

DEFENSE HUMAN RESOURCES ACTIVITY (DHRA) FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET ESTIMATES



FEBRUARY 2003

CONGRESSIONAL DATA

**DoD HUMAN RESOURCES ACTIVITY (DHRA)
FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES**

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DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
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Budget Activity 4: Administration and Servicewide Activities

I. Description of Operations Financed:

The Department of Defense Human Resources Activity (DHRA) is a DoD Field Activity that provides critical operational systems and management information to support the Under Secretary of Defense (Personnel and Readiness) (USD(P&R)), the Military Departments, major DoD programs, highly technical and automated initiatives, individual Service members, and their families. The Field Activity prides itself on delivering timely, quality support to the Department and its personnel including the execution, modification and maintenance of Departmental and Congressionally mandated programs. DHRA coordinates the work of several organizations that directly administer personnel policies, maintain comprehensive databases, provide a variety of education and research programs, and support benefit, readiness, force protection, and financial management efforts. These programs use automation and cutting-edge technology to enable the Department's policymakers, warfighters, and civilian managers to do their jobs more efficiently and effectively.

The foundation of DHRA operations is providing the highest quality in customer service to clients inside and outside the Department. Programs and missions are results driven and the Field Activity leadership is committed to promoting innovation and sharing lessons learned with other Federal Agencies and the private sector. Leveraging existing systems and infrastructure, as well as decades of operational experience, allow DHRA to implement new initiatives inexpensively and in a timely manner. The Field Activity has a proven track record of success supporting the effectiveness, efficiency, and productivity of human resource operations throughout DoD.

Defense Integrated Military Human Resources System (DIMHRS)

The DIMHRS Personnel/Pay initiative supports functions with the objective of a totally integrated pay and personnel system supporting the operational requirements of all the DoD Components. The Department has funded DIMHRS personnel/pay through the Future Years Defense Program (FYDP) years. 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. DHRA's Joint Requirements and Integration Office (JR&IO) retains Information Management (IM) and Business Process Reengineering (BPR) responsibilities and funding. JR&IO provides functional direction for DIMHRS.

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There are three initiatives associated with the expanded DIMHRS program: a fully integrated military personnel/pay management system that will serve Service members and their families, military commanders, and the Services into the 21st century; a Manpower system; and a Training and Education system. In compliance with the Clinger-Cohen Act and the Government Performance and Results Act, the DIMHRS Personnel/Pay project is identifying "useful segments" that can demonstrate both rapid acquisition techniques and measurable functional benefits. OASD C3I certified that DIMHRS met the Clinger-Cohen Act requirements under section 8121 of the FY 2000 Defense Appropriations Act for Milestone I approval.

Joint Requirements & Integration Office (JR&IO) Information Management (IM)

DHRA's JR&IO supports the Information Management responsibilities of the Office of the Under Secretary of Defense for Personnel and Readiness (OUSDP&R)). The office is responsible for information management, strategic plans, mission area analyses, and portfolio management. Responsibilities include initiating, coordinating, and executing project/program areas such as, Interagency BPR, IM Analysis, Information Assurance, Critical Infrastructure Protection, Information Technology, Functional Data Administration, and Data Standardization. JR&IO coordinates participation in budget and program reviews and supports working level and executive participation in the interagency personnel records area. JR&IO sponsors business processing reengineering projects and conducts prototype demonstrations of innovative work processes and enabling information technologies such as automated exchange of digitized personnel records.

Defense Eligibility Enrollment Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC)

The DEERS, RAPIDS and CAC programs are interrelated and inter-dependent. DEERS is the Department's personnel data repository (PDR). CAC uses the DEERS PDR database for authentication and personnel information. RAPIDS is the application through which DoD ID cards (including CAC) are issued and the DEERS database is updated. All three programs continue to develop DoD-wide systems and use existing infrastructure versus building new systems from scratch. These highly successful, operational, production systems are up and running today supporting critical missions throughout the Department.

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DEERS is the Department's only database containing personnel records of all Service members, retirees, family members, DoD civilians, and selected contractors - virtually everyone associated with the Department. Consequently, it provides the vehicle for rapid implementation of Department-wide initiatives, new programs, and directed mission changes.

DEERS is the Department's only modern, Joint-Service, worldwide, automated system that is fully operational. This system contains records on over 23 million people having benefits entitlements. It gathers updated information from over 100 systems throughout the Department. DEERS processes over 2.2 million transactions and updates each day. This system is continually updated and maintained to ensure full functionality and security of sensitive information, protected by the Privacy Act of 1974. The information in the database is used for benefits verification, identity authentication, and to issue identification cards to Service members, family members, retirees, and civilian employees of the Department.

DEERS identifies all users of DoD benefits. It provides a means to ensure that only eligible beneficiaries receive benefits and services. DEERS collects, maintains, and provides demographic data on eligible beneficiaries. It improves the management, planning, and allocation of DoD benefits and reduces fraud in and abuse of DoD pay and benefit programs. DEERS automates benefits and entitlements determination and protects member entitlements and benefits to include medical, dental, commissary privileges, exchange privileges, life insurance benefits and Montgomery GI Bill (MGIB) educational benefits).

DEERS is critical to the effective operation of the Military Health System (MHS). As the only central system in the complex network of automated systems that make up the MHS, DEERS is the sole conduit for critical beneficiary information throughout the MHS. DEERS facilitates and safeguards access to benefits, particularly medical benefits, for over 23 million individuals - military members, including retirees, and their families. This protection is exercised more than 2.2 million times a day by managed care support contractors, Uniformed Services medical and dental treatment facilities, pharmacies throughout the U.S., and DoD personnel offices.

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Another major feature of DEERS is the DEERS Support Office (DSO) which responds to questions, concerns and issues from DoD beneficiaries received either by phone, fax, mail, or e-mail. The DSO provides much needed assistance to Service members and their families 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 experiencing real problems in collecting both entitlements and benefits. Sponsors and family members contact the DSO to request DEERS record changes and to check on eligibility for TRICARE, Medicare, the TRICARE Senior Pharmacy Program, and the TRICARE For Life Program and to obtain assistance in resolving TRICARE claim denials. DSO also operates four additional telephone functions include: the DEERS Eligibility line for those users without access to the DEERS database; the DoD Re-verification line to allow beneficiaries to re-verify DEERS status as part of the TRICARE For Life legislation; the Recruiter line for recruiters to confirm reenlistment eligibility; and the Military Funeral Honors Program phone line, for funeral home directors to request military honors support.

In addition to its personnel and medical role, DEERS has consistently proven its value to the Department's overall mission and plays a critical role in the DoD's responsibilities for Homeland Defense. Mission critical functions of DEERS include: locator for DNA Registry, personnel locator, panograph retrieval (full mouth dental x-rays) of military members, DNA Sample registration, fingerprint registry and retrieval, language capabilities and qualifications locator and registry, real-time mobilization support for Guard/Reserve and their families, identification of Guard/Reserve participation in contingencies (mobilization unique benefits for members and their families). These functions proved to be invaluable in responding to the events of September 11, 2001, and are expected to provide essential support to critical aspects of Operation Enduring Freedom.

RAPIDS is the Department's enterprise solution for issuing Uniformed Services Identification and Privilege Cards to all Service members, active and Reserve component, civilian employees, retired members, eligible family members, and selected contractors. This system is fielded in over 1,000 locations around the world including not only fixed-sites, but also mobilized Guard/Reserve activities and aboard Navy ships. RAPIDS issues four to five million identification cards a year. In addition, RAPIDS provides the means to collect family member

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information so that eligible family members are appropriately categorized, entered into DEERS and issued ID cards that correctly reflect their entitlements and privileges. Unlike most DoD-wide programs, the RAPIDS infrastructure, both hardware and software, is centrally managed by DMDC. The infrastructure also includes comprehensive user support consisting of a multi-tiered help desk, telecommunication expertise, training, and equipment installation and maintenance.

RAPIDS is the application that issues the CAC. This means RAPIDS is not only the infrastructure which provides ID cards and collects family member information but is also, with the advent of the CAC, the Local Registration Authority (LRA) for issuance of the digital credentials necessary to implement a Public Key Infrastructure (PKI) for the Department. Leveraging the existing DEERS/RAPIDS infrastructure to implement the CAC has allowed the Department to quickly field this critical piece of the DoD Information Assurance solution and avoid duplicate infrastructure costs. DEERS and RAPIDS' hardware and software are continuously updated and refreshed in order to meet DoD information assurance requirements.

The Department further leveraged DEERS/RAPIDS by directing that the DEERS/RAPIDS infrastructure be augmented to issue the new DoD smart card - the Common Access Card (CAC). The existing DEERS database was chosen as the authenticating CAC Public Key Infrastructure database. As the authentication database, DEERS stores information related to the digital certificates held by the approximately four million people receiving the CAC. The CAC is a technologically advanced identification card, enabling the DoD to reform business processes and better serve and support our Service men and women. Because it contains the Public Key Infrastructure (PKI) digital certificates, it is the key to protect the DoD information technology infrastructure, conduct electronic commerce with our business partners, move to web-based personnel and health administration, and implement the reengineered Defense Travel System.

In addition, CACs are issued to all Coast Guard (DOT), Public Health Service (HHS) and National Oceanographic and Atmospheric Administration (DOC) members and to selected members of all other Federal departments assigned overseas.

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The CAC is the Department's passport to the electronic world. A multitude of user identities and passwords to access different systems are no longer required. The technology provides authentication of cardholders via digital credentials. Both the digital signature and the authentication allow the Department to move business and commerce away from cumbersome, paper-based systems resolving the major impediment to achieving e-business and paperless goals.

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 thousand bytes of information. The information stored on this chip is varied: identification, demographics, benefits, physical security, and card management. The chip will store certificates that enable cardholders to digitally sign documents such as e-mail, encrypt information, and establish secure web sessions to access and update their information via the Internet.

The CAC will be the principal card used for physical access to the Department's buildings and controlled access spaces. The CAC's physical access capability supports both the DoD Business Initiative Council Directive and the Federal Government initiative to forge a common, interoperable physical access solution for all federal government employees. The card contains bar codes as well as a magnetic stripe to support current access systems. Future access systems may be tied to a contact-less chip contained on the CAC.

Taken as a whole, the DEERS, RAPIDS, and CAC programs provide the Department with a strongly authenticated identity management solution. This solution is a pioneering effort within the Federal Government and is the largest secure identity solution in the world, either Government or private sector. These programs lead the way for secure electronic interchange between Government employees and their families, DOD and other Departments, Agencies and business partners.

Regionalization and Systems Modernization

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The combined results of the Department's restructuring of civilian personnel field operations into 22 regional service centers and approximately 300 customer support units (for face-to-face personnel services); improving and reengineering business processes; and completing the fielding of the Defense Civilian Personnel Data System (DCPDS) have greatly streamlined personnel operations and reduced the number of required staff. These initiatives have been implemented systematically to achieve the highest level of efficiency, ensuring that there are no adverse mission consequences, and improving civilian personnel operations worldwide.

The development and operation of a single, modern civilian personnel information system, under the direction of 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 DCPDS. Funding in the Military Departments' and Defense agencies' budgets supports additional hardware and software purchases necessary to operate DCPDS. 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. The implementation of a web-based version of the software will further enhance this environment. Additional enhancements planned for DCPDS include improving the security posture of the system by enabling the application for the DoD Public Key Infrastructure (PKI), integrating employee self-service functionality, and incorporating additional HR automated system solutions, including a corporate data warehousing capability. The operation, sustainment and maintenance of DCPDS is managed under a firm fixed-price contract.

Employer Support of the Guard and Reserve (ESGR)

ESGR was chartered by Presidential Proclamation in 1972 to develop and promote a positive supportive relationship between National Guard and Reserve Component (Army, Navy, Air Force, Marine, and Coast Guard) service members and their employers. The central mission is to gain and maintain active support from all public and private employers for the men and women of the National Guard and Reserve as defined by demonstrated employers commitment to employee military service. This program oversees and coordinates the efforts of a community-based national network of 55 committees consisting of over 4,200 volunteers. ESGR educates and

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encourages private and public sector employers of the Guard and Reserve Service members and advises the senior Service staffs, chiefs, and civilian leadership in the development of regulations, policies, and legislation. The program implements many programs and services to promote recruiting and retention of National Guard and Reserve Service members. It also provides resources for civilian pay, travel, advertising, surveys, educational seminars, training workshops, multiple employer outreach programs, management of information, and maintenance of information systems.

Human Resource Strategic Assessment Program (HRSAP)

The Human Resources Strategic Assessment Program (HRSAP) has the primary mission to provide the Department with the capability to quickly and accurately assess the attitudes and opinions of the entire DoD community--Active, Reserve, DoD civilians, and family members--on the full range of personnel issues. HRSAP's purpose is to establish and operate an Internet personnel survey system for use in setting baselines and measuring progress on components of USD(P&R)'s Strategic Human Resources Plan, and to conduct in-depth studies in support of Congressional requirements and on populations who are less likely to participate in Internet studies, such as spouses of Service members.

In FY 2002, feasibility studies, that included a test Web survey of active duty members, were conducted. In FY 2003, HRSAP will field five Web surveys of active duty Reserve and DoD civilian members. In FY 2004, HRSAP will include: administration and analysis of Internet surveys of active duty and Reserve component members and DoD civilian employees; planning and administration of an in-depth human relations survey; analysis and reporting on topics of the surveys, such as leadership, sexual harassment and discrimination, retention, and personnel and benefit issues; and improvements to survey assessment methods and procedures.

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 and Section 1111 of the National Defense Authorization Act for FY 2001 required increased emphasis on Alternative Dispute Resolution (ADR) at the

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informal and formal stage of complaint processing. In concert with that guidance, OCI offers ADR on 100% of available cases. The changes to 29 CFR, Part 1614 also fortified the requirement for timely complaint processing by giving EEOC sanction authority against agencies, making timely investigations critical.

The Office of the Chancellor for Education and Professional Development

The Chancellor for Education and Professional Development serves 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 promotes and assists in the accreditation of DoD programs through the use of appropriate accrediting agencies recognized by the U.S. Department of Education.

Medical Readiness

The TRICARE Dental Program is a single program with an expanded benefits population to include the family members of active duty and Ready Reservists and their family members. The enrollment process will be enhanced through implementation of a Web portal that will allow timely and accurate enrollment of beneficiaries by sponsors – a process that will be enabled by the CAC. The Immunization Tracking System captures data on anthrax and other vaccine recipients, worldwide. The Guard and Reserve Portal allow sponsors to view their eligibility and enrollment of benefits as well as those of their dependents, providing guidance to correct inaccurate information.

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

The Universal Beneficiary Card (UBC), coordinated with the implementation of NES, is the single TRICARE card customized for the regional and the medical plans. The National Enrollment System (NES) is a single enrollment process and a single national database for the TRICARE system. NES allows benefit portability as members move from region to region and seamless integration of fees, deductibles and catastrophic caps for families separated across 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

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Acts. In addition, the Medicare-Eligible Retiree Health Care Fund was created in the FY 2001 National Defense Authorization Act, along with a 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 is responsible for computing DoD's and Treasury's fund contributions for inclusion in annual budgets and for estimating the fund's liability to be reported in DoD and government-wide annual financial statements. This trust fund brings to four the number of trust funds that OAct is responsible for including 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 continues to modify military benefits for 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, skilled nursing and home health care limitations enacted in the FY 2002 National Defense Authorization Act). OAct is responsible for producing cost estimates for legislative proposals involving military benefits (such as concurrent receipt) and for adapting calculations to legislated changes. The number of benefit changes enacted requiring cost estimates is expected to continue to grow.

Quadrennial Review of Military Compensation (QRMC)

Every four years, the QRMC 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. The 10th QRMC begins in FY 2003 and will publish a report of its findings in FY 2005.

Civilian Assistance and Re-Employment (CARE) Program

For over a decade, the Department of Defense has been downsizing, reorganizing, realigning, and closing bases. This is expected to continue. Even with this continuing upheaval of organizations and personnel, the Department has been extremely successful in effectively

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reducing the number of civilian positions in a humane and efficient manner without mission disruption. This has largely been the result of careful strategic planning, allowing Commanders and Agency Heads the freedom to manage and restructure through the delegation of authority and flexibility, 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 the beginning of FY 1989 and the second quarter of FY 2002, DoD has reduced its civilian employment by over 423,000 positions. By September 2007, an additional 33,000 positions could be eliminated. It is also important to note that if all reduction initiatives (including another round of base realignment and closures) are implemented, another several thousand positions could be eliminated.

The Civilian Assistance and Re-Employment (CARE) program manages all Department of Defense civilian reduction and career transition assistance programs including: the DoD Priority Placement Program (PPP); the Voluntary Early Retirement Authority (VERA); the Voluntary Separation Incentive Program (VSIP or Buyout); and the Special Workforce Restructuring Buyout and Voluntary Early Retirement Authorities. 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 consistent with several performance indicators in the Department's Human Resources (HR) Strategic Plan. 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 (VSIP) through which DoD has avoided over 160,000 involuntary separations (reduction-in-force actions) since 1993; the Voluntary Early Retirement Authority (VERA) program through which employees retire with reduced age and service to help mitigate reductions in force (more than 69,000 employees have retired under this program since 1993); and Special Workforce Restructuring Buyout Authority through which the Department offers the separation incentives to employees who voluntarily separate and whose position vacancies are reengineered or reshaped. This authority allows for a structured, decentralized approach to overcoming the critical skill imbalances resulting from continued downsizing. These four programs support the President's Management Agenda in the Government-wide initiative the

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Strategic Management of Human Capital as well as the Department's 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 2002, the Defense Department was billed \$619.5 million for injury compensation claims. An Injury and Unemployment Compensation tracking system was developed to aid DoD liaisons and installation managers. The system was upgraded in 2002 to enable customers to gain access over the Internet and to file claim forms electronically to the Department of Labor (DOL). This electronic interchange with DOL expedites the processing of claims for injured workers and hastens medical authorizations, treatment and bill payment. The tracking system is presently used by over 400 activities.

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 385,967 unemployment compensation claims produced a cost avoidance of \$8.8 million from FY 1994 to FY 2002. DoD leads the Federal Government in cost savings associated with this type of compensation program.

The ICUC Division provides consolidated technical and administrative services to DoD Components and installations in the administration of their injury and unemployment compensation programs. To this end, ICUC renders injury compensation advisory services, assists claims management, establishes verification procedures, provides liaisons collocated with Department of Labor (DOL) district offices, automates links between DOL and DoD data, nurtures home visit initiatives, and reduces program-related costs. It also provides unemployment compensation training and technical assistance to Components and installations and serves as the primary contact between DoD, DOL, and the State Employment Security Agencies. It records and audits quarterly State unemployment compensation charges. As part of the audit function, the Division disputes unsupported charges and ensures that credits are

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received from the States. The Division provides a consolidated Department-wide injury and unemployment tracking system that eliminates duplication and enhances claims administration.

Defense Personnel Security Research Center (PERSEREC)

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 of selected security subjects. The Center's research program is divided into six programmatic areas: Automated Personnel Security Systems, Trust Betrayal, Vetting Systems, Continuing Evaluation, Special Projects, and Databases.

LABOR

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

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. DHRA programs support military and civilian personnel initiatives and improve the effectiveness, efficiency and productivity of operations throughout the Department and other Federal Agencies.

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II. Force Structure Summary: N/A

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

FY 2003

A. Subactivities:	FY 2002 Actual	Budget Request	Appropriated	Current Estimate	FY 2004 Estimate	FY 2005 Estimate
DIMHRS	13,068	13,953	13,456	13,456	14,344	14,747
JR&IO	3,506	3,695	3,695	3,695	3,417	3,947
DEERS	31,169	36,804	35,672	35,672	39,605	39,055
RAPIDS	18,773	28,278	27,440	27,440	38,917	27,003
Reg/Mod	22,167	43,472	21,205	21,205	37,105	33,822
Common Access Card (CAC)	17,983	16,345	15,850	15,850	19,313	17,618
HRSAP	0	5,064	4,923	4,923	4,681	4,696
Complaint Investigation	1,220	932	394	394	447	461
Chancellor for Education	281	290	290	289	289	289
Medical Readiness	4,421	4,684	4,543	4,543	3,512	3,637
Actuary	700	721	695	695	710	705
UBC	4,497	5,377	5,218	5,218	6360	5,883
QRMC	0	744	744	742	1,163	365
CARE	151	257	79	79	93	98
ICUC	176	517	186	186	214	222
PERSEREC	2,415	2,500	2,500	2,500	3,500	3,600
ESGR	0	0	0	9,161	8,258	8,555
Labor	58,643	70,562	65,782	68,508	71,292	73,023
Operations	10,471	21,847	22,462	19,823	23,582	26,770
Total	189,641	256,042	225,134	234,379	276,802	264,496

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

<u>B. Reconciliation Summary:</u>	<u>Change</u> <u>FY 2003-</u> <u>FY2003</u>	<u>Change</u> <u>FY 2003-</u> <u>FY 2004</u>	<u>Change</u> <u>FY 2004-</u> <u>FY 2005</u>
1. Baseline Funding	256,042	234,379	276,802
a. Congressional Adjustments (Distributed)	(23,979)		
b. Congressional Adjustments (Undistributed)	(598)		
c. Congressional Adjustments (General Provisions)	(6,038)		
d. Congressional Earmark Billpayers	(295)		
2. Appropriated Amount			
a. Across-the-Board Reduction (Recission)	225,132		
b. Approved Reprogrammings/Transfers	9,935		
3. Price Change		4,010	5,214
4. Program Change	(688)	38,413	(17,520)
5. Current Estimate	234,379	276,802	264,496

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

	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
<u>C. Reconciliation of Increases and Decreases:</u>		
1. FY 2003 President's Budget Request		256,042
2. Congressional Adjustments (Distributed)		
a. Defense Emergency Response Fund	500	
b. Defense Civilian Personnel Data System (DCPDS)	(20,000)	
c. CSRS/FERS Accrual	(4,479)	
Total Congressional Adjustments		(23,979)
3. Congressional Adjustments (Undistributed)		
a. FECA Surcharge	(93)	
b. Unobligated Balances	(505)	
Total Congressional Adjustments (Undistributed)		(598)
4. Congressional Adjustments (General Provisions)		
a. Section 8100 - Prorate Management Efficiencies	(3,985)	
b. Section 8103 - Government Purchase Card	(4)	
c. Section 8109 - Reduced Cost Growth of Information Technology	(390)	
d. Section 8135 - Inflation - Revised Economic Assumptions	(1,659)	
Total Congressional Adjustments (General Provisions)		(6,038)
5. Congressional Earmarks		
Section 8044 - Indian Lands Environmental Impact		(295)
6. FY 2003 Appropriation Enacted		225,132
7. FY 2003 Recission		
8. Transfers-In		
Employer Support of the Guard and Reserve		9,935
9. Transfers-Out		
10. Price Change		
11. Program Increases		
12. Program Decreases		(688)

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

	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
<u>C. Reconciliation of Increases and Decreases:</u>		
13. FY 2003 Current Estimate		234,379
14. Price Change		4,010
15. Transfers-In		
16. Transfers - Out		
17. Program Increases		
a. Defense Civilian Personal Data System. The increase in funds for DCPDS is due to the restoral of a Congressional cut in FY 2003. The FY 2003 program was scheduled for system upgrades to web-enable DCPDS and provide self-service functionality, support information assurance efforts to include secure access, and protect sensitive civilian and Departmental requirements through PKI technology, and ensure appropriate real-time access to war fighters through a data warehouse solution.	17,802	
b. Personnel Security Research Center. Funds personnel security research and analysis for DoD Components and members of the intelligence community.		1,000
c. Common Access Card. Funding accommodates Key Management Infrastructure (KMI) being developed by the National Security Agency, to include redesign and rewrite of the COTS issuance portal software to ensure that all code is from a US source and written in-house to the DoD.		3,462
d. Defense Enrollment Eligibility Reporting System/Real Time Automated Personnel Identification System. Funding accommodates the requirements to support the Common Access Card program to refresh and update software and hardware and to maintain the systems to ensure full functionality and security of the		15,410

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

	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
<u>C. Reconciliation of Increases and Decreases:</u>		
sensitive data maintained in the database.		
e. Universal Beneficiary Card. Funds support an increase in the number of cards produced.	1,142	
f. Operations. Funding supports operational costs.	1,378	
Total Program Increases		40,194
18. Program Decreases		
a. Medical Readiness. The Medical Readiness Program is now in the maintenance phase.	(242)	
b. Surveys. FY 2003 included one time start up costs, such as software development.	(1,031)	
c. Defense Emergency Response Fund - Critical Infrastructure Protection. FY 2003 included one time funding.	(508)	
Total Program Decreases		(1,781)
19. FY 2004 Budget Request		276,802
20. Price Change		5,214
21. Program Decreases		(17,520)
22. FY 2005 Request		264,496

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IV. Performance Criteria and Evaluation Summary:

DHRA's programs have been reviewed for compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Each program has developed metrics to measure and evaluate its performance and has identified the BSC quadrant and OUSD P&R Performance Metric it supports. OUSD P&R Performance Metrics include leading the Department's compliance with the President's Management Agenda's Government-wide Initiatives including the Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government and Budget and Performance Integration.

Defense Integrated Military Human Resources System (DIMHRS)

The Performance goals of the DIMHRS System will enable the transformation of all aspects of military personnel and pay management to support the requirements of the All Volunteer Force, which requires high morale, support for joint operations, and effective management decisions. The program will design, develop, test and deploy a fully integrated military personnel and pay system, using a Commercial off-the-shelf (COTS) capability, that will enable the transformation and provide superior, world class operating capabilities and reduce cost.

USD(P&R) is aligning its performance goals and measures with the President's Management Agenda and risk management framework. The information management program supports the "Strategic Management of Human Capital" as the primary performance metric. The following measures and goals support this responsibility and are related to the four risk factors from the balanced scorecard concept: Force Management Risk, Operational Risk, Future Challenges Risk, and Institutional Risk.

FY 2003 goals and metrics include: completing the Comprehensive Analysis of the 21 personnel and pay functional business areas; identifying how commercial best practices can assist the Department in transforming personnel and pay processes, and those DoD requirements that must be added in order to meet mission requirements (Institutional Risk); developing the Concept of

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IV. Performance Criteria and Evaluation Summary (continued):

Operations and related doctrinal and training programs to support the testing, and acceptance of the initial operating capability (Operational and Institutional Risk); completing Milestone B review of DIMHRS that will approve the design and development of the integrated system. (Future Challenges Risk); supporting the selection of a Developer Implementer for DIMHRS (Institutional Risk); and designing, developing, and beginning developmental testing of the initial operating capability (IOC) of the integrated system, to be implemented by the Army (Institutional Risk).

FY 2004 goals and metrics include: completing and approving the Concept of Operations and related doctrinal and training programs to support the testing and acceptance (Institutional Risk); validating and approving DITSCAP compliance (Institutional Risk); obtaining Milestone C approval for the Operational Test and Evaluation of the IOC (Institutional Risk); initiate the design and build/development of subsequent Useful Assets for the Navy, Marine Corps, and Air Force (Operational Risk); and beginning deployment of the IOC (Operational and Institutional Risk).

FY 2005 goals and metrics include: conducting a Post-Implementation review of the Army IOC to measure and validate performance and benefits realization (Institutional Risk); and deploying subsequent Useful Assets for the Navy, and Air Force (Operational and Institutional Risk).

Joint Requirements and Integration Office Information Management (JR&IO IM)

The OUSD (P&R) is aligning its performance goals and measures with the President's Management Agenda and the Department's Balanced Scorecard Concept's risk management framework. The information management program supports the "Strategic Management of Human Capital" as the primary President's Management Agenda initiative. The following measures and goals support this responsibility.

Information Management performance goals ensure that OUSD(P&R) has the functional support necessary for policy management, Departmental representation in various committees, Business Process Reengineering management, Planning, Programming, and Budget processes, and Military Personnel and Pay Issues Resolution.

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IV. Performance Criteria and Evaluation Summary (continued):

The following performance goals and metrics are for budget years FY 2003 through FY 2005 and apply to the Balanced Scorecard Concept of Institutional Risk: providing timely support for the development of Departmental Information Technology (IT) policies; representing the Principal Staff Assistant in working groups, integrated product teams (IPTs), committees, and other forums that manage departmental IT requirements and capabilities; conducting Business Process Reengineering and prototype information management initiatives in the mission area of military personnel and readiness; participating in the Planning, Programming, Budgeting, and Execution process to obtain and fully use resources in support of military personnel and readiness IM initiatives; and resolving all Military Personnel and Pay issues.

Defense Eligibility Enrollment Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC)

These programs support Expanded Electronic Government and Strategic Management of Human Capital through the use of cutting edge technology for identification and authentication purposes. Under the Balanced Scorecard Concept for Defense these programs support the Military's Health Care System's performance goals (Force Management Risk), and provide essential accurate data needed to assess the size and readiness of the Force and support force protection (Operational Risk). In addition, the DEERS program was cited in the President's Management Agenda as an essential contributor to Program Initiative #14 "Coordination of Veteran's Affairs and Defense Programs and Systems."

DEERS metrics include: establishing and maintaining the highest standards of accuracy for over 23 million records and worldwide access times for over 2.2 million transactions processed daily. These transactions represent active and Reserve members, their families, and retirees being provided access to their eligible entitlements and medical services -- the right people getting the right services at the right time. Performance goals include: more than 99.5% availability for the database outside of scheduled maintenance; sub two second response time to coverage and claim queries (about 2 million transactions a day); and posting of updated information from the uniformed services no more than 24 hours from receipt. RAPIDS: Establish and maintain standards for providing timely support of Service member mobilizations. RAPIDS systems are deployed to forward locations including Afghanistan and the Balkans. Achieve average issuance times of less than 15 minutes for all forms of the DoD

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IV. Performance Criteria and Evaluation Summary (continued):

Identification card; and 97 percent availability for the RAPIDS system as measured as an aggregate across all locations. This goal includes sustained issuance of all Uniform Service Identification and Privilege cards (including CACs).

DSO performance metrics include monitoring the number of cases and ensuring they are researched accurately and responded to in a timely manner. The DSO annually handles more than 600,000 calls, researches over 50,000 cases and mails over 325,000 letters in response to beneficiary correspondence. In addition, over 2,000,000 letters were mailed to beneficiaries in support of the TRICARE For Life program. These services represent real people getting real answers to real problems. Performance goals are: consistently measure the level of support provided; maintain an average response time of less than two weeks for written queries; create and retain accurate reporting required by law or regulation such as MGIB, verification of military education, actuarial data, PERSTEMPO, linguist tracking, child and spouse abuse, federal parent locator, Defense incident reporting which feeds the National Incident Based Reporting System, EEO, Census, and demographics data; and provide accurate information and analysis for decision makers in DoD and other federal government entities.

CAC metrics and performance goals include: completing initial card issuance to substantially all of the 4.5 million recipients of the Common Access Card by 31 March 2004. Ensuring card technology remains state-of-the-art, interoperable, and sufficiently secure to facilitate e-government and secure electronic transactions. Accomplishing configuration management actions for card and DoD-wide applications. Facilitating smart card program implementation by other government agencies and pioneer smart card technology advancement within the Federal government. Providing processes, procedures and lessons learned to other government agencies to reduce life-cycle costs to the Government. Maintaining User Outreach Program to promote usage of the CAC and PK-enabled application development. Providing information and presentations to the user community and plan major educational events at least 4 times during FY 2004. Ensuring CAC adheres to Federal Government interoperability specifications and becomes a leader in the standardization of smart cards. Providing essential post-issuance capability. Ensuring that post issuance portals are available for downloading to the user population at least 98 percent of the time outside of scheduled maintenance times. An

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IV. Performance Criteria and Evaluation Summary (continued):

additional performance goal is to limit times required to download necessary client software to not more than 2 minutes on average.

Regionalization and Systems Modernization

The Defense Civilian Personnel Data System (DCPDS) provides personnel information system support for the DoD civilian workforce worldwide, replacing the legacy DCPDS, and supporting over 800,000 employee records and approximately 1.5 million position records. This program supports elements of the President's Management Agenda including the Strategic Management of Human Capital, Improved Financial Reporting and the expansion of E-Government. It provides an accurate and automated system used to maintain current and historical data on the Department's civilian population and allows employees to conduct electronic transactions to update benefit and pay information. The program supports Balanced Scorecard Concepts including Institutional Risk, Future Challenges Risk and Operational Risk.

When combined with the regionalization of civilian personnel servicing, 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. Improved systems performance gained through upgrades to the system software and employment of newer, more scalable technology will facilitate further consolidation of the technical infrastructure supporting DCPDS, resulting in reduced costs for hardware acquisition, maintenance, and administration. Additional details may be found in the individual Military Department and Defense agency budgets concerning program accomplishments.

The Economic Analysis (EA) for DCPDS estimates annual savings of about \$200 million after full implementation 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. Personnel savings are already reflected in the Military Department and Defense agency budgets.

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IV. Performance Criteria and Evaluation Summary (continued):

Sustainment, operation, and maintenance of DCPDS are managed through a firm fixed-price contract. System performance metrics have been established and implemented to assess contractor performance. The contract provides incentives for reducing overall system maintenance costs and increasing efficiencies in operations; contract management oversight exercised by this organization will leverage use of these incentives to increase efficiency and reduce costs.

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. These measurement factors are assessed through customer feedback concerning the level of assistance provided and the avoidance of service disruption. 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.

Employer Support of the Guard and Reserve (ESGR)

ESGR has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. This program has metrics in place to measure and evaluate its performance. It focuses on the balanced scorecard concept of Force Management Risk and Future Challenges Risk by ensuring support for Guard and Reserve service members is in place to facilitate deployments when needed. The program also addresses the OUSD P&R's efforts to improve Quality of Life for Service members.

Performance goals include: growth of employer commitment; expansion of ESGR brand awareness through polling; increased awareness by employers of their vital duty to the national defense by providing a positive work environment conducive to the service of Guard and Reserve members; and continued monitoring of morale and productivity, and investing in training and professional development. Metrics used to measure the program's performance include: the number of employment conflicts processed and resolved; the number of "Statements of Support"

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IV. Performance Criteria and Evaluation Summary (continued):

signed by Federal and state agencies and private employers; evidence of companies implementing policies as a result of "Bosslifts," "Briefings with the Boss," and other Employer Outreach programs; the number of volunteers trained at annual, regional, and local committee sponsored sessions; Service members briefed at CONUS Replacement Centers; Employer recognition awards processed; and the effectiveness of advertising placements.

Human Resource Strategic Assessment Program (HRSAP)

The HRSAP has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. HRSAP has developed metrics to measure and evaluate its performance. This program focuses on the balanced scorecard concept of Force Management Risk and supports the OUSD P&R's efforts to improve Quality of Life for Service members and ensure satisfaction with benefits and access to benefits. It is a tool that can be used to measure the effects of P&R initiatives and policies. It also provides a vehicle for gathering data that can be used by decision makers in P&R who are leading compliance with the President's Management Agenda's Government-wide Initiatives including the Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government and Budget and Performance Integration.

Goals and Metrics include: Conducting both quick turnaround surveys using state-of-the-art Internet capabilities and in-depth studies using traditional methods (e.g., paper-and-pencil surveys). Developing and administering surveys to address the information needs of OUSD(P&R) and produce resulting reports. Administering three Web-based surveys of Active-duty Service members according to schedule (November 2003, March 2004, and July 2004). Administering three Web-based surveys of Reserve Components Service members (January 2004, May 2004, and September 2004). Administering two Web-based surveys of DoD civilians (February 2004 and June 2004). Administering one paper-and-pencil human relations survey between December 2003 and April 2004. Using scientifically accepted practices in item development to ensure both reliable and valid results. Maintaining internal consistency (i.e., reliability) of any reported scale at not less than .70 in terms of Chronbach's alpha. Representatives from OUSD(P&R) policy offices and external subject matter experts will be involved in the

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IV. Performance Criteria and Evaluation Summary (continued):

identification of survey content and will ensure items are state-of-the-art measures of the content areas. Drawing samples of participants for each survey using a technically accepted stratified random sampling approach. Weighting samples to ensure representativeness and acceptable margins of error—not to exceed +/- 5 percent—in reported results for 90 percent of pre-established interest groups. Ensuring reports of Web-survey results are available to the Department within 90 days of closing the field. Widely distributing all reports and deliverables within the manpower and personnel community.

Office of Complaint Investigations (OCI)

OCI has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program focuses on the balanced scorecard concept of Force Management Risk and supports the OUSD P&R's Commitment to Service. OCI supports the President's Management Agenda's Government-wide Initiatives involving the Strategic Management of Human Capital, and Improved Financial Performance.

Process improvements in OCI operations have resulted in increased efficiency over the last four years. Since FY 1999, OCI closed, on average, just under 4,000 Equal Employment Opportunity (EEO) complaint cases per year. Processing time has improved overall by 22 percent from 143 days to 115 days.

These achievements are largely the result of OCI's continuing emphasis on Alternative Dispute Resolution (ADR) in resolving EEO cases. In FY 1999, OCI established a small team of seven mediators to focus exclusively on resolution of complaints. The team has been successful in reducing the average case processing time of 115 days in FY02 by 64 percent. The team typically resolves a complaint in an average of 41 days. All investigators attempt to settle complaints and when they do, they settle in an average of 69 days.

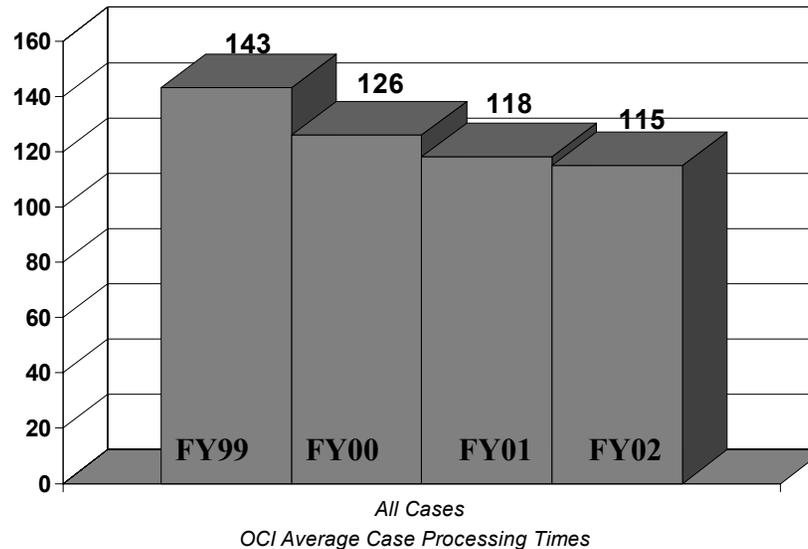
During FY 2002, OCI offered alternative resolution on 100 percent of the available cases, and resolved more than 1,000 complaints. For every complaint resolved, DoD avoids estimated

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IV. Performance Criteria and Evaluation Summary (continued):

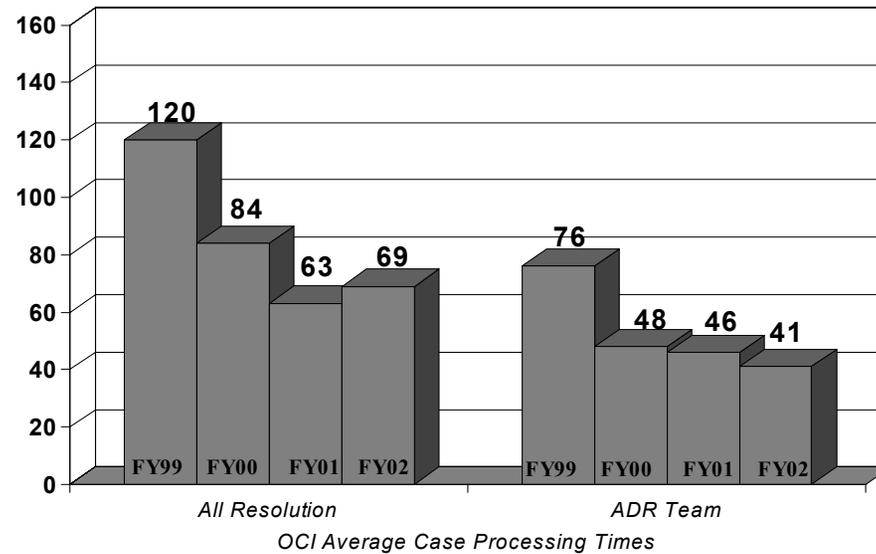
costs of between \$40,000 and \$80,000 in case processing costs and potential additional litigation costs of between \$161,000 and \$310,000. Resolution of 4,875 complaints since FY 1999 has avoided more than \$292.5 million dollars in case projected processing costs, as well as litigation expenses projected at over \$1 billion. Resolution of more than 1,000 complaints during FY 2002 avoided projected processing and litigation costs of between \$60 million and \$235 million.

In FY 2004, OCI's performance goals and associated metrics include: alternative resolution of 100 percent of available EEO cases; resolution of over 50 percent of EEO cases; reduction in processing time by 10 percent to 90 days; avoidance of DoD potential processing costs of over \$200 million by practicing ADR; and exceeding customer expectations through process improvements, reduced processing time, and EEO complaint inventory reductions.



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IV. Performance Criteria and Evaluation Summary (continued):



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IV. Performance Criteria and Evaluation Summary (continued) :

<i>Fiscal Year</i>	<i>OCI Cases Closed</i>	<i>Cases Closed</i>	<i>Potential Cost Avoidance Per Year</i>
<i>OCI 99</i>	4308	1369	\$82M-322M
<i>OCI 00</i>	3894	1241	\$74M-292M
<i>OCI 01</i>	3913	1228	\$74M-289M
<i>OCI 02</i>	3429	1037	\$62M-244M

Oct 1, 1998 Prorated through-SEP 30, 2002

Alternative Dispute Resolution Potential Cost Avoidance

Office of the Chancellor for Education and Professional Development

The 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. Another is aiding DoD educational institutions to comply with the DoD requirement for accreditation. This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program focuses on the balanced scorecard concept of Force Management Risk by ensuring the Department is able to educate and develop a quality workforce while measuring and maintaining reasonable costs. The Chancellor's office supports the OUSD P&R's efforts to develop a training transformation plan as well as defining and meeting core staffing requirements. This program supports the President's Management Agenda's Government-wide

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IV. Performance Criteria and Evaluation Summary (continued):

Initiatives involving the Strategic Management of Human Capital, and Improved Financial Performance.

Milestones and performance objectives for FY 2003 include: completing development of expanded prototype academic data collection system; completing the accreditation process for all of DoD civilian education institutions; completing the review and identification of DoD civilian institutions; planning, programming for, and conducting a conference/workshop/practicum on institution research strategies and best practices; planning, preparing for and conducting the Fifth DoD Conference on Civilian Education and Professional Development; and reviewing and updating the strategic plan for the Office of the Chancellor.

Office of the Actuary

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program focuses on the balanced scorecard concept of Institutional Risk by ensuring the Department is able to accurately forecast and meet its obligations regarding entitlements and benefits. This office supports the OUSD P&R's efforts to define and meet requirements and accurately project payment of retired pay. This program supports the President's Management Agenda's Government-wide Initiatives involving the Strategic Management of Human Capital, and Improved Financial Performance.

FY 2004 goals include: contributing to receiving a favorable audit opinion on the Military Retirement Fund's annual financial statements; providing actuarial expertise to HA/OUSD(C) groups working to improve the audit opinion on the retiree health care liability reported in DoD and government-wide financial statements; ensuring that the DoD Medicare-Eligible Retiree Health Care Trust Fund remains funded on an actuarially sound basis by providing 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; ensuring that the DoD Military Retirement Fund remains funded on an actuarially sound basis by providing similar support to the DoD Retirement Board of Actuaries for calculations related to the Military

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IV. Performance Criteria and Evaluation Summary (continued):

Retirement Fund and Voluntary Separation Incentive Fund; ensuring that the DoD Education Benefits Fund remains funded on an actuarially sound basis by providing similar support to DoD Education Benefits Board of Actuaries for calculations related to DoD Education Benefits Fund; assisting policymakers in evaluating proposed benefit changes by providing cost estimates; and ensuring that all four trust funds are projected to remain solvent over the 100-year projection period.

Civilian Assistance and Re-Employment (CARE) Program

The DoD Priority Placement Program (PPP) continues to be the Department's cornerstone placement program. The PPP's current 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 an 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. This program has been reviewed to ensure compliance President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program supports the OUSD P&R's Human Resources Strategic Plan and the President's Management Agenda initiatives; the Strategic Management of Human Capital and Competitive Sourcing.

This program is committed to complete development of five course modules by the end of FY 2004. This initiative likewise is consistent with performance indicators as outlined in the Human Resources Strategic Plan to conduct a comprehensive review of the program.

Since 1965, PPP has placed approximately 167,700 displaced employees in positions at other DoD installations that might otherwise have been involuntarily separated. Without the PPP and its mandatory placement provision, DoD would have had significant employee involuntary separations. As of September 30, 2002, the program had placed about 2,300 employees during

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IV. Performance Criteria and Evaluation Summary (continued):

FY 2002 and had about 4,700 displaced registrants who were still active in its databank. The number of displaced registrants is expected to increase based on the following factors:

Continued downsizing - Based on the 2003 President's Budget data, the Department projects 21,000 reductions in its civilian strength. This figure does not include potential employee layoffs resulting from commercial outsourcing actions.

Projected base realignments and closures - Public Law 107-107 establishes the authority for another round of realignment and closure of military installations beginning in FY 2005. This office has begun, and will continue to seek, regulatory and legislative changes to assist employees affected by these actions in transitioning to other positions, careers, or to private life. Following a decade-plus of downsizing it is expected that the continued Defense employment of impacted employees will be a challenge. There are not enough DoD positions to accommodate such massive reductions. Planning to establish employment partnerships with other Federal, state, county and local governments to include trade/professional organizations, local Chambers of Commerce and private industry is underway.

Projections indicate a loss of approximately 20,000 civilian positions to commercial outsourcing in FY 2004-5. Current Administration commercialization guidelines hold will cause this number to increase significantly. CARE is part of an Acquisition Technology and Logistics (AT&L), Integrated Process Team (IPT) directly involved in the review and update of DoD A-76 regulatory guidance. This IPT is expected to continue work through FY 2004.

Over a decade of reductions have left the Department with critical skill imbalances. To offset this and avoid any crucial mission degradation, the Department was given special authority to use separation incentives (buyouts) and early retirements for shaping the workforce (no mandatory loss of position). This authority sunsets at the end of FY 2003; however, CARE developed a departmental proposal to extend the legislative authority through FY 2006. Based on past legislative experience, it is expected that the authority will be limited to 6,000 special authority actions in FY 2004.

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IV. Performance Criteria and Evaluation Summary (continued):

In addition, the CARE Division administers and manages the application of the traditional buyout and early retirement authority that has been used so effectively to mitigate the results of downsizing and realignment on the DoD workforce. It is anticipated that these incentives will be used significantly in FY 2004 to avoid employee separations and downgrades (approximately 5,000 buyouts and 2,000 early retirement actions) associated with ongoing reductions and realignment initiatives.

CARE transition tools and the PPP have enabled DoD to maintain an overall 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. The CARE office plans to exceed this "standard" by three percent through continued downsizing and through the proposed closure and realignment action. Once base closures are announced, CARE anticipates a jump in PPP registrations of 40 percent. This is based on similar registration numbers and the registration spike resulting from the 1989 realignment and closure announcement. Accordingly, a corresponding spike in workload and travel to conduct PPP workforce briefings and employee counseling and PPP registration actions is expected. As a responsible employer and advocate of the Congressional closure authority, the program will continue to show a presence at most, if not all, realigned or potential closure locations.

Since 1994, the CARE staff has conducted briefings on the PPP and the CARE programs for 92,541 employees, 7,664 managers, and 812 union representatives. This action will continue. Based on past experience, about 6,000 (combined) employees are projected to receive counseling in FY 2004; 15,000 in FY 2005; 20,000 in FY 2006; 23,000 in FY 2007 and 25,000 in FY 2008.

Injury/Unemployment Compensation Program

This program has been reviewed to ensure with the compliance President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Tangible metrics to measure and evaluate its performance remain in place. This program supports the OUSD P&R's Human Resources Strategic Plan and the President's Management Agenda initiatives including the Strategic Management of

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IV. Performance Criteria and Evaluation Summary (continued):

Human Capital and Improved Financial Management. It supports the Balanced Scorecard Concepts of Force Management and Operational Risk.

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 DoD 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 57 areas with 2,312 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 22.4 percent. In contrast, the DoD injury compensation bill only increased 2.3 percent providing DoD a cost avoidance of \$122 million. Most individuals receiving wage loss and death benefits received a 1.3 percent increase in 2002 due to a cost of living adjustment, and overall Federal government costs for injured employees increased by 4.2 percent, but the DoD injury compensation bill increased by only 0.7 percent in 2002. This increase of 0.7 percent included \$4 million in additional costs incurred as the result of injuries and fatalities incurred by DoD employees working at the Pentagon on September 11, 2001. The increase without the September 11, 2001 cases is 0.06 percent.

To ensure similar savings for FY 2003 and FY 2004, the DoD Quality Occupational Environment Working Group will convene in accordance with the DoD Strategic Plan to recommend and develop action plans to improve the overall quality of the work environment.

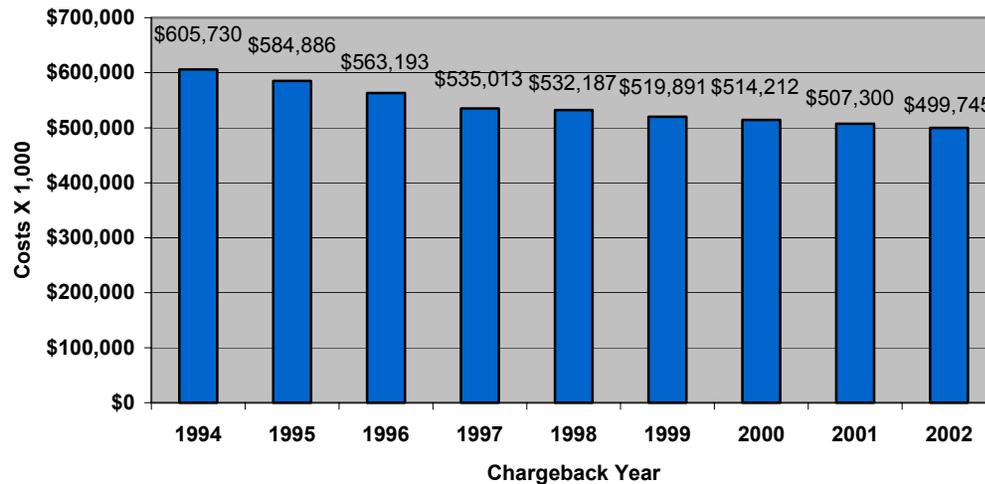
The ICUC Division plans to lead the effort to integrate the communities of Safety, Occupational Health, Environmental Safety and Human Resource to achieve the Secretary of Defense's goal of reducing lost production days by 50 percent within the next five years. Specifically ICUC will: conduct the meeting of the DoD Quality Occupational Environment Working Group in FY04 and maintain a recurring work schedule; identify key issues that materially erode or enhance a quality work environment by the second quarter of FY 2004; work with Occupational Safety & Health to develop and implement action plans that demonstrably improve the overall quality of the workplace by the fourth quarter of FY 2004; refine and

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IV. Performance Criteria and Evaluation Summary (continued):

implement business intelligence data management tools to help Working Group members, managers, and supervisors to create safer work places by the end of the second quarter of FY 2004; actively support DoD installations in their effort to return injured employees to work at the first opportunity their health permits; increase by ten percent the number of follow-up visits to persons on the compensation rolls; seek to maintain the current level of unemployment and compensatory costs relative to inflation, medical cost increases and unforeseen emergencies.

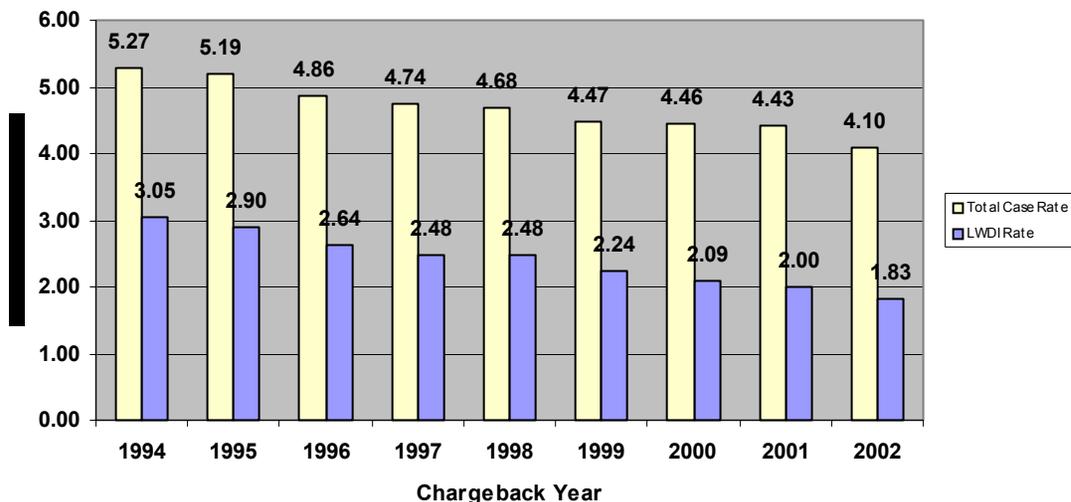
**DoD Inflation-Adjusted FECA Costs
(1994=100)**



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IV. Performance Criteria and Evaluation Summary (continued):

DoD FECA Claim Rates 1994-2002



Defense Personnel Security Research Center (PERSEREC)

PERSEREC's performance is evaluated by assessing the extent to which research results lead to improvements in the efficiency, effectiveness and fairness of the DoD personnel security system. Two performance criteria are employed: productivity is measured by the number of new projects initiated each fiscal year, and implementation rate is measured by an index reflecting the degree to which the results of applied research projects actually improve personnel security policies or operations. This program has been reviewed to ensure compliance President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program supports the OUSD P&R's Human Resources Strategic Plan and the President's Management Agenda initiatives including the Strategic Management of Human Capital. It supports the Balanced Scorecard Concepts of Force Management and Operational Risk.

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V. <u>Personnel Summary:</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>Active Mil End Strength (Total)</u>				
Officer	10	10	10	10
Enlisted				
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	649	744	752	752
<u>Active Mil FTEs (Total)</u>				
Officer	10	10	10	10
Enlisted				
<u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	641	736	744	744
VI. <u>Outyear Summary:</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<u>Active Mil End Strength</u>	10	10	10	10
<u>Civilian FTEs</u>	747	747	747	747

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

		<u>Change FY 2002/2003</u>			<u>Change FY 2003/2004</u>		
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
101 Executive, General & Special Schedule	58,666	2,039	7,937	68,642	1,562	821	71,025
107 Voluntary Separation Incentive Pay	50	0	(50)	0	0	0	0
111 Disability Comp	85	0	(85)	0	0	0	0
199 Total Civilian Personnel Compensation	58,801	2,039	7,802	68,642	1,562	821	71,025
308 Travel Of Persons	1,732	29	316	2,077	31	(66)	2,042
399 Total Travel	1,732	29	316	2,077	31	(66)	2,042
416 GSA Managed Supplies & Materials	1,189	18	(521)	686	10	3	699
499 Total Fund Supplies & Materials	1,189	18	(521)	686	10	3	699
506 DLA Equipment	5	0	2	7	0	0	7
507 GSA Equipment	109	1	(12)	98	1	1	100

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

	FY 2002 <u>Actual</u>	<u>Change FY 2002/2003</u>		FY 2003 <u>Estimate</u>	<u>Change FY 2003/2004</u>		FY 2004 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
599 Total Revolving Fund Equipment Purchases	114	1	(10)	105	1	1	107
671 Communication Services DISA	1,185	0	289	1,474	20	225	1,719
673 DFAS	804	(6)	26	824	12	21	857
699 TOT OTHER FUND PURCHASES	1,989	(6)	315	2,298	32	246	2,576
771 Commercial Transportation	115	1	(64)	52	1	0	53
799 Total Transportation	115	1	(64)	52	1	0	53
912 Rental payments to GSA (SLUC)	3,309	67	(540)	2,836	17	34	2,887
914 Purchased Communications	963	15	(225)	753	12	2	767
917 Postal Service (U.S.P.S.)	448	0	148	596	0	0	596
921 Printing & Reproduction	19	3	83	105	1	1	107
922 Equipment Maintenance by Contract	228	3	0	231	3	0	234
923 Facility Maintenance by	4	0	16	20	0	0	20

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

		<u>Change FY 2002/2003</u>			<u>Change FY 2003/2004</u>		
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Contract							
933 Studies, Analysis & Evaluation	314	5	(319)	0	0	0	0
989 Other Contracts	120,396	1,806	33,756	155,958	2,340	37,371	195,669
998 Other Costs	20	0	0	20	0	0	20
999 Total Other Purchases	125,701	1,899	32,919	160,519	2,373	37,408	200,300
9999 Total	189,641	3,981	40,757	234,379	4,010	38,413	276,802

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

		<u>Change FY 2003/2004</u>			<u>Change FY 2004/2005</u>			
	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>	
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	
							<u>e</u>	
101 Executive, General & Special Schedule	68,642	1,562	821	71,025	2,166	(105)	73,086	
107 Voluntary Separation Incentive Pay	0	0	0	0	0	0	0	
111 Disability Comp	0	0	0	0	0	0	0	
199 Total Civilian Personnel Compensation	68,642	1,562	821	71,025	2,166	(105)	73,086	
308 Travel Of Persons	2,077	31	(66)	2,042	31	7	2,080	
399 Total Travel	2,077	31	(66)	2,042	31	7	2,080	
416 GSA Managed Supplies & Materials	686	10	3	699	10	4	713	
499 Total Fund Supplies & Materials	686	10	3	699	10	4	713	
506 DLA Equipment	7	0	0	7	0	0	7	
507 GSA Equipment	98	1	1	100	2	0	102	
599 Total Revolving Fund Equipment Purchases	105	1	1	107	2	0	109	

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

	FY 2003 <u>Actual</u>	<u>Change FY 2003/2004</u>		FY 2004 <u>Estimate</u>	<u>Change FY 2004/2005</u>		FY 2005 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
671 Communication Services DISA	1,474	20	225	1,719	24	11	1,754
673 DFAS	824	12	21	857	13	(1)	869
699 TOT OTHER FUND PURCHASES	2,298	32	246	2,576	37	10	2,623
771 Commercial Transportation	52	1	0	53	1	0	54
799 Total Transportation	52	1	0	53	1	0	54
912 Rental payments to GSA (SLUC)	2,836	17	34	2,887	17	35	2,939
914 Purchased Communications	753	12	2	767	12	2	781
917 Postal Service (U.S.P.S.)	596	0	0	596	0	0	596
921 Printing & Reproduction	105	1	1	107	0	2	109
922 Equipment Maintenance by Contract	231	3	0	234	4	0	238
923 Facility Maintenance by Contract	20	0	0	20	0	0	20

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

	FY 2003 <u>Actual</u>	<u>Change FY 2003/2004</u>		FY 2004 <u>Estimate</u>	<u>Change FY 2004/2005</u>		FY 2005 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
933 Studies, Analysis & Evaluation	0	0	0	0	0	0	0
989 Other Contracts	155,958	2,340	37,371	195,669	2,934	(17,475)	181,128
998 Other Costs	20	0	0	20	0	0	20
999 Total Other Purchases	160,519	2,373	37,408	200,300	2,967	(17,436)	185,831
9999 Total	234,379	4,010	38,413	276,802	5,214	(17,520)	264,496

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed:

The Department of Defense Human Resources Activity (DHRA) is a DoD Field Activity that provides critical operational systems and management information to support the Under Secretary of Defense (Personnel and Readiness) (USD(P&R)), the Military Departments, major DoD programs, highly technical and automated initiatives, individual Service members, and their families. The Field Activity prides itself on delivering timely, quality support to the Department and its members including the execution, modification and maintenance of Departmental and Congressionally mandated programs. DHRA coordinates the work of several organizations that directly administer personnel policies, maintain comprehensive databases, provide a variety of education and research programs, and support benefit, readiness, force protection, and financial management efforts. These programs use automation and cutting-edge technology to enable the Department's policymakers, warfighters, and civilian managers to do their jobs more efficiently and effectively.

The foundation of DHRA operations is providing the highest quality in customer service to clients inside and outside the Department. Programs and missions are results driven and the Field Activity leadership is committed to promoting innovation and sharing lessons learned with other Federal Agencies and the private sector. Leveraging existing systems and infrastructure, as well as decades of operational experience, allow DHRA to implement new initiatives inexpensively. The Field Activity has established a proven track record of success supporting the effectiveness, efficiency, and productivity of human resource operations throughout DoD.

Joint Recruiting Advertising Program (JRAP)

Funding for this program has been eliminated in FY 2004 and the outyears.

Joint Market Research Program (JMRP)

JMRP is the corporate-level, recruiting market research arm of the Department. The overall mission of JMRP is to conduct studies that enable the Department to develop research-based communications and marketing strategies for its target markets.

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I. Description of Operations Financed:

In FY 2004, JMRP will continue to conduct research on the opinions and attitudes of youth and adult influencers through the use of polls, expand the Department's knowledge of the educator and college markets, continue to conduct research on the barriers to enlistment, and support Joint Service market research efforts to increase efficiencies and reduce redundancies.

Joint Military Recruiting Studies (JMRS)

JMRS provides analyses supporting Joint and Service recruiting efforts. Recent examples include re-evaluation of the DoD recruit quality benchmarks and evaluation of the military performance of "home schooled" recruits. During FY 2004, a National Academy of Sciences (NAS) Committee on the Youth Population and Military Recruiting will be funded for a fifth year to continue to study the recruitment challenges and long-term social and demographic trends in the youth population. This group will analyze implications of demographic and cultural trends on recruiting and training, and evaluate recruiting strategies for youth population segments to inform military personnel policy. Funding also supports empirical studies on accession-related topics such as the effect of recruiting resources, enlistment incentives, and other factors on enlisted accessions.

Joint Military Education Venture Forum

This program was a one-time Congressional add in FY 2003.

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,

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II. Description of Operations Financed (continued):

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 take an individualized program of education 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 was 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. DLAMP now serves as a major component of the Department of Defense succession management strategy, helping DoD prepare for the anticipated exodus of senior civilian employees over the next decade. With as many as 67 percent of the DoD career Senior Executive Service members eligible to retire by 2008, it is critical that we invest now in the maturation of a cadre of future civilian leaders to fill anticipated vacancies.

There are now two mandatory elements of the program that each participant must complete:

1. Professional Military Education (PME). 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 School 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. Participants may be required to complete introductory courses on national security strategy and leadership in preparation for Senior Service School attendance.

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II. Description of Operations Financed (continued):

2. Graduate Education. Each DLAMP participant who enters the program without an advanced degree must complete a Master's Degree. Up to one hundred full-time master's program fellowships will be funded each year; other participants will attend graduate school on a part-time basis at local universities or through distance learning. Participants who possess an advanced degree (Master's or PHD) may require additional courses to satisfactorily meet DLAMP educational requirements. In this case, the DLAMP participant can take up to six graduate courses in business management and public policy areas 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 master's degree fellowship or ten-month PME course). DLAMP is responsible for the master's degree fellowship and tuition assistance programs, PME costs, program operations, administrative support, participant backfill, and TDY support.

Defense Resources Management Institute (DRMI)

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 Naval Postgraduate School in Monterey, California.

II. Force Structure Summary: N/A

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

A. Subactivities:	FY 2002	FY 2003			FY 2004	FY 2005
		Budget	Current	FY 2003		
	Actual	Request	Appropriated	Estimate	Estimate	Estimate
Joint Recruiting Advertising Program (JRAP)	6,292	41,595	17,629	17,629	0	0
Joint Market Research Program (JMRP)	5,793	5,389	5,303	5,303	5,245	5,456
Joint Military Recruiting Studies (JMRS)	1,558	1,996	1,964	1,964	1,936	2,067
Joint Military Education Venture	0	0	500	500	0	0
Defense Leadership and Management Program (DLAMP)	17,509	34,653	17,624	17,624	25,048	34,275
Defense Resource Management Institute (DRMI)	1,201	1,301	1,297	1,297	1,288	1,282
Labor	2,377	4,227	2,064	2,064	1,745	1,787
Total	34,730	89,161	46,381	46,381	35,262	44,867

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

B. Reconciliation Summary:

	<u>Change</u> <u>FY 2003/</u> <u>FY 2003</u>	<u>Change</u> <u>FY 2003/</u> <u>FY 2004</u>	<u>Change</u> <u>FY 2004/</u> <u>FY 2005</u>
1. Baseline Funding	89,161	46,381	35,262
a) Congressional Adjustments (Distributed)	(43,212)		
b) Congressional Adjustments (Undistributed)	39		
c) Congressional Adjustments (General Provisions)	375		
d) Congressional Earmark Billpayers	18		
2. Appropriated Amount	46,381		
e) Adjustments to Meet Congressional Intent			
f) Across-the-board Reduction (Rescission)			
g) Approved Reprogrammings/Transfers			
3. Price Change		711	560
4. Program Changes		(11,830)	9,045
5. Current Estimate	46,381	35,262	44,867

C. Reconciliation of Increases and Decreases:

	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
1. FY 2003 President's Budget Request		89,161
2. Congressional Adjustments (Distributed)		
a. Joint Advertising Market Research	(24,250)	
b. Joint Military Education Venture	500	
c. Defense Leadership and Management Program	(19,155)	

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

C. Reconciliation of Increases and Decreases:

	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
d. CSRS/FEHB Accrual	(307)	
Total Congressional Adjustments (Distributed)		(43,212)
3. Congressional Adjustments (Undistributed)		
a.		
FECA Surcharge Reduction	6	
b.		
Unobligated Balance	33	
Total Congressional Adjustments (Undistributed)		39
4. Congressional Adjustments (General Provisions)		
a. Section 8100 Prorate Management Efficiencies	248	
b. Section 8109 Reduced Cost Growth of Information Technology	24	
c. Section 8135 Inflation - Revised Economic Assumptions	103	
Total Congressional Adjustments (General Provisions)		375
5. Congressional Earmarks		
Section 8044 Indian Lands Environmental Impact		18
6. FY 2003 Appropriation Enacted		46,381
7. FY 2003 Rescission		
8. Transfers-In		

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

C. Reconciliation of Increases and Decreases:

	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
9. Transfers-Out		
10 Price Change		
11. Program Increases		
12. Program Decreases		
13. FY 2003 Current Estimate		46,381
14. Price Change		711
15. Transfers-In		
16. Transfers-Out		
17. Program Increases Defense Leadership and Management Program. The increase in funding is due to a partial restoration of a Congressional cut levied in FY 2003. The program was severely constrained in FY 2003 due to taking a 50% cut. The cut resulted in curtailment of most graduate education, cancellation of preparatory courses in national security issues and leadership competencies, the		

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

C. Reconciliation of Increases and Decreases:

		<u>(\$ in Thousands)</u>	
		<u>Amount</u>	<u>Totals</u>
	inability to provide backfills for students in long-term training, and postponement of the intake of the Class of 2003.	7,190	
	Total Program Increases		7,190
18.	Program Decreases		
	a. Joint Military Education Venture Forum. FY 2003 included a one-time Congressional add for this program.	(508)	
	b. Joint Recruiting Advertising. Funding for this program was terminated in FY 2004 in order to support higher departmental priorities.	(18,512)	
	Total Program Decreases		(19,020)
19.	FY 2004 Budget Request		35,262
20.	Price Change		560
21.	Program Increases		9,045
22.	FY 2005 Request		44,867

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Budget Activity 3: Defense Human Resources Activity

IV. Performance Criteria and Evaluation (Continued):

Joint Recruiting Advertising Program (JRAP)

Funding for this program has been eliminated in FY 2004 and the outyears.

Joint Market Research Program (JMRP)

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concepts (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance in achieving programmatic objectives remain in place. A major JMRP program objective beginning in FY 2004 and going into the outyears, is expanding the Department's understanding of its major markets. These markets include youth (prospects and pre-prospects), their influencers (parents, educators), adult, 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. JMRP is also responsible for maintaining the Recruit Market Information System (RMIS). RMIS contains demographic data on the youth market that enable the Services to establish recruiting goals for their geographic recruiting areas. Performance metrics for this program will be based on the results Satisfaction Survey administered at the end of the Fiscal Year to the organizations that use JMRP services. Key items from the survey include satisfaction scales for each of the major projects within JMRP as well as the following overall measures: "Overall satisfaction with JMRP services;" "JMRP has been helpful in meeting my organization's objection;" "Intend to use JMRP as key resources in the future;" "Would recommend the information and services provided by JMRP." This program supports the OUSD (P&R) performance metrics related to meeting recruiting and retention goals, addresses the BSCs of Force Management and Operational Risk, and is in line with the Strategic Management of Human Capital as described in the President's Management Agenda.

DEFENSE HUMAN RESOURCES ACTIVITY
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IV. Performance Criteria and Evaluation (Continued):

Joint Military Recruiting Studies (JMRS)

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concepts (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance in achieving programmatic objectives remain in place. JMRS are discreet studies that seek to inform the recruiting process by establishing the right number and quality of people targeted by the Joint and Services' programs. JMRS ensures that recruiting resources and incentives are allocated effectively and efficiently; contributing to the Department's overall goal of recruiting, retaining, and developing personnel as well as improving the allocation and management of resources associated with recruiting. This program supports the OUSD (P&R) performance metrics related to meeting recruiting and retention goals, addresses the BSCs of Force Management, Operational, and Future Challenges Risk, and is in line with the Strategic Management of Human Capital and Improved Financial Management as described in the President's Management Agenda. The success of the program efforts to target the right number and quality of recruits can be measured using the following metrics:

- 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.
- Quality benchmarks for recruiting 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.

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IV. Performance Criteria and Evaluation (Continued):

Defense Leadership and Management Program (DLAMP)

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concepts (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance in achieving programmatic objectives remain in place. A major program objective for DLAMP since its establishment continues to be developing world-class leaders for the Department with a focus on the ability to operate in the joint environment. 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 December 2002, DLAMP active participants numbered 1,337. Based on an extensive program assessment, DLAMP was refocused and streamlined in FY 2002. DLAMP then sustained a 50 percent budget decrement in FY 2003, delaying full implementation of the streamlined curriculum. OSD is committed to seeing the refocused program succeed. It is anticipated that all pillars of the refocused program will be operational in FY 2004. This program supports the OUSD (P&R) performance metrics related to establishing training transformation plans and defining and meeting core staffing requirements. DLAMP addresses the BSCs of Force Management and Future Challenges Risk, and is in line with the Strategic Management of Human Capital as described in the President's Management Agenda. Completion of DLAMP requires two mandatory elements:

1. Professional Military Education (PME)

- Completion of introductory courses on national security strategy and leadership prior to attending a Senior Service School.
- Completion of a Senior Service School PME course (resident or non-resident).

Through December 2002, 542 of the active DLAMP participants have completed PME. There are 129 participants enrolled in PME courses for academic year 2002-2003. At least another 135 participants will be enrolled in academic year 2003-2004. DLAMP is

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IV. Performance Criteria and Evaluation (Continued):

working with the PME schools to increase the number of seats available to DLAMP students. Additional alternative non-resident programs are being pursued to further increase the number of DLAMP participants in PME programs.

2. Graduate Education

As of December 2002, 247 active participants require a master's degree. There will be up to 100 full-time master's degree fellowships awarded each year. In FY04, with the anticipated addition of the Class of 2003, an estimated 250 participants will attend graduate school on a part-time basis. In FY 2004, approximately 250 participants will take an estimated 800 graduate courses in business management and public policy areas to round out their skills as senior civilian leaders.

Funding will be provided to cover the actual expenses of salary and benefits for 25 percent of the participants on long-term education or training. In FY 2004, backfill funding will be provided for approximately 25 individuals in resident PME programs and 25 on full-time graduate education fellowships. Participants are evaluated annually. The first 8 program participants graduated in October 2000. An estimated 200 participants will complete DLAMP in FY 2004. Seventy-six DLAMP participants have been selected for Senior Executive Service, or equivalent, positions since program inception.

Defense Resource Management Institute (DRMI)

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concepts (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance in achieving programmatic objectives remain in place. The DRMI will continue to conduct Defense Resources Management Courses, International Defense Management courses, and a Senior International Defense Management course. It will also conduct Mobile International Defense Management Courses and achieve other training

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IV. Performance Criteria and Evaluation (Continued):

objectives defined by Departmental leadership in support of transformation. This program addresses the BSCs of Institutional and Future Challenges Risk, and provides training in support of Improved Financial Performance as described in the President's Management Agenda.

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V. <u>Personnel Summary:</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u> <u>FY 2003/</u> <u>FY 2004</u>
<u>Active Mil End Strength (Total)</u>				
Officer	4	4	4	0
Enlisted	1	1	1	0
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	27	21	21	0
<u>Active Mil FTEs (Total)</u>				
Officer	4	4	4	4
Enlisted	1	1	1	1
<u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	27	21	21	0

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

	FY 2002 <u>Actual</u>	<u>Change FY 2002/2003</u>		FY 2003 <u>Est</u>	<u>Change FY 2003/2004</u>		FY 2004 <u>Est</u>
		<u>Price Growth</u>	<u>Prog Growth</u>		<u>Price Growth</u>	<u>Prog Growth</u>	
101 Executive, General & Special Schedule	2,343	82	(495)	1,930	44	38	2,012
199 Total Civilian Personnel Compensation	2,343	82	(495)	1,930	44	38	2,012
308 Travel Of Persons	2,967	50	508	3,525	53	23	3,601
399 Total Travel	2,967	50	508	3,525	53	23	3,601
914 Purchased Communications	0	0	49	49	1	0	50
921 Printing & Reproduction	0	0	58	58	1	0	59
989 Other Contracts	29,420	(442)	11,841	40,819	612	(11,891)	29,540
999 Total Other Purchases	29,420	(442)	11,948	40,926	614	(11,891)	29,649
9999 Total	34,730	(310)	11,961	46,381	711	(11,830)	35,262

DEFENSE HUMAN RESOURCES ACTIVITY
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VI. OP 32 Line Items (Dollars in Thousands):

	FY 2003 <u>Actual</u>	<u>Change FY 2003/2004</u>		FY 2004 <u>Est</u>	<u>Change FY 2004/2005</u>		FY 2005 <u>Est</u>
		<u>Price Growth</u>	<u>Prog Growth</u>		<u>Price Growth</u>	<u>Prog Growth</u>	
101 Executive, General & Special Schedule	1,930	44	38	2,012	62	28	2,102
199 Total Civilian Personnel Compensation	1,930	44	38	2,012	62	28	2,102
308 Travel Of Persons	3,525	53	23	3,601	54	11	3,666
399 Total Travel	3,525	53	23	3,601	54	11	3,666
914 Purchased Communications	49	1	0	50	1	0	51
921 Printing & Reproduction	58	1	0	59		1	60
989 Other Contracts	40,819	612	(11,891)	29,540	443	9,005	38,988
999 Total Other Purchases	40,926	614	(11,891)	29,649	444	9006	39,099
9999 Total	46,381	711	(11,830)	35,262	560	9,045	44,867

**DoD HUMAN RESOURCES ACTIVITY
CIVILIAN PERSONNEL COSTS
FY 2004 Budget Estimates
FY 2002 ACTUAL
(TOA In Thousands)**

OPERATION AND MAINTENANCE

Total

	<u>Begin Strength</u>	<u>End Strength</u>		<u>Full-Time Equivalent (FTE)</u>		<u>Basic Compensation</u>	<u>Overtime Pay</u>	<u>Holiday Pay</u>	<u>Other (OC 11)</u>	<u>Total Variables</u>	<u>Total Compensation (OC 11)</u>	<u>Benefits (OC 12)</u>	<u>Compensation and Benefits</u>
		<u>Total</u>	<u>FTP</u>	<u>Total</u>	<u>FTP</u>								
1. Direct Hire Civilian													
a. U.S. Employees:													
(1) Classified and Administrative													
(a) Senior Executive Schedule	10	10	10	10	10	1,334	0	0	55	55	1,389	218	1,607
(b) General Schedule	669	674	665	655	650	48,431	0	0	865	865	49,296	10,106	59,402
(c) Special Schedule	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	679	684	675	665	660	49,765	0	0	920	920	50,685	10,324	61,009
(Rate)						74835				0.0185	76218	0.2075	91743
(2) Wage System	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0.0000	0	0.0000	0
Subtotal United States	679	684	675	665	660	49,765	0	0	920	920	50,685	10,324	61,009
(Rate)						74835				0.0185	76218	0.2075	91743
b. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0	0	0	0
c. Total Direct Hire	679	684	675	665	660	49,765	0	0	920	920	50,685	10,324	61,009
(Rate)						74835				0.0185	76218	0.2075	91743
2. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0.0000	0	0.0000	0
3. Foreign Nat'l Separation Liability Accrual													
a. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Benefits for Former Employees (OC-13)													
a. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
b. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Vol. Sep. Pay	0	0	0	0	0	50	0	0	0	0	50	0	50
d. \$80 Surcharge	0	0	0	0	0	0	0	0	0	0	0	0	0
e. Percent Early Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL CIVILIAN PERSONNEL	679	684	675	665	660	49,765	0	0	920	920	50,685	10,324	61,059
(Rate)						74835				0.0185	76218	0.2075	91818
6. Reimbursable Data													
a. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Total Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
7. DIRECT FUNDED CIVILIAN PERSONNEL	679	684	675	665	660	49,765	0	0	920	920	50,685	10,324	61,059
(Rate)						74835				0.0185	76218	0.2075	91818

**DoD HUMAN RESOURCES ACTIVITY
CIVILIAN PERSONNEL COSTS
FY 2004 Budget Estimates
FY 2003 ESTIMATE**

OPERATION AND MAINTENANCE

(TOA In Thousands)

Total	Begin Strength	End Strength		Full-Time Equivalent (FTE)		Basic Compen- sation	Overtime Pay	Holiday Pay	Other (OC 11)	Total Variables	Total Compen- sation (OC 11)	Benefits (OC 12)	Compen- sation and Benefits
		Total	FTP	Total	FTP								
1. Direct Hire Civilian													
a. U.S. Employees:													
(1) Classified and Administrative													
(a) Senior Executive Schedule	10	10	10	10	10	1,367	0	0	74	74	1,442	273	1,715
(b) General Schedule	674	783	774	744	739	56,265	0	0	935	935	57,200	11,657	68,857
(c) Special Schedule	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	684	793	784	754	749	57,587	0	0	1,009	1,009	58,642	11,930	70,572
(Rate)						76375				0.0175	77775	0.2072	93597
(2) Wage System	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0.0000	0	0.0000	0
Subtotal United States	684	793	784	754	749	57,587	0	0	1,009	1,009	58,642	11,930	70,572
(Rate)	0	0	0	0	0	76375	0	0	0	0	77775	0.2072	93597
b. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0	0	0	0
c. Total Direct Hire	684	793	784	754	749	57587	0	0	1009	1009	58642	11930	70572
(Rate)						76375				0.0175	77775	0.2072	93597
2. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0.0000	0	0.0000	0
3. Foreign Nat'l Separation Liability Accrual													
a. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Benefits for Former Employees (OC-13)													
a. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
b. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	86
c. Vol. Sep. Pay	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Percent Early Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL CIVILIAN PERSONNEL	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)	684	793	784	754	749	57587	0	0	1009	1009	58642	11930	70658
6. Reimbursable Data						76375				0.0175	77775	0.2072	93711
a. U.S. Direct Hire						0	0	0	0	0	0	0	0
b. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Total Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
7. DIRECT FUNDED CIVILIAN PERSONNEL	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)	684	793	784	754	749	57587	0	0	1009	1009	58642	11930	70658
						76375				0.0175	77775	0.2072	93711

**DoD HUMAN RESOURCES ACTIVITY
CIVILIAN PERSONNEL COSTS
FY 2004 Budget Estimates
FY 2004 ESTIMATE**

OPERATION AND MAINTENANCE

(TOA In Thousands)

Total	Begin <u>Strength</u>	End Strength		Full-Time Equivalent (FTE)		Basic Compen- sation	Overtime Pay	Holiday Pay	Other (OC 11)	Total Variables	Total Compen- sation (OC 11)	Benefits (OC 12)	Compen- sation and Benefits
		Total	FTP	Total	FTP								
1. Direct Hire Civilian													
a. U.S. Employees:													
(1) Classified and Administrative													
(a) Senior Executive Schedule	10	10	10	10	10	1,399	0	0	76	76	1,475	279	1,754
(b) General Schedule	783	732	723	752	747	58,225	0	0	962	962	59,187	12,096	71,283
(c) Special Schedule	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	793	742	733	762	757	59,624	0	0	1,038	1,038	60,662	12,375	73,037
(Rate)						78247				0.0174	79609	0.2076	95849
(2) Wage System	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal United States	793	742	733	762	757	59,624	0	0	1,038	1,038	60,662	12,375	73,037
(Rate)						78247				0.0174	79609	0.2076	95849
b. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0	0	0	0
c. Total Direct Hire	793	742	733	762	757	59,624	0	0	1,038	1,038	60,662	12,375	73,037
(Rate)						78247				0.0174	79609	0.2076	95849
2. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0.0000	0	0.0000	0
3. Foreign Nat'l Separation Liability Accrual													
a. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Benefits for Former Employees (OC-13)													
a. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
b. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Vol. Sep. Pay	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Percent Early Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL CIVILIAN PERSONNEL	793	742	733	762	757	59,624	0	0	1,038	1,038	60,662	12,375	73,037
(Rate)	0	0	0	0	0	78247	0	0	0	0	79609	0.2076	95849
6. Reimbursable Data	0	0	0	0	0	0	0	0	0	0	0	0	0
a. U.S. Direct Hire													
b. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Total Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
7. DIRECT FUNDED CIVILIAN PERSONNEL	793	742	733	762	757	59,624	0	0	1,038	1,038	60,662	12,375	73,037
(Rate)	0	0	0	0	0	78247	0	0	0	0	79609	0.2076	95849

**DoD HUMAN RESOURCES ACTIVITY
CIVILIAN PERSONNEL COSTS
FY 2004 Budget Estimates
FY 2005 ESTIMATE**

FY 2005

	<u>Begin Strength</u>	<u>End Strength Total</u>	<u>FTP</u>	<u>Full-Time Equivalent (FTE) Total</u>	<u>FTE</u>	<u>Basic Compen- sation</u>	<u>Overtime Pay</u>	<u>Holiday Pay</u>	<u>Other (OC 11)</u>	<u>Total Variables</u>	<u>Compen- sation (OC 11)</u>	<u>Benefits (OC 12)</u>	<u>Compen- sation and Benefits</u>
1. Direct Hire Civilian													
a. U.S. Employees:													
(1) Classified and Administrative													
(a) Senior Executive Schedule	10	10	10	10	10	1,434	0	0	77	77	1,511	285	1,796
(b) General Schedule	732	761	752	752	747	59,948	0	0	990	990	60,560	12,454	73,014
(c) Special Schedule	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	742	771	762	762	757	61,382	0	0	1,067	1,067	62,071	12,739	74,810
(Rate)						80554				0.0174	81458	0.2075	98176
(2) Wage System	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal United States	742	771	762	762	757	61382	0	0	1067	1067	62071	12739	74810
(Rate)						80554				0.0174	81458	0.2075	98176
b. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0	0	0	0
c. Total Direct Hire	742	771	762	762	757	61382	0	0	1067	1067	62071	12739	74810
(Rate)						80554				0.0174	81458	0.2075	98176
2. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
(Rate)						0				0.0000	0	0.0000	0
3. Foreign Nat'l Separation Liability Accrual													
a. Direct Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
b. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Benefits for Former Employees (OC-13)													
a. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
b. U.S. Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Vol. Sep. Pay	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Percent Early Retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL CIVILIAN PERSONNEL	742	771	762	762	757	61,382	0	0	1,067	1,067	62,071	12,739	74,810
(Rate)	0	0	0	0	0	80554	0	0	0	0	81458	0.2075	98176
6. Reimbursable Data	0	0	0	0	0	0	0	0	0	0	0	0	0
a. U.S. Direct Hire													
b. Foreign National Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Total Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
d. Indirect Hire Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0
7. DIRECT FUNDED CIVILIAN PERSONNEL	742	771	762	762	757	61,382	0	0	1,067	1,067	62,071	12,739	74,810
(Rate)	0	0	0	0	0	80554	0	0	0	0	81458	0.2075	98176

DEPARTMENT OF DEFENSE HUMAN RESOURCES ACTIVITY
Fiscal Year (FY) 2004/2005 Biennial Budget Estimates
Advisory and Assistance Services
(Dollars in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Appropriation: RDT&E, DW</u>				
I. Management & Professional Support Services				
FFRDC Work	0	0	0	0
Non-FFRDC Work	0	0	0	0
Total	0	0	0	0
II. Studies, Analysis, & Evaluation				
FFRDC Work	2,237	2,471	2,471	2,471
Non-FFRDC Work	0	0	0	0
Total	2,237	2,471	2,471	2,471
III. Engineering & Technical Services				
FFRDC Work	0	0	0	0
Non-FFRDC Work				
Total	0	0	0	0
TOTAL				
FFRDC Work	2,237	2,471	2,471	2,471
Non-FFRDC Work	0	0	0	0
Total	2,237	2,471	2,471	2,471

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES
Contract Reporting by Appropriation

		<u>FY 2002</u> <u>Actual</u>			<u>FY 2003</u> <u>Estimate</u>			<u>FY 2004</u> <u>Estimate</u>	
	<u>Total</u> <u>Contracts</u>	<u>Other</u> <u>Services</u> <u>Contracts</u>	<u>% of</u> <u>Total</u> <u>Contracts</u>	<u>Total</u> <u>Contracts</u>	<u>Other</u> <u>Services</u> <u>Contracts</u>	<u>% of</u> <u>Total</u> <u>Contracts</u>	<u>Total</u> <u>Contracts</u>	<u>Other</u> <u>Services</u> <u>Contracts</u>	<u>% of</u> <u>Total</u> <u>Contracts</u>
Appn									
O&M	155,121	149,816	96.6	201,445	196,777	97.7	229,949	225,209	97.9

Narrative:

In FY 2002 through FY 2004 other services contracts exceeds 15 percent of the total contracts. This is due to a variety of programs.

FY 2002

In FY 2002 other services contracts was 96.6 percent of total contracts. Those included are DCPDS Modernization (\$21.9), Access Card (\$17.9K), DEERS (\$31.2), RAPIDS (\$18.8), DLAMP Backfill/Component Support (\$3.6K), Southbridge (7.2K), DLAMP/PME support (\$4.2K), DIMHRS (\$19.8), Medical Readiness (\$4.4K), Universal Beneficiary Card (\$4.5K).

FY 2003

In FY 2003 other services contracts are 97.7 percent of total contracts. Those included are DCPDS Modernization (\$18.1K), Southbridge (\$9.6K), DLAMP Graduate/PME Support (\$4.3K), DEERS (\$35.7K), RAPIDS (\$27.4K), the Common Access Card (\$15.9K), the Universal Beneficiary Card (\$5.2K) and Surveys (\$4.9K).

FY 2004

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES
Contract Reporting by Appropriation

In FY 2004 other services contracts is 97.9 percent of total contracts. Those included are DCPDS Modernization (\$36.6K), Southbridge (\$10.2K), DLAMP Graduate/PME Support (\$16.6K), DEERS (\$39.1K), RAPIDS (\$27.0K), the Common Access Card (\$17.6K), Universal Beneficiary Card (\$5.9K), and Surveys (\$4.7K).

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES
DoD Management Headquarters
(Dollars in Thousands)

CPMS	<u>FY 2002 ACTUAL</u>				<u>FY 2003 ESTIMATE</u>				<u>FY 2004 ESTIMATE</u>				<u>FY 2005 ESTIMATE</u>			
	Mil Avg Str	Civilian FTEs	Total	Total Obliga- tion (\$000)	Mil Avg Str	Civilian FTEs	Total	Total Obliga- tion (\$000)	Mil Avg Str	Civilian FTEs	Total	Total Obliga- tion (\$000)	Mil Avg Str	Civilian FTEs	Total	Total Obliga- tion (\$000)
NON-COMBAT COMMANDS	1	22	23	2,071	1	22	23	2,532	1	22	23	2,618	1	22	23	2,708
MPA	1		1	65	1	0	1	68	1	0	1	70	1	0	1	72
O&M		22	23	2,071		22	23	2,532		22	23	2,618		22	23	2,708
(Direct)		(22)	(22)	(2,071)		(22)	(22)	(2,532)		(22)	(22)	(2,618)		(22)	(22)	(2,708)

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/2005 Biennial Budget Estimates
Summary of Increases and Decreases

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
1. FY 2003 President's Budget Request	89,161	256,042	345,203
2. Congressional Adjustments (Distributed)			
a. Joint Advertising Market Research	(24,250)		
b. Joint Military Education Venture	500		
c. Defense Leadership and Management Program	(19,155)		
d. CSRS/FERS Accrual	(307)	(4,479)	
e. Defense Emergency Response Funds		500	
f. Defense Civilian Personnel Data System		(20,000)	
Total Congressional Adjustments (Distributed)	(43,212)	(23,979)	(67,191)
3. Congressional Adjustments (Undistributed)			
a. FECA Surcharge Reduction	6	(93)	
b. Unobligated Balance	33	(505)	
Total Congressional Adjustments (Undistributed)	39	(598)	(559)
4. Congressional Adjustments (General Provisions)			
a. Section 8100 Prorate Management Efficiencies	248	(3,985)	(3,737)
b. Section 8109 Reduced Cost Growth of Information Technology	24	(390)	(366)
c. Section 8135 Inflation - Revised Economic Assumptions	103	(1,659)	(1,556)
d. Section 8103 Government Purchase Card		(4)	
Total Congressional Adjustments (General Provisions)	375	(6,038)	(5,663)
5. Congressional Earmarks			
Section 8044 Indian Lands Environmental Impact	18	(295)	(277)
Total Congressional Earmarks	18	(295)	(277)
6. FY 2003 Appropriation Enacted	46,381	225,132	276,810
7. Transfers In/Transfers out		9,935	9,935
8. Program Change		(688)	(688)
9. FY 2003 Current Estimate	46,381	234,379	280,760

DEFENSE HUMAN RESOURCES ACTIVITY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2004/2005 Biennial Budget Estimates
 Summary of Increases and Decreases

10.	Price Change	711	4,010	4,721
11.	Transfer In			
12.	Program Increases			
	a. Defense Leadership and Management Program	7,190		7,190
	b. Defense Civilian Personnel Data System		17,802	17,802
	c. Personnel Security Research Center		1,000	1,000
	d. Common Access Card		3,462	3,462
	e. Defense Enrollment Eligibility Reporting System/ Real Time Automated Personnel Identification System		15,410	15,410
	f. Universal Beneficiary Card		1,142	1,142
	g. Operations		1,378	1,378
	Total Program Increases	7,190	40,194	47,384
13.	Program Decreases			
	a. Joint Military Education Venture Forum	(508)		(508)
	b. Joint Advertising Market Research	(18,512)		(18,512)
	c. Medical Readiness		(242)	(242)
	d. Surveys		(1,031)	(1,031)
	e. DERF - Critical Infrastructure Protection		(508)	(508)
	Total Program Decreases	(19,020)	(1,781)	(20,801)
14.	FY 2004 Budget Request	35,262	276,802	312,572
15.	Price Change	560	5,214	5,774
16.	Program Increase	9,045		9,045
17.	Program Decreases		(17,520)	(17,520)
18.	FY 2005 Request	44,867	264,496	309,363

CIVILIAN PERSONNEL MANAGEMENT SERVICE
Operation and Maintenance, Defense-Wide
FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES
Manpower Changes in Full-Time Equivalents (FTEs)
FY 2002 Through FY 2005

	<u>US Direct Hire</u>	<u>Direct Hire</u>	<u>Foreign National Indirect Hire</u>	<u>Total</u>
1. FY 2002 Full Time Equivalent (FTE)	665	0	0	665
Operation & Maintenance	665	0	0	665
2. FY 2003 Full Time Equivalent (FTE)	754	0	0	754
Operation & Maintenance	754	0	0	754
Changes:				
a. DEERS	1	0	0	1
b. RAPIDS	1	0	0	1
c. Operations	6	0	0	6
3. FY 2004 Full Time Equivalent (FTE)	762	0	0	762
Operation & Maintenance	762	0	0	762
4. FY 2005 Full Time Equivalent (FTE)	762	0	0	762
Operation & Maintenance	762	0	0	762
Changes:				
5. SUMMARY				
FY 2002 ACTUAL				
O&M Total	665	0	0	665
Direct Funded	665	0	0	665
Reimbursable Funded	0	0	0	0
FY 2003 ESTIMATE				
O&M Total	754	0	0	754
Direct Funded	754	0	0	754
Reimbursable Funded	0	0	0	0
FY 2004 ESTIMATE				
O&M Total	762	0	0	762
Direct Funded	762	0	0	762
Reimbursable Funded	0	0	0	0
FY 2005 ESTIMATE				
O&M Total	762	0	0	762
Direct Funded	762	0	0	762
Reimbursable Funded	0	0	0	0

**OPERATION AND MAINTENANCE, DEFENSE-WIDE
DEFENSE HUMAN RESOURCES ACTIVITY
PERSONNEL SUMMARY**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/2004</u>	<u>Change FY 2004/2005</u>
<u>Active Military End Strength (ES) (Total)</u>	14	15	15	15	0	0
Officer	13	14	14	14	0	0
Enlisted	1	1	1	1	0	0
 <u>Civilian End Strength</u>						
U.S. Direct Hire	675	764	772	772	8	0
 <u>Active Military Average Strength (Total)</u>	14	15	15	15	0	0
Officer	13	14	14	14	0	0
Enlisted	1	1	1	1	0	0
 <u>Civilian FTEs (Total)</u>						
U.S. Direct Hire	665	754	762	762	8	0

CIVILIAN PERSONNEL HIRING PLAN
 DEFENSE HUMAN RESOURCES ACTIVITY
 Fiscal Year 2004 Budget Estimates

FY 2002

Operation and Maintenance, Defense-Wide

Separations

Month	E/S Beginning	Gains	Attrition	Retire	RIFs	Total	Net Change	E/S Revised	FTE
Oct	686	2	6	4	0	10	-8	678	57
Nov	678	2	0	4	0	4	-2	676	113
Dec	676	0	3	3	0	6	-6	670	169
Jan	670	3	4	1	0	5	-2	668	224
Feb	668	3	5	0	0	5	-2	666	280
Mar	666	3	3	0	0	3	0	666	335
Apr	666	2	4	0	0	4	-2	664	391
May	664	2	6	0	0	6	-4	660	446
Jun	660	4	7	1	0	8	-4	656	500
Jul	656	3	0	0	0	0	3	659	555
Aug	659	5	5	0	0	5	0	659	610
Sep	659	4	2	0	0	2	2	661	665
Total		33	45	13	0	58	-25		

CIVILIAN PERSONNEL HIRING PLAN
DEFENSE HUMAN RESOURCES ACTIVITY
Fiscal Year 2004 Budget Estimates

FY 2003

Operation and Maintenance, Defense-Wide

Month	E/S Beginning	Separations					Total	Net Change	E/S Revised	FTE
		Gains	Attrition	Retire	RIFs					
Oct	665	29	1	0	0	1	28	693	58	
Nov	693	20	1	1	0	2	18	711	117	
Dec	711	21	1	1	0	2	19	730	178	
Jan	730	15	2	3	0	5	10	740	240	
Feb	740	12	1	1	0	2	10	750	302	
Mar	750	10	1	1	0	2	8	758	365	
Apr	758	9	2	0	0	2	7	765	429	
May	765	9	0	0	0	0	9	774	493	
Jun	774	7	1	3	0	4	3	777	558	
Jul	777	6	2	0	0	2	4	781	623	
Aug	781	6	2	0	0	2	4	785	689	
Sep	785	6	3	2	0	5	1	786	754	
Total		150	17	12	0	29	121			

CIVILIAN PERSONNEL HIRING PLAN
DEFENSE HUMAN RESOURCES ACTIVITY
Fiscal Year 2004 Budget Estimates

FY 2004

Operation and Maintenance, Defense-Wide

Month	E/S Beginning	Separations				Total	Net Change	E/S Revised	FTE
		Gains	Attrition	Retire	RIFs				
Oct	778	5	7	2	0	9	-4	774	65
Nov	774	7	6	0	0	6	1	775	129
Dec	775	5	3	2	0	5	0	775	194
Jan	775	3	5	3	0	8	-5	770	258
Feb	770	3	6	1	0	7	-4	766	322
Mar	766	2	5	1	0	6	-4	762	385
Apr	762	2	3	0	0	3	-1	761	449
May	761	1	3	2	0	5	-4	757	512
Jun	757	1	3	3	0	6	-5	752	574
Jul	752	1	2	0	0	2	-1	751	637
Aug	751	1	3	0	0	3	-2	749	699
Sep	749	2	3	1	0	4	-2	747	762
Total		33	49	15	0	64	-31		

CIVILIAN PERSONNEL HIRING PLAN
 DEFENSE HUMAN RESOURCES ACTIVITY
 Fiscal Year 2004 Budget Estimates

FY 2005

Operation and Maintenance, Defense-Wide

Month	E/S Begin ning	Separations					Total	Net Change	E/S Revised	FTE
		Gains	Attrition	Retire	RIFs					
Oct	740	12	1	2	0	3	9	749	62	
Nov	749	12	2	0	0	2	10	759	126	
Dec	759	8	2	4	0	6	2	761	189	
Jan	761	6	2	7	0	9	-3	758	252	
Feb	758	6	3	1	0	4	2	760	316	
Mar	760	5	4	1	0	5	0	760	379	
Apr	760	4	5	0	0	5	-1	759	442	
May	759	7	3	2	0	5	2	761	506	
Jun	761	8	3	3	0	6	2	763	569	
Jul	763	7	4	0	0	4	3	766	633	
Aug	766	8	2	1	0	3	5	771	697	
Sep	771	7	3	1	0	4	3	774	762	
Total		90	34	22	0	56	34			

TRAINING AND EDUCATION
 Defense Human Resources Activity
 FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES
 (Dollars in Millions)

	FY 02	Price	Program	FY 03	Price	Program	FY 04	Price	Program	FY 05
	Actuals	Growth	Growth	Estimate	Growth	Growth	Estimate	Growth	Growth	Estimate
Appropriation Summary:										
Operations and Maintenance	19.6	-0.2	-0.3	19.3	0.3	7.2	26.8	0.4	8.9	36.1

Description of Operations Financed:

In response to the Commission on Roles and Missions (CORM) in March 1995, 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-wide leadership positions. The DLAMP is an integrated program of component-managed employees prepared for and assigned to designated civilian leadership positions. The Department of Defense Human Resources Activity's (DHRA) Civilian Personnel Management Service (CPMS) is responsible for program management and stewardship of the centralized DLAMP funding. CPMS is responsible for the contract instructional staff, curriculum development and operation, administrative support, and participant backfill and TDY support.

Individual Training by Category by Service
 (\$ in Millions)

Defense Leadership and Management Program (DLAMP)

	FY 02	Price	Program	FY 03	Price	Program	FY 04	Price	Program	FY 05
	Actuals	Growth	Growth	Estimate	Growth	Growth	Estimate	Growth	Growth	Estimate
Professional Development										
Defense Leadership and Management Program	19.6	-0.2	0.3	19.3	0.3	7.2	26.8	0.4	8.9	36.1

Narrative Explanation of Changes: DLAMP was implemented on an incremental basis, with annual growth programmed from the initial start-up in FY 1997 through steady state in approximately FY 2005. DLAMP was 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. Changes in funding are due to component participation, facility support and program adjustments to meet Congressional actions and mandated civilian development objectives.

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/2995 Biennial Budget Estimates
Appropriation Highlights
(Dollars in Thousands)

Budget Activity 4: Administration and Service-Wide Activities

FY 2002 Actual	Price Change	Program Change	FY 2003 Estimate	Price Change	Program Change	FY 2004 Estimate	Price Change	Program Change	FY 2005 Estimate
189,641	3,981	40,743	234,379	4,010	38,413	276,802	5,214	(17,520)	264,496

The Defense Human Resources Activity (DHRA) has increases between FY 2002 and FY 2004 in several Budget Activity (BA) 4 programs. Funding for the Defense Eligibility and Enrollment Reporting System (DEERS), the Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card increases over the fiscal years. Additional funding for these programs supports hardware and software improvements required for updating and maintaining 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 also increases. 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.

Budget Activity 3: Training and Recruiting

FY 2002 Actual	Price Change	Program Change	FY 2003 Estimate	Price Change	Program Change	FY 2004 Estimate	Price Change	Program Change	FY 2005 Estimate
34,730	(310)	11,961	46,381	711	(11,830)	35,262	560	9,045	44,867

Program funding for the Defense Leadership and Management program increases due to the partial restoration of a Congressional reduction in FY 2003. The program was severely constrained in FY 2003 due to taking a 50% reduction. The reduction resulted in curtailment of most graduate education, cancellation of preparatory courses in national security issues and leadership competencies, the inability to provide backfills for students in long-term training, and postponement of the intake of the Class of 2003. The Joint Recruiting and Advertising portion of

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/2995 Biennial Budget Estimates
Appropriation Highlights
(Dollars in Thousands)

the Joint Advertising Market Research program was reduced in FY 2003 in order to support higher priorities within DoD. Funding for this program was eliminated in the outyears.

Summary:

FY 2002 Actual	Price Change	Program Change	FY 2003 Estimate	Price Change	Program Change	FY 2004 Estimate	Price Change	Program Change	FY 2005 Estimate
224,371	3,671	52,704	280,760	4,721	26,582	312,064	5,774	(8,475)	309,353

The Department of Defense Human Resources Activity (DHRA) is a 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 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, and force protection areas.

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/2005 Biennial Budget Estimates
Summary of Functional Transfers and Funding Realignment

(Dollars in Thousands)

	<u>AMOUNT</u>	<u>CIVILIAN FTE</u>
FY 2003	\$0	2
FY 2004	\$.387	2
FY 2005	\$.410	2

SUMMARY

Transfers 2 FTEs and associated funding from the Department of the Air Force to the Defense Human Resources Activity for the Defense Equal Opportunity Management Institute (DEOMI).

	<u>AMOUNT</u>	<u>CIVILIAN FTE</u>
FY 2003	\$9.935	5
FY 2004	\$9.055	5
FY 2005	\$9.354	5

SUMMARY

Transfers 5 FTEs and associated funding from the Operation and Maintenance, Army Reserve appropriation to the Defense Human Resources Activity to support the Employer Support of the Guard and Reserve (ESGR).

DEFENSE HUMAN RESOURCES ACTIVITY
 Operation and Maintenance, Defense-Wide
 FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES
 Budget Activity 3

BA 3	FY 2002 Actual	Price Growth	Program Growth	FY 2003 Estimate	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	FY 2005 Estimate
Civilian Personnel Compensation										
101 Executive General & Special Schedule	2,343	82	(495)	1,930	44	38	2,012	62	28	2,102
Total Civilian Personnel Compensation	2,343	82	(495)	1,930	44	38	2,012	62	28	2,102
308 Travel of Persons	2,967	50	508	3,525	53	23	3,601	54	11	3,666
Total Travel	2,967	50	508	3,525	53	23	3,601	54	11	3,666
914 Purchased Communication	0	0	49	49	1	0	50	1	0	51
921 Printing & Reproduction	0	0	58	58	1	0	59	0	1	60
989 Other Contracats	29,420	(442)	11,841	40,819	612	(11,891)	29,540	443	9,005	38,988
999 Total Other Purchases	29,420	(442)	11,948	40,926	614	(11,891)	29,649	444	9,006	39,099
Total BA 3	34,730	(310)	11,961	46,381	711	(11,830)	35,262	560	9,045	44,867

DEFENSE HUMAN RESOURCES ACTIVITY
 Operation and Maintenance, Defense-Wide
 FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES

Budget Activity 4

BA 4	FY 2002 Actual	Price Growth	Program Growth	FY 2003 Estimate	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	FY 2005 Estimate
Civilian Personnel Compensation										
101 Executive, General & Special Schedule	58,666	2,039	7,937	68,642	1,562	821	71,025	2,166	(105)	73,086
107 Voluntary Separation Incentive Pay	50	0	(50)	0	0	0	0	0	0	0
111 Disability Compensation	85	0	(85)	0	0	0	0	0	0	0
Total Civilian Personnel Compensation	58,801	2,039	7,802	68,642	1,562	821	71,025	2,166	(105)	73,086
308 Travel of Persons	1,732	29	316	2,077	31	(66)	2,042	31	7	2,080
Total Travel	1,732	29	316	2,077	31	(66)	2,042	31	7	2,080
416 GSA Managed Supplies & Materials	1,189	18	(521)	686	10	3	699	10	4	713
Total Supplies & Materials	1,189	18	(521)	686	10	3	699	10	4	713
506 DLA Equipment	5	0	2	7	0	0	7	0	0	7
507 GSA Equipment	109	1	(12)	98	1	1	100	2	0	102
Total Equipment	114	1	(10)	105	1	1	107	2	0	109
671 Communication Services (DISA)	1,185	0	289	1,474	20	225	1,719	24	11	1,754
673 DFAS	804	(6)	26	824	12	21	857	13	(1)	869
Total Other Fund Purchases	1,989	(6)	315	2,298	32	246	2,576	37	10	2,623
771 Commercial Transportation	115	1	(64)	52	1	0	53	1	0	54
Total Transportation	115	1	(64)	52	1	0	53	1	0	54
912 Rental Payment to GSA Leases	3,309	67	(540)	2,836	17	34	2,887	17	35	2,939
914 Purchased Communications	963	15	(225)	753	12	2	767	12	2	781
917 Postal Service (U.S.P.S.)	448	0	148	596	0	0	596	0	0	596
921 Printing & Reproduction	19	3	83	105	1	1	107	0	2	109
922 Equipment Maintenance by Contract	228	3	0	231	3	0	234	4	0	238
923 Facility Maintenance by Contract	4	0	16	20	0	0	20	0	0	20
933 Studies, Analysis & Evaluation	314	5	(319)	0	0	0	0	0	0	0
989 Other Contracts	120,396	1,806	33,756	155,958	2,340	37,371	195,669	2,934	(17,475)	181,128
998 Other Costs	20	0	0	20	0	0	20	0	0	20
Total Other Purchases	125,701	1,899	32,919	160,519	2,373	37,408	200,300	2,967	(17,436)	185,831
							0			0
Total BA 4	189,641	3,981	40,757	234,379	4,010	38,413	276,802	5,214	(17,520)	264,496

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
FISCAL YEAR (FY) 2004/2005 BIENNIAL BUDGET ESTIMATES
Consolidated OP 32

Total	FY 2002 Actual	Price Growth	Program Growth	FY 2003 Estimate	Price Growth	Program Growth	FY 2004 Estimate	Price Growth	Program Growth	FY 2005 Estimate
Civilian Personnel Compensation										
101 Executive, General & Special Schedule	61,009	2,121	7,442	70,572	1,606	859	73,037	2,228	(77)	75,188
107 Voluntary Separation Incentive Pay	50	0	(50)	0	0	0	0	0	0	0
111 Disability Compensation	85	0	(85)	0	0	0	0	0	0	0
Total Civilian Personnel Compensation	61,144	2,121	7,307	70,572	1,606	859	73,037	2,228	(77)	75,188
308 Travel of Persons	4,699	79	824	5,602	84	(43)	5,643	85	18	5,746
Total Travel	4,699	79	824	5,602	84	(43)	5,643	85	18	5,746
416 GSA Managed Supplies & Materials	1,189	18	(521)	686	10	3	699	10	4	713
Total Supplies & Materials	1,189	18	(521)	686	10	3	699	10	4	713
506 DLA Equipment	5	0	2	7	0	0	7	0	0	7
507 GSA Equipment	109	1	(12)	98	1	1	100	2	0	102
Total Equipment	114	1	(10)	105	1	1	107	2	0	109
671 Communication Services (DISA)	1,185	0	289	1,474	20	225	1,719	24	11	1,754
673 DFAS	804	(6)	26	824	12	21	857	13	(1)	869
Total Other Fund Purchases	1,989	(6)	315	2,298	32	246	2,576	37	10	2,623
771 Commercial Transportation	115	1	(64)	52	1	0	53	1	0	54
Total Transportation	115	1	(64)	52	1	0	53	1	0	54
912 Rental Payment to GSA Leases	3,309	67	(540)	2,836	17	34	2,887	17	35	2,939
914 Purchased Communications	963	15	(176)	802	13	2	817	13	2	832
917 Postal Service (U.S.P.S.)	448	0	148	596	0	0	596	0	0	596
921 Printing & Reproduction	19	3	141	163	2	1	166	0	3	169
922 Equipment Maintenance by Contract	228	3	0	231	3	0	234	4	0	238
923 Facility Maintenance by Contract	4	0	16	20	0	0	20	0	0	20
933 Studies, Analysis & Evaluation	314	5	(319)	0	0	0	0	0	0	0
989 Other Contracts	149,816	1,364	45,597	196,777	2,952	25,480	225,209	3,377	(8,470)	220,116
998 Other Costs	20	0	0	20	0	0	20	0	0	20
Total Other Purchases	155,121	1,457	44,867	201,445	2,987	25,517	229,949	3,411	(8,430)	224,930
Total DHRA	224,371	3,671	52,718	280,760	4,721	26,583	312,064	5,774	(8,475)	309,363

DEFENSE HUMAN RESOURCES ACTIVITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/2005 Biennial Budget Estimates
(Dollars in Thousands)

<u>Appropriation</u>	FY 2003 <u>Actual</u>	FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
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Negative

Point of Contact

Name: Joan O'Rourke

Telephone Number: (703) 696-1010

BUDGET JUSTIFICATION

DEFENSE HUMAN RESOURCES ACTIVITY

PROCUREMENT, DEFENSE-WIDE

P-1 LINE ITEM NUMBER 24

FISCAL YEAR (FY) 2004 BUDGET ESTIMATES

FEBRUARY 2003

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
P-1 Line Item Number 24
Fiscal Year (FY) 2004 Budget Estimates

<u>Dollars in Millions</u>	
FY 2005 Estimate	7.204
FY 2004 Estimate	7.312
FY 2003 Estimate	7.260
FY 2002 Actual	7.282

Purpose and Scope

The Department of Defense Human Resources Activity (DHRA), a consolidated activity of the Under Secretary of Defense (Personnel and Readiness), (USD(P&R)), is a central DoD activity for the collection and interaction of manpower and personnel data to support Department-wide tracking, analysis, research, studies, and a wide variety of reporting requirements. DHRA provides civilian personnel policy support, functional information management, and civilian personnel administrative services to DoD Components and activities.

The scope of operations is necessarily broad and encompasses all aspects of data collection and utilization of Defense manpower and personnel data records to support DoD-wide analysis, studies, research, and reporting requirements. DHRA is the responsible organization within DoD for interchange of automated manpower data with other government agencies as approved by the USD(P&R). Additionally, it manages and operates a number of major DoD programs, such as the Real-Time Automated Personnel Identification System (RAPIDS) program. RAPIDS is the Department's enterprise solution for issuing the Uniformed Services Identification and Privilege Cards to all service members, active and Reserve, civilian employees, retired members, eligible family members, and selected contractors. This system is fielded in over 1,200 locations around the world, including not only fixed-sites, but also mobilized Guard/Reserve activities and aboard Navy ships.

RAPIDS provides the means to collect family member information so that eligible family members are appropriately categorized and entered into the Defense Enrollment Eligibility Reporting System (DEERS) and are issued ID cards that correctly reflect their entitlements and privileges. In addition, RAPIDS is the application that issues the Common Access Card (CAC). This means that RAPIDS is not only the infrastructure which provides ID cards and collects family member information, but also, with the advent of the CAC, RAPIDS is the Local Registration Authority (LRA) for issuance of the digital credential necessary to implement the Public Key Infrastructure (PKI) for the Department.

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
P-1 Line Item Number 24
Fiscal Year (FY) 2004 Budget Estimates

Purpose and Scope (Cont'd)

The Defense Civilian Personnel Data System (DCPDS) - the single, civilian personnel information system - ensures a coherent, standardized, and cost-effective system for the entire Department. DCPDS is built using a commercial off-the-shelf product customized for the Federal and Defense requirements. The system uses a client server architecture that provides flexibility to respond to changes in the Department's civilian personnel operational requirements. The system was fully deployed in calendar year 2002 and replaces the legacy DCPDS.

To effect a high degree of capability in the administration of civilian and military personnel program operations throughout the Department, it is necessary to procure and maintain current mission essential items such as computers and telecommunications equipment. This includes organization infrastructure and sustainment of a modern information system.

Justification of Funds

The proposed FY 2004 investment of Automated Data Processing (ADP) equipment supports the RAPIDS program. This includes the acquisition, installation, and maintenance of the RAPIDS as well as replacing outdated and maintenance intensive equipment in order to continue to ensure full functionality and security of the system.

The FY 2004 request supports information systems, infrastructure and communications requirements for the Defense Civilian Personnel Data System (DCPDS) and the other DoD-wide systems operated and managed by DHRA's Civilian Personnel Management Service (CPMS). Equipment procured will support the DoD civilian personnel community by providing more timely access to information for personnel specialists and managers. Economic analyses have validated the original estimate of \$200 million annual savings after the system is deployed and servicing ratio targets are attained. These reductions in costs have already been programmed into DoD Components' budgets along with corresponding personnel reductions. System purchases would include such equipment as database servers, network servers, computing infrastructure, and other associated peripherals.

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
Fiscal Year (FY) 2004 Budget Estimates
Summary
(Dollars in Millions)

Appropriation: Procurement, Defense-Wide
P-1 Line Item Number: 24

February 2003

Activity	Item	FY 2002	FY 2003	FY 2004	FY 2005
01	Civilian Personnel Management System (CPMS) Operations/DoD Civilian Personnel Data System (DCPDS) Central Operations/Management	5.731	5.709	5.749	5.665
02	Real-Time Automated Personnel Identification System (RAPIDS)/Defense Enrollment Eligibility Reporting System (DEERS)	1.551	1.551	1.563	1.539
	Total	7.282	7.260	7.312	7.204

Exhibit P-1 Summary

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
Summary of Fiscal Year (FY) 2004 Budget Estimates

(Dollars in Thousands)

<u>Appropriation Title</u>	<u>Direct Budget Plan (TOA)</u>				<u>Budget Authority</u>			
	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Procurement, Defense-Wide	7,282	7,260	7,312	7,204	7,282	7,260	7,312	7,204

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
Fiscal Year (FY) 2004 Budget Estimates
(Dollars in Millions)

Budget Item Justification							A. Date February 2003				
B. Appropriation/Budget Activity Procurement Defense-Wide Defense Human Resources Activity							C. P-1 Item Nomenclature 01 CPMS Operations/DCPDS Central Operations 02 RAPIDS/DEERS				
	Prior Years	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
Quantity											
Cost		7.282	7.260	7.312	7.204	7.382	7.665	7.814	7.966		
<p>01 Defense Civilian Personnel Data System (DCPDS) Central Operations and CPMS Operations:</p> <p>The Defense Human Resources Activity (DHRA) completed deployment of the Defense Civilian Personnel Data System (DCPDS) in September 2002, achieving full operational capability (FOC). DCPDS is designated the single standard DoD civilian personnel data system, replacing the legacy DCPDS. The regionalization of civilian personnel services, combined with systems modernization, has reduced resources dedicated to the civilian personnel services infrastructure. This has allowed DoD to achieve an improved Human Resources servicing ratio. Economic analyses have validated the original estimate of over \$200M annual savings based on the combination of FOC and attainment of the target servicing ratio. These cost reductions are attributable to reduced personnel and facilities costs and the elimination of the legacy system. Benefits from regionalization and modernization (Reg/Mod) are reflected throughout the budgets of DHRA, the Military Departments, Defense Agencies and field activities.</p> <p>Programs for the civilian workforce include minimizing involuntary separations, assisting laid-off workers, maintaining workforce balance, and reducing the costs of DoD's workers and unemployment compensation. DHRA supports the development, issuance and maintenance of uniform DoD-wide civilian personnel policy; provides program guidance and technical interpretation for both appropriated and nonappropriated funded civilian personnel programs (USC Titles 5, 10 and 32); manages DoD's Civilian Assistance and Re-Employment (CARE) program including the Priority Placement Program (PPP); investigates and mediates discrimination complaints; conducts grievance investigations; and oversees the regional restructuring of civilian personnel operations and development of the single modern information system. These programs are supported by an aggressive data automation program, to include acquiring a communications capability, computing equipment, and an automation software link to standardize these divergent functions. A portion of these funds continues that process.</p>											

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
Fiscal Year (FY) 2004 Budget Estimates
(Dollars in Millions)

Budget Item Justification							A. Date February 2003				
B. Appropriation/Budget Activity Procurement Defense-Wide Defense Human Resources Activity							C. P-1 Item Nomenclature 01 CPMS Operations/DCPDS Central Operations 02 RAPIDS/DEERS				
	Prior Years	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	To Complete	Total
Quantity											
Cost		7.282	7.260	7.312	7.204	7.382	7.665	7.814	7.966		
<p>02 Real-Time Automated Personnel Identification System (RAPIDS)/Defense Enrollment Eligibility Reporting System (DEERS)</p> <p>DHRA is the Executive Agent for all Identification Card (ID) Systems. The Real-Time Automated Personnel Identification System (RAPIDS) is a program established to develop and implement a secure ID card system for the Uniformed Services and is the primary update vehicle for the DEERS database. Additionally, RAPIDS is the Local Registration Authority (LRA) for issuance of the digital credential necessary to implement PKI in the Department. DHRA centrally manages all resources for the program.</p>											

P-1 Shopping List - Item No. 24

Exhibit P-40 Budget Item Justification

Page 2 of 2

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
Fiscal Year (FY) 2004 Budget Estimates
(Dollars in Millions)

Project Cost Analysis		A. Appropriation/Budget Activity Title/Number			B. Program Model/Series/Popular Name			C. Manufacturer Name/Plant/City/State Location Various					
		Procurement, Defense-Wide Defense Human Resources Activity			01 CPMS Ops/DCPDS Cent Ops 02 RAPIDS/DEERS			D. Date February 2003					
		FY 2002			FY 2003			FY 2004			FY 2005		
Program Cost Element	Ident Code	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
CPMS Operations			1.919	1.919		1.909	1.909		1.949	1.949		1.865	1.865
DCPDS Central Operations		1	3.812	3.812	1	3.800	3.800	1	3.800	3.800	1	3.800	3.800
Real-Time Automated Personnel Identification System (RAPIDS)/Defense Enrollment/Eligibility Reporting System (DEERS)		1	1.551	1.551	1	1.551	1.551	1	1.563	1.563	1	1.539	1.539
Gross P-1 End Cost													
Less: Prior Year Advance Procurement													
Net P-1 Full Funding Cost		2		7.282	2		7.260	2		7.312	2		7.204
Total		2		7.282	2		7.260	2		7.312	2		7.204

P-1 Shopping List - Item No. 24

Exhibit P-5 Cost Analysis

DEFENSE HUMAN RESOURCES ACTIVITY
Procurement, Defense-Wide
Fiscal Year (FY) 2004 Budget Estimates
(Dollars in Millions)

Exhibit P-5a Procurement History and Planning								A. Date		
B. Appropriation/Budget Activity Procurement, Defense-Wide Defense Human Resources Activity								C. P-1 Item Nomenclature 01 CPMS Operations/DCPDS Central Ops 02 RAPIDS/DEERS		
Cost Element/Fiscal Year	Contractor and Location	Contract Method and Type	Contracted By	Award Date	Date of First Delivery	Quantity	Unit Cost	Spec Available Now	Spec Revision Required	If Yes When Available?
<u>FY 2002</u>										
CPMS Operations	Various GSA Sched	C/FP	VA/DLA	Oct-01	FY 02		Varies	Yes	No	
DCPDS Central Opns/Mgmt	Various	C/FP	DLA/DOT	Dec-01	FY 02	1	Varies	Yes	No	
RAPIDS/DEERS Central Mgmt	TELOS	Task Order/ GSA Schedule	GSA	Apr-02	FY 02	1	Varies	Yes	No	
<u>FY 2003</u>										
CPMS Operations	Various GSA Sched	C/FP	VA/DLA	Oct-02	FY 03		Varies	Yes	No	
DCPDS Central Opns/Mgmt	Various	C/FP	DOT	Dec-02	FY 03	1	Varies	Yes	No	
RAPIDS/DEERS Central Mgmt	TELOS	Task Order GSA Sched	GSA	Apr-03	FY 03	1	Varies	Yes	No	
<u>FY 2004</u>										
CPMS Operations	Various GSA Sched	C/FP	VA/DLA	Oct-03	FY 04		Varies	Yes	No	
DCPDS Central Opns/Mgmt	Various	C/FP	DOT	Dec-03	FY 04	1	Varies	Yes	No	
RAPIDS/DEERS Central Mgmt	GSA Award	Task Order/ GSA Schedule	GSA	Apr-04	FY 04	1	Varies	Yes	No	
<u>FY 2005</u>										
CPMS Operations	Various GSA Sched	C/FP	VA/DLA	Oct-04	FY 05		Varies	Yes	No	
DCPDS Central Opns/Mgmt	Various	C/FP	DOT	Oct-04	FY 05	1	Varies	Yes	No	
RAPIDS/DEERS Central Mgmt	GSA Award	Task Order/ GSA Schedule	GSA	Apr-05	FY 05	1	Varies	Yes	No	

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 FISCAL YEAR (FY) 2004/2005
 RDT&E PROGRAM ELEMENT SUMMARY (R-1)
 (Dollars in Thousands)

<u>Element Number</u>	<u>Title</u>	<u>Budget Activity</u>	<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
0605803SE	DoD Human Resources Activity (Advanced Distributed Learning)	03	0	14,000	13,757	13,756
0605803SE	DoD Human Resources Activity	06	12,664	8,888	8,858	8,785
	TOTAL - DIRECT		12,664	22,888	22,615	22,541

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-wide BA 03				R-1 Item Nomenclature: R&D in Support of DoD Enlistment, Testing and Evaluation, 0605803SE				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	-----	14.000	13.757	13.756	13.695	13.691	14.111	14.416
Project 001: Advanced Distributed Learning (ADL)	-----	14.000	13.757	13.756	13.695	13.691	14.111	14.416

A. Mission Description and Budget Item Justification: The Department of Defense Human Resources Activity (DHRA) is a DoD-wide Field Activity chartered to support the Under Secretary of Defense for Personnel and Readiness (USD(P&R)).

Advanced Distributed Learning (ADL): This program supports development of common specifications, guidelines, and software for Advanced Distributed Learning (ADL) as well as proof of principle demonstrations. The Advanced Distributed Learning initiative makes learning and performance support available anytime, anywhere. The ADL design concept encompasses the following elements: reusability of sharable content objects, tailoring instruction to the learner, interoperability of learning content and management systems, and the ability of content to migrate to different hardware and software applications through the development of consensus standards. Proof of principle demonstrations will provide data on the technical feasibility and the utility of applying the commercial ADL specifications to content, learner interface, and repository applications. The demonstration will also support assessments of the impact of ADL on human performance and research that evaluates the proof of design concept for advanced distributed learning.

B. Program Change Summary: (Show total funding, schedule, and technical changes for the program element that have occurred since the previous President's Budget Submission)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Previous President's Budget	0	0	0	0
Current President's Budget	0	14.000	13.757	13.756
 Total Adjustments		+14.000	+13.757	+13.756
 Reprogrammings/Transfers		+14.000	+14.000	+14.000
Revised Inflation Rate			-0.243	-0.244

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-wide BA 03				R-1 Item Nomenclature: R&D in Support of DoD Enlistment, Testing and Evaluation, 0605803SE				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	-----	14.000	13.757	13.756	13.695	13.691	14.111	14.416
Project 001: Advanced Distributed Learning (ADL)	-----	14.000	13.757	13.756	13.695	13.691	14.111	14.416

Change Summary Explanation: FY 2003 reflects departmental transfer of the Advanced Distributed Learning Initiative from OUSD (AT&L) to DHRA. FYs 2004 and 2005 reflect inflation adjustments (-\$0.243 million and -\$0.244 million, respectively).

C. Other Program Funding Summary: N/A

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2a, RDT&E Project Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-wide BA # 03				Project Name and Number – Advanced Distributed Learning (ADL), Project 001				
Cost (\$ in millions)	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Project 001 ADL	-----	14.000	13.757	13.756	13.695	13.691	14.111	14.416
RDT&E Articles Quantity – N/A								
<p>A. Mission Description and Budget Item Justification: This program supports development of common specifications, guidelines, and software for Advanced Distributed Learning (ADL) as well as proof of principle demonstrations. The ADL initiative makes learning and performance support available anytime, anywhere. The ADL design concept encompasses the following elements: reusability of sharable content objects, tailoring instruction to the learner, interoperability of learning content and management systems, and the ability of content to migrate to different hardware and software applications through the development of consensus standards. Proof of principle demonstrations will provide data on the technical feasibility and the utility of applying the commercial ADL specifications to content, learner interface, and repository applications. The demonstration will also support assessments of the impact of ADL on human performance and research that evaluates the proof of design concept for advanced distributed learning.</p>								
B. Accomplishments/Planned Program								
	FY 02	FY 03	FY 04	FY 05				
Accomplishment/ Effort/Subtotal Cost (\$ in Millions)	-----	14.000	13.757	13.756				
RDT&E Articles Quantity – N/A								
<ul style="list-style-type: none"> • Develop new advanced distributed learning prototype systems • Conduct research and development on common specifications for online learning with subsequent research to integrate simulations • Develop Sharable Content Object Reference Model (SCORM) reference model test software • Develop and model a network of distributed repositories for learning content to include simulation objects 								
C. Other Program Funding Summary: N/A								

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2, RDT&E Budget Item Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-wide BA 06				R-1 Item Nomenclature: R&D in Support of DoD Enlistment, Testing and Evaluation, 0605803SE				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Total PE Cost	12.664	8.888	8.858	8.785	8.946	9.152	9.291	9.472
Project 001: Joint Service Training & Readiness System Development	3.872	3.912	3.899	3.866	3.937	4.027	4.088	4.168
Project 002: Defense Training Resource Analysis	3.041	3.076	3.067	3.040	3.131	3.203	3.252	3.315
Project 003: DoD Enlistment Processing and Testing	1.801	1.900	1.892	1.879	1.878	1.922	1.951	1.989
Project 004: Defense Readiness Reporting System	3.950	-----	-----	-----	-----	-----	-----	-----
<p>A. Mission Description and Budget Item Justification: The Department of Defense Human Resources Activity (DHRA) is a DoD-wide Field Activity chartered to support the Under Secretary of Defense for Personnel and Readiness (USD(P&R)). This PE includes application of R&D to expedite prototype development and mission support efforts to sustain and/or modernize operations required for general RDT&E.</p> <p>001. Joint Service Training & Readiness System Development. The Joint Service programs were established by the Secretary of Defense to improve the training and readiness of the Active and Reserve Components. This project expedites the prototype development of new training and readiness technologies and Joint Service Training and Readiness systems, which improve the training and readiness effectiveness and enhance the performance of the military forces. It also facilitates the sharing of training and readiness information, while allowing for the transfer of emerging and innovative technologies among the Services and the private sector.</p> <p>002. The Defense Training Resources Analysis. This project supports the DHRA and DoD training managers (OSD, Joint Staff, Unified Commands, and the Services) in promoting more efficient and effective use of training resources, increasing the effectiveness of military training, and enhancing the readiness and performance of the military forces. Projects analyze the contributions to readiness of various training techniques and programs and use the results to expedite new training concepts and procedures that increase unit effectiveness or decrease costs. Emphasis is placed on developing analytical tools and systematic methodologies to improve training resource allocations.</p> <p>003. DoD Enlistment Processing and Testing. The project administers testing programs, which enable the Armed Services to select highly qualified military recruits. The DoD uses a single test, the Armed Services Vocational Aptitude Battery (ASVAB), to determine eligibility of military applicants and to report recruit quality data to Congress. High quality recruits are obtained from administering the ASVAB annually to approximately 600,000 applicants for Military Service as part of the DoD Enlistment Testing program, and to 1 million students in the DoD Student Testing program. Each Service also uses ASVAB test forms developed in this program as part of their in-service testing programs. New ASVAB test forms and related support materials are implemented approximately every four years. This allows DoD to make measurement improvements as well as decrease the likelihood of test compromise. Ongoing RDT&E efforts include development and evaluation of procedures which (1) reduce or eliminate threats to the validity of the ASVAB test scores generated; (2) improve the efficiency of the test development, calibration, and validation process; and (3) improve selection and classification decisions made by each Service through more effective use of test score information. In addition, periodic assessments are required to provide DoD manpower planners and Congress with information on aptitude trends in the population from which recruits are drawn.</p>								

UNCLASSIFIED
FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2, RDT&E Budget Item Justification		Date: February 2003		
Appropriation/Budget Activity RDT&E, Defense-wide BA 06	R-1 Item Nomenclature: R&D in Support of DoD Enlistment, Testing and Evaluation, 0605803SE			
<p>004. Defense Readiness Reporting System (DRRS): This program supports the Under Secretary of Defense (Personnel and Readiness) to develop, field, and maintain the Defense Readiness Reporting System. The DRRS is the means by which the Department will meet the statutory requirement of U.S.C. 10, Section 117, Readiness Reporting System: Establishment; Reporting to Congressional Committees. The DRRS is envisioned to be a capabilities based, adaptive, near real-time system that measures and reports on the readiness of military forces and the supporting infrastructure to meet missions and goals assigned by the Secretary of Defense.</p>				
B. Program Change Summary: (Show total funding, schedule, and technical changes for the program element that have occurred since the previous President's Budget Submission)				
	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
Previous President's Budget	8.720	8.963	9.015	8.941
Current President's Budget	12.664	8.888	8.858	8.785
Total Adjustments	+3.944	-0.075	-0.157	-0.156
Revised Inflation Rate		-0.075	-0.157	-0.156
Reprogrammings/transfer	+3.950			
Program Adjustments	-0.006			
<p>Change Summary Explanation: FY 2002 reflects program adjustments per DHRA's pro-rata share of a DoD Intra-Agency Council bill; and departmental transfer (+\$3.950 million) for CFY execution of the Defense Readiness Reporting System (DRRS). FYs 2003 - 2005 reflect inflation adjustments for revised economic assumptions.</p>				
C. Other Program Funding Summary: N/A				

UNCLASSIFIED
FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2a, RDT&E Project Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-wide BA 06				Project Name and Number – Defense Human Resources Activity, Project 001				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Project 001. Joint Service Training & Readiness System Development	3.872	3.912	3.899	3.866	3.937	4.027	4.088	4.168
RDT&E Articles Quantity - N/A								
A. Mission Description and Budget Item Justification:								
The Joint Service programs were established by the Secretary of Defense to improve the training and readiness of the Active and Reserve Components. This project expedites the prototype development of new training and readiness technologies and Joint Service training and readiness systems, which improve the training and readiness effectiveness and enhance the performance of the military forces. It also facilitates the sharing of training and readiness information, while allowing for the transfer of emerging and innovative technologies among the Services and private sector.								
	FY 02	FY 03	FY 04	FY 05				
Accomplishment/ Effort/Subtotal Cost	3.872	3.912	3.899	3.866				
RDT&E Articles Quantity – N/A								
<ul style="list-style-type: none"> • Coordinate the evolution of Advanced Distributed Learning (ADL) architecture, standards, and guidelines across DoD, Federal Agencies, and NATO allies • Update and expand the ADL Master Plan by focusing on inter-agency, combined, and coalition training with NATO allies and Partnerships for Peace (PFP) countries • Sponsor prototype training technology development and applications that support joint, interagency, and coalition training communities • Assess the cost-benefit of new learning technologies especially intelligent tutors and intelligent systems • Support prototype development, assessment, and application of DoD’s Knowledge Management Systems and Portals • Develop training and readiness transformation strategies to move the department’s systems and processes to implement wide-ranging change in training processes and infrastructure • Initiate and continue model development and demonstration of new DoD readiness reporting system directed by Defense Planning Guidance/Quadrennial Defense Review (DPG/QDR), DODD7730.65 • Develop new OPTEMPO/Operational Readiness working group & document the Services’ approaches to funding and measuring unit training; and phase in • Advance the live, virtual, and constructive simulation training baseline to include developmental systems and visionary views to compose trends and assess macro-functionality in the context of Joint Vision 2020 (JV2020) • Examine and assess future learning technology requirements for Joint Vision 2020 to develop policies and resources capitalizing on the next-leap in technology (embedded intelligence, linked/seamless exchange of learning experiences to include immersive and virtual) • Assess and refine the DoD training strategy for the Services, combatant commands, and Defense Agencies • Develop the methodology for tracking of the Secretary of Defense’s Lost Workdays program • Create methodology for analysis of low density/high demand assets analysis 								
C. Other Program Funding Summary: N/A								

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2a, RDT&E Project Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-wide BA 06				Project Name and Number – Defense Human Resources Activity, Project 002				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Project 002 Defense Training Resource Analysis	3.041	3.076	3.067	3.040	3.131	3.203	3.252	3.315
RDT&E Articles Quantity - N/A								
A. Mission Description and Budget Item Justification:								
This project supports the DHRA and DoD training managers (OSD, Joint Staff, Unified Commands, and the Services) in promoting more efficient and effective use of training resources, increasing the effectiveness of military training, and enhancing the readiness and performance of the military forces. Projects analyze the contributions to readiness of various training techniques and programs and use the results to expedite new training concepts and procedures that increase unit effectiveness or decrease costs. Emphasis is placed on developing analytical tools and systematic methodologies to improve training resource allocations.								
B. Accomplishments/Planned Program:								
	FY 02	FY 03	FY 04	FY 05				
Accomplishment/ Effort/Subtotal Cost	3.041	3.076	3.067	3.040				
RDT&E Articles Quantity – N/A								
<ul style="list-style-type: none"> • Provide analytical support to address sustainability of training ranges strategy to protect the capability of our ranges to support needed testing and training • Develop comprehensive strategy to address near-term range encroachments that threaten DoD’s ability to test and train as required • Develop recommendations on ways JSIMS and supporting tools can be integrated into the Joint Experimentation process • Continue integration of next-generation training simulation tools into joint and interoperability training • Continue development of Phase IV, JTIMS prototype readiness and training assessment tools • Assess the costs and benefits of establishing standing Joint Task Forces (JTFs) in the combatant commands • Inventory encroachment problems facing training ranges across the Department; assess the contribution of the Service efforts and existing Department efforts to deal with encroachment; and assist in developing an OSD agenda to deal with the problems across the Military Departments • Develop and refine a future DoD training strategy and roadmap congruent with JV2020 and the CJCS’s Joint Training System 								
C. Other Program Funding Summary: N/A								

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2a, RDT&E Project Justification							Date: February 2003																
Appropriation/Budget Activity RDT&E, Defense-wide BA 06				Project Name and Number – Defense Human Resources Activity, Project 003																			
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009															
Project 003 DoD Enlistment Processing and Testing	1.801	1.900	1.892	1.879	1.878	1.922	1.951	1.989															
RDT&E Articles Quantity – N/A																							
<p>A. Mission Description and Budget Item Justification: The primary mission is to test and implement more accurate methods of assessing aptitudes required for military enlistment, success in training, and performance on the job. Also, it includes implementing methods that are useful in the identification of persons with the high aptitudes required by today's smaller and technically more demanding military.</p> <p>B. Accomplishments/Planned Program:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">FY 02</th> <th style="text-align: center;">FY 03</th> <th style="text-align: center;">FY 04</th> <th style="text-align: center;">FY 05</th> </tr> </thead> <tbody> <tr> <td>Accomplishment/ Effort/Subtotal Cost</td> <td style="text-align: center;">1.081</td> <td style="text-align: center;">1.140</td> <td style="text-align: center;">1.136</td> <td style="text-align: center;">1.127</td> </tr> <tr> <td>RDT&E Articles Quantity – N/A</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>										FY 02	FY 03	FY 04	FY 05	Accomplishment/ Effort/Subtotal Cost	1.081	1.140	1.136	1.127	RDT&E Articles Quantity – N/A				
	FY 02	FY 03	FY 04	FY 05																			
Accomplishment/ Effort/Subtotal Cost	1.081	1.140	1.136	1.127																			
RDT&E Articles Quantity – N/A																							
<p>DoD Enlistment Testing Program (ETP)</p> <ul style="list-style-type: none"> • Implement new score scale (Norms) for the STP • Implement procedures for the detection of test compromise • Begin full-scale implementation of new tests developed from on-line item calibration procedures • Begin implementation of new tests of spatial reasoning given Service approval and completion of validity work • Initiate investigation of new tests for use in the ASVAB; and fully implement new CAT-ASVAB tests developed from on-line calibration procedures • Publish new test manual • Get Services' buyoff for implementation of new test of spatial reasoning in the ASVAB • Continue research line into use of multidimensional CAT scoring procedures • Complete implementation of CAT-ASVAB for Windows • Complete implementation of new computer system for CAT in Selected Military Entrance Test (MET) and all Military Entrance Processing Station (MEPS) • Implement new forms of CAT ASVAB • Make decision and implement if called for, new spacial reasoning test-Assembling Objects • Evaluate results of pilot tests of the Internet Version of CAT-ASVAB • Complete study of the effectiveness of the new verification testing system used with CAT-ASVAB 																							

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2a, RDT&E Project Justification				Date: February 2003
Appropriation/Budget Activity RDT&E, Defense-wide BA 06	Project Name and Number – Defense Human Resources Activity, Project 003			
	FY 02	FY 03	FY 04	FY 05
Accomplishment/ Effort/Subtotal Cost	0.720	0.760	0.756	0.752
RDT&E Articles Quantity – N/A				
DoD Student Testing Program (STP)				
<ul style="list-style-type: none"> • Continue research line into use of multidimensional CAT scoring procedures • Develop prototype of an Internet CAT-ASVAB system • Get approval for new high school student norms • Begin work on a new Career Exploration Program (CEP) Web site • Implement new materials and publish new technical manual • Begin trials of on-line internet testing in the nation’s high schools • Implement new evaluation of the Student Testing Program • Implement occupational linkages to O*NET • Implement new normative information and score scale for the interest-finder and aptitude norms for the ASVAB • Implement a fully functional CEP web site • Begin trials of on-line internet testing in the nation’s high schools • Implement new evaluation of the Student Testing Program • Implement occupational linkages to O*NET to CEP web site • Complete implementation of CAT-ASVAB for Windows for use in the STP • Complete implementation of new computer system for CAT in selected METs and all MEPS • Make decision and implement if called for, new special reasoning test-Assembling Objects in the STP • Evaluate results of pilot tests of the Internet Version of CAT-ASVAB for use in the STP • Complete study of the effectiveness of the new verification testing system used with CAT-ASVAB for students testing in the STP 				
C. Other Program Funding Summary: N/A				

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FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES

Exhibit R-2a, RDT&E Project Justification							Date: February 2003	
Appropriation/Budget Activity RDT&E, Defense-wide BA 06				Project Name and Number – Defense Human Resources Activity, Project 004				
Cost (\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Project 004 Defense Readiness Reporting System	3.950	----	----	----	----	----	----	----
RDT&E Articles Quantity - N/A								
A. Mission Description and Budget Item Justification:								
<p>This program supports the Under Secretary of Defense (Personnel and Readiness) to develop, field, and maintain the Defense Readiness Reporting System (DRRS). The DRRS is the means by which the Department will meet the statutory requirement of U.S.C. 10, Section 117, Readiness Reporting System: Establishment; Reporting to Congressional committees. The DRRS is envisioned to be a capabilities based, adaptive, near real-time system that measures and reports on the readiness of military forces and the supporting infrastructure to meet missions and goals assigned by the Secretary of Defense. The Comptroller Information System reflects PFY DRRS funding and will reflect remainder of the CFY DRRS funding at CFY end.</p>								
B. Accomplishments/Planned Program:								
	FY 02	FY 03	FY 04	FY 05				
Accomplishment/ Effort/Subtotal Cost	3.950	----	----	----				
RDT&E Articles Quantity – N/A								
<ul style="list-style-type: none"> • PFY funding received in CFY for execution in CFY • Phase 1 in the development of DRRS • Identify and validate operational and systems requirements • Develop the concept of operations, management and implementation plans • Establish the system and technical architecture and corresponding detail technical design • Fund selected DRRS application sites within the Combatant Commanders and Military Services 								
C. Other Program Funding Summary: N/A								

**DEPARTMENT OF DEFENSE HUMAN RESOURCES ACTIVITY
FISCAL YEAR (FY) 2004/2005 DESCRIPTIVE SUMMARIES**

DoD Human Resources Activity
(\$ in Thousands)

<u>Appropriation Title</u>	<u>Direct Budget Plan (TOA)</u>				<u>Budget Authority</u>			
	<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>	<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
RDT&E								
DHRA	12,664	22,888	22,615	22,541	12,664	22,888	22,615	22,541

Exhibit PB-1

Unclassified
FY 2004/2005 DESCRIPTIVE SUMMARIES
ADVISORY AND ASSISTANCE SERVICES
DEPARTMENT OF DEFENSE HUMAN RESOURCES
ACTIVITY
(Dollars in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Appropriation: RDT&E, DW</u>				
I. Management & Professional Support Services				
FFRDC Work	0	0	0	0
Non-FFRDC Work	0	0	0	0
Subtotal	0	0	0	0
II. Studies, Analysis, & Evaluation				
FFRDC Work	2,237	2,471	2,471	2,471
Non-FFRDC Work	0	0	0	0
Subtotal	2,237	2,471	2,471	2,471
III. Engineering & Technical Services				
FFRDC Work	0	0	0	0
Non-FFRDC Work	0	0	0	0
Subtotal	0	0	0	0
TOTAL	2,237	2,471	2,471	2,471
FFRDC Work	2,237	2,471	2,471	2,471
Non-FFRDC Work	0	0	0	0

Unclassified

Unclassified
 Department of Defense Human Resources Activity
 Research, Development, Test and Evaluation, Defense Agencies
 Fiscal Year (FY) 2004/2005 DESCRIPTIVE SUMMARIES
 Contract Reporting by Appropriation

<u>Appn</u>	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>		
	<u>Total</u>	<u>Other</u>	<u>% of</u>									
	<u>Contracts</u>											
0400 D R	10,704	0	0	22,888	0	0	22,615	0	0	22,541	0	0

Exhibit PB-19 Contract Reporting by Appropriation

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