

# Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates

Office of Economic Adjustment (OEA)



February 2003

OFFICE OF ECONOMIC ADJUSTMENT  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimate  
 Budget Activity 4: Administration and Service-Wide Activities

APPROPRIATION HIGHLIGHTS

**Summary:**

The Office of Economic Adjustment (OEA) begins to ramp up for the next round of BRAC by hiring 5 additional people in both FY's 2004 and 2005. It is projected that this level of end strength will be required through FY 2012. OEA Project managers continue active support and oversight of base closure communities that have completed base reuse planning and are moving into implementation, even if OEA grant assistance has ended.

(Dollars in millions)

	FY 2002	Price	Program	FY 2003	Price	Program	FY 2004	Price	Program	FY 2005
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>

**Appropriation Summary:**

Budget Activity 4

O&M, Defense-wide

Office of Economic Adjustment	36.570	0.458	12.461	49.489	0.800	-36.184	14.105	0.283	30.417	44.805
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**Narrative Explanation of Changes:**

FY 2003 to FY 2004

The personnel program is enhanced to support 5 additional analysts for the BRAC, otherwise the program reduces significantly with the absence of the one-time congressional adds.

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OFFICE OF ECONOMIC ADJUSTMENT  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates Submission  
 Budget Activity 4: Administration and Service-Wide Activities  
 Summary of Increases and Decreases  
 (Dollars in Thousands)

<b>Appropriation: Operation and Maintenance, Defense-Wide</b>		
<b>1</b>	<b>FY 2003 President's Budget Request</b>	<b>14,740</b>
2.	Congressional Adjustments (Distributed)	
	a. CUHSC, Fitzsimmons Army Hospital	6,000
	b. Relocate Barrow Landfill	4,000
	c. Port of Anchorage Intermodel Marine Facility Program	5,000
	d. George AFB	2,125
	e. Norton AFB	2,550
	f. Bayonne Military Ocean Terminal	2,500
	g. Philadelphia Naval Business Center	3,500
	h. Cecil Field	2,500
	i. Charles Melvin Price Support Center	1,000
	j. East Bay Conversion & Reinvestment Commission Pilot	1,000
	k. CCAT	2,000
	l. Hunters Point NSY	1,400
	m. Security lighting for Platt Bridge	600
	n. Reimburse Quecreek Mine Rescue	2,000
	o. CSRS	
	Total Congressional Adjustments (Distributed)	-92
		36,083
3.	Congressional Adjustments (Undistributed)	
	a. FECA Surcharge Reduction	-4
	b. Prorate Unobligated Balance	-86
	Total Congressional Adjustments (Undistributed)	
		-90
4.	Congressional Adjustments (General Provisions)	
	a. Section 8100, Prorate Management Efficiency	-683
	b. Section 8103, Government Purchase Card	-7
	c. Section 8109, Prorate Reduce Cost Growth of Inf Tech	-67
	d. Section 8133, Reduce Growth of Travel Costs	-32

**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates Submission**  
**Budget Activity 4: Administration and Service-Wide Activities**  
**Summary of Increases and Decreases**  
**(Dollars in Thousands)**

e. Section 8135, Revised Economic Assumptions	-285	
Total Congressional Adjustments (General Provisions)		-1,074
5. Congressional Earmarks		
a. Section 8044 Prorate Indian Lands Environmental Impact	-48	
Total Congressional Earmarks		-48
<b>6. FY 2003 Appropriated Amount</b>		<b>49,611</b>
7. FY 2003 Rescission		0
8. Functional Transfers - In		0
9. Other Transfers - In		0
10. Functional Transfers - Out		0
11. Other Transfers - Out		0
12. Price Growth		0
13. Program Increases		0
14. Program Decreases		
a. Comptroller Management Reserve	-122	
Total program decreases		-122
<b>15. Revised FY 2003 Estimate</b>		<b>49,489</b>
16. Price Growth		800
17. Transfers In		0
18. Transfers Out		0
19. Program Increases		
a. Increase in personnel program for upcoming BRAC.	583	
Total program increases		583
20. Program Decreases - Loss of the Following Congressional Increases:		
a. CUHSC, Fitzsimmons Army Hospital	-6,110	
b. Relocate Barrow Landfill	-4,070	
c. Port of Anchorage Intermodel Marine Facility Program	-5,085	
d. George AFB	-2,157	

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**Budget Activity 4: Administration and Service-Wide Activities**  
**Summary of Increases and Decreases**  
(Dollars in Thousands)

e. Norton AFB	-2,588	
f. Bayonne Military Ocean Terminal	-2,540	
g. Philadelphia Naval Business Center	-3,554	
h. Cecil Field	-2,540	
i. Charles Melvin Price Support Center	-1,015	
j. East Bay Conversion & Reinvestment Commission Pilot	-1,015	
k. CCAT	-2,032	
l. Hunters Point NSY	-1,420	
m. Security lighting for Platt Bridge	-609	
n. Reimburse Quecreek Mine Rescue	-2,032	
Total Program Decreases		-36,767
<b>21. FY 2004 Budget Request</b>		<b>14,105</b>
22. Price Growth		283
23. Program Increases		30,417
<b>24. FY 2005 Budget Request</b>		<b>44,805</b>

**Office of Economic Adjustment**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Manpower Changes in Full-Time Equivalent End Strength**  
**FY 2002 through FY 2005**

	<u>US Direct Hire</u>	<u>Foreign National</u>		<u>Total</u>
		<u>US Direct Hire</u>	<u>Indirect Hire</u>	
1. FY 2002 End Strength	27			27
Changes	0			0
2. FY 2003 End Strength	31			31
Changes	4			4
3. FY 2004 End Strength	36			36
Changes	5			5
4. FY 2005 End Strength	36			36
Changes	0			0
4. Summary: O&M, Defense-Wide				
FY 2002				
O&M Total	27			27
Direct Funded	27			27
Reimbursable Funded	0			0
FY 2003				
O&M Total	31			31
Direct Funded	31			31
Reimbursable Funded	0			0
FY 2004				
O&M Total	36			36
Direct Funded	36			36
Reimbursable Funded	0			0
FY 2005				
O&M Total	36			36
Direct Funded	36			36
Reimbursable Funded	0			0

**OFFICE OF ECONOMIC ADJUSTMENT**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Budget Activity 4: Administration and Service-Wide Activities**

**I. Description of Operations Financed:**

The Office of Economic Adjustment (OEA) 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 2004, 105 communities will continue to receive technical and/or grant assistance from OEA.

The Office of Economic Adjustment FY 2004 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. In addition, OEA will work with military installations and their surrounding communities to prevent further community development from encroaching on base operational effectiveness. Grant assistance will also be made available to a small number of communities for advanced planning and state adjustment assistance.

**I. Description of Operations Financed: (con't)**

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 a new 2005 base closure process.

OEA may support the Under Secretary of Defense (Policy), EUCOM/Joint Staff, and NATO for international defense restructuring and reforms; threat reduction; and enhanced relationships with Partner Nations.

**OFFICE OF ECONOMIC ADJUSTMENT**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Budget Activity 4: Administration and Service-Wide Activities**

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

A. <u>Activity Group:</u>	FY 2002	FY 2003		Current	FY 2004	FY 2005
	<u>Actuals</u>	<u>Budget Request</u>	<u>Appropriated</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Office of Economic Adjustment	36,570	14,740	49,611	49,489	14,105	44,805
 B. <u>Reconciliation Summary:</u>						
			Change	Change		Change
			<u>FY2003/2003</u>	<u>FY 2003/FY 2004</u>		<u>FY 2004/2005</u>
<b>Baseline Funding</b>			<b>14,740</b>	<b>49,489</b>		<b>14,105</b>
Congressional Adj. (Dist.)			36,083	-0-		-0-
Congressional Adj. (Undist.)			-90	-0-		-0-
Congressional Adj. (Gen. Prov.)			-1,074	-0-		-0-
Congressional Earmarks			-48	-0-		-0-
<b>Appropriated Amount (Subtotal)</b>			<b>-122</b>	<b>-0-</b>		<b>-0-</b>
Comptroller Management Reserve			-122	-0-		-0-
Price Change			-0-	800		283
Program Change			-0-	-36,184		30,417
<b>Current Estimate</b>			<b>49,489</b>	<b>14,105</b>		<b>44,805</b>
 C. <u>Reconciliation of Increases &amp; Decreases:</u>						
1. FY 2003 President's Budget Request						14,740
2. Congressional Adjustments (Distributed)						
CUHSC, Fitzsimmons Army Hospital				6,000		
Relocate Barrow Landfill				4,000		
Port of Anchorage				5,000		
George AFB				2,125		
Norton AFB				2,550		
Bayonne Military Ocean Terminal				2,500		



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 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates  
 Budget Activity 4: Administration and Service-Wide Activities

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

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

Philadelphia Naval Business Center	3,500	
Cecil Field	2,500	
Charles Melvin Price Support Center	1,000	
East Bay Conversion & Reinvestment	1,000	
CCAT	2,000	
Hunters Point NSY	1,400	
Security Lighting for Platt Bridge	600	
Reimburse Queecreek Mine Rescue	2,000	
CSRS	-92	
Total Congressional Adjustments (Distributed)		36,083
3. Congressional Adjustments (Undistributed)		
a. FECA Surcharge Reduction	-4	
b. Prorate Unobligated Balance	-86	
Total Congressional Adjustments (Undistributed)		-90
4. Congressional Adjustments (General Provisions)		
a. Section 8100, Prorate Management Efficiency	-683	
b. Section 8103, Government Purchase Card	-7	
c. Section 8109, Reduce Cost Growth of Info Tech	-67	
d. Section 8133, Reduce Growth of Travel Costs	-32	
e. Section 8135, Revised Economic Assumptions	-285	
Total Congressional Adjustments (General Provisions)		-1,074

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

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

5. Congressional Earmarks		
a. Section 8044, Indian Lands Environmental Impact	-48	
Total Congressional Earmarks		-48
<b>6. FY 2003 Appropriated Amount</b>		<b>49,611</b>
7. Program Decreases		
Comptroller Management Reserve	-122	
8. Total Program Decreases		-122
<b>8. Revised FY 2003 Current Estimate</b>		<b>49,489</b>
9. Price Growth		800
10. Program Increases		
Increase in personnel program for upcoming BRAC.	583	
11. Total Program Increases		583
12. Program Decreases - One-time FY 2003 Congressional Increases:		
CUHSC, Fitzsimmons Army Hospital	-6,110	
Relocate Barrow Landfill	-4,070	
Port of Anchorage	-5,085	
George AFB	-2,157	
Norton AFB	-2,588	
Bayonne Military Ocean Terminal	-2,540	

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

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

Philadelphia Naval Business Center	-3,554	
Cecil Field	-2,540	
Charles Melvin Price Support Center	-1,015	
East Bay Conversion and Reinvestment	-1,015	
CCAT	-2,032	
Hunters Point NSY	-1,420	
Security Lighting for Platt Bridge	-609	
Reimburse Quecreek Mine Rescue	-2,032	
13. Total Program Decreases		-36,767
<b>14. FY 2004 Budget Request</b>		<b>14,105</b>
15. Price Growth		283
16. Program Increases		30,417
<b>17. FY 2005 Budget Request</b>		<b>44,805</b>

III. Performance Criteria and Evaluation Summary:

Demand for OEA grant funds will remain fairly stable in FY's 2004 and 2005. The distribution of OEA grant funds is as follows:

**OFFICE OF ECONOMIC ADJUSTMENT**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Budget Activity 4: Administration and Service-Wide Activities**

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

	<u>FY 2002</u> <u>Actuals</u>	<u>FY 2003</u> <u>Estimate</u>	<u>FY 2004</u> <u>Estimate</u>	<u>FY 2005</u> <u>Estimate</u>
Base Closure Grants/Realignments	45	40	35	65
Defense Industry Impacts	2	2	2	2
Joint Land Use Studies	20	25	25	25
State Grants	4	4	2	2
Advance Planning	2	2	10	12

**IV. Personnel Summary**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/2004</u>
<u>Active Military End Strength (E/S) (Total)</u>					
Officer	3	3	3	3	0
Enlisted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	3	3	3	3	0
<u>Civilian End Strength (Total)</u>					
US Direct Hire	27	31	36	36	5

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**IV. Personnel Summary: (con't)**

<u>Military Average Strength (CA/s) (Total)</u>						
Officer	3	3	3	3	0	
Enlisted	0	0	0	0	0	
Total	$\frac{3}{3}$	$\frac{3}{3}$	$\frac{3}{3}$	$\frac{3}{3}$	$\frac{0}{0}$	
 <u>Civilian FTES (Total)</u>						
US Direct Hire	26	31	36	36	5	

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**V. OP 32 Line Items:**

	FY2002 Actual	Price Growth	Change FY 2001/FY 2002		Price Growth	Program Growth	Change FY 2002/FY 2003		Price Growth	Program Growth	FY2005 Estimate
			Program Growth	FY2003 Estimate			FY2004 Estimate	FY2005 Estimate			
101 Exec, Gen & Spec Schedules	2,618	89	457	3,164	73	583	3,820	113	128		4,061
107 VSIP	25			25			25				25
308 Travel	108	1	112	221	3	51	275	4	12		291
673 DFAS	156	-7	103	252	36	-7	281	12	16		309
912 SLUC	269	6	4	279	5	6	290	4	8		302
914 Comm.	80	1	36	117	2	5	124	2	31		157
915 Rents	66	1	0	67	1	0	68	1	0		69
920 Supplies & Materials	160	2	-107	55	1	-6	50	1	12		63
921 Printing & Reproduction	26	0	-2	24	0	3	27	0	3		30
922 Equipment Maintenance	27	0	-9	18	0	2	20	0	0		20
925 Equipment (Non-fund)	73	1	-9	65	1	6	72	1	2		75
933 Studies & Analysis	0	0	65	65	1	-11	55	1	14		70
988 Grants	30,911	340	12,974	44,225	662	-36,887	8,001	128	30,174		38,303
989 Other Contracts	2,051	23	-1,163	911	14	71	996	16	17		1,029
9999 Total	36,570	458	12,461	49,489	800	-36,184	14,105	283	30,417		44,805