

Fiscal Year (FY) 2005 Budget Estimates

Defense Security Cooperation Agency

(DSCA)



February 2004

DEFENSE SECURITY COOPERATION AGENCY
Fiscal Year (FY) 2005 Budget Estimates
Operation and Maintenance, Defense-wide
Appropriation Highlights
(Dollars in Millions)

Appropriation Summary

Operation and Maintenance, Defense-Wide	FY 2003 <u>Actual</u>	Price <u>Chang</u> <u>e</u>	Program <u>Change</u>	FY 2004* <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2005 <u>Estimate</u>
Total	531.793	6.958	737.772	1,276.52 3	28.476	-1,221.077	83.922

BA 4: Administration & Service-Wide Activities

*FY 2004 excludes Supplemental funding (\$1,150,000) for coalition support.

Description of Operations Financed:

These funds will be used to finance the DSCA Headquarters administrative support, Partnership for Peace - promote partner interoperability with NATO, build candidates for NATO membership, and build U.S. bilateral support to supplement partner participation in PfP; Canadian Environmental Cleanup - for sites at Argentina, Dew Line, Goose Bay and Haines-Fairbanks; the International Programs Security Requirements Course - a course of instruction in security requirements for international programs for Department of Defense (DoD) and defense contractor personnel having direct responsibility for such programs; and the Counterterrorism Fellowship Program - non-lethal counterterrorism training and education of foreign military officers.

Narrative Explanation of Changes:

The funding changes between FY 2003 and FY 2004 are for counter-terrorism equipment and training, and coalition support.

DEFENSE SECURITY COOPERATION AGENCY
Fiscal Year (FY) 2005 Budget Estimates
Operation and Maintenance, Defense-Wide

<u>Appropriation: Operation and Maintenance, Defense-Wide</u>	(\$ in thousands)
1 FY 2004 President's Budget	284,767
2. Congressional Adjustments (Distributed)	-200,000
3. Congressional Adjustments (Undistributed)	
4. Congressional Adjustments (General Provisions)	-880
5 Congressional Earmarks	-52
6. FY 2004 Appropriated Amount	83,835
7. Functional Transfers-In	
8. Other Transfers-In (Non-Functional)	
9. Functional Transfers-Out	
10. Other Transfers-Out (Non-Functional)	-3,000
11. Program Increases	
a. Counter-Terrorism Fellowship Program Carryover	4,764
b. Coalition Support transfer of funds from the Iraq Freedom Fund	1,190,924
22. Normalized FY 2004 Estimate	1,276,523
23. Price Growth	28,476
24. Program Increases FY 2005	
26. Program Decreases FY 2005	-1,221,077
(Coalition Support plus inflation does not continue)	
27. Revised FY 2005 Estimate	83,922

DEFENSE SECURITY COOPERATION AGENCY
 Fiscal Year (FY) 2005 Budget Estimates
 Manpower Changes in Full-Time Equivalent
 FY 2003 through FY 2005

	<u>Us Direct Hire</u>	<u>Foreign National</u>		<u>Total</u>
		<u>Direct Hire</u>	<u>Indirect Hire</u>	
1. FY 2003 FTEs				
--	30			30
-- (changes)				
--	30			30
2. FY 2004 FTEs				
--	30			30
-- (changes)	3			3
--	33			33
3. FY 2005 FTEs				
--	33			33
-- (changes)	4			4
--	37			37
FY 2003				
O&M Total	30			30
Direct Funded	21			21
Reimbursable Funded	9			9
Other appropriations				
Direct Funded				
Reimbursement Funded				
Total Component	30			30
Direct Funded	21			21
Reimbursable Funded	9			9

DEFENSE SECURITY COOPERATION AGENCY
 Fiscal Year (FY) 2005 Budget Estimates
 Manpower Changes in Full-Time Equivalent
 FY 2003 through FY 2005

	<u>Us Direct Hire</u>	<u>Foreign National</u>		<u>Total</u>
		<u>Direct Hire</u>	<u>Indirect Hire</u>	
5. SUMMARY				
FY 2004				
O&M Total	33			33
Direct Funded	24			24
Reimbursable Funded	9			9
Other appropriations				
Direct Funded				
Reimbursement Funded				
Total Component	33			33
Direct Funded	24			24
Reimbursable Funded	9			9
6. SUMMARY				
FY 2005				
O&M Total	37			37
Direct Funded	28			28
Reimbursable Funded	9			9
Other appropriations				
Direct Funded				
Reimbursement Funded				
Total Component	37			37
Direct Funded	28			28
Reimbursable Funded	9			9

Narrative: The FTEs are consistent with the FYDP.

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2005 Budget Estimates
Personnel Summary

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>Change</u> <u>FY2004/FY2005</u>
<u>Active Military End Strength (E/S) (Total)</u>				
Officer				
Enlisted				
<u>Reserve Drill Strength (E/S) (Total)</u>				
Officer				
Enlisted				
<u>Reservists on Full Time Active Duty (E/S) (Total)</u>				
Officer				
Enlisted				
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	21	24	28	4
Foreign National Direct Hire				
Total Direct Hire	21	24	28	4
Foreign National Indirect Hire (Military Technician Included Above (Memo)) (Reimbursable Civilians Included Above (Memo))	9	9	9	0
Additional Military Technicians Assigned to USSOCOM				
<u>Active Military Average Strength (A/S) (Total)</u>				
Officer				
Enlisted				
<u>Reserve Drill Strength (A/S) (Total)</u>				
Officer				
Enlisted				
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>				
Officer				
Enlisted				
<u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	18	24	28	0
Foreign National Direct Hire				
Total Direct Hire	18	24	28	0
Foreign National Indirect Hire				

DEFENSE SECURITY COOPERATION AGENCY
FY 2005 Budget Estimates
Operation and Maintenance, Defense-Wide
Summary of Price and Program Changes

	<u>FY 2003</u>	<u>Foreign</u>	<u>Price Growth</u>		<u>Program</u>	<u>FY 2004</u>
	<u>Program</u>	<u>Currency</u>	<u>Percent</u>	<u>Amount</u>	<u>Growth</u>	<u>Program</u>
		<u>Rate Difference</u>				
Civilian Personnel Compensation						
101	Ex., Gen. & Special Schedules	1,666		68	138	1,872
107	Voluntary Separation Incentive Pay	25		0	-25	0
199	Total Civ Personnel Comp	1,691		68	113	1,872
<u>TRAVEL</u>						
308	Travel of Persons	1,095	1.3	14	0	1,109
399	Total Travel	1,095	1.3	14	0	1,109
<u>OTHER PURCHASES</u>						
912	SLUC (GSA leases)	73	1.7	1	0	74
913	Purchased Utilities	36	1.3	0	0	36
914	Purchased Communications	56	1.3	1	0	57
917	Postal Services	1		0	0	1
920	Supplies & Materials	361,825	1.3	4,704	737,659	1,104,188
921	Printing & Reproduction	1	1.3	0	0	1
922	Equipment Maintenance by Contract	19	1.3	0	0	19
923	Facility Maintenance by Contract	3	1.3	0	0	3
925	Equipment Purchases (Non-Fund)	87	1.3	1	0	88
932	Contract & Professional Spt Svcs	1,346	1.3	17	0	1,363
933	Studies, Analysis, & Evaluations	4,029	1.3	52	0	4,081
989	Other Contracts	14,488	1.3	188	0	14,676
998	Other Costs	147,043	1.3	1,912	0	148,955
999	Total Other Purchases	529,007		6,876	737,659	1,273,542
9999	Total	531,793		6,958	737,772	1,276,523

DEFENSE SECURITY COOPERATION AGENCY
FY 2005 Budget Estimates
Operation and Maintenance, Defense-Wide
Summary of Price and Program Changes

	<u>FY 2004</u>	<u>Foreign</u>	<u>Price Growth</u>		<u>Program</u>	<u>FY 2005</u>
	<u>Program</u>	<u>Rate Difference</u>	<u>Percent</u>	<u>Amount</u>	<u>Growth</u>	<u>Program</u>
Civilian Personnel Compensation						
101	Ex., Gen. & Special Schedules	1,872		0	60	1,932
107	Voluntary Separation Incentive Pay	0		0	0	0
199	Total Civ Personnel Comp	1,872		0	60	1,932
<u>TRAVEL</u>						
308	Travel of Persons	1,109	1.3	14	0	1,123
399	Total Travel	1,109	1.3	14	0	1,123
<u>OTHER PURCHASES</u>						
912	SLUC (GSA leases)	74	1.5	1	0	75
913	Purchased Utilities	36	1.3	0	0	36
914	Purchased Communications	57	1.3	1	0	58
917	Postal Services	1	1.3	0	0	1
920	Supplies & Materials	1,104,188	1.3	26,261-1,130,369		80
921	Printing & Reproduction	1	1.3	0	0	1
922	Equipment Maintenance by Contract	19	1.3	0	0	19
923	Facility Maintenance by Contract	3	1.3	0	0	3
925	Equipment Purchases (Non-Fund)	88	1.3	1	0	89
932	Contract & Professional Spt Svcs	1,363	1.3	18	0	1,381
933	Studies, Analysis, & Evaluations	4,081	1.3	53	0	4,134
989	Other Contracts	14,676	1.3	191	0	14,867
998	Other Costs	148,955	1.3	1,936	-90,768	60,123
999	Total Other Purchases	1,273,524		28,462-1,221,137		80,867
9999	Total	1,276,523		28,476-1,221,077		83,922

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2005 Budget Estimates
Budget Activity #4: Administration and Service wide Activities

I. Description of Operations Financed:

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support to Humanitarian Assistance and Mine Action, the Warsaw Initiative/Partnership for Peace programs in accordance with DoD's policy to provide emergency and on-emergency humanitarian assistance; and directs, administers, and supervises the Humanitarian Mine Action Program.

In 1996, the United States Government negotiated a settlement with the Government of Canada for reimbursement of costs for environmental cleanup at four United States military installations in Canada. The United States and Canadian Government developed this requirement through extensive negotiations resulting in a formal Exchanges of Notes wherein it was agreed that the United States would pay a settlement of \$100 million. At the beginning of FY 1999, Canadian support of these environmental cleanup activities totaled \$37.638 million in current year dollars.

In Warsaw in July 1994, President Clinton announced a major foreign policy initiative, saying he would seek \$100 million in FY 1996 to "help America's new democratic partners work with the United States to advance the Partnership for Peace's goals." The effort became known as the Warsaw Initiative. Congress approved the funds, thereby establishing a single, comprehensive United States bilateral program to advance closer relations and interoperability between NATO and Partnership for Peace (PfP) countries. The State Department and the Department of Defense (DoD) cooperatively administer the program; State's portion is provided as Foreign Military Financing; the remainder administered by DoD.

Of the FY 2005 funds, \$3.068 million will be used for expenses to operate a government activity such as salaries and benefits, travel, training, rental of office space, rental of equipment, communications, and cost of supplies and equipment. Funds in the amount of \$11.5 million will be used for the Canadian Environment Cleanup program, \$48.944 million

DEFENSE SECURITY COOPERATION AGENCY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2005 Budget Estimates
 Budget Activity #4: Administration and Service wide Activities

I. Description of Operations Financed: (continued)

for Warsaw Initiative/Partnership for Peace program (WI/PfP) and \$1.255 for the International Programs Security Requirements Course.

(\$ in Thousands)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Administrative Cost	2,674	3,020	3,853
Canadian Environmental Cleanup	11,300	11,500	11,800
WI/PfP	47,703	45,077	47,011
Intern'l Programs Sec Req Course	1,197	1,238	1,258
Drug Interdiction	22,267	0	0
Logistical Military Support	434,747	1,190,924*	0
O&M Counter Terrorism Fellowship	0	20,000	20,000
No Year Counter Terrorism Fellowship	11,905	4,764	0
Total	531,793	1,276,523*	83,922

* Excludes FY 2004 Supplemental funding of \$1,150,000

II. Force Structure Summary: N/A

DEFENSE SECURITY COOPERATION AGENCY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2005 Budget Estimates
 Budget Activity #4: Administration and Service wide Activities

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

A. <u>Subactivity Group</u>	FY 2003 <u>Actuals</u>	FY 2004		Current* <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>		
DSCA	62,874	64,767	63,835	60,835	63,922
Drug Interdiction	22,267				
Counterterrorism					
Fellowship Program					
No Year	11,905			4,764	0
Counterterrorism					
Fellowship Program					
O&M	0	20,000	20,000	20,000	20,000
Counterterrorism					
Train & Equip	0	200,000	0	0	0
Logistical Mil					
Support	434,474			1,190,924	0
TOTAL O&M	531,793	284,767	83,835	1,276,523	83,922

* FY 2004 Excludes \$1,150,000 in Supplemental funds for Logistical Military Support/Coalition Support.

DEFENSE SECURITY COOPERATION AGENCY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2005 Budget Estimates
 Budget Activity #4: Administration and Service wide Activities

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

<u>B. Reconciliation Summary:</u>	<u>Change</u> <u>FY 2004/FY 2004</u>	<u>Change</u> <u>FY 2004/2005</u>
Baseline Funding	284,767	1,276,523
Congressional Adjustments (Distributed)	-200,000	
Congressional Adjustments (Undistributed)	-932	
Congressional Earmark Bill Payer		
Appropriated Amount		
Price Change		28,476
Program Change		
Fact of Life Adjustments (net)	-1,764	
Transfer from IFF for Coalition Support	1,190,924	-1,221,077
Current Estimate	1,276,523	83,922

C. Reconciliation of Increases and Decreases: (\$ in Thousands)

FY 2004 President's Budget Request	284,767
1. Congressional Adjustments	
a. Distributed Adjustments	
1) Counterterrorism Training & Equip	-200,000
b. Undistributed Adjustments	
1) Section 8094 Prorate Professional Support Services	-475
2) Section 8126 Prorate	
c. Adjustments to Meet Congressional Intent	0
d. General Provisions	
1) Section 8044 Prorate Indian Lands	-52
FY 2004 Appropriated Amount	83,835

DEFENSE SECURITY COOPERATION AGENCY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2005 Budget Estimates
 Budget Activity #4: Administration and Service wide Activities

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

C. Reconciliation of Increases and Decreases: (continued) (\$ in Thousands)

2. Emergency Supplemental		
a. Emergency Supplemental Funding Carryover		0
b. FY 2004 Emergency Supplemental Appropriations Act (P.L. 108-106)		
1) Coalition Support		1,150,000
3. Fact-of-Life Changes		
a. Functional Transfers		
1) Transfers In		0
2) Transfers Out		-3,000
a) Realigns funding from the Warsaw Initiative to support the increase to the Defense Resource Management Study program as part of the Secretary's program for Combating Terrorism.		
b. Technical Adjustments (must net to zero at the appropriation level)		
c. Emergent Requirements		
1) Program Increases		
a) One-Time Costs		
i) Counterterrorism Fellowship Program Carry Over No Year		4,764
b) Program Growth		0
2) Program Reductions		0

Baseline Funding

4. Reprogrammings(Requiring 1415 Actions)		
a. Increases		
1) Coalition Support transfer to O&M,D-W from IFF		1,190,924
b. Decreases		0

DEFENSE SECURITY COOPERATION AGENCY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2005 Budget Estimates
 Budget Activity #4: Administration and Service wide Activities

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

<u>C. Reconciliation of Increases and Decreases:</u>	(continued)	(\$ in Thousands)
Revised FY 2004 Estimate		2,426,523
5. Less: Emergency Supplemental Funding		1,150,000
Normalized Current Estimate for FY 2004		1,276,523
6. Price Change		28,476
7. Functional Transfers		
8. Program Increases		
a. Program Growth in FY 2005		60
1) Increased FTE's		
9. Program Decreases		
b. Program Decreases in FY 2005		
Coalition Support funding not continued in FY 2005		-1,221,137
FY 2005 Budget Request		83,922

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2005 Budget Estimates
Budget Activity #4: Administration and Service wide Activities

IV. Performance Criteria and Evaluation Summary:

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support for Humanitarian Assistance and Demining (HA/D) programs, the African Center for Strategic Studies (ACSS), Warsaw Initiative/Partnership for Peace (WI/PfP) program and the Canadian Environmental Cleanup program. In accordance with DoD's policy to provide emergency and non-emergency humanitarian assistance, and directs, administers and supervises the humanitarian demining program. Tangible performance criteria for the WI/PfP program include the number of PfP events supported, number of studies conducted, number of personnel involved, study recommendations acted upon by Partners, number of events hosted and others. Tangible performance criteria for the ACSS program include the number of seminars hosted in African countries.

<u>V. Personnel Summary:</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
				<u>FY 2004/FY 2005</u>
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	18	24	28	4
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	18	24	28	4
Foreign National Indirect Hire	0	0	0	0
<u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	18	24	28	4
Total Direct Hire	18	24	28	4

<u>VI. Outyear Summary:</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
O&M (\$000)	85,491	87,436	89,040	90,591

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2005 Budget Estimates
Budget Activity #4: Administration and Service wide Activities

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

	FY 2003 Actual	Price Percent	Growth Amount	Program Growth	FY 2004 Program	Price Percent	Growth Amount	Program Growth	FY 2005 Program
Civilian Personnel Compensation	1,691	4.0%	68	113	1,872			60	1,932
Travel	1,095	1.3%	14	-	1,109	1.3%	14		1,123
Rental Payments to GSA	73	1.4%	1		74	1.4%	1		75
Purchased Utilities	36				36		-		36
Purchased Communications	56	1.8%	1		57	1.8%	1		58
Postal Services	1				1		-		1
Supplies & Materials	361,825	1.3%	4,704	737,659	1,104,188	2.4%	26,261	(1,130,369)	80
Printing & Reproduction	1				1		-		1
Equipment Maintenance	19				19		-		19
Facility Maintenance by Contract	3				3		-		3
Equipment Purchases (Non- Fund)	87	1.2%	1		88	1.1%	1		89
Contract & Professional Support Services	1,346	1.3%	17		1,363	1.3%	18		1,381
Studies, Analysis & Evaluations	4,029	1.3%	52		4,081	1.3%	53		4,134
Other Contracts	14,488	1.3%	188		14,676	1.3%	191		14,867
Other Cost	147,043	1.3%	1,912		148,955	1.3%	1,936	(90,768)	60,123
Total	531,793		6,958	737,772	1,276,523		28,476	(1,221,077)	83,922