

BASE OPERATIONS SUPPORT

| | (\$ in Millions) | | | | | | | | | |
|-----------------------------|-------------------|-----------------|-------------------|---------------------|-----------------|-------------------|---------------------|-----------------|-------------------|---------------------|
| | FY 2002 Actual | Price Growth | Program Growth | FY 2003 Estimate | Price Growth | Program Growth | FY 2004 Estimate | Price Growth | Program Growth | FY 2005 Estimate |
| Army | 5,178.2 | +34.1 | +94.6 | 5,306.9 | -47.4 | -275.2 | 4,984.4 | +207.6 | +203.3 | 5,395.2 |
| Navy | 3,138.0 | +75.0 | +182.0 | 3,395.0 | +78.0 | -237.0 | 3,236.0 | +59.0 | -321.0 | 2,974.0 |
| Marine Corps | 948.5 | - | +393.4 | 1,341.9 | +15.0 | -273.9 | 1,083.0 | +21.7 | +41.8 | 1,146.4 |
| Air Force | 5,528.2 | +61.0 | -366.9 | 5,222.3 | +132.5 | -32.1 | 5,322.7 | +158.2 | -92.9 | 5,388.0 |
| Army Reserve | 392.5 | +7.3 | -1.9 | 397.9 | +6.5 | -80.8 | 323.6 | +5.6 | +37.7 | 366.9 |
| Navy Reserve | 155.5 | +2.8 | -17.2 | 141.1 | +3.6 | -13.6 | 131.1 | +3.1 | -1.0 | 133.2 |
| Marine Corps Reserve | 30.4 | +0.7 | +5.0 | 36.1 | +0.4 | +3.8 | 40.3 | +0.6 | -1.2 | 39.7 |
| Air Force Reserve | 313.7 | +6.0 | -30.7 | 289.0 | +7.0 | -23.4 | 272.6 | +5.8 | -17.5 | 260.9 |
| Army National Guard | 586.5 | +6.5 | +27.1 | 620.2 | +9.4 | -181.4 | 448.2 | +7.2 | +103.5 | 558.8 |
| Air National Guard | 437.5 | +5.7 | -6.0 | 437.2 | +7.6 | -34.2 | 410.6 | +7.9 | -1.0 | 417.5 |
| Defense Health | | | | | | | | | | |
| Program | <u>575.6</u> | <u>+0.2</u> | <u>+59.0</u> | <u>634.8</u> | <u>+10.1</u> | <u>+5.2</u> | <u>650.1</u> | <u>+13.7</u> | <u>-1.7</u> | <u>662.0</u> |
| Total | 17,284.6 | +199.3 | +338.4 | 17,822.4 | +222.7 | -1,142.6 | 16,902.6 | +490.2 | -50.0 | 17,342.6 |

Base Operations Support (BOS) provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments. These resources sustain mission capability, ensure quality-of-life, and enhance work force productivity and fund personnel and infrastructure support. Personnel support includes food and housing services for unaccompanied and deployed forces; religious services and programs; payroll support; personnel management; and morale, welfare, and recreation services to military members and their families. Infrastructure support includes utility systems operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and transportation motor pool operations. The FY 2004 budget request of \$16,902.6 million includes a net price increase of \$222.7 million and a net program decrease of \$1,142.6 million (-6.4 percent) below the FY 2003 funding level. Specific changes are addressed in the following sections for each Active Component and Defense Health Program.

BASE OPERATIONS SUPPORT

Active Forces Program Data

| | FY 2002 | | FY 2003 | | FY 2004 | | FY 2005 |
|--|----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | Actual | Change | Estimate | Change | Estimate | Change | Estimate |
| <u>Number of Active Installations</u> | | | | | | | |
| CONUS | 228 | - | 228 | - | 228 | - | 228 |
| Overseas | 126 | - | 126 | - | 126 | - | 126 |
| <u>Active Forces Personnel</u> | | | | | | | |
| Military (End-Strength) | 87,455 | -13,770 | 73,685 | -2,960 | 70,725 | -1,568 | 69,157 |
| Civilian (Full-Time Equivalents) | 97,821 | -3,567 | 94,254 | -5,455 | 88,799 | -619 | 88,180 |

Installations: There are no changes in the overall number of active forces installations within the continental United States or overseas from FY 2002 to FY 2005.

Personnel: The civilian personnel assigned to base support activities continue to decline from FY 2003 to FY 2004 primarily due to anticipated reduction in forces as a result of outsourcing and privatization efforts, Quadrennial Defense Review (QDR) decisions, installation reform reductions, and transition to the Navy Marine Corps Intranet. The military end strength decreases in FY 2004 primarily due to shifts in personnel out of Base Operations Support positions to support more critical positions.

ARMY

| | FY 2002 | | FY 2003 | | FY 2004 | | FY 2005 |
|---|----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | Actual | Change | Estimate | Change | Estimate | Change | Estimate |
| <u>Active</u> | | | | | | | |
| Funding | 5,178.2 | +128.7 | 5,306.9 | -322.6 | 4,984.4 | +410.9 | 5,395.2 |
| <u>Installations</u> | | | | | | | |
| CONUS | 55 | -- | 55 | -- | 55 | -- | 55 |
| Overseas | 85 | -- | 85 | -- | 85 | -- | 85 |
| <u>Personnel</u> | | | | | | | |
| Military (End-Strength) | 6,015 | +1,742 | 7,757 | -2,108 | 5,649 | -526 | 5,123 |
| Civilian (Full-Time Equivalents) | 35,304 | -1,505 | 33,799 | -3,375 | 30,424 | -315 | 30,109 |

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The FY 2004 Base Operations Support budget request for active Army decreases by \$322.6 million below the FY 2003 funding level. This net decrease includes a foreign currency rate increase of \$52.5 million, a \$99.9 million decrease for inflation, a net functional transfer out of \$185.0 million, and a net real program reduction of \$90.3 million. The FY 2004 budget request provides increased funding of \$278.0 million that supports Anti-Terrorism/Force Protection requirements to protect personnel and installations around the world (\$117.0 million); Army Family Team Building (AFTB) (\$3.4 million); Historical Properties Improvement Program (\$1.5 million); security matters (\$5.7 million); Transformation Installation Management Region (\$63.6 million) leases for Homeland Security and other GSA/NCR lease increases (\$16.0 million); Pentagon Renovation Facility (\$65.0 million) and Business Initiative Investment Fund (\$2.0 million); and one additional compensable work day (\$3.8 million). These increases are offset by programmatic decreases totaling \$-368.3 million dollars. A \$-192.3 million programmatic reduction is the result of anticipated cross leveled Base Support resources to meet emerging requirements within Base Support and Operations and Maintenance, Army. A correction of \$176.0 million resulted from a clerical error made when applying the FY 2003 rebaselining adjustments.

NAVY

| | FY 2002 | | FY 2003 | | FY 2004 | | FY 2005 |
|---|----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | Actual | Change | Estimate | Change | Estimate | Change | Estimate |
| <u>Active</u> | | | | | | | |
| Funding | 3,138.0 | +257.0 | 3,395.0 | -159.0 | 3,236.0 | -262.0 | 2,974.0 |
| Installations | | | | | | | |
| CONUS | 80 | -- | 80 | -- | 80 | -- | 80 |
| Overseas | 25 | -- | 25 | -- | 25 | -- | 25 |
| Personnel | | | | | | | |
| Military (End-Strength) | 23,316 | +1,238 | 24,554 | -73 | 24,481 | -162 | 24,319 |
| Civilian (Full-Time Equivalents) | 19,184 | -1,222 | 17,962 | -555 | 17,407 | -228 | 17,179 |

The FY 2004 Base Operations Support budget request for active Navy reflects a net decrease of \$159.0 million below the FY 2003 funding level. This net decrease reflects a price growth of \$78.0 million and a net real program decrease of \$-237.0 million. The FY 2004 programmatic changes include increases to fund base support to minimum service levels (\$103.0 million), for galley and BOS contracts at Recruit Training Center (\$26.0 million), and an increase in Pentagon rent payments (\$39.0 million); offset by efficiencies anticipated due to Installation Claimant Consolidation (ICC) (\$-210.0 million), and Congressional increases not extended to FY 2004 (\$-195.0 million).

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MARINE CORPS

| | FY 2002 | | FY 2003 | | FY 2004 | | FY 2005 |
|---|----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | Actual | Change | Estimate | Change | Estimate | Change | Estimate |
| <u>Active</u> | | | | | | | |
| Funding | 948.5 | +393.4 | 1,341.9 | -258.9 | 1,083.0 | +63.5 | 1,146.4 |
| Installations | | | | | | | |
| CONUS | 19 | -- | 19 | -- | 19 | -- | 19 |
| Overseas | 3 | -- | 3 | -- | 3 | -- | 3 |
| Personnel | | | | | | | |
| Military (End-Strength) | 11,658 | -115 | 11,543 | -355 | 11,188 | -247 | 10,941 |
| Civilian (Full-Time Equivalents) | 8,016 | +235 | 8,251 | -344 | 7,907 | -24 | 7,883 |

The FY 2004 Base Operations Support budget request for active Marine Corps reflects a net decrease of \$-258.9 million below the FY 2003 funding level. This net decrease reflects a price growth of \$15 million and a net real program decrease of \$-273.9 million. The FY 2004 programmatic changes include an increase to fund Navy Marine Corps Intranet (NMCI) seat costs (\$70.9 million); increase for Blount Island AT/FP requirements (\$2.5 million) to purchase vice leasing; increase for Marine Corps Community Services (MCCS) programs in support of the Marine Corps commitment to achieve appropriated funding goals for Categories A and B MCCS programs (\$5.8 million); increase to collateral equipment associated with Military Construction, Facility Sustainment, Restoration and Modernization (FSRM), and the Japanese Facility Improvement Program (JFIP) projects (\$10.3 million); increase for one additional compensable work day (\$1.4 million) and projected increase for FECA Surcharge (\$1.3 million). These program increases are offset by changes for environmental projects related to compliance, conservation, and pollution prevention (\$-0.4 million); reduction in utilities based on the cost assumptions related to the expected price of electricity and natural gas (\$-7.5 million); decrease from one-time DERF funding in FY 2003 (\$-246.6 million); Smartworks program reduction (\$-0.9 million); Personnel Support Equipment program reduction (\$-3.6 million); reduction due to the elimination of duplicative information systems (\$-2.0 million); Installation Reform Savings to be achieved by initiatives such as competition, regionalization, process re-engineering, and elimination of functions (\$-11.6 million); a reduction in NMCI discontinued support costs for the current Marine Corps Enterprise Network as the Marine Corps begins to transition to NMCI (\$-92.8 million); as well as various other minor savings (\$-0.7 million).

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AIR FORCE

| | FY 2002 | | FY 2003 | | FY 2004 | | FY 2005 |
|---|----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | Actual | Change | Estimate | Change | Estimate | Change | Estimate |
| <u>Active</u> | | | | | | | |
| Funding | 5,528.2 | -305.9 | 5,222.3 | +100.4 | 5,322.7 | +65.3 | 5,388.0 |
| Installations | | | | | | | |
| CONUS | 66 | -- | 66 | -- | 66 | -- | 66 |
| Overseas | 12 | -- | 12 | -- | 12 | -- | 12 |
| Personnel | | | | | | | |
| Military (End-Strength) | 43,708 | -16,629 | 27,079 | -415 | 26,664 | -633 | 26,031 |
| Civilian (Full-Time Equivalents) | 33,116 | -948 | 32,168 | -1,133 | 31,035 | -52 | 30,983 |

The FY 2004 Base Operations Support budget request for active Air Force reflects a net increase of \$100.4 million from the FY 2003 funding level. This net increase includes a price growth of \$132.5 million; a net increase of \$25.9 million in functional transfers, which is primarily due to the transfer to Real Property Services to fund Southwest Asia power production and the Oman access agreement; and a net program decrease of \$-58.0 million. The net program growth includes increases to support the Air Force fair-share payment to Pentagon Force Protection Agency (PFPA) for expanded force protection, security, and law enforcement for the Pentagon Reservation and DoD occupied facilities in the National Capital Region (\$69.9 million); for environmental initiatives such as the Environment and Pollution Programs (\$17.6 million) and Environmental Compliance (\$10.6 million); and Environmental Conservation assessments associated with Unmanned Combat Aerial Vehicles, Joint Strike Fighter, F/A-22 and Airborne Laser, and F-16 beddown actions (\$9.8 million). Other increases are seen in Real Property Services for critical base maintenance contracts AF-wide and Los Angeles AFB System Acquisition and Management Support project (\$35.4 million); in Base Communications for maintaining the information infrastructure (\$3.7 million); and in Family Support and Child Development for 12 additional family child care homes and 809 children receiving care (\$1.3 million). These increases are offset by program decreases which are driven by estimated savings associated with ongoing reengineering efforts (\$-126.9 million); decreases in supplies and equipment (\$-39.6 million); reduction to realign funds from Base Operations Support to the Other Servicewide Activities Subactivity Group for Defense Accounting and Finance Service (DFAS) to sustain projected DFAS payment at the historical level (\$-32.1 million); and a correction to the Air Force's fair-share of the Transportation Working Capital Fund (TWCF) as a result of high posted earnings in FY 2002 during Operation Enduring Freedom (\$-7.7 million).

BASE OPERATIONS SUPPORT

DEFENSE HEALTH PROGRAM

| | FY 2002 | | FY 2003 | | FY 2004 | | FY 2005 |
|--|----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | Actual | Change | Estimate | Change | Estimate | Change | Estimate |
| <u>Active</u> | | | | | | | |
| Funding | 575.6 | +59.2 | 634.8 | +15.3 | 650.1 | +12.0 | 662.0 |
| Installations | | | | | | | |
| CONUS | 8 | -- | 8 | -- | 8 | -- | 8 |
| Overseas | 1 | -- | 1 | -- | 1 | -- | 1 |
| Personnel | | | | | | | |
| Military (End-Strength) | 2,758 | -6 | 2,752 | -9 | 2,743 | -- | 2,743 |
| Civilian (Full-Time Equivalent) | 2,201 | -127 | 2,074 | -48 | 2,026 | -- | 2,026 |

The FY 2004 Base Operations Support budget request reflects a net increase of \$15.3 million above the FY 2003 funding level. This net increase includes a price growth of \$10.1 million and a net program increase of \$5.2 million. The net program increase is primarily attributed to an increase of estimated utility, installation safety management analysis/engineering and communication cost increases, and additional visual information requirements for development of medical training material.