

BRAC 2005 Economic Impact Joint Process Action Team

Meeting Minutes of July 22, 2004

The fifth meeting with JPAT 6 on the BRAC 05 Economic Impact Analysis (EIA) took place on July 22, 2004 at the Pentagon. Mr. Mike McAndrew chaired the meeting.

The main items on the agenda were to discuss the status of generating the base listing and updates on the economic methodology. The agenda and presentation slides are attached. Major points and discussions identified a number of action items for review and decisions at the next JPAT 6 meeting.

Base Listing: The Military Departments will crosswalk the latest base listing with the base listing proposed for use in the COBRA model to ensure commonality of ID numbers. For bases that fall outside of Metropolitan Statistical Areas (MSAs), Metropolitan Divisions (in larger MSAs), and Micropolitan Statistical Areas, the Military Departments will provide feedback on the proposed mapping of bases to counties.

Historical Data / Per Capita Income: The group discussed the various deflator options to use in preparing the historical data that will be incorporated in the economic model. Booz Allen was tasked with preparing an issue paper laying out the pros and cons for each alternative along with its recommendation on which index to use for deflating per capital income (i.e., the Consumer Price Index (CPI), the GDP, or DoD's Green Book (which uses GDP as the base). The premise is the JPAT should select a method that is most theoretically sound and acceptable for the purposes of economic impact analysis on base communities.

Mission Contractors: The JPAT discussed the rationale for including mission related contractors as direct job losses. They concluded that because mission contractors work side by side the DoD military/civilian workforce and in many cases are indistinguishable from government civilian employees, for the purposes of economic impact, be treated as if they were a government employee. However, the JPAT could not readily agree on how to count or obtain data on mission contractor presence. The Chair tasked Booz Allen to prepare an issue paper outlining several options for collecting mission-based contractors on bases. Booz Allen will also draft a position paper proposing when/where this data would be entered into the economic impact tool (i.e., in COBRA or as a separate economic impact information tool entry). The primary criteria for the decision should be on data integrity and accountability.

Internal Control Plan (ICP): Booz Allen will prepare a draft ICP by the next JPAT meeting.

Independent Panel Review (IPR): Booz Allen indicated that 4 potential candidates have been identified for the Independent Panel. Booz Allen will prepare a briefing for JPAT that covers the criteria, agenda and qualifications for the Independent Panel.

Action Items/ Next Steps:

- OSD-BRAC to provide to Booz Allen a list of DoD leases on bases to determine their mapping to economic areas

- Army to provide to Booz Allen a list of 15 stand-alone DoD agencies/facilities that are included in COBRA
- Booz Allen to develop a position paper on choosing the deflator for per capita income
- Booz Allen to review Navy's CNA paper for additional considerations for historical economic data
- Booz Allen to recommend methodologies for counting mission-based contractors
- Booz Allen to develop a position paper for entering contractor data (i.e. at COBRA or EIT)
- Booz Allen to develop a draft Internal Control Plan
- Booz Allen to prepare a briefing on the Independent Panel Review

Approved: 
Michael McAndrew
Deputy Director, BRAC
Chairman, Economic Impact JPAT

Attachments:

1. List of Attendees
2. Meeting Slides

Meeting 5: BRAC 2005 Economic Impact JPAT July 22, 2004, Pentagon

Attendees

JPAT Members:

- Mr. Michael McAndrew, Deputy Director, OSD-BRAC / Chairman
- Army: Dave Smith
- Navy: Jack Leather
- Air Force: Roy Murray

Other(s):

- OSD-BRAC: David Asiello
- GAO: Charles Perdue
- DoDIG: Lisa Such
- DoDIG: Lusk Penn

Booz Allen Hamilton:

- Mike Berger: Project Manager
- Roger Ramia: IT Team
- Young-Min Shim: Project Management
- Dave Wilson: Economic Team



BRAC 2005 JPAT 6 Economic Impact

Briefing to the
JPAT 6

22 July 2004



Agenda

- Check Base Listing
- Update on Historical Data
- Contractors: Definitions and Decision Rules
- Update on Internal Control Plan
- Sample Run of Economic Impact Analysis Methodology
- Update on Independent Panel



Base Listing

- Crosswalk the base listing with COBRA to ensure commonality of ID numbers
- Feedback from the Services on the mapping of bases to counties



Historical Data

- Review and feedback on Navy's CNA report
- Data obtained from BEA:
 - Population
 - Total employment
 - Unemployment rate
 - Total Personal income
 - Per-capita Income
- Completing QA for missing & odd series



Contractors

- Mission-based contractors:
 - Definition
 - Decision Rules
- Obtaining personnel data from DMDC-East (Arlington Office)



Internal Control Plan

- Progress report



Economic Impact Tool

■ Sensitivity Analysis

- Sample run planned using an average multiplier methodology
- Getting ready to send data specification for IMPLAN
- Estimate 2 weeks for data



Independent Panel Review

- Update on potential candidates
 - Grace Johns, Hazen and Sawyer
 - Marvin Smith, Federal Reserve Bank of Philadelphia
 - John Krause, Gov Finance Group (GFG)
 - John Peterson, George Mason University