

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Base Operations/Communications OP-5 Exhibit**

I. Description of Operations Financed:

Base Operations (BASOPS)/Communications refers to the resources for operating and maintaining facilities within the Military Health System (MHS). BASOPS provides essential municipal services for our facilities, services for pest control, custodial, refuse collection, landscaping, security, internal and external communications, administrative services, and routine repair, maintenance, or modernization activities at locations worldwide supporting the Armed Forces. The program consists of the following program elements:

Facility Restoration and Modernization - Resources required for restoration and modernization projects, including repair and replacement due to excessive age, natural disaster, fire, accident, or other causes. Modernization includes altering facilities to implement new or higher standards (including regulatory changes), accommodate new functions, or replace building components that typically last more than 30 years (such as foundations and frameworks). Recapitalization extends a facility's service life by restoring, modernization, replacing the facility, keeping infrastructure inventory relevant to delivering healthcare advances, and enhancing operational or business effectiveness within a revitalized structure. The Operations & Maintenance portion of recapitalization is restoration or modernization activities.

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 significant repair or replacement of facility components (usually accomplished by contract) expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacing of heating and cooling systems, and replacing tile and carpeting.

Facilities Operations - Resources required for fire prevention and protection, including crash rescue, emergency response, disaster preparedness, engineering readiness, utilities to include plant operation and purchase of heat, light and power, electricity, water, natural gas, other utility services, refuse collection and disposal to include recycling operations, pavement clearance including snow and ice removal from roads, lease costs for real property including off-base facilities, grounds maintenance and landscaping, real property management and engineering services including special inspections of facilities and master planning, pest control, and custodial services.

Base Communications - Resources required to provide base communication voice or data and wireless services to Military Health System medical activities, including non-tactical, non-DCS (Defense Communications System), base communication facilities, and equipment systems that provide local voice, data, or wireless communications worldwide. Services include telephone, telegraph, marine cable, postage and box rentals, contractual mail service including express letter delivery, or messenger service. Consists of all rental payments for equipment to accomplish communication services. (Excludes parcel post and express mail services for freight and IT or telecom hardware, software, and related training).

Base Operations Support - Resources required to provide comptroller services, data processing services, information activities, legal activities, civilian personnel administration, military personnel administration, printing and reproduction, facility safety, management analysis/engineering services, retail supply operations, supply activities, procurement operations, storage activities, transportation activities, physical security and police activities, non-aseptic laundry and dry cleaning, food services, and morale, welfare and recreation activities.

Environmental Compliance & Pollution Prevention - All resources expended to comply with environmental laws, regulations, or standards and actions designed

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I. Description of Operations Financed: (Cont.)

to reduce or eliminate an operation's environmental impact. Environmental Compliance and Pollution Prevention seek to minimize or eliminate operational effects on the air, surface, and ground waters, vegetation, and soils through the source reduction of pollutants, more efficient use of natural resources, recycling, and reduced emissions of toxic and other undesirable materials or wastes to the environment. Costs include human resources, training, travel, and supplies.

Visual Information Systems - Resources required to provide staffing, travel, contractual service, procure supplies and materials, expense equipment, and necessary facilities and services for visual information productions, services, and support.

II. Force Structure Summary:

The Base Operations and Communications Budget Activity Group (BAG) includes staffing and contracts to provide base operations support services to the Military Health System facilities, planning and oversight of medical infrastructure, and facility systems maintenance, including life support systems. Infrastructure alterations are necessary to maintain modern medical practices, promote efficiencies, and recapitalize facility inventory to accomplish the healthcare mission. This BAG awards contracts to complete these infrastructure changes. In addition to infrastructure and system operations, this BAG includes essential base support activities such as environmental waste removal, non-medical custodial service, grounds and surface maintenance, mowing, landscaping, road maintenance, snow removal, security services, and base communication systems. Many of the activities and services received consist of cost-effective contracts to assure timely repair and availability to sustain continuous services within the medical facility. The funds in this BAG enable the DHP medical facilities to comply with The Joint Commission and other accreditation agencies' standards for accreditation and certification of healthcare organizations.

NOTE: Fund distribution between CONUS and OCONUS follows the Financial Management Regulation (FMR) definition of CONUS and OCONUS. DoD 7000.14.R "Contiguous United States [CONUS] is the 48 states of the United States and the District of Columbia, which do not include Alaska and Hawaii." See 37 United States Code (U.S.C.) §101." Non-Foreign OCONUS Area is the states of Alaska and Hawaii, the Commonwealths of Puerto Rico and the Northern Mariana Islands; Guam; the U.S. Virgin Islands, and U.S. territories and possessions (excluding the former Trust Territories of the Pacific Islands, which are foreign areas for Joint Travel Regulations purposes).

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III. Financial Summary (\$ in Thousands):

	FY 2023						
			Congressional Action				
	FY 2022	Budget				Current	FY 2024
A. BA Subactivities	Actuals	Request	Amount	Percent	Appropriated	Enacted	Request
1. Facility Restoration/Modernization - CONUS	\$306,337	\$323,999	\$21,214	6.55%	\$345,213	\$345,213	\$334,046
2. Facility Restoration/Modernization - OCONUS	\$34,392	\$98,936	\$6,429	6.50%	\$105,365	\$105,365	\$100,958
3. Facility Sustainment - CONUS	\$516,307	\$499,218	\$32,409	6.49%	\$531,627	\$531,627	\$506,413
4. Facility Sustainment - OCONUS	\$95,066	\$159,649	\$9,895	6.20%	\$169,544	\$169,544	\$162,905
5. Facilities Operations - Health Care (CONUS)	\$477,640	\$502,915	\$3,643	0.72%	\$506,558	\$506,558	\$492,376
6. Facilities Operations - Health Care (OCONUS)	\$78,976	\$59,431	\$2,270	3.82%	\$61,701	\$61,701	\$61,607
7. Base Communications - CONUS	\$59,461	\$49,814	\$-403	-0.81%	\$49,411	\$49,411	\$50,836
8. Base Communications - OCONUS	\$12,659	\$2,257	\$-6	-0.27%	\$2,251	\$2,251	\$2,609
9. Base Operations - CONUS	\$381,127	\$364,768	\$15,457	4.24%	\$380,225	\$380,225	\$380,874
10. Base Operations - OCONUS	\$12,401	\$24,620	\$-1,516	-6.16%	\$23,104	\$23,104	\$25,171
11. Pollution Prevention	\$121	\$304	\$0	0.00%	\$304	\$304	\$310
12. Environmental Compliance	\$15,566	\$18,316	\$726	3.96%	\$19,042	\$19,042	\$18,796
13. Visual Information Systems	\$1,283	\$7,331	\$-724	-9.88%	\$6,607	\$6,607	\$7,650
Total	\$1,991,336	\$2,111,558	\$89,394	4.23%	\$2,200,952	\$2,200,952	\$2,144,551

Notes:

1. FY 2022 actuals include:
 - \$78,000K for one-time Congressional Adjustment to fund additional Facility Restoration and Modernization projects
 - \$2,267K reprogrammed to Base Operations for unfunded requirements
 - \$6,440K internally realigned from Visual Information Systems program element to Base Operations program element for base operations support
2. The FY 2023 estimate includes \$5,000K for Fisher House funds provided in Section 8077 of the FY 2023 Consolidated Appropriations Act

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

	Change FY 2023/FY 2023	Change FY 2023/FY 2024
<u>B. Reconciliation Summary</u>		
BASELINE FUNDING	\$2,111,558	\$2,200,952
Congressional Adjustments (Distributed)	84,394	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	5,000	
SUBTOTAL APPROPRIATED AMOUNT	2,200,952	
Fact-of-Life Changes (2023 to 2023 Only)	0	
SUBTOTAL BASELINE FUNDING	2,200,952	
Supplemental	0	
Reprogrammings	0	
Price Changes		53,927
Functional Transfers		-4,608
Program Changes		-105,720
CURRENT ESTIMATE	2,200,952	2,144,551
Less: Supplemental	0	
NORMALIZED CURRENT ESTIMATE	\$2,200,952	\$2,144,551

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

FY 2023 President's Budget Request (Amended, if applicable)	\$2,111,558
1. Congressional Adjustments	\$89,394
a) Distributed Adjustments	\$84,394
1) a. Cost Index Increase:	\$111,000
2) b. Other Services Cost Overestimation:	\$-16,193
3) c. Unjustified Contract Staffing Growth:	\$-4,174
4) d. Excess to Need:	\$-3,581
5) e. Excess Growth:	\$-2,658
b) Undistributed Adjustments	\$0
c) Adjustments to Meet Congressional Intent	\$0
d) General Provisions	\$5,000
1) Section 8077: Provision for Fisher House Funding	\$5,000
FY 2023 Appropriated Amount	\$2,200,952
2. Supplemental Appropriations	\$0
a) Supplemental Funding	\$0

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

3. Fact-of-Life Changes.....	\$0
a) Functional Transfers.....	\$0
b) Technical Adjustments	\$0
c) Emergent Requirements.....	\$0
FY 2023 Baseline Funding.....	\$2,200,952
4. Reprogrammings (Requiring 1415 Actions).....	\$0
a) Increases.....	\$0
b) Decreases	\$0
Revised FY 2023 Estimate.....	\$2,200,952
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings.....	\$0
a) Less: Supplemental Funding.....	\$0
FY 2023 Normalized Current Estimate	\$2,200,952
6. Price Change	\$53,927
7. Functional Transfers	\$-4,608
a) Transfers In	\$0
b) Transfers Out	\$-4,608

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

1) Medical Readiness - Transfer to the Military Departments:\$-4,608

The Defense Health Agency continues transferring the Medical Readiness activities outside of the Military Treatment Facilities to the Military departments.

a. The Defense Health Agency transfers (-\$4,459K) to the Department of the Air Force (-\$3,284K) for the 711th Human Performance Wing (711 HPW) to include the Airman Systems Directorate (RH) and the United States Air Force School of Aerospace Medicine (USAFSAM). Medical Readiness Centralized Contracts to the Department of the Air Force (-\$1,175K) for Air Force Medical Readiness Agency contract requirements that include the functional categories of Flight and Operational Medicine, Human Performance, Medical Readiness Training/Operations, Operational Consultation, Medical Readiness Headquarters, and School of Aerospace Medicine.

b. The Defense Health Agency transfers (-\$149K; -1 FTE) to the Department of the Army for support to the Army Futures Command.

8. Program Increases\$0

a) Annualization of New FY 2023 Program\$0

b) One-Time FY 2024 Increases\$0

c) Program Growth in FY 2024\$0

9. Program Decreases\$-105,720

a) Annualization of FY 2023 Program Decreases\$0

b) One-Time FY 2023 Increases\$-5,000

1) Fisher House:\$-5,000

c) Program Decreases in FY 2024\$-100,720

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

1) a. Defense Health Program Contract Efficiencies:\$-68,867

Contract requirement reductions are based on consolidations as the DHA assumes authority, direction, and control of the Military Treatment Facilities' healthcare delivery options. Increasing contract standardization and eliminating duplicative contracts achieved these efficiencies. The FY 2023 Base Operations/Communications baseline funding is 2,200,952K.

2) b. Facility Sustainment Adjustment to Model:\$-31,853

Reduced Facility Sustainment funding follows the facility sustainment model for non-critical facilities funded at 85 percent under the current strategy to maintain facilities' sustainment costs. The FY 2023 Facilities Sustainment baseline funding is \$701,171K.

FY 2024 Budget Request\$2,144,551

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IV. Performance Criteria and Evaluation Summary:

Facility Sustainment Model

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Change</u> <u>FY 2022/2023</u>	<u>Change</u> <u>FY 2023/2024</u>
Facility Sustainment Funding:	611,373	701,171	669,318	89,798	-31,853
Facility Sustainment Model Requirement:	674,839	733,608	734,560	58,769	952
Sustainment Rate (MILPERS not included):	91%	96%	91%		

Program	Category	Program Value
Direct Care Medical Healthcare Delivery Mission	Category I FAC Code Series = 5 unless noted below	100%
Medical Labs	Category I FAC Code Series = 5302, 3101 & 3102	85%
All other	Categories II, III Not critical to medical or instruction classrooms	85%
Remaining (Utility plants, USUHS, etc.)	Category I	100%

Note

1. FY 2022 to FY 2023 increase in sustainment funding is due the transfer of US Army Medical Research & Development and Public Health Commands to DHA.
2. FY 2023 to FY 2024 decrease is based on the facility sustainment model for non-critical facilities funded at 85 percent in accordance with current strategy to maintain facilities sustainment costs.

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V. Personnel Summary:

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Change FY 2022/ FY 2023</u>	<u>Change FY 2023/ FY 2024</u>
Active Military End Strength (E/S) (Total)	1,581	900	1,330	-681	430
Officer	415	253	337	-162	84
Enlisted	1,166	647	993	-519	346
Active Military Average Strength (A/S) (Total)	1,315	1,241	1,115	-74	-126
Officer	333	334	295	1	-39
Enlisted	982	907	820	-75	-87
Civilian FTEs (Total)	2,150	1,967	1,966	-183	-1
U.S. Direct Hire	1,933	1,767	1,766	-166	-1
Foreign National Direct Hire	114	101	101	-13	0
Total Direct Hire	2,047	1,868	1,867	-179	-1
Foreign National Indirect Hire	103	99	99	-4	0
Average Annual Civilian Salary (\$ in thousands)	83.3	86.7	91.1	3.4	4.3
Contractor FTEs (Total)	528	528	525	0	-3

Personnel Summary Explanations:

Explanation of changes in Active Military End Strength: The net decrease from FY 2022 to FY 2023 (-681) includes execution adjustments and FY 2023 Next Generation Resource Management System (NGRMS) (-532: Army +2, Navy -535, and Air Force +1), internal realignments the internal realignment of Navy Medical military personnel to In-house Care (-191), transfer of military personnel due to Defense-Wide Review (Army -1), transfer to Navy medical for Medical Sealift Command (Navy -31), transfer of non-Medical Treatment Facility (MTF) resources (Air Force -7) the transfer of Research and Development Lab (Navy -4), technical correction to align memo (Agency) controls with direct (Service) controls in the CAPE system (Army +3) and includes the technical adjustment made by the military departments for the revised drawdown reductions (Navy +83 and Army -1) to comply with Section 719 of the FY 2020 National Defense Authorization Act (NDAA) that limits the realignment or reduction of military medical end-strength authorizations and to reflect executable Service plans for the drawdown. The net decrease from FY 2023 to FY 2024 (+430) includes the technical adjustment made by the military departments for the revised drawdown reductions (Navy -12) to comply with Section 719 of the FY 2020 National Defense Authorization Act (NDAA) that limits the realignment or reduction of military medical end-strength

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V. Personnel Summary: (Cont.)

authorizations and reflects executable Service plans for the drawdown, internal realignment to other BAGs (Navy -5), transfer of Unit Deployment Program to Navy Bureau of Medicine (BUMED) (-2), coordinated annual internal realignment (Navy +15), and FY 2024 NGRMS PE Sync as a result of Total Force Management Manpower System (TFMMS) and financial Procurement Business Intelligence Service (PBIS) interface (+434).

Explanation of changes in Civilian FTEs: The change from FY 2022 to FY 2023 **(-183)** reflects execution adjustments (-64: Army +48, USUHS +2, Comptroller -36, and DCFM -78); the transfer of civilian FTEs to the Department of the Army for medical readiness due to the Defense-Wide Review (-9); transfer (FTE only) to Consolidated Health Support for Army Public Health Center (-1), transfer of civilians from the Army for Army Medical Research, Development and Acquisition Capabilities (+45), realignment of identified IT support FTEs assigned to each MTF (-13), and internal realignment to other BAGs (-141: Army -24, Navy -91, and Air Force -26). The change from FY 2023 to FY 2024 **(-1)** reflects the transfer of the Capabilities Development Integration Directorate (CDID) to the Department of the Army for support to the Army Futures Command (-1).

Explanation of changes in Contractor FTEs: There was no change from FY 2022 to FY 2023. The change from FY 2023 to FY 2024 **(-3)** reflects an increase in support of facilities operations (+1) and visual information activities (+1) in support of CONUS MTFs and a decrease due to the transfer of centralized contract dollars to the military departments (-5).

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

		Change from FY 2022 to FY 2023			Change from FY 2023 to FY 2024			
		FY 2022 Program	Price Growth	Program Growth	FY 2023 Program	Price Growth	Program Growth	FY 2024 Program
101	EXEC, GEN'L & SPEC SCHEDS	147,686	6,099	-16,124	137,661	6,922	-149	144,434
103	WAGE BOARD	25,883	1,069	0	26,952	1,355		28,307
104	FN DIRECT HIRE (FNDH)	3,478	144	0	3,622	182		3,804
106	BENEFIT TO FMR EMPLOYEES	1	0		1	0		1
107	VOLUNTARY SEP INCENTIVES	35	1		36	2	0	38
0199	TOTAL CIVILIAN PERSONNEL COMPENSATION	177,083	7,313	-16,124	168,272	8,461	-149	176,584
308	TRAVEL OF PERSONS	16,866	354		17,220	379	0	17,599
0399	TOTAL TRAVEL	16,866	354	0	17,220	379	0	17,599
401	DLA ENERGY (FUEL PRODUCTS)	4,449	-332	0	4,117	-473	0	3,644
411	ARMY SUPPLY	2		-2	0	0	0	0
416	GSA SUPPLIES & MATERIALS	78	2	0	80	2	0	82
0499	TOTAL DEFENSE WORKING CAPITAL FUND SUPPLIES AND MATERIALS	4,529	-330	-2	4,197	-471	0	3,726
671	DISA DISN SUBSCRIPTION SERVICES (DSS)	16	1	0	17	1		18
691	DFAS FINANCIAL OPERATIONS (ARMY)	19,151	686	0	19,837	845		20,682
0699	TOTAL OTHER FUND PURCHASES	19,167	687	0	19,854	846	0	20,700
706	AMC CHANNEL PASSENGER	126	3	-129	0	0	0	0
771	COMMERCIAL TRANSPORT	1,446	30		1,476	30	0	1,506
0799	TOTAL TRANSPORTATION	1,572	33	-129	1,476	30	0	1,506
901	FOREIGN NATIONAL INDIRECT HIRE (FNIH)	2,020	83	212	2,315	116		2,431
912	RENTAL PAYMENTS TO GSA (SLUC)	45,666	959	0	46,625	1,026	0	47,651
913	PURCHASED UTILITIES (NON-FUND)	258,338	5,425	26,440	290,203	6,384		296,587
914	PURCHASED COMMUNICATIONS (NON-FUND)	21,043	442	0	21,485	473	0	21,958
915	RENTS (NON-GSA)	36,439	765		37,204	818		38,022
917	POSTAL SERVICES (U.S.P.S)	1,557	33	0	1,590	35	0	1,625

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		Change from FY 2022 to FY 2023			Change from FY 2023 to FY 2024			
		FY 2022 Program	Price Growth	Program Growth	FY 2023 Program	Price Growth	Program Growth	FY 2024 Program
920	SUPPLIES & MATERIALS (NON-FUND)	14,330	301	0	14,631	322	0	14,953
921	PRINTING & REPRODUCTION	8,580	180		8,760	193	0	8,953
922	EQUIPMENT MAINTENANCE BY CONTRACT	5,961	125		6,086	134	0	6,220
923	FACILITIES SUST, REST, & MOD BY CONTRACT	931,035	19,552	193,492	1,144,079	25,170	-83,598	1,085,651
925	EQUIPMENT PURCHASES (NON-FUND)	3,261	68		3,329	73		3,402
932	MGT PROF SUPPORT SVCS	143,746	3,019	-75,818	70,947	1,561	0	72,508
933	STUDIES, ANALYSIS & EVAL	5,758	121	0	5,879	129		6,008
934	ENGINEERING & TECH SVCS	10,048	211		10,259	226	0	10,485
955	OTHER COSTS (MEDICAL CARE)	32,350	1,682	4,935	38,967	1,598	-5,000	35,565
957	OTHER COSTS (LAND AND STRUCTURES)	12,215	257	3,053	15,525	342	0	15,867
960	OTHER COSTS (INTEREST AND DIVIDENDS)	94	2	0	96	2		98
964	OTHER COSTS (SUBSISTENCE AND SUPPORT OF PERSONS)	56	1		57	1		58
986	MEDICAL CARE CONTRACTS	4,874	253	-9	5,118	210	0	5,328
987	OTHER INTRA-GOVT PURCH	108,714	2,283	37,922	148,919	3,276	-14,613	137,582
989	OTHER SERVICES	97,635	2,050	-10,821	88,864	1,955	-6,968	83,851
990	IT CONTRACT SUPPORT SERVICES	28,399	596		28,995	638	0	29,633
0999	TOTAL OTHER PURCHASES	1,772,119	38,408	179,406	1,989,933	44,682	-110,179	1,924,436
9999	GRAND TOTAL	1,991,336	46,465	163,151	2,200,952	53,927	-110,328	2,144,551

Notes

1. FY 2024 decrease in OP32 line 955 is attributed to one-time increase in FY 2023 for Fisher House: -\$5,000