

DEFENSE HEALTH PROGRAM
Operation and Maintenance
Fiscal Year (FY) 2009 Budget Estimates
Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)

I. Description of Operations Financed: Components of the Base Operations (BASOPS)/Communications Budget Activity Group for resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. The DHP's BASOPS provides for facilities and services at military medical activities (CONUS and OCONUS) supporting active duty combat forces, reserve and guard components, training, and eligible beneficiaries.

Facility Restoration and Modernization: Resources required for facilities Restoration and Modernization. Restoration includes repair and replacement work to restore facilities damaged by lack of sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members).

Facility Sustainment: Resources required for maintenance and repair activities necessary to keep facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, emergency response and service calls for minor repairs. Sustainment also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, etc.

Demolition/Disposal of Excess Facilities: Resources required for demolition and/or disposal costs associated with excess facilities, including buildings or any other permanent or temporary structure as well as pavements, utility systems, and other supporting infrastructure. Includes environmental costs directly attributable to demolition/disposal to include inspection and removal of hazardous material (such as lead-based paint or asbestos).

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II. Force Structure Summary:

	<u>FY 2007</u> <u>Actual</u>	<u>FY 2008</u> <u>Estimate</u>	<u>FY 2009</u> <u>Estimate</u>	<u>Explanation of Change</u>
Inpatient Facilities	65	63	63	FY07-08 reflects inpatient closing at Ft. Eustis and AF Academy
Medical Clinics	412	414	412	FY08-09 reflects the loss of 2 medical clinics in New Orleans
Dental Clinics	414	414	413	FY08-09 reflects the loss of a dental clinic in New Orleans
Veterinary Clinics	259	259	259	

III. Financial Summary (\$ in Thousands):

	<u>FY 2007</u> <u>Actuals¹</u>	<u>Budget</u> <u>Request</u>	<u>FY 2008</u> <u>Congressional Action</u>			<u>Current</u> <u>Estimate</u>	<u>FY 2009</u> <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>Sub-Activity Group</u>							
1. Facility Restoration/Modernization - CONUS	451,162	160,792	0	0%	160,792	160,792	140,211
2. Facility Restoration/Modernization - OCONUS	47,938	28,978	0	0%	28,978	28,978	28,326
3. Facility Sustainment - CONUS	572,977	276,658	0	0%	276,658	276,658	319,313
4. Facility Sustainment - OCONUS	68,550	59,230	0	0%	59,230	59,230	90,300
5. Demolition	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,140,627	525,658	0	0%	525,658	525,658	578,150

Notes (\$ in Thousands):

¹FY 2007 actuals includes \$405,882 in O&M funding from Public Law 110-28 - U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, to address the Global War on Terror and other related expenses as follows:

-P.L. 110-28 Title I, Supplemental Appropriations for Defense, International Affairs, and Other Security-Related Needs - Provides \$48,971 in DHP O&M for the Global War on Terror.

-P.L. 110-28 Title III, Additional Defense, International Affairs, and Homeland Security - Provides \$356,911 in DHP O&M for other related expenses.

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B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2008/FY 2008</u>	<u>Change</u> <u>FY 2008/FY 2009</u>
Baseline Funding	525,658	525,658
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
Subtotal Appropriated Amount	525,658	n/a
Fact-of-Life Changes (CY to CY Only)	0	n/a
Subtotal Baseline Funding	525,658	n/a
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Price Changes	n/a	10,388
Functional Transfers	n/a	0
Program Changes	n/a	42,104
Current Estimate	525,658	578,150
Less: Wartime Supplemental	0	n/a
Normalized Current Estimate	525,658	578,150

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2008 President's Budget Request		525,658
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
FY 2008 Appropriated Amount		525,658
2. Fact of Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
FY 2008 Baseline Funding		525,658
3. Reprogrammings/Supplementals		0
a. Anticipated War-Related and Disaster Supplemental Appropriations	0	
b. Reprogramming Actions	0	
Revised FY 2008 Estimate		525,658
4. Less: War-Related and/or Disaster Supplemental Appropriations and Iraqi Freedom Fund Transfers.		0
FY 2008 Normalized Current Estimate		525,658
5. Price Change		10,388
6. Functional Transfers		0
a. Transfers In	0	
b. Transfers Out	0	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
7. Program Increases		58,008
a. Annualization of New FY 2008 Program	0	
b. One-Time FY 2009 Increases	0	
c. Program Growth in FY 2009	58,008	
1) Reflects increased funding for Facilities Sustainment to meet DoD Sustainment goal.	46,210	
2) Realigns funding from In-House Care Budget Activity Group for Sustainment, Restoration and Modernization to reflect proper program execution.	11,798	
8. Program Decreases		-15,904
a. Annualization of FY 2008 Program Decreases	0	
b. One-Time FY 2008 Increases	0	
c. Program Decreases in FY 2009	-15,904	
1) Reduced requirement for Building 54 renovation of the Armed Forces Institute of Pathology (AFIP).	-12,304	
2) Realigns resources to Private Sector Care for Health Care Cost-Savings associated with line military end strength reductions.	-2,437	
3) Realigns funding to In-House Care for patient Appointing and Referral Management program.	-669	
4) Realigns funding to DHP RDT&E for Bio Identification and Wound Healing Research Capabilities.	-495	
FY 2009 Budget Request		578,150

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IV. Performance Criteria and Evaluation Summary:

Funding Levels:	FY 2007	FY 2008	FY 2009	Change	
				FY 2007/ FY 2008	FY 2008/ FY 2009
Facilities Sustainment-CONUS and OCONUS	641,527	335,888	409,613	-305,639	73,725
Facilities Sustainment Model(FSM)*	356,302	385,046	438,311	28,744	53,265
Department Sustainment Rate	180%	87%	93%	-93%	6%
*MILPERS not included					

V. <u>Personnel Summary</u>	FY 2007	FY 2008	FY 2009	FY 2007/ FY 2008	FY 2008/ FY 2009
<u>Active Military End Strength (E/S) (Total)</u>	18	17	17	-1	0
Officer	11	10	10	-1	0
Enlisted	7	7	7	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	19	18	17	-1	-1
Officer	11	11	10	-1	-1
Enlisted	8	7	7	-1	0
<u>Civilian FTEs (Total)</u>	390	431	259	16	-172
U.S. Direct Hire	373	405	234	7	-171
Foreign National Direct Hire	<u>13</u>	<u>13</u>	<u>13</u>	<u>0</u>	<u>0</u>
Total Direct Hire	386	418	247	7	-171
Foreign National Indirect Hire	4	13	12	9	-1
(Reimbursable Included Above-memo)	0	0	0	0	0
Memo: Reimbursable Civilians Included	73	80	82	0	0

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VII. OP32 Line Items as Applicable (Dollars in Thousands -see next page):