

# **Fiscal Year 2023 Budget Estimates**

## **Office of Local Defense Community Cooperation**



**April 2022**

**Office of Local Defense Community Cooperation  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2023 Budget Estimates**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)  
Budget Activity (BA) 4: Administration and Service-wide Activities**

	<u>FY 2021 Actuals</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2022 Enacted</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2023 Request</u>
OLDCC	199,169	5,925	548,825	753,919	16,042	-661,264	108,697

\*The total amount of the FY 2023 request reflects \$0.0 thousand for Overseas Operations Costs.

The FY 2022 Enacted column includes a funding increase for personnel increase (\$3 Million), Noise Mitigation Community Partnership (\$75 Million), Defense Community Infrastructure Pilot Program (\$40 Million), Defense Manufacturing Community Support (\$30 Million), and the Public Schools on Military Installations funding (\$516.2 Million). As noted in the public law, the Public Schools on Military Installations funding (\$516.2 Million) is "available until expended."

**I. Description of Operations Financed:**

The Office of Local Defense Community Cooperation (OLDCC) provides assistance to states, counties, municipalities, regions, and other communities to foster cooperation with military installations to enhance the military mission, achieve facility and infrastructure savings and reduced operating costs, address encroachment and compatible land use issues, support military families, and increase military, civilian, and industrial readiness and resiliency. It also enables state and local governments to plan and carry out civilian economic adjustment responses to the workforce, business, and community needs arising from Defense actions. Their efforts routinely leverage other Federal and state/local technical and financial resources.

The OLDCC directly supports the Secretary of Defense's three priorities to *defend the nation, take care of our people, and succeed through teamwork* through its continuum of assistance for states and communities to enable organizing, planning, and carrying out efforts that benefit the state and local government partners and their efforts to support resilient and sustainable installations, responsive workforces, and enduring industrial base components. The OLDCC also supports the Department in meeting its objectives within the Interim National Security Strategic Guidance priorities to:

- Defend and nurture the underlying sources of American strength, including our people, our economy, our national defense, and our democracy at home;
- Promote a favorable distribution of power to deter and prevent adversaries from directly threatening the United States and our allies, inhibiting access to the global commons, or dominating key regions; and,
- Lead and sustain a stable and open international system, underwritten by strong democratic alliances, partnerships, multilateral institutions, and rules.

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**I. Description of Operations Financed: (Cont.)**

On behalf of the Secretary of Defense, the OLDCC directs and staffs the Defense Economic Adjustment Program by coordinating the involvement of other Federal Agencies through the Economic Adjustment Committee (EAC) per Executive Order 12788, as amended; and pursuant to the authorities and responsibilities in the DoD Directive 5410.12, *Economic Adjustment Assistance to Defense-Impacted Communities*.

As the Executive Director for the EAC, the OLDCC Director provides guidance and assistance in leveraging other Federal agency expertise and resources to enable the DoD, its components, and affected states and communities to: 1) assess economic hardships caused by DoD program changes; 2) identify and evaluate alternative responses for local economic recovery; 3) identify resource requirements; and, 4) assist in the preparation and implementation of adjustment strategies or action plans. The Departments of Labor and Department of Commerce are each co-vice chairs. For example, the DoD's Pacific Deterrence Initiative is assisted by the OLDCC-led EAC efforts along with the territory of Guam's Office of the Governor and its legislature, resulting in approximately \$225 million in outside-the-fence infrastructure investments. The interagency effort stands ready to be responsive to needs in the Commonwealth of the Northern Mariana Islands.

The OLDCC is currently managing over 260 active awards, totaling \$1.4+ billion. These numbers will change as we execute the FY 2022 funding, including several additional projects in a pre-award phase that will mature to funding in FY 2022. The OLDCC's project management and grant oversight responsibilities require a wide range of capabilities and expertise to perform critical functions from pre-award risk assessments to post-award compliance, as mandated by 2 CFR 200 and 2 CFR Parts 1104-1125. Depending on the award, oversight such as audit responsiveness and Federal Interest enforcement may extend across several fiscal years. These requirements continue to increase and necessitate the personnel changes discussed in Section II, "Force Structure," below.

Programs of Assistance:

The OLDCC's Programs of Assistance support the DoD needs, including community economic diversification assistance in support of the Department diversification and modernization; Installation Resilience; Mission Growth; Defense Community Infrastructure Pilot; Compatible Use and responding to instances of encroachment of civilian communities on military missions; Defense Manufacturing Community Support; Industry Transformation; Public Schools on Military Installations, budget reductions; contract reductions/cancellations; and Base Closures and Realignment. This assistance helps states and communities respond to Defense program changes, job loss and economic disruption; mission needs for increased public services and infrastructure; and impairment of local mission by civilian activity.

Example – Installation Resilience:

The OLDCC Installation Resilience program responds to climate-related and/or man-made threats that are likely to impair the operational utility of a military installation, range, military training route, special use airspace, and/or military operations area. Technical and financial assistance is provided to state and local governments to assess the extent of threats, determine plans to mitigate threats, and carry out those plans. The program represents the only DoD source of technical and financial resources for state and local government efforts to partner with local installations to ensure mission readiness and assurance in light of present or likely resiliency threats. The OLDCC is supporting over 20 active projects serving the needs of the DoD and neighboring communities. The Military Departments may nominate installations and ranges for this program based upon concerns over installation resilience, or state and local governments may request community planning assistance for studies

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**I. Description of Operations Financed: (Cont.)**

to address resiliency concerns, including energy resiliency, and community infrastructure resiliency. For FY 2023, \$10 million is specifically identified for “Installation Physical Resilience.”

Efforts under this program deliver dividends for the Department, including:

- \$538 thousand: An OLDCC project is assisting Naval Station Newport to model climate impacts to infrastructure in order to support an improved, coordinated mitigation and adaptation response between the grant sponsor, the City of Newport, and Naval Station Newport. The project adopts methodology piloted in a Department of Homeland Security project using high-resolution storm modeling, collection and integration of “consequence thresholds” for critical infrastructure, a scenario-based approach to stakeholder engagement, and a framework for capabilities and responsibilities of key stakeholders to ensure infrastructure resiliency. The project will use state-of-the-art hydrodynamic models, together with collection and integration of qualitative data, to illuminate threats, impacts, and consequences of storm events and sea level rise to infrastructure in the study area, allowing improved responses and continuity of operations.
- \$231 thousand: A local project is assisting Naval Weapons Station Earle to protect the installation and its ordinance loading pier from extreme weather and sea level rise. Flooding and erosion have significantly impacted military operations at the base, and these impacts are projected to increase. In partnership with Monmouth County, the grantee, Naval Weapons Station Earle collaborated on this project to commence with strategic regional storm water management planning across jurisdictional boundaries for effective solutions that are continuing to evolve. Local entities are implementing these plans with non-OLDCC funding, including construction of artificial oyster reefs and berms, as well as through marshland restoration mitigating some climate change impacts affecting the installation.

Example – Defense Diversification:

The OLDCC Defense Diversification program assists states, regions, and communities with a program of support designed to respond to defense dependencies and prepare for and respond to changes in Defense spending dependencies, such as Defense modernization (system investments/business decisions) and basing (utilization of real property). Assistance is available to assess Defense-dependent geographic areas including supply chain tiers, workforce skills, and facility support; posture state and local programs of assistance for rapid responses to possible dislocations; retain and/or expand impacted worker skill sets; and leverage local clusters to expand business opportunities for impacted defense manufacturing firms to transition from legacy to future Defense needs. This assistance represents the only source of technical and financial resources for state and local government efforts to help respond to changes in Defense spending. These efforts are undertaken in close coordination with the Employment and Training Administration at the U.S. Department of Labor, Small Business Administration, the Economic Development Administration and National Institute of Standards, and Technology at the U.S. Department of Commerce. In FY 2023, \$7M is identified for Defense Diversification broadly for “Community Impact Mitigation.”

Efforts under this program deliver dividends for the Department, including:

- Over \$1 million: Grand Forks, North Dakota pivoted from the reassignment of an air refueling mission (with 355 federal civilian jobs) to hosting Grand Sky, a business park and airport focused on Unmanned Aerial Systems (UAS) that directly supports the current mission of Grand Forks Air Force Base. No property was available for community redevelopment after the realignment of a portion of the local

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**I. Description of Operations Financed: (Cont.)**

mission, thus assistance supported foundational planning (including a UAS Roadmap, a regional broadband study, a Life Sciences Roadmap, and a Regional Industrial Land Study) that led to the identification of 217 acres of property at the installation for an Enhanced Use Lease for the community to develop Grand Sky. Working in partnership with Grand Forks County and the Air Force, Grand Sky has grown over the past 6 years from an under-utilized (former alert ramp) to a multi-tenanted airpark with daily UAS operations. The North Dakota Legislature invested \$21 million over 8 years in the road, airfield, and utility infrastructure necessary to make the park economically viable, and the private sector has already invested \$70 million. Grand Sky has had a significant economic impact on the greater Grand Forks region with approximately 450 jobs created, providing \$29.18 million in salaries.

- Over \$5 million: The City of Long Beach, California was able to respond to the Boeing Corporation's closure of its C-17 production plant, allowing the City to coordinate services to displaced workers; adjust economic development strategies in light of the loss of this large aerospace manufacturer; provide assistance to impacted defense firms through the California Manufacturing Technology Consulting extension partnership program; and develop a site master plan to guide future redevelopment and adjacent land use. This assistance allowed the City to: 1) retain 212 existing jobs; 2) create 31 new jobs; 3) increase sales of former C-17 local suppliers by \$5.4 million; 4) achieve operational cost savings of nearly \$5 million over the project period; and 5) identify an additional \$4.75 million in participating company investments for tools and technologies, making those firms competitive in other supply chains than just the former C-17. In May 2021, the Long Beach City Council approved the Globemaster Corridor Specific Plan that will guide the development of 437 acres, including the former C-17 manufacturing site. This process, which began in 2016, included public input and economic analysis. These efforts now support an epicenter for commercial space ventures to include the headquarters of Virgin Orbit, SpinLaunch, and Rocket Lab.

**Example – Compatible Use:**

The OLDCC Compatible Use program responds to civilian activity that is impairing the operational utility of a military installation, range, military training route, special use airspace, and/or military operations area. Technical and financial assistance to state and local governments ensures civilian activities are compatible with vital training, testing, and other military operations. The program represents the only DoD source of technical and financial resources for state and local government efforts to partner with local installations to ensure the local mission is not impaired by civilian activity and enhance the military value/resilience of our assets. The OLDCC is supporting over 70 Compatible Use projects serving the needs of the DoD installations and neighboring civilian communities. The Military Departments may nominate installations and ranges for this program based upon concerns over civilian encroachment, or state and local governments may request community planning assistance for studies to address civilian encroachment, energy siting project concerns, and military installation resiliency.

**Efforts under this program deliver dividends for the Department, including:**

- Over \$1.7 million: A project that enabled the City of Lakewood, Washington and surrounding jurisdictions to obtain \$16.1 million for a Phase 1 buyout of properties in the Clear Zones; develop a Land Exchange Plan for other properties in the Clear Zones; create a Military Influence Area Overlay; and to conduct a Lighting Study to preclude further light encroachment.
- \$649 thousand: A series of projects that enabled the State of Connecticut to invest more than \$2.3 million in land purchases and infrastructure projects to prevent or mitigate civilian encroachment of missions at Submarine Base New London. Their effort included the

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purchase and demolition of a marina across the Thames River from the base that impaired the Navy's ability to dredge a turning basin wide enough to accommodate new Block V Virginia-class submarines. Efforts are presently underway to strategically locate future housing to reduce traffic congestion and improve workforce retention for the Navy and General Dynamics Electric Boat (EB), as EB ramps up to build the Columbia-class Ballistic Missile Submarines and the Virginia Payload Module.

Example – Defense Community Infrastructure Pilot Program:

The FY 2019 National Defense Authorization Act (NDAA) authorized the Defense Community Infrastructure Pilot Program (DCIP), and the FY 2020 Department of Defense Appropriations Act appropriated \$50 million for the DCIP. The DCIP is a competitive grant program that solicits proposals designed to address deficiencies in community infrastructure, supportive of a military installation, in order to enhance military value, installation resilience, and military family quality of life. These infrastructure projects enhance resiliency at these local installations, benefitting of our Service members, their families, and the installation missions. Awards under this competitive program are to support transportation projects for schools, hospitals, police, fire, emergency response, or other community support facilities and water, as well as, waste-water, telecommunications, electric, gas, and other utility infrastructure projects. Completed and eligible proposals are scored by an interagency review panel, and the highest-ranked proposals are invited to submit grant applications up to the amount of the appropriation.

Efforts under this program deliver dividends for the Department, including:

- Over \$5.9 million: Fort Riley, KS, identified challenges associated with the accommodation of large military aircraft at the Manhattan's regional airport. A high-ranking FY 2021 proposal from the Manhattan Regional Airport Authority is supplementing additional funding from the Federal Aviation Authority to reconstruct a runway to allow large military cargo and charter aircraft to continue and expand use of the primary runway for mission readiness, deployment, and operations.
- Over \$9.8 million: Minot Air Force Base (AFB), ND, identified challenges associated with flood risk management along the Mouse River. A high-ranking FY 2021 proposal from the City of Minot will out part of a flood risk management system along the Mouse River in support of Minot Air Force Base. The project will reduce the likelihood that flooding from the Mouse River will adversely affect operations at the base, military family housing, and the local community.

The FY 2021 NDAA re-prioritized DCIP enhancements as military value, resiliency, and military quality of life; defined the amount of non-federal match as "not less than 30%"; established September 30, 2028, as the expiration date for the pilot program authority; clarified that military family quality of life projects "shall consider the impact of the community infrastructure on alleviating installation commuter workforce issues and the benefit of schools or other local infrastructure located off of a military installation that will support members of the Armed Forces and their dependents residing in the community"; and redefined rural areas as those with less than 100,000 inhabitants. "Military value" is to reflect previously developed criteria found in section 3002 of the Military Construction Authorization Act for FY 2002 (division B of Public Law 107-107; 115 Stat. 1344). The FY 2021 Consolidated Appropriations Act appropriated \$60 million for the DCIP. The OLDCC FY 2023 President's Budget Request includes \$50 million for DCIP—expanding this program's reach as the only means the Department has to leverage off-post state and local investments in critical infrastructure projects, and possibly improve resiliency against severe weather events that may significantly

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**I. Description of Operations Financed: (Cont.)**

impact installation operations. These enhancements can take up to five years to complete given the necessary permitting, environmental reviews, planning and design, and actual construction.

Example – Defense Manufacturing Community Support Program:

The Defense Manufacturing Community Support Program (DMCSP) was authorized in the FY 2019 NDAA. The OLDCC received a Congressional add of \$25 million in both the FY 2020 and FY 2021 Consolidated Appropriations Acts. The OLDCC's FY 2023 President's Budget Request does not include funding for DMCSP. This program assists regions with a program of long-term community investments that strengthen national security innovation and expand the capabilities of the defense industrial ecosystem. Activities enhance critical skills, facilities, research and development, and small business support to strengthen the national security innovation base. This competitive program invites regional consortia to apply for designation as a "Defense Manufacturing Community", and if designated, can result in grant funding and technical assistance. Under the program, five grants were awarded in both FY 2020 and FY 2021, supporting regional areas working with the DoD to develop public-private coalitions and strategic economic development plans for manufacturing sectors important to the defense industrial base.

Efforts under this program include:

- \$5 million: The "Artificial Intelligences in Metals and Manufacturing Consortium" located in Pittsburgh, PA, provides direct technical assistance to defense manufacturing firms in Ohio, Pennsylvania, and West Virginia to connect these companies with workforce development and training resources to promote the use of advanced metals and materials linked to artificial intelligence and robotics, delivering technology and innovation for the Department.
- \$4.9 million: The "California Advanced Defense Ecosystems & National Consortia Effort" supports a close network of partnerships in the state's defense microelectronics sector, which can more effectively build a pipeline of workforce talent in flexible hybrid electronics delivering technology and innovation for the DoD.

Example – Public Schools on Military Installations:

The Public Schools on Military Installations (PSMI) Program provides technical support and grant funding to remedy facility condition and capacity deficiencies at public schools on military installations. Appropriated funding for PSMI enables the OLDCC to make grants, conclude cooperative agreements, or supplement other Federal funds to construct, renovate, repair, or expand elementary and secondary public schools on military installations in order to address capacity or facility condition deficiencies. The OLDCC follows prioritization of projects based on a PSMI Priority List approved by the Deputy Secretary of Defense on April 15, 2019, that serves as the basis for inviting schools to participate in the program. Since 2011, the OLDCC has received \$2.049 billion in Congressional adds to execute this program. Approximately \$46.5 million was withdrawn in FY 2013 sequestration. As a result of these Congressional adds, sufficient funds are available to address the top 50 locations out of a total of 161 schools included on the 2019 Priority List.

Example – Noise Mitigation Community Partnership

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In FY 2022, the Noise Mitigation Community Partnership (NMCP) received \$75 million in the Department of Defense Appropriations Act of FY 2022, with an expiration date of September 30, 2025. The OLDCC is not requesting additional funds for the NMCP in FY 2023. In coordination with the Military Department, the OLDCC identified approximately 205 active and reserve facilities where fixed wing defense activities exist, and then solicited through a Federal Register notice input from those locations on noise mitigation strategies. Based on the FY 2022 appropriations and authorization language, the OLDCC is working with the Military Departments as well as the Federal Aviation Administration and their “Part 150 Program” on the development of a NMCP Program.

**Operational Support Activities:**

The OLDCC headquarters enables mission execution by strategically managing priorities in support of the Department’s goals and initiatives. Functions of the headquarters includes financial management; risk management and internal controls; audit; environmental compliance; grants management; human capital management; security; maintenance of facilities and equipment; strategic management; logistical and property management; procurement; and travel.

The OLDCC organizational structure complies with all of the DoD management and organizational initiatives resulting in alignment of support functions in a streamlined organization with optimal supervisory oversight. The OLDCC adjusted its headquarters functions to full situational telework mandated by the DoD in response to COVID-19, on March 2020. The OLDCC invested in additional Information Technology (IT) equipment to enhance its staffs’ effectiveness in a telework environment, and continues to monitor and adjust its concept of operations in response to the Center for Disease Control (CDC) and DoD guidelines. Based upon current COVID-19 guidelines from the CDC and the DoD, the OLDCC is remaining in a full situational telework operating environment but will revise its work operating environment consistent with the CDC and the DoD guidelines, with worker safety and well-being paramount.

The OLDCC continues modernizing its IT infrastructure through upgrades of the Economic Adjustment Data System to streamline workflow processes. Additionally, the OLDCC has bolstered its managed infrastructure security posture to accommodate Impact Level-4 cloud controls and a new Authority to Operate. The OLDCC is seeing the benefits of 100% cloud native solutions and remained remarkably resilient throughout the pandemic thanks to these forward looking investments. The OLDCC has also increased participation with the DoD Chief Information Officer, JFHQ-DODIN, and the U.S. Cyber Command battle rhythms. This year, our pivot to paperless records systems to implement the OMB Memo M-20-19 (Harnessing Technology to Support Mission Continuity), as well as the National Archives and Records Administration and the DoD mandates will lessen the need for paper media reproduction and allow for better insight into key data points driving mission success. Additionally, all these enhanced efforts will allow the OLDCC to better support the workforce maximizing situational telework due to the pandemic work environment.

Implemented in 2020, the OLDCC made a significant upgrade to its electronic grants payment processes by successfully transitioning to the U.S. Department of Health and Human Services’ Payment Management System (PMS). The OLDCC remains the only DoD entity to move to PMS, which significantly reduces the time between grantee payment requests and disbursement by the DoD.



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**Fiscal Year (FY) 2023 Overseas Operations Costs funding accounted for in the Base budget include:**

- Operation INHERENT RESOLVE (OIR) [\$0 thousand].
- Operation European Deterrence Initiative (EDI) [\$0 thousand].
- Other theater requirements and related missions [\$0 thousand].

**II. Force Structure Summary:**

The OLDCC is actively restructuring to respond to additions in program growth (local infrastructure, defense manufacturing, noise mitigation, installation resilience). In FY 2021, the OLDCC was funded at more than 1000% above the FY 2021 President's Budget Request. In FY 2020, the OLDCC was funded at more than 600% above the FY 2020 President's Budget Request. The growing volume of activity with increasing complexities (i.e. construction, environmental compliance, Federal Interest) is stretching OLDCC capabilities to effectively manage program activities from cradle to grave, including timely approvals of determinations and findings, quality grants management and oversight, timely close-outs, and de-obligations. The FY 2022 NDAA authorized an additional \$3 million for "Oversight personnel. This authority translates into an additional 17 FTEs in FY 2022, and ensures the continued timely and responsible execution of obligations presently in the OLDCC mission.

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**III. Financial Summary (\$ in Thousands):**

	<b>FY 2022</b>						
	<b>FY 2021</b>	<b>Budget</b>	<b>Congressional Action</b>			<b>Current</b>	<b>FY 2023</b>
			<b>Request</b>	<b>Amount</b>	<b>Percent</b>		
<b><u>A. BA Subactivities</u></b>	<b><u>Actuals</u></b>						
Grants (Core Programs of Assistance)	\$75,114	\$22,480	\$0	0.00%	\$22,480	\$22,480	\$35,345
Defense Community Infrastructure Pilot Program (DCIP)	\$59,816	\$50,000	\$40,000	80.00%	\$90,000	\$90,000	\$50,000
Defense Manufacturing Community Support Program (DMCSP)	\$24,992	\$0	\$30,000	0.00%	\$30,000	\$30,000	\$0
PSMI Section 8109 (Mil Schools)	\$24,387	\$0	\$516,233	0.00%	\$516,233	\$516,233	\$0
Noise Mitigation Community Partnership	\$0	\$0	\$75,000	0.00%	\$75,000	\$75,000	\$0
Operational Support Activities	<u>\$14,860</u>	<u>\$17,206</u>	<u>\$3,000</u>	<u>17.44%</u>	<u>\$20,206</u>	<u>\$20,206</u>	<u>\$23,352</u>
<b>Total</b>	<b>\$199,169</b>	<b>\$89,686</b>	<b>\$664,233</b>	<b>740.62%</b>	<b>\$753,919</b>	<b>\$753,919</b>	<b>\$108,697</b>

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**III. Financial Summary (\$ in Thousands): (Cont.)**

<b><u>B. Reconciliation Summary</u></b>	<b><u>Change FY 2022/FY 2022</u></b>	<b><u>Change FY 2022/FY 2023</u></b>
<b>BASELINE FUNDING</b>	<b>\$89,686</b>	<b>\$753,919</b>
Congressional Adjustments (Distributed)	148,000	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	516,233	
<b>SUBTOTAL APPROPRIATED AMOUNT</b>	<b>753,919</b>	
Fact-of-Life Changes (2022 to 2022 Only)	0	
<b>SUBTOTAL BASELINE FUNDING</b>	<b>753,919</b>	
Supplemental	0	
Reprogrammings	0	
Price Changes		16,042
Functional Transfers		0
Program Changes		-661,264
<b>CURRENT ESTIMATE</b>	<b>753,919</b>	<b>108,697</b>
Less: Supplemental	0	
<b>NORMALIZED CURRENT ESTIMATE</b>	<b>\$753,919</b>	<b>\$108,697</b>

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**III. Financial Summary (\$ in Thousands): (Cont.)**

<b>FY 2022 President's Budget Request (Amended, if applicable)</b> .....	<b>\$89,686</b>
1. Congressional Adjustments .....	\$664,233
a) Distributed Adjustments.....	\$148,000
1) Defense Community Infrastructure Program.....	\$40,000
2) Defense Manufacturing Community Support Program .....	\$30,000
3) Noise Mitigation Community Partnership .....	\$75,000
4) Personnel Increase.....	\$3,000
b) Undistributed Adjustments .....	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions .....	\$516,233
1) PSMI Section 8109 (Mil Schools).....	\$516,233
<b>FY 2022 Appropriated Amount</b> .....	<b>\$753,919</b>
2. Supplemental Appropriations .....	\$0
a) Supplemental Funding.....	\$0
3. Fact-of-Life Changes.....	\$0
a) Functional Transfers.....	\$0

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b) Technical Adjustments .....	\$0
c) Emergent Requirements .....	\$0
<b>FY 2022 Baseline Funding.....</b>	<b>\$753,919</b>
4. Reprogrammings (Requiring 1415 Actions).....	\$0
a) Increases .....	\$0
b) Decreases .....	\$0
<b>Revised FY 2022 Estimate.....</b>	<b>\$753,919</b>
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings .....	\$0
a) Less: Supplemental Funding .....	\$0
<b>FY 2022 Normalized Current Estimate .....</b>	<b>\$753,919</b>
6. Price Change .....	\$16,042
7. Functional Transfers .....	\$0
a) Transfers In .....	\$0
b) Transfers Out.....	\$0
8. Program Increases.....	\$20,000
a) Annualization of New FY 2022 Program .....	\$0

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b) One-Time FY 2023 Increases .....	\$0
c) Program Growth in FY 2023 .....	\$20,000
1) Community Impact Mitigation .....	\$7,000
<p style="margin-left: 20px;">The increase will support the OLDCC Defense Diversification program in assisting states, regions, and communities with a program of support designed to respond to defense dependencies and prepare for and respond to changes in Defense spending dependencies, such as Defense modernization (system investments/business decisions) and basing (utilization of real property).          (FY 2022 Baseline: \$0 thousand)</p>	
2) Installation Physical Resilience .....	\$10,000
<p style="margin-left: 20px;">The increase will assist the OLDCC Installation Resilience program in responding to climate-related and/or man-made threats that are likely to impair the operational utility of a military installation, range, military training route, special use airspace, and/or military operations area.          (FY 2022 Baseline: \$0 thousand)</p>	
3) Oversight Personnel .....	\$3,000
<p style="margin-left: 20px;">The increase is the result on an internal realignment of resource to assist the OLDCC in responding to additional programs (local infrastructure, defense manufacturing, noise mitigation, installation resilience) since FY 2019. The FY 2022 NDAA authorized an additional \$3 million for "Oversight personnel". The Department of Defense Appropriations Act of FY 2022 provided \$3 million for the "Oversight personnel", which translated into an additional 17 FTEs in FY 2022. Thus, the OLDCC internally realigned resource in FY 2023 to maintain the "Oversight personnel" in order to meet Congressional intent.          (FY 2022 Baseline: \$10,445 thousand; 56 FTEs)</p>	
9. Program Decreases .....	\$-681,264
a) Annualization of FY 2022 Program Decreases .....	\$0
b) One-Time FY 2022 Increases .....	\$-664,233
1) Defense Community Infrastructure Program .....	\$-40,000

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2) Defense Manufacturing Community Support Program .....	\$-30,000
3) Noise Mitigation Community Partnership .....	\$-75,000
4) Personnel Increase.....	\$-3,000
5) PSMI Section 8109 (Mil Schools).....	\$-516,233

c) Program Decreases in FY 2023 ..... \$-17,031

1) Compensation and Benefits ..... \$-194

One less compensable day in FY 2023. The number of compensable days change from 261 in FY 2022 to 260 in FY 2023.

(FY 2022 Baseline: \$10,445 thousand; 56 FTEs)

2) Grants ..... \$-13,837

Funding decrease is attributable to the receipt of additional Congressional appropriations for specific programs of assistance in FY 2022.

(FY 2022 Baseline: \$22,480 thousand)

3) Operations ..... \$-3,000

The decrease is the result on an internal realignment of resource in order to support an increase in FTEs in response to program growth over the years since FY 2019.

(FY 2022 Baseline: \$20,206 thousand)

**FY 2023 Budget Request ..... \$108,697**

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

The Office of Local Defense Community Cooperation (OLDCC) provides assistance to states, counties, municipalities, regions, and other communities to foster cooperation with military installations to enhance the military mission, achieve facility and infrastructure savings and reduced operating costs, address encroachment and compatible land use issues, support military families, and increase military, civilian, and industrial readiness and resiliency. It also enables State and local governments to plan and carry out civilian economic adjustment responses to workforce, business, and community needs arising from Defense actions. Their efforts routinely leverage other Federal and state/local technical and financial resources.

The OLDCC grant management and oversight responsibilities extend from pre-award project management and risk assessments, through post-approval monitoring and management of awards (to include payments, amendments, enforcement, and project management travel), to close-out, audit responsiveness, Federal Interest enforcement, and intellectual property management. Applications are evaluated against criteria established by 2 CFR 200 and 1120, 10 USC 2391 authorities, as well as Congressional legislation addressing specific programs. Post-award monitoring consists of continual OLDCC project and grants management oversight to include approving recurring performance and financial reports submitted by grantees, which are evaluated against scope and cost data in the award to ensure compliance. Depending on the award, OLDCC oversight may extend across several fiscal years.

OLDCC Operations performance is evaluated against execution criteria that is established through budget formulation. Further, OLDCC's well-established Risk Management and Internal Controls Program provides consistent oversight of activities during the year through continuous internal testing of assessable units to mitigate risks and provide reasonable assurance that OLDCC's assets are protected from fraud, waste, and mismanagement.

OLDCC typically executes the majority of its budget in the latter half of the fiscal year due primarily to grantees' ability to prepare and submit applications as well as to secure its non-federal match requirement as part of grant criteria. These challenges are compounded by delayed appropriations and significant congressional adds that require obligation in the same fiscal year, which can impact efficient program enactment and funding of awards that meet community needs as well as statutory and regulatory requirements.



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**V. Personnel Summary:**

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>Change FY 2021/ FY 2022</u>	<u>Change FY 2022/ FY 2023</u>
<b>Active Military End Strength (E/S) (Total)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>
Officer	3	3	3	0	0
<b>Civilian End Strength (Total)</b>	<b>39</b>	<b>56</b>	<b>56</b>	<b>17</b>	<b>0</b>
U.S. Direct Hire	39	56	56	17	0
<b>Total Direct Hire</b>	<b>39</b>	<b>56</b>	<b>56</b>	<b>17</b>	<b>0</b>
<b>Civilian FTEs (Total)</b>	<b>39</b>	<b>56</b>	<b>56</b>	<b>17</b>	<b>0</b>
U.S. Direct Hire	39	56	56	17	0
<b>Total Direct Hire</b>	<b>39</b>	<b>56</b>	<b>56</b>	<b>17</b>	<b>0</b>
<b>Average Annual Civilian Salary (\$ in thousands)</b>	<b>176.5</b>	<b>186.5</b>	<b>191.0</b>	<b>10.1</b>	<b>4.5</b>
<b>Contractor FTEs (Total)</b>	<b>36</b>	<b>22</b>	<b>22</b>	<b>-14</b>	<b>0</b>

**Personnel Summary Explanations:**

In FY 2022, the OLDCC increased by 17 FTEs in support of the FY 2022 NDAA, authorizing an additional \$3 million for “oversight personnel”, as well as the Congressional increase of \$3 million in the Department of Defense Appropriations Act of FY 2022. In FY 2023, the OLDCC maintained the additional 17 FTE to ensure the OLDCC meets Congressional intent.

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**VI. OP 32 Line Items as Applicable (Dollars in thousands):**

	FY 2021 Program	Change from FY 2021 to FY 2022		FY 2022 Program	Change from FY 2022 to FY 2023		FY 2023 Program
		Price Growth	Program Growth		Price Growth	Program Growth	
101 EXEC, GEN'L & SPEC SCHEDULES	6,882	156	3,407	10,445	431	-178	10,698
<b>0199 TOTAL CIVILIAN PERSONNEL COMPENSATION</b>	<b>6,882</b>	<b>156</b>	<b>3,407</b>	<b>10,445</b>	<b>431</b>	<b>-178</b>	<b>10,698</b>
308 TRAVEL OF PERSONS	27	1	422	450	9	-9	450
<b>0399 TOTAL TRAVEL</b>	<b>27</b>	<b>1</b>	<b>422</b>	<b>450</b>	<b>9</b>	<b>-9</b>	<b>450</b>
417 LOCAL PURCH SUPPLIES & MAT	90	3	60	153	3	2	158
<b>0499 TOTAL DEFENSE WORKING CAPITAL FUND SUPPLIES AND MATERIALS</b>	<b>90</b>	<b>3</b>	<b>60</b>	<b>153</b>	<b>3</b>	<b>2</b>	<b>158</b>
912 RENTAL PAYMENTS TO GSA (SLUC)	100	3	-6	97	2		99
913 PURCHASED UTILITIES (NON-FUND)	2	0	1,188	1,190	25	-211	1,004
914 PURCHASED COMMUNICATIONS (NON-FUND)	0	0	17	17	0	13	30
915 RENTS (NON-GSA)	651	20	9	680	14	-14	680
917 POSTAL SERVICES (U.S.P.S)	0	0	1	1	0		1
921 PRINTING & REPRODUCTION	0	0	30	30	1	-1	30
922 EQUIPMENT MAINTENANCE BY CONTRACT	9	0	-1	8	0		8
925 EQUIPMENT PURCHASES (NON-FUND)	2	0	7	9	0		9
932 MGT PROF SUPPORT SVCS	2,573	77	-758	1,892	40	2,201	4,133
933 STUDIES, ANALYSIS & EVAL	336	10	-11	335	7	-6	336
935 TRAINING AND LEADERSHIP DEVELOPMENT	259	8	40	307	6	-13	300
960 OTHER COSTS (INTEREST AND DIVIDENDS)	3	0	0	3	0		3
987 OTHER INTRA-GOVT PURCH	852	26	-148	730	15	105	850
988 GRANTS	184,309	5,529	543,877	733,715	15,408	-663,778	85,345
989 OTHER SERVICES	4	0		4	0		4
990 IT CONTRACT SUPPORT SERVICES	3,070	92	691	3,853	81	625	4,559
<b>0999 TOTAL OTHER PURCHASES</b>	<b>192,170</b>	<b>5,765</b>	<b>544,936</b>	<b>742,871</b>	<b>15,599</b>	<b>-661,079</b>	<b>97,391</b>
<b>9999 GRAND TOTAL</b>	<b>199,169</b>	<b>5,925</b>	<b>548,825</b>	<b>753,919</b>	<b>16,042</b>	<b>-661,264</b>	<b>108,697</b>