:</u>	FY 2001 <u>Actuals</u>	Budget <u>Request</u>	<u>Appropriated</u>	Current <u>Estimate</u>	FY 2003 <u>Estimate</u>	
Office of Economic Adjustment	43,208	16,972	46,634	43,634	14,740	
B. <u>Reconciliation Summary:</u>						
				Change	Change	
				<u>FY 2002/FY 2002</u>	<u>FY 2002/2003</u>	
1. Baseline Funding				16,972	43,634	
a. Congressional Adj. (Dist.)				21,300	-0-	
b. Congressional Adj. (Undist.)				-19	-0-	
c. Congressional Adj. (Gen. Prov.)				8,399	-0-	

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II. Financial Summary (O&M: \$ in Thousands): (con't)

B. <u>Reconciliation Summary: (con't)</u>		
d. Congressional Earmarks	-18	-0-
2. Appropriated Amount (Subtotal)	-0-	-0-
a. Adjustment to Meet Cong. Intent	-0-	-0-
b. Across-the-board Reduction	-0-	-0-
c. Approved Reprogrammings/Transfers	-0-	-0-
3. Price Change	-0-	803
4. Program Change	-3,000	-29,697
5. Current Estimate	43,634	14,740
C. <u>Reconciliation of Increases & Decreases:</u>		
1. FY 2002 Amended President's Budget Request		16,972
2. Congressional Adjustments (Distributed)		
Philadelphia Naval Business Center	2,500	
City Of St Louis SLAAP/ATCOM	1,000	
Norton AFB	2,500	
Cecil Field	2,000	
Battery 204, Odiorne Point	100	
Adak Airfields Operations	1,000	
Naval Security Group Activity, Winter Harbor	4,000	

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Fitzsimmons Army Hospital	3,800	
Barrow Landfill Relocation	3,400	
Broadneck Peninsula NIKE Site	1,000	
Total Congressional Adjustments (Distributed)		21,300

II. Financial Summary (O&M: \$ in Thousands): (con't)

C. Reconciliation of Increases & Decreases: (con't)

3. Congressional Adjustments (Undistributed)		
a. DJAS	-19	
Total Congressional Adjustments (Undistributed)		-19
4. Congressional Adjustments (General Provisions)		
a. Grant to San Bernadino, California as identified in		
Section 8142 of the FY 2002 DoD Appropriations Act.	8,500	
b. Reduction in travel costs	-11	
c. Reduction for Business Process Reform	-90	
Total Congressional Adjustments (General Provisions)		8,399
5. Congressional Earmarks		
a. Indian Lands Mitigation	-18	
Total Congressional Earmarks		-18
6. FY 2001 Appropriated Amount		46,634
7. Program Decrease		

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	Rebaselining of OEA grant portfolio	-3,000
8.	Revised FY 2002 Current Estimate	43,634
9.	Price Growth	803
10.	Program Increases	
	Increased joint land use studies	552

II. Financial Summary (O&M: \$ in Thousands): (con't)

C. Reconciliation of Increases & Decreases: (con't)

11.	Program Decreases - Loss of the Following Congressional Increases:	
	Philadelphia Naval Business Center	-2,538
	City Of St Louis SLAAP/ATCOM	-1,015
	Norton AFB	-2,538
	Cecil Field	-2,030
	Battery 204, Odiorne Point	-102
	Adak Airfields Operations	-1,015
	Naval Security Group Activity	-4,060
	Fitzsimmons Army Hospital	-3,857
	Barrow Landfill Relocation	-3,451
	Broadneck Peninsula NIKE Site	-1,015
	Section 8142 - Grant to San Bernadino	-8,628
12.	Total Program Decreases	-30,249
13.	FY 2003 Budget Request	14,740

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III. Performance Criteria and Evaluation Summary:

Demand for OEA grant funds will remain fairly stable in FY 2003. The distribution of OEA grant funds is as follows:

	<u>FY 2001 Actuals</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
Base Closure Grants/Realignments	55	45	40
Defense Industry Impacts	5	2	2
Joint Land Use Studies	19	20	30
State Grants	3	4	4
Advance Planning	4	2	2

IV. Personnel Summary

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Change FY 2002/2003</u>
<u>Active Military End Strength (E/S) (Total)</u>				
Officer	3	3	3	0

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Enlisted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	3	3	3	0
<u>Civilian End Strength (Total)</u>				
US Direct Hire	29	31	31	0

IV. Personnel Summary: (con' t)

<u>Military Average Strength (CA/s) (Total)</u>				
Officer	3	3	3	0
Enlisted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
<u>Civilian FTES (Total)</u>				
US Direct Hire	29	31	31	0

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V. OP 32 Line Items:

	FY 2001 <u>Actual</u>	Change		FY 2002 <u>Estimate</u>	Change		FY 2003 <u>Estimate</u>
		<u>FY 2001/FY 2002</u> Price Growth	Program Growth		<u>FY 2002/FY 2003</u> Price Growth	Program Growth	
101 Exec, Gen & Spec Schedules	2,949	134	-12	3,071	192	0	3,263
308 Travel of Persons	144	2	19	165	2	0	167
673 Payments to DFAS	261	4	-55	850	4	0	214
912 SLUC (GSA Leases)	250	5	-5	269	5	0	255
914 Purchased Comm.	112	2	-14	100	2	0	102
915 Rents	50	1	0	51	1	0	52
920 Supplies & Materials	104	2	-44	62	1	2	65

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921 Printing & Reproduction	38	1	0	39	1	0	40
922 Equipment Maintenance	0	0	0	0	0	0	0
925 Equipment (Non-fund)	43	1	21	65	1	-1	65
933 Contract Studies and Analysis	0	0	75	75	1	0	76
988 Grants	38,328	613	-592	38,349	575	-29,701	9,223
989 Other Contracts	<u>929</u>	<u>15</u>	<u>253</u>	<u>1,197</u>	<u>18</u>	<u>3</u>	<u>1,218</u>
9999 Total	43,208	780	-354	43,634	803	-29,697	14,740