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BRAC
Base Visit Book

Air Force Institute of Technology

General Lloyd W. Newton
USAF (Ret)

August 2, 2005

Air Force Institute of Technology

COMMISSION BASE VISIT
August 2, 2005

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Biography
United States Air Force
AIR FORCE INSTITUTE OF TECHNOLOGY
Office of Public Affairs - Wright-Patterson AFB OH 45433-7765
(937) 255-9354

BRIGADIER GENERAL MARK T. MATTHEWS

Brigadier General Mark T. Matthews is the Commandant, Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio. The Institute supports national defense by providing graduate, post-graduate, and professional education and research programs for Air Force officers and civilians in pertinent scientific and technical disciplines. General Matthews was born in Raleigh, N.C., graduating from Garner High School, N.C., in 1973. He entered the Air Force in 1977 with a commission from the U.S. Air Force Academy, earning a bachelor of science degree in engineering sciences as an honor graduate. A distinguished graduate of the U.S. Air Force F-15 Fighter Weapons School, General Matthews was a member of the initial cadre to stand-up F-15s in Alaska before attending graduate school and his assignment to Headquarters U.S. Air Force.

As a member of the Checkmate Division, General Matthews was one of the authors of Rapid Thunder, the initial planning effort that evolved into the Desert Storm air campaign against Iraq. He later served as operations officer and Commander of the 435th Fighter Squadron, training pilots of the Taiwan air force before attending Air War College in 1996. General Matthews was the 607th Air Operations Group Commander and the U.S. Director of Operations for the U.S. Air Force, South Korea, before his assignment to the Joint Staff as the Assistant Deputy Director for Global Operations and its acting Director during Operation Enduring Freedom. The general later served as Deputy Director for Operational Plans and Joint Matters, Deputy Chief of Staff for Air and Space Operations, Headquarters U.S. Air Force, Washington, D.C. Before assuming his current position, the general was Commander of the 48th Fighter Wing, Royal Air Force Lakenheath, England.

EDUCATION

1977 Bachelor of science degree in engineering sciences, U.S. Air Force Academy, Colorado Springs, Colo.

1982 Squadron Officer School, Maxwell Air Force Base, Ala.

1987	Air Command and Staff College
1987	Master of science degree in operations research, Princeton University, Princeton, N.J.
1997	Air War College, Maxwell AFB, Ala.
2001	Seminar XXI - Foreign Political and International Relations, Massachusetts Institute of Technology, Cambridge

ASSIGNMENTS

Sept 1977 - Aug 1978	Student, undergraduate piot training, Vance AFB, Okla.
Jan 1979 - July 1982	F-15A/C aircraft commander, 94th Tactical Fighter Squadron, Langley AFB, Va.
July 1979 - Jan 1983	F-15A instructor pilot, 43rd TFS, Elmendorf AFB, Alaska
Jan 83 - June 1983	F-15A student, U.S. Air Force Fighter Weapons School, Nellis AFB, Nev.
June 1983 - Aug 1984	Chief, F-15A Weapons and Tactics, 43rd TFS, Elmendorf AFB, Alaska.
Sept 1984 - Aug 1985	Chief, F-15A Weapons and Tactics, 21st Tactical Fighter Wing, Elmendorf AFB, Alaska.
Sept 1984 - Aug 1985	Chief, F-15A Weapons and Tactics, 21st Tactical Fighter Wing, Elmendorf AFB, Alaska.
Sept 1985 - Jan 1987	Graduate student, Princeton University, Princeton, N.J.
Feb 1987 - Oct 1987	Plans and programs research systems analyst, Headquarters U.S. Air Force, Washington, D.C.
Nov 1987 - Apr 1992	Air-to-air capabilities and war strategies analyst, Checkmate Division, Headquarters U.S. Air Force, Washington, D.C.
Apr 1992 - Aug 1993	AT-38B instructor, 435th Fighter Squadron, later, Chief of Safety, 49th Fighter Wing, Holloman AFB, N.M.
Aug 1993 - June 1996	Operations officer, later, Commander, 435th Fighter Squadron, Holloman AFB, N.M.
July 1996 - May 1997	Student, Air War College, Maxwell AFB, Ala.
June 1997 - June 1999	Deputy Commander, later, Commander, 607th Air Operations Group, Osan Air Base, South Korea.
June 1999 - May 2002	Assistant Deputy Director for Global Operations, Joint Staff, Washington D.C.
June 2002 - July 2003	Deputy Director for Operational Plans and Joint Matters, Headquarters U.S. Air Force, Washington, D.C.
Aug 2003 - June 2005	Commander, 48th Fighter Wing, RAF Lakenheath, England.
Jul 2005 - Present	Commandant, Air Force Institute of Technology, Wright Patterson Air Force Base, OH.

FLIGHT INFORMATION

Rating: Command Pilot
Flight Hours: 2,300
Primary Aircraft Flown: T-37, T-38, F-15A/C, AT-38B, F-16C and F-15E

MAJOR AWARDS AND DECORATIONS

Defense Superior Service Medal
Meritorious Service Medal with three oak leaf clusters
Air Force Commendation Medal
Combat Readiness Medal
Global War on Terrorism Service Medal
Korea Defense Service Medal

EFFECTIVE DATES OF PROMOTIONS

Second Lieutenant	June 1, 1977
First Lieutenant	June 1, 1979
Captain	June 1, 1981
Major	Feb. 1, 1988
Lieutenant Colonel	April 1, 1992
Colonel	Dec. 1, 1997
Brigadier General	Oct. 1, 2003

(Current as of July 6, 2005.)

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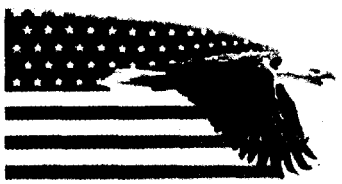

What is AFIT?

The Air Force Institute of Technology (AFIT), located at Wright-Patterson AFB, Ohio, is the Air Force's graduate school of engineering and management as well as its institution for technical professional continuing education. A component of Air University, AFIT is committed to providing defense-focused graduate and professional continuing education and research to sustain the technological supremacy of America's air and space forces.

AFIT accomplishes this mission through three resident schools: the Graduate School of Engineering and Management, the School of Systems and Logistics, and the Civil Engineer and Services School. Through its Civilian Institution Programs, AFIT also manages the educational programs of officers enrolled in civilian universities, research centers, hospitals, and industrial organizations. Since resident degrees were first granted in 1956, over 15,000 graduate and 300 doctors of philosophy degrees have been awarded. In addition, Air Force students attending civilian institutions have earned over 12,000 undergraduate and graduate degrees in the past twenty years.

The Graduate School of Engineering and Management offers doctor of philosophy and master's degrees in aeronautical engineering, applied mathematics, astronautical engineering, computer engineering, computer systems, electrical engineering, electro-optics, engineering physics, nuclear engineering, and operations research. The graduate school also offers master's degrees in engineering and environmental management, military meteorology, operational analysis, space operations, systems engineering, cost analysis, logistics management, acquisition logistics management, supply management, transportation management, information systems management, systems management, contracting management, software systems management, and information resource management. In addition, the school offers the Master of Air Mobility degree in partnership with the Air Mobility Warfare Center at Fort Dix, New Jersey.

In 2001 the Graduate School of Engineering and Management awarded 207 master's degrees and 16 doctorates. With this high-quality research, every thesis has directly contributed to current military projects and issues, resulting in saving millions of dollars annually. AFIT research performed in FY2002 for the Air Force and other DoD customers resulted in saving of $26 million.

The School of Systems and Logistics is the Air Force's sole provider of professional continuing education courses in the areas of acquisition, logistics, and software engineering. With over 40 courses, the school plans, develops, and conducts courses and programs to satisfy the technical management educational needs of logistics, systems, and

acquisition customers from the Air Force, Department of Defense, and other federal agencies. Over 5,000 students receive education from the School of Systems and Logistics each year.

The school currently offers Air Force courses ranging in length from 3 days to 3 weeks in the following disciplines: reliability and maintainability, data management, the operational requirements process, logistics, configuration management, provisioning management, life cycle costs, acquisition management, and software engineering. It is also the leader in Web-based education for the acquisition and logistics workforce, providing the tools, skills, and abilities to manage the entire spectrum of a systems life cycle.

The Civil Engineer and Services School provides professional continuing education in engineering, environmental, and management subjects for military officers and civilians in the civil engineering and services career fields. The school offers over 50 courses delivered in- residence and by on-site seminars, videotape and satellite presentations, and consultation services. More than 5,000 students worldwide receive education from the Civil Engineer and Services School annually.

The Office of Civilian Institution Programs manages the graduate degree programs of more than 2,300 Air Force members in civilian universities, research centers, hospitals, and industrial organizations to meet the specific educational requirements of the Air Force. Additionally, this program arranges professional continuing education courses for approximately 3,600 Air Force personnel annually.

Some of the most accomplished engineers and scientists in Air Force history are AFIT alumni. Air Force pioneers General George Kenney, General Jimmy Doolittle, and General Bernard Schriever attended AFIT programs prior to the time degrees were conferred. General Lawrence Skantze, who culminated his career as the commander of Air Force Systems Command, was one of the early degree graduates. Major General William Anders and fellow astronaut Colonel Guion Bluford also attained graduate degrees at AFIT while General Lester Lyles, Commander, Air Force Materiel Command, is an AFIT Civilian Institutions graduate.

The effects of AFIT's educational programs pervade the Air Force and Department of Defense. Graduates are assigned to a wide range of positions in a rapidly changing technological environment. They become both practicing engineers and broadly educated leaders. No matter what degree a student earns, AFIT's primary goal is to graduate mission-ready men and women who can positively impact the Air Force.

As the scientific and technical capabilities of the Air Force continue to evolve, AFIT strives to maintain a corps of officers and other leaders who are prepared intellectually to harness these innovations and apply them so that our Air Force is prepared to conduct and sustain decisive operations. AFIT will continue to ensure that members of our force have the in-depth knowledge in military sciences and defense technologies needed to uphold the high standards of the most powerful aerospace force in the world. As the Air Force continues to excel in the challenges of the 21st Century, AFIT stands poised to lead the way in meeting the educational needs of our Air Force and Department of Defense.

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Graduate School of Engineering and Mana

wright patterson afb, ohio 45433-7765

ABOUT US:

Dr. Robert A. Calico, Jr.
Dean

Col Caylor, Michael J.
Associate Dean

Dr. Heidi R. Ries
Associate Dean for Research

Dr. Paul J. Wolf
Assistant Dean for Academic Affairs

Air Force Institute of Technology

MISSION: The mission of the Graduate School of Engineering and M engage in research activities that enable the Air Force to maintain its scier school's mission reflects its focus on preparing students with the skills req Force, with the recognition of research as a critical element in quality grac

The Graduate School of Engineering and Management provides scientific, applicable to Air Force, Department of Defense, and civilian research and School not only enhances the intellectual growth of its students by offerin programs, but also prepares them for successful careers in engineering, a preparation of its curricula and in its operation, the Graduate School is cor responsibility – the technical and management education of Air Force offic their country to the greatest degree possible.

The Graduate School of Engineering and Management offers graduate pro Doctor of Philosophy degrees in engineering, applied science, and manage

- **Fall 2004 Factsheet**

The Graduate School of Engineering and Management Dean, is organized into the academic departments of:

- **Aeronautics & Astronautics**
- **Electrical & Computer Engineering**
- **Engineering Physics**
- **Mathematics & Statistics**
- **Operational Sciences**
- **Systems & Engineering Management**

ACCREDITATION

The Air Force Institute of Technology is accredited by The Higher Learning Commission and is a member of the Nort

The NCA can be contacted at:
Higher Learning Commission (NCA)
30 N. LaSalle Street, Suite 2400
Chicago, IL 60602-2504
(800) 621-7440; (312) 263-0456; Fax: (312) 263-7462
on the web:

http://www.ncahigherlearningcommission.org/

In addition to institutional accreditation, the Accreditation Board for Engineering and Technology (ABET) accredits se the Graduate School of Engineering and Management. These curricula are Aeronautical Engineering, Astronautical E Electrical Engineering, Nuclear Engineering, and Systems Engineering. ABET can be contacted at:

Accreditation Board for Engineering and Technology, Inc.
111 Market Pl., Suite 1050
Baltimore, MD 21202
(410) 347-7700
(410) 625-2238 (Fax)
on the web:

http://www.abet.org/

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SCENARIO COST/SAVINGS SUMMARY

SCENARIO	One Time Cost ($K)	Net Implementation Costs ($K)	Annual Recurring Savings ($K)	Payback Years	NPV of Savings in 2025 ($K)
Disestablish AFIT and NPS and privatize postgraduate education	135,923	-441,797	-109,276	Immediate	-1,474,528
Privatize AFIT Only and realign Boss for NPS/ DLI	66,288	-172,900	-19,456	Immediate	-353,702
Consolidate NPS and AFIT at NPS; Realign BOS at NPS and DLI	121,034	-133,896	-18,009	Immediate	-301,637
Consolidate NPS and AFIT at AFIT	428,600	416,961	-7,344	100+	310,943
Status Quo: Only realign BOS at NPS and DLI (Service rather than BRAC action)					

NOTES:

( ) = Savings

Annual Recurring Savings = savings after 2011

Scenario	Pros	Cons

ivatize Both FIT and NPS	• Improves civil-military relations by commingling domestic and international military members with domestic and international civilians.
	• Exposes the nation's civilian institutions of higher learning, their faculties, and their student bodies to military problems, and military education and research requirements.
	• Obviates perception of military exclusivity.
	• Reallocates key Service personnel to critical wartime related missions
	• Allows the Air Force and Navy to expand their existing outsourced graduate education programs and in so doing, leverage a larger market share and existing administrative infrastructure.
	• The Army outsources all of it graduate education.
	• The Air Force currently outsources 40% of its graduate education.
	• The Navy outsources approximately 1/3 of its graduate education. The cost is less than 6% of the OMN budget for post-graduate education.
	• Allows the Air Force and Navy to reallocate Base Operation and Maintenance and Repair funds to more critical mission elements.
	• Increases the name recognition and the value of the graduate degree for the officers.
	• Provides the Services with the option of selecting universities with recognized world class graduate degree programs.
	• Allows the Air Force and Navy the ability to offer officers graduate education at their home installations, decreasing total number of PCS moves. (QOL)
	• Eliminates high BAH costs for all
		• The Services state that civilian institutions (CIVINS) do not offer military specific degrees.
		  • Caveat: AF stated in the past that only 1 of 23 AFIT degrees identified as military-specific; Navy: only 11 of 54 NPS degrees identified as military-specific)
		  • Caveat: Similarly titled academic degrees reflect similar curricular content and **virtually all the degrees that AFIT and NPS grant are granted by civilian institutions.** However, while the degree title captures the bulk of its curricular content, there is a much smaller subset of content, especially in advanced degree curricula, that is unique to the degree granting institution. AFIT and NPS and civilian institutions are alike in this regard, all reflecting the reality that faculties of like disciplines differ and that advanced degrees are not standardized. This subset of unique content is either available at civilian institutions or could be developed at the direction of the Services.
		  • Given that the Army outsources its whole graduate education program, mostly to civilian institutions, and that the Air Force and Navy both augment their in-house resident graduate education programs with a substantial portion outsourced to civilian institutions, tacitly recognizes that civilian institutions can rise to meet Service time constraints and curricular content.
		• Loss of control of military graduate degree programs
		  • Caveat. Services control funding and accordingly, can control desired curricular content of civilian-hosted military programs.
		• Lack of professors at civilian universities to teach military specific programs
		  • Caveat. Civilian universities could hire NPS and AFIT professors to teach military programs, but as has

ivatize Both FIT and NPS (cont'd)	Services at NPS.
	• Allows family members opportunity to pursue graduate education at civilian universities while the military member is in student status. (QOL)
	• Reduces the high demand on TRICARE providers supporting students and families at the NPS.
	• Allows closure of NPS facility, with a potential NPV savings of $1.12B; privatizing AFIT has potential NPV savings of $353M
	• With closure of AFIT, allows MILCON cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB
		been the practice in the past, well structured MOAs and well though-out RFPs, enable civilian institutions to tailor faculty recruitment and hiring to meet specific scholastic requirements.
		• Lack of "secret" level facilities at civilian universities
		  • Caveat. Secure space can be designated by MOU at existing military and ROTC units. Alternately, many CIVINS already have designated secure spaces.
		• Loss of availability of research facilities at NPS and AFIT. Much of the research conducted is directly tied to military specific missions.
		  • Caveat. Given that all graduate educational institutions vie for the same research dollars, program sponsors could identify other venues for their requirements or move (or build) the necessary infrastructure with BRAC funds at the selected institutions. Additionally, universities could be invited to use the facilities at AFIT as approved by the Service.
		• Elimination of international student program that provides international students graduate degrees and loss of interaction between domestic and international students.
		  • Caveat. See appendix.
		• Loss of joint military education environment created by AFIT and NPS
		  • Caveat. Services could create military concentrations at selected universities or in designated geographic regions. Note: neither NPS nor AFIT tailors student mix to create specific joint synergies. JPME is delivered via non-resident methods, without consideration for student body mix.
		• Professional Continuing Education (PCE) realignment combines all USAF PCE functions at Maxwell AFB, creating a Service Center of Excellence while reducing duplicative functions.

Scenario	Pros	Cons

Privatize AFIT only / Realign BOS for NPS/DLI	• For Air Force only: Improves civil-military relations by commingling domestic and international military members with domestic and international civilians.
	• For Air Force only: Exposes the nation's civilian institutions of higher learning, their faculties, and their student bodies to military problems, and military education and research requirements.
	• For Air Force only: Obviates perception of military exclusivity.
	• Realignment of BOS for NPS and DLI creates BOS savings in Monterey; privatizing AFIT eliminates BOS support for AFIT at WPAFB
	• Allows Air Force to focus graduate education in civilian universities, plus use the NPS degree programs, as appropriate
	• Creates a single DOD Center of Excellence for Graduate Education
	• Allows the AF to reallocate Service personnel to critical wartime related missions
	• With closure of AFIT, allows MILCON cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB
	• Allows the Air Force the ability to offer officers graduate education at their home installations, decreasing total number of PCS moves. (QOL)
	• Allows Air Force family members opportunity to pursue graduate education at civilian universities while the military member is in student status. (QOL)
	• Privatizing AFIT has potential NPV savings of $353M
		• Maintains military exclusivity at NPS and does not favorably impact civil-military relations.
		• Loss of availability of research facilities at AFIT; loss of synergistic relationships with AF Research Lab, Aeronautical Systems Center, National Air and Space Intelligence Center and academic consortium of local institutions.
		  • Caveat. Given that all graduate educational institutions vie for the same research dollars, program sponsors could identify other venues for their requirements or move (or build) the necessary infrastructure with BRAC funds at the selected institutions. Additionally, universities could be invited to use the facilities at AFIT as approved by the Service.
		• Lack of "Secret" level classrooms and facilities at existing civilian universities
		  • Caveat. Space can be designated by MOU at existing military and ROTC units
		  • Caveat. Air Force students can attend graduate degree programs at the "new" DOD Center of Excellence for Graduate Education
		• Loss of programs that had been consolidated in 2003 from NPS to AFIT under the AFIT/NPS Rationalization initiative (i.e. aeronautical engineering)
		  • Caveat. Programs are available at CIVINS.
		• Professional Continuing Education (PCE) realignment combines all USAF PCE functions at Maxwell AFB,

		creating a Service Center of Excellence while reducing duplicative functions.

Scenario	Pros	Cons
Consolidate AFIT and NPS at NPS; Realign BOS at NPS and DLI	• Requires less MILCON (than the movement of NPS to AFIT) due to some excess capacity at NPS (only $39M). • Fewer graduate degree programs and classes to recreate since NPS currently offers more classes and programs than AFIT • Ability to eliminate redundant and duplicative programs, thus eliminating more faculty positions • Reduces the number of officers, enlisted, and civilian support positions which must be moved for consolidation from AFIT to NPS • Accreditation issues for consolidation of similar programs are minimal • With closure of AFIT at WPAFB, allows MILCON cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB • Title X, Chapter 605 designates the existence of graduate education ONLY at NPS; no such authority for AFIT • Improves joint and international officer interaction • Realignment of BOS for NPS and DLI creates BOS savings in Monterey; consolidating AFIT to NPS eliminates BOS support for AFIT at WPAFB • AF and Navy continue to take advantage of Service Centers of Excellence (National Security Studies, Homeland Security, Joint Information Operations, Regional Studies, etc.)	• The existing capacity at NPS does not meet the future force requirements of the Services. Additional MILCON would be required. (approx. $39M) • Degrades civil-military relations by isolating domestic and international military service members from domestic and international civilians. • Isolates a large portion of the Air Force and Navy graduate education programs from the nation's civilian institutions of higher learning, their faculties, and their students. • Fails to stimulate the faculties and students of civilian institutions with military problems, perspectives, and requirements. • Perpetuates the perception of military exclusivity and elitism. • Both institutions offer similar degree programs in several academic disciplines, but the degree programs contain curricular content that is Service-specific and focuses students on Service-specific research. • Tricare contracts currently meet demand, but must be renegotiated to reflect increased personnel numbers • Insufficient on-site student resident and on-site family resident facilities on NPS to accommodate the additional students and faculty moving from AFIT to NPS • Housing costs at Monterey and surrounding counties are very high • Rehab costs and some MILCON would be involved • Water credits for new buildings at NPS must be obtained. • Loss of availability of research facilities at AFIT; loss of synergistic relationships with AF Research Lab,

		Aeronautical Systems Center, National Air and Space Intelligence Center and academic consortium of local institutions. • Caveat. Given that all graduate educational institutions vie for the same research dollars, program sponsors could identify other venues for their requirements or move (or build) the necessary infrastructure with BRAC funds at the selected institutions. Additionally, universities could be invited to use the facilities at AFIT as approved by the Service • A consolidation that impacted faculty would raise issues of faculty governance and tenure. • Reallocates some AF personnel to critical wartime related missions • Professional Continuing Education (PCE) realignment combines all USAF PCE functions at Maxwell AFB, creating a Service Center of Excellence while reducing duplicative functions.

Scenario	Pros	Cons
Consolidate AFIT and NPS at AFIT	• Availability of numerous existing 21st century research facilities at Wright Patterson AFB • Ability to eliminate redundant and duplicative programs • Availability of buildable acres at Wright-Patterson AFB • More affordable family resident housing in the Dayton, OH area, reducing high Monterey BAH costs for all Services. • Reduces demand on Tricare providers supporting NPS. • Allows closure of facility at NPS for significant BOS savings in Monterey • Improves joint and international officer interaction	• Significant MILCON costs to move the larger graduate education program at NPS to a smaller program at AFIT (over $231M) • Maintains military exclusivity and does not favorably impact civil-military relations. • Accreditation issues for consolidation of multiple new programs are problematic • The personnel savings from single-siting the institutions at AFIT yield minimal savings because there is a small reduction in faculty consolidations due to overhead required to conduct additive Navy grad ed and Navy "short courses". • A consolidation that impacted faculty would raise issues of faculty governance and tenure. • Does not allow cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB

Scenario	Pros	Cons
Status Quo; only Realign BOS at NPS and DLI	• Allows the Air Force and Navy to offer military graduate education to domestic and international officers • Title X, Chapter 605 designates the existence of graduate education at NPS • Realignment of BOS for NPS and DLI creates BOS savings in Monterey	• Maintains military exclusivity and does not favorably impact civil-military relations. • Costly allocation of money to run two separate graduate degree programs that are not critical to Air Force and Navy missions; does not establish a DoD center of Excellence • Allows redundant curricula to continue since both Services consider similar graduate programs and classes to be Service unique. • Does not allow cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB • Continues to limit number of officers allowed to attend civilian universities

• Relationship with other AF Agencies & DOD
• university in the area

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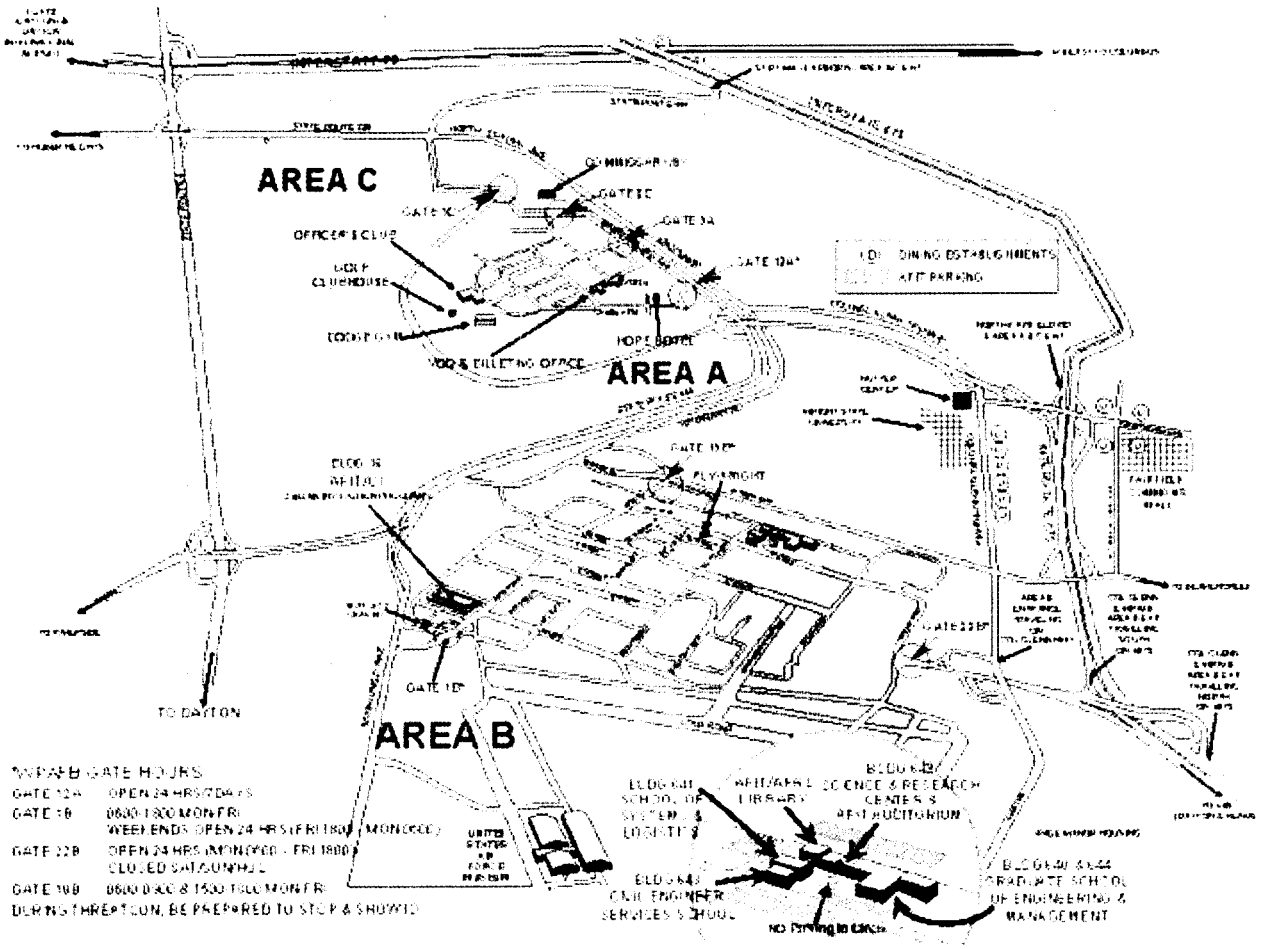
AFIT.EDU » Map of Area B

Map of Area B



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Wright-Patterson AFB, OH (AFIT) - Demographics

Demographics

The following tables provide a short description of the area near the installation/activity. Wright-Patterson AFB is 15 miles from Dayton, OH, the nearest city with a population of 100,000 or more. The nearest metropolitan statistical area (MSA) is

MSA	Population
Dayton-Springfield, OH MSA	950,558

The following entities comprise the military housing area (MHA):

County/City	Population
Clark	144742
Darke	53309
Greene	147886
Montgomery	559062
Preble	42337
Total	947,336

Wright-Patterson AFB, OH (AFIT) – Child Care/Cost of Living

Child Care

This attribute captures the number of nationally accredited child-care centers within the local community: 43

Cost of Living

Cost of Living provides a relative measure of cost of living in the local community. General Schedule (GS) Locality Pay provides a relative scale to compare local salaries with government salaries and Basic Allowance for Housing (BAH) is an indicator of the local rental market. In-state tuition is an indicator of the support provided by the state for active duty family members to participate in higher-level education opportunities.

Median Household Income	(US Avg $41,994)	$41,550	Basis: MSA
Median House Value	(US Avg $119,600)	$99,000	
GS Locality Pay	("Rest of US" 10.9%)	12.0%	
O-3 with Dependents BAH Rate		$1,081	
In-state Tuition for Family Member		Yes	
In-state Tuition Continues if Member PCSs Out of State		Yes	

Wright-Patterson AFB, OH (AFIT) – Education

Education

This attribute defines the population in local school districts and identifies capacity. The pupil/teacher ratio, graduation rate, percentage of certified teachers and composite SAT I/ACT scores provide a relative quality indicator of education. This attribute also attempts to give communities credit for the potential intellectual capital they provide.

NOTE: "MFR" means a Memorandum For Record is on file at the installation/activity/agency to document problems in obtaining the required information. Reasons for not being able to obtain information may be that the school district refused to provide the information or the school district does not use or track the information.

If the installation/activity/agency has incomplete information from the local school system in order to accurately compute a score in this area, the number of school districts reporting information will be captured in addition to the computed answer.

		Basis
School District(s) Capacity		
Students Enrolled	140,389	39 of 39 districts
Average Pupil/Teacher Ratio	18.1:1	39 of 39 districts
High School Students Enrolled	43,852	39 of 39 districts
Average High School Graduation Rate (US Avg 67.3%)	85.8%	39 of 39 districts
Average Composite SAT I Score (US Avg 1026)		
Average ACT Score (US Avg 20.8)		
Available Graduate/PhD Programs	10	
Available Colleges and/or Universities	15	
Available Vocational and/or Technical Schools	11	

Wright-Patterson AFB, OH (AFIT) – Employment

Employment

Unemployment and job growth rates provide a relative merit of job availability in the local community. National rates from the Bureau of Labor Statistics are also provided.

The unemployment rates for the last five-years:

	1999	2000	2001	2002	2003
Local Data	3.8%	3.7%	4.3%	5.7%	6.2%
National	4.2%	4.0%	4.7%	5.8%	6.0%
Basis:	MSA	MSA	MSA	MSA	MSA

The annual job growth rate for the last five-years:

	1999	2000	2001	2002	2003
Local Data	- .3%	.3%	1.2%	-2.6%	- .3%
National	1.5%	2.4%	.03%	-.31%	.86%
Basis:	MSA	MSA	MSA	MSA	MSA

Wright-Patterson AFB, OH (AFIT) – Housing/Medical

Housing

This attribute provides an indication of availability of housing, both sales and rental, in the local community. Note: according to the 2000 Census, Vacant Sale and Vacant Rental Units do not equal Total Vacant Housing Units; Total Vacant Housing Units may also include units that are vacant but not on the market for sale or rent.

Total Vacant Housing Units	28,651	Basis: MSA
Vacant Sale Units	5,285	
Vacant Rental Units	12,423	

Medical Providers

This attribute provides an indicator of availability of medical care for military and DoD civilians in the local community. The table reflects the raw number of physicians/beds and ratio of physicians/beds to population.

	# Physicians	# Beds	Population	
Local Community	2,392	2,724	950,558	Basis: MSA
Ratio	1:397	1:349		
National Ratio (2003)	1:421.2	1:373.7		

Wright-Patterson AFB, OH (AFIT) – Safety/Crime/Trans

Safety/Crime

The local community's Uniform Crime Reports (UCR) Index for 2002 per 100,000 people and the national UCR based on information from the Federal Bureau of Investigation (FBI) for 2002:

Local UCR	4,928.7	Basis: MSA
National UCR	4,118.8	

Transportation

Distance to an airport shows convenience and availability of airline transportation. Public transportation shows potential for members and DoD civilians to use it to commute to/from work under normal circumstances and for leisure.

Distance from Wright-Patterson AFB to nearest commercial airport: 18.6 miles
Is Wright-Patterson AFB served by regularly scheduled public transportation? Yes

Wright-Patterson AFB, OH (AFIT) – Utilities

Utilities

This attribute identifies a local community's water and sewer systems' ability to receive 1,000 additional people.

Does the local community's water system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes

Does the local community's sewer system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes

The Air Force Institute of Technology and Dayton

The Air Force Institute of Technology (AFIT) offers graduate military education that is focused to meet the unique technical, operational and acquisition challenges of the Air Force and DoD. Its predominantly military and experienced civilian faculty provides a direct connection to the Air Force mission that allows them to fully support Air Force and Defense Department operational needs. AFIT's location at Wright-Patterson Air Force Base (WPAFB) provides unique access to the Air Force's premier acquisition, research, intelligence, and logistics centers. Further, local Dayton area universities, support from the State of Ohio, and nearby large commercial aerospace presence provide AFIT with technical military capability unequaled by any other government, public or private institution.

Why AFIT Should Remain in Dayton

- **As *the* center of Air Force research, WPAFB is the best place to teach Air Force graduate engineering students.** AFIT students are colocated with about 2,000 scientists and engineers of the Air Force Research Laboratory (AFRL), one of the largest concentrations of scientists at a single location in the world. This gives AFIT students unparalleled access to some of the best scientific minds in DoD and to some of the most extensive and up-to-date laboratories dealing with defense-related research.

- **WPAFB is the logical place to provide acquisition and logistics education for AF officers**. WPAFB includes the Headquarters of the Air Force Materiel Command (HQ AFMC), which supports acquisition and logistics. This gives students immediate access to all the program offices, planning staffs and data libraries located at WPAFB.

- **AFIT is also co-located with other primary customers at WPAFB**. These customers include the Aeronautical Systems Center (ASC), and National Air and Space Intelligence Center (NASIC). This colocation helps ensure instruction is tightly focused on the customer's needs and provides additional educational resources.

- **The Wright-Patterson area has a low cost of living**. For example, the Basic Housing Allowance for a Captain with dependents is $1101 a month at WPAFB, but it is more than twice that amount ($2291 a month) in Monterey. Relocation of AFIT to a higher cost area could increase the Defense Department's housing costs by millions of dollars.

- **AFIT can offer coursework in classified technology**. AFIT was able to teach about stealth technology to Air Force officers who went on to develop and operate stealth aircraft. That could only happen because the technology was being developed in the classified laboratories at WPAFB.

- **Dayton area engineering schools assist AFIT**. Through the Dayton Area Graduate Studies Institute (DAGSI), AFIT students can take courses at the University of Dayton and Wright State University. This increases course offerings for AFIT students and helps cut down on redundancy. AFIT is also a member of the Ohio Aerospace Institute, a state-wide collaboration to support aerospace research.

- **Because AFIT is located on a large military base, there is ample room to expand.** This would enable AFIT to take on additional Air Force or joint service needs in the future.

DFAS Columbus, OH, DFAS Indianapolis, IN, DFAS (Buckley Annex) Denver, CO
and
Air Reserve Personnel Center, Buckley Annex

2 -4 August 2005

Marilyn Wasleski – Lead Analyst

TIME	EVENT	LOCATION	POC	ACTION
02 – August (Tuesday)				
730	Leave hotel for trip to DFAS Columbus	Columbus DFAS	Marilyn Wasleski (410) 693-1852	
0800 – 900 900 – 1000 1000 - 1100	DFAS Columbus Mission brief Community Input Facility tour.	Columbus, DFAS 3990 E. Broad St. Columbus, OH	Nancy Zmyslinski, Site Director (614)-693-6700	Senator DeWine, Governor Taft and Congressman Hobson will be in attendance. Other local mayors and community officials will also be there. Community Brief will be presented by Team DSCC lead by Steve Tugend.
1100	Media Availability, if scheduled			
1115	Leave site for trip to Wright Patterson, AFIT (The drive is about 1 ½ hours.)	Wright Patterson Air Force Base	Syd Carroll (757) 870-7337	Drive to Wright Patterson to meet Syd Carroll for mission brief and tour of Air Force Institute of Technology
1300 - 1700	AFIT – working lunch, mission brief, site tour, community brief and media availability.		See AFIT itinerary provided by Syd Carroll for detailed specifics of visit. (attached)	
1700	Leave for Indianapolis, IN			Via rental car – Two hour drive to Indianapolis

August (Wed)				
0800 – 900 900 – 1000 1000 - 1100	DFAS Indianapolis Mission brief Community input Facility tour	Indianapolis DFAS 8800 East 56th St. Indianapolis, IN	Steve Bonta, Site Director (317) 510-2133	Mayor Peterson, Lt. Governor and other local and community officials will be present.
1100	Media Availability, if scheduled			
1130	Leave for airport for flight to Denver	Newton/Wasleski Flight to Denver United 1:50 p.m. Skinner flight to Chicago – United 2:04 p.m.		
4 – August (Thursday)				
0700 –0800 0800 – 0900 0900 – 1030 1030 – 1100	DFAS Denver - mission brief ARPC – mission brief Facility tour Community	Denver DFAS Buckley Annex Building 444 6760 East Irvington Place Denver, CO	Richard Anderfuren, DFAS Site Director (303) 676-7461 Col Ann Shippy, ARPC, (303) 676-6310	
1100 - 1115	Media Availability, if scheduled			
1115	Leave for Airport			

VISIT ITINERARY – August 2, 2005

General Lloyd W. Newton, USAF (Ret)
and
The Honorable Samuel K. Skinner

AIR FORCE INSTITUTE OF TECHNOLOGY
WRIGHT PATTERSON AIR FORCE BASE
DAYTON, OHIO

DATE & TIME	EVENT	LOCATION	POC	ACTION
August 02 1245	Commissioners Arrive at Wright Patterson Air Force Base	Transported to Base by Marilyn Wasleski from Columbus, OH	Marilyn Wasleski and Syd Carroll	Transport Commissioners to Wright Patterson AFB
1245 - 1300	Travel from gate to commander's office	Wright Patterson AFB	Syd Carroll	
1300 - 1600	Commissioner's brief and tour of AFIT	Wright Patterson AFB	BG Mathews , AFIT Commandant Ms Susy Adams, AFIT Chief of Protocol	Mission Brief and AFIT Tour
1600 - 1615	Media	TBD	Mike McKito, PAO Syd Carroll	Respond to Media Questions
1615 - -1700	Meeting With Community Representatives	Air Force Museum	Marilyn Wasleski and Syd Carroll	Listen to Community Concerns
1700	Commissioners depart by POV	Air Force Museum	Marilyn Wasleski	Transport Commissioners to Indianapolis, IN

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*using recycled tabs

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BASE SUMMARY SHEET

Defense Finance and Accounting Service (DFAS) – Columbus, Indianapolis, and Denver

INSTALLATION MISSION

- DFAS provides professional, responsive finance and accounting services to DoD and other federal agencies. It delivers mission essential payroll, contract and vendor pay, and accounting services to support America's national security. DFAS is a Working Capital Fund agency, which means rather than receiving direct appropriations, DFAS earns operating revenue for products and services provided to its customers.

DOD RECOMMENDATION

- Close DFAS sites at Rock Island, IL; Pensacola Saufley Field, FL; Norfolk Naval Station, VA; Lawton, OK; Pensacola Naval Air Station, FL, Omaha, NE; Dayton, OH; St. Louis, MO; San Antonio, TX; San Diego, CA; Pacific Ford Island, HI; Patuxent River, MD; Limestone, ME; Charleston, SC; Orlando, FL; Rome, NY; Lexington, KY; Kansas City, MO; Seaside, CA; San Bernardino, CA; and Oakland, CA. Relocate and consolidate business, corporate and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN.
- Realign DFAS Arlington, VA by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain a minimum essential DFAS liaison staff to support the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Military Service Chief Financial Officers, and Congressional requirements.
- Realign DFAS Cleveland, OH, by relocating and consolidating business, corporate, and administrative functions to the Defense Supply Center-Columbus, OH, the Buckley Air Force Base Annex, Denver, CO, or the MG Emmett J. Bean Federal Center, Indianapolis, IN. Retain an enclave for the Military Retired and Annuitant Pay Services contract function and government oversight.
- Realign DFAS Columbus, OH, by relocating up to 55 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Denver, CO, or DFAS Indianapolis, IN, and up to 30 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.
- Realign DFAS Denver, CO, by relocating up to 25 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH, or DFAS Indianapolis, IN, and up to 35 percent of the Military Pay function and associated corporate and administrative functions to DFAS Indianapolis, IN, for strategic redundancy.
- Realign DFAS Indianapolis, IN, by relocating up to 10 percent of the Accounting Operation functions and associated corporate and administrative functions to DFAS Columbus, OH or DFAS Denver, CO, and up to 20 percent of the Commercial Pay function and associated corporate and administrative functions to DFAS Columbus, OH, for strategic redundancy.

DOD JUSTIFICATION

- This action accomplishes a major facilities reduction and business line mission realignment, transforming the current DFAS organization into an optimum facilities configuration, which includes strategic redundancy to minimize risks associated with man-made or natural disasters/challenges. All three of the gaining sites meet DoD Antiterrorism/Force Protection (AT/FP) Standards. The current number of business line operating locations (26) inhibits the ability of DFAS to reduce unnecessary redundancy and leverage benefits from economies of scale and synergistic efficiencies. Overall excess facility capacity includes approximately 43 percent or 1,776,000 Gross Square Feet (GSF) in administrative space and 69 percent or 526,000 GSF in warehouse space with many locations lacking adequate threat protection as defined in DoD AT/FP Standards. Finally, the three locations have potential to evolve into separate Business Line Centers of Excellence and further enhance "unit cost" reductions beyond the BRAC facilities/personnel savings aspect.

  The three gaining locations were identified through a process that used Capacity Analysis, Military Value, Optimization Modeling, and knowledge of the DFAS organization, and business line mission functions. The Military Value analysis, of 26 business operating locations, ranked the Buckley AFBase Annex, CO, the Defense Supply Center-Columbus, OH, and the MG Emmett J. Bean Federal Center, Indianapolis, IN, as 3, 7, and 9 respectively. The Optimization analysis not only includedthe factors of available capacity and expansion capability, but also included business line process and business operational considerations in identifying the three-location combination as providing the optimal facilities approach to hosting DFAS business line missions/functions.

  Subject matter knowledge of DFAS's three business line missions and its operational components, along with business process review considerations and scenario basing strategy, was used to focus reduction of the 26 locations and identification of the three gaining locations. The scenario basing strategy included reducing the number of locations to the maximum extent possible, while balancing the requirements for an environment meeting DoD Antiterrorist and Force Protection standards, strategic business line redundancy, area workforce availability, and to include an anchor entity for each business line and thus retain necessary organizational integrity to support DoD customer needs while the DFAS organization relocation is executed.

COST CONSIDERATIONS DEVELOPED BY DOD FOR THE DOD RECOMMENDATION

- One-Time Costs: $282.1 M
- Net Savings (Cost) during Implementation: $158.1 M
- Annual Recurring Savings: $120.5 M
- Expected Payback: 0 years
- Net Present Value over 20 Years: $1,313.8 M

TOTAL MANPOWER IMPLICATIONS OF THE DOD RECOMMENDATION (EXCLUDES CONTRACTORS)

The total number of jobs affected by this action is **6239** civilian and **205** military. Due to force future force reduction projections and BRAC savings gained from combining locations it is anticipated that there will be a reduction of **1931** positions. This leaves a net of **4513** positions that will be moving to one of the three designated DFAS locations.

The table below shows the approximate number of positions currently at each of the three gaining sites and the number of positions to be gained under the DoD recommendation.

	CURRENT		DOD PROPOSAL NET GAIN		DOD PROPOSAL FINAL	
	MIL	CIV	MIL	CIV	MIL	CIV
DFAS Denver, CO	41	1,314	13	73	54	1,387
DFAS Columbus, OH	0	1,999	66	1,224	66	3,223
DFAS Indianapolis, IN	57	2,288	92	2,848	149	5,136

The following provides the manpower implications should it be decided to close one of the three gaining sites.

MANPOWER IMPLICATIONS FOR DFAS Columbus - Closure

	Out	
	Military	Civilian
Reductions	0	1,999

MANPOWER IMPLICATIONS FOR DFAS Indianapolis - Closure

	Out	
	Military	Civilian
Reductions	57	2,288

MANPOWER IMPLICATIONS FOR DFAS Denver - Closure

	Out	
	Military	Civilian
Reductions	41	1,314

Columbus, OH

- Potential Employment Loss: 3,637 jobs
- (1,999 direct and 1,638 indirect)
- MSA Job Base: 1,122,033 jobs
- Percentage for this action - 0.32 %
- Percentage for actions in MSA TBD

Indianapolis, IN

- Potential Employment Loss: 4,024 jobs
- (2,345 direct and 1,679 indirect)
- MSA Job Base: 1,037,290 jobs
- Percentage for this action - 0.39 %
- Percentage for actions in MSA TBD

Denver, CO

- Potential Employment Loss: 2,538 jobs
- (1,355 direct and 1,183 indirect)
- MSA Job Base: 1,545,580 jobs
- Percentage for this action - 0.16 %
- Percentage for actions in MSA TBD

ENVIRONMENTAL CONSIDERATIONS

- No major issues. An air conformity analysis may be needed at Buckley AF Base Annex. This recommendation will require spending approximately $0.01M for environmental compliance activities.

REPRESENTATION

Columbus, OH

Governor:	Bob Taft (R)
Senators:	George V. Voinovich (R)
	Mike De Wine (R)
Representative:	Patrick J. Tiberi (R-12th)
	Deborah Pryce (R-15th)
	David Hobson (R-7th)

Indianapolis, IN

Governor:	Mitchell Daniels (R)
Senators:	Richard G. Lugar (R)
	Evan Bayh (D)
Representative:	Julia M Carson (D-7th)

Denver, CO

Governor:	Bill Owens (R)
Senators:	Wayne Allard (R)
	Ken Salazar (D)
Representative:	Diana L. DeGette (D-1st)
	Mark Udall (D-2nd)
	Thomas G. Tancredo (R-6th)
	Bob Beauprez (R-7th)

MILITARY ISSUES

- None

COMMUNITY CONCERNS/ISSUES

- The community expressed their desire to retain the sites as gaining sites and stated that the area can accommodate the influx of jobs.

ITEMS OF SPECIAL EMPHASIS

- None at this time.

Marilyn Wasleski, Interagency Team, 7/22/05

OSD Response to July 1, 2005
Commission letter to DoD

10. Defense Finance Accounting Service (DFAS)

Commission issue: Why were keeping DFAS Buckley Annex, CO, DFAS Columbus, OH, and DFAS Indianapolis, IN, open and closing the remaining DFAS sites the only scenario considered? Why did DoD not consider other options, which could have avoided military construction costs and possibly produced a more cost effective option?

Response:
KEY POINTS:

- Optimization Model was used to develop Best Value solution.
- No Military Construction involved.

DISCUSSION:
The Headquarters and Support Activities (H&SA) JCSG followed an iterative process that reviewed all DFAS locations as potential gaining locations. The process considered options and concluded the three-location combination, DFAS-Denver, DFAS-Columbus and DFAS-Indianapolis, represented the best value solution for DFAS by maximizing military value. The Optimization Model was used to develop the best value solution for DFAS, from both facilities and business operations perspectives. Within the optimization model the following constraints were applied against the 26 DFAS locations: (i) Maximize military value, (ii) Minimize number of locations, (iii) Minimum of two locations – to support strategic redundancy, (iv) Minimize military construction, and (v) Retain anchor locations for business operations integrity. The model resulted in the best value solution, and the economics (cost/savings) of the solution were then developed using the Cost of Base Realignment Actions (COBRA) model.

The DFAS recommendation does not include costs for new construction. It does include costs associated with the possible reactivation of part of building #11, at Defense Supply Center-Columbus (DSC-C), OH. Because of the lack of detailed costing information associated with a reactivation, renovation equal to 29% of construction costs was used. The cost in COBRA is thus a conservative estimate, as the DSC-C reported that building #11 is in good condition and should only require a lesser expense for reactivation.

Economic Impact on Communities
Under Current Recommendation

onomic Impact on Communities: Assuming no economic recovery, this recommendation ld result in the maximum potential job reductions (direct and indirect) over the 2006-2011 period, as follows:

Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division	408	308	716	Less Than 0.1
Charleston-North Charleston, SC Metropolitan Statistical Area	368	607	975	0.3
Cleveland-Elyria-Mentor, OH Metropolitan Statistical Area	1,028	847	1,875	0.1
Dayton, OH Metropolitan Statistical Area	230	195	425	Less Than 0.1
Kansas City, MO-KS Metropolitan Statistical ea	613	549	1,162	Less Than 0.1
wton, OK Metropolitan Statistical Area	233	207	440	0.7
Lexington-Fayette, KY Metropolitan Statistical Area	45	27	72	Less Than 0.1
Aroostook County, ME	241	150	391	1.0
Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area	314	435	749	Less Than 0.1
Oakland-Fremont-Hayward, CA Metropolitan Division	50	41	91	Less Than 0.1
Omaha-Council Bluffs, NE-IA Metropolitan Statistical Area	235	259	494	Less Than 0.1
Orlando, FL Metropolitan Statistical Area	209	205	414	Less Than 0.1
Honolulu, HI Metropolitan Statistical Area	206	199	405	Less Than 0.1
Lexington Park, MD etropolitan Statistical ta	53	70	123	0.2

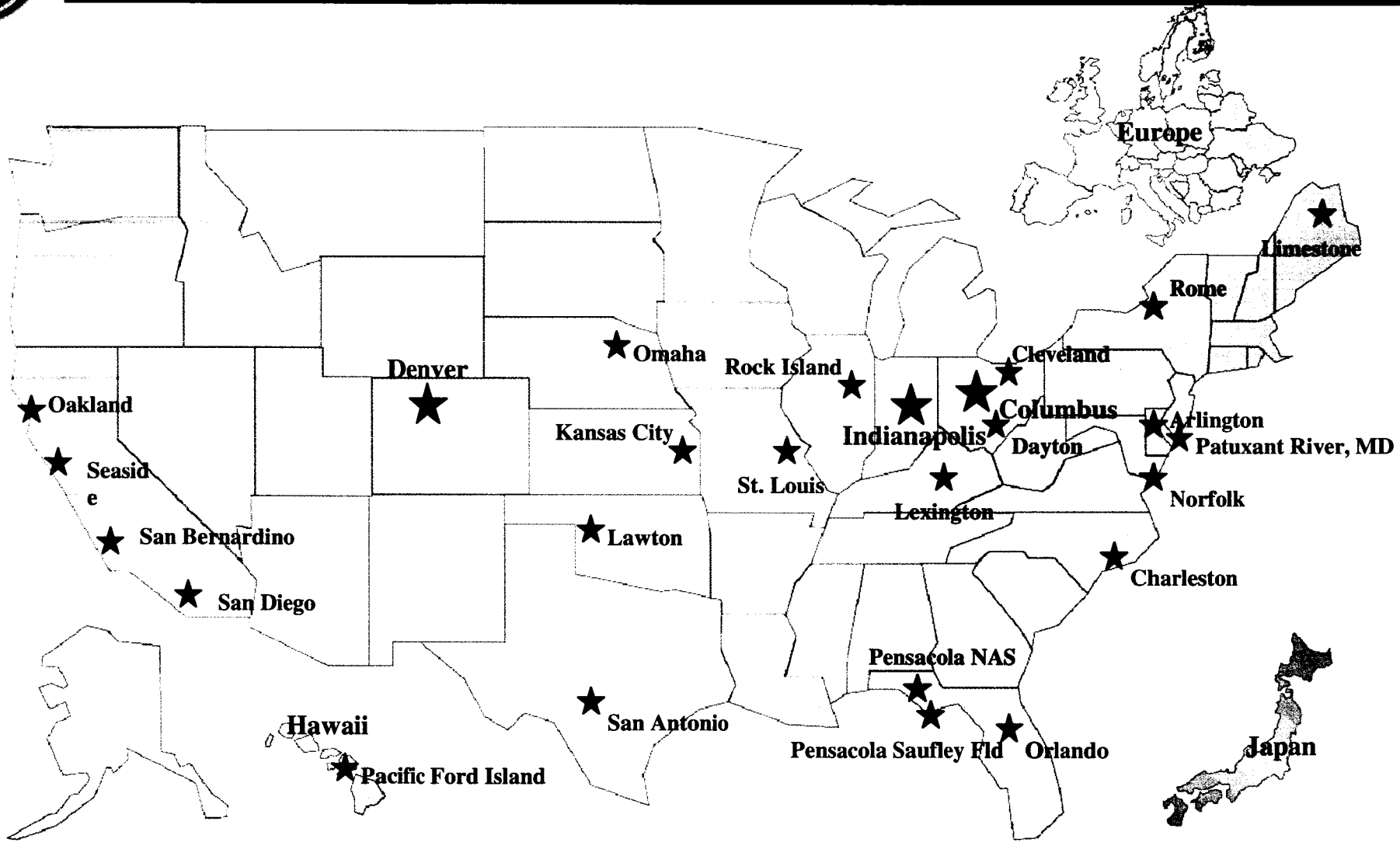
Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions	% of Economic Area Employment
Pensacola-Ferry Pass-Brent, FL Metropolitan Statistical Area	637	1,100	1,737	0.8
Davenport-Moline-Rock Island, IA Metropolitan Statistical Area	235	206	441	0.2
Utica-Rome, NY Metropolitan Statistical Area	291	275	566	0.4
San Antonio, TX Metropolitan Statistical Area	335	367	702	Less Than 0.1
Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area	120	122	242	Less Than 0.1
San Diego-Carlsbad-San Marcos, CA Metropolitan Statistical Area	240	257	497	Less Than 0.1
Salinas, CA Metropolitan Statistical Area	61	62	123	Less Than 0.1
St Louis, MO-IL Metropolitan Statistical Area	293	318	611	Less Than 0.1

The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I.

Community Infrastructure Assessment: A review of community attributes indicates no issues regarding the ability of the infrastructure of the communities to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: This recommendation has no impact on air quality; cultural, archeological, or tribal resources; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noises; threatened and endangered species or critical habitat; waste management; or wetlands. An air conformity analysis may be needed at Buckley AF Base Annex. This recommendation will require spending approximately $0.01M for environmental compliance activities. This cost was included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, and environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.

DFAS -- 26 Locations to 3 Locations



Green – Retained Sites
Red – Closed Sites

HSA JCSG
Joint FM Team **22 May 2005**

DFAS RECOMMENDATION
Analytical Process

Analytical Process: Although the analytical process did have components which could be separated into distinct reporting elements, there were elements of the analytical process such as the business process review which commenced during initial research and risk analysis and continued throughout the process evolving into input considerations for the scenario analysis and recommendation development. Included in the analytical process are the initial research and risk analysis; Capacity Analysis and early components of a Business Process Review, Military Value Model development and continued business process review, Scenario Analysis which included business process and facilities analysis, and resulted in the Candidate Recommendation development.

a. Initial Research/Risk Analysis:

- Identified 24 DFAS Central and Field Operating Sites.
- Identified five Central Sites (Denver, CO; Kansas City, MO; Cleveland, OH; Indianapolis, IN; and Columbus, OH) and one Headquarters Site (Arlington, VA).
- Identified Three Business Lines: Accounting Services, Military and Civilian Pay Services and Commercial Pay Services.
- Identified that each of the three business lines had a number of subordinate product lines.
- Identified that DFAS business line operations may be located where AT/FP standards are met, access to Defense Information System Network Point of Presence (DISN POP) is available, and an adequate workforce pool exists.
- Identified a minimum of two locations for each business line to ensure strategic redundancy, which will mitigate risk of man-made or natural disasters/challenges.
- Identified need to consider locations with sizeable business line representation to potentially function as anchor business line location.

b. Capacity Analysis/Business Process Review:

- Response to Capacity Data Call identified 30 DFAS locations.
- Of the 30 locations four locations were found to be performing functions that were not business line operations. The four locations are: Cleveland Bratenahl, OH; Mechanicsburg, PA; Red River, TX; and Southbridge, MA.

- A total of 26 DFAS locations accomplishing DFAS business/product line operations were included in Capacity Analysis.
- 26 Locations -- Admin (Personnel) Space FY03:
  - Reported Capacity: 3,245,808 Usable Square Feet (USF)
  - Calculated Requirement: 2,530,240 USF
  - Excess Capacity: 715,568 USF for 22%
- 26 Locations -- Warehouse/Storage Space FY03:
  - Reported Capacity: 498,300 GSF/ 208,501 USF
  - Requirement: To be determined during scenario development

c. Military Value/Continued Business Process Review:

- Initial Military Value Model included all 30 locations identified as a result of Capacity Analysis Data Call.
- During this timeframe (Military Value Model Phase) and as part of the continuing business process review it was recognized that four locations were not accomplishing DFAS business/product line operations.
- The four locations that were not performing business line operations were removed from further study, and the capacity analysis updated by removing the following four locations are Cleveland Bratenahl, OH; Mechanicsburg, PA; Red River, TX; and Southbridge, MA.

d. Military Value Analysis Results: The average military value for the 26 locations is .5941. The following table provides an array of the military value scores for the 26 DFAS facilities/locations.

1. Rock Island, IL	**(.8455)**	**14. San Diego, CA**	**(.5692)**
2. Pensacola Saufley Field, FL	**(.8050)**	**15. Pacific Ford Island, HI**	**(.5690)**
3. Denver, CO	**(.8030)**	**16. Patuxent River, MD**	**(.5648)**
4. Norfolk NAS, VA	**(.7871)**	**17. Limestone, ME**	**(.5484)**
5. Lawton, OK	**(.7869)**	**18. Charleston, SC**	**(.5457)**
6. Pensacola NAS, FL	**(.7196)**	**19. Rome, NY**	**(.5415)**
7. Columbus, OH	**(.6882)**	**20. Orlando, FL**	**(.5397)**
8. Omaha, NE	**(.6732)**	**21. Lexington, KY**	**(.5322)**
9. Indianapolis, IN	**(.6510)**	**22. Kansas City, MO**	**(.4507)**
10 Dayton, OH	**(.6250)**	**23. Seaside, CA**	**(.4326)**
11. St Louis, MO	**(.6117)**	**24. San Bernardino, CA**	**(.4285)**
12. Cleveland, OH	**(.5869)**	**25. Arlington, VA**	**(.3128)**
13 San Antonio, TX	**(.5861)**	**26. Oakland, CA**	**(.2427)**

e. Scenario Analysis (Business Process and Facilities Analysis) and Results:

- **Scenario Basing Strategy:**

- Reduce number of DFAS Central and Field Operating Locations, by merging and combining business line operations to the maximum extent possible, while balancing requirements for an environment:
  - meeting DoD Antiterrorist and Force Protection standards,
  - strategic business line redundancy,
  - area workforce availability,
  - an anchor entity for each business line to retain necessary organizational integrity to support DoD customer needs,
  - and, available facility space or buildable acres.

- **Qualitative Selection Elements:** As a result of focused BP/facilities (Mil Value) analysis of the 26 locations, three locations (Denver, CO; Indianapolis, IN; and Columbus, OH) were identified as retained to host the realigned/collocated business line, corporate and administrative functions. Identification of gaining business operation locations resulted from using the below overarching business rules and facilities requirement criteria:
  - Must be a DoD installation or Leased space that meets DoD AT/FP standards.
  - Must have a minimum of two locations for each of the three business lines to create strategic redundancy and environment to minimize man-made or natural disasters/challenges: Accounting Services; Military & Civilian Pay Services; and Commercial Pay Services
  - Must maintain, for each business line, a business line anchor location to manage turbulence, facilitate business process efficiency and ensure proper accomplishment of each business line's critical missions.
  - Include consideration of business process co-location issues:
    - Co-locate Accounting Business Line – Disbursing product line, at one of Military & Civilian Pay location (major or largest size), for mission accomplishment.
    - Co-locate Accounting Business Line – Disbursing product line, along with Commercial Pay Business Line, for mission accomplishment.
  - Within the NCR – retain either a HQ element or a HQ liaison element.

- **Gaining Locations Identification Process:** Using the scenario basing strategy and the qualitative selection elements provided above, the basing Gaining locations identification process review facilities environment and expansion capability at the five Central locations (Cleveland, Columbus, Denver, Indianapolis, Kansas City) using the Scenario Basing Strategy and the Qualitative Selection Elements listed above; and then expand research as necessary to other locations. The gaining locations identification process included use of optimization modeling provided by the Center for Naval Analysis. Specifically data for the 5 Central sites/locations were analyzed with a focus on: DoD ATFP standards, business line functions performed for strategic redundancy/anchor considerations, size of current workforce,

size of area work force for future recruitment, and availability of additional administrative space and/or buidable acres.

f. Scenario Result Military Values: The average military value for the 3 locations is .7171. The following table provides an array of the military value scores for the three gaining DFAS facilities/locations.

1. Denver, CO	**(.8030)**
2. Columbus, OH	**(.6882)**
3. Indianapolis, IN	**(.6510)**

Personnel Position Changes:

a. Force Structure Changes: This is the programmed position (Officer, Enlisted and/or Civilian) changes identified to take place at an installation/organization location in each year due to workload, re-organization, funding or other program driven changes.

b. Scenario position changes: These are personnel positions (Officer, Enlisted and/or Civilian) being added or eliminated at the installation/organization location in each year as a result of the BRAC action. Eliminations are often called BRAC personnel savings.

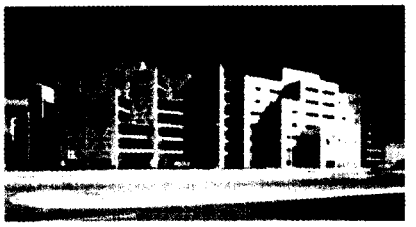
DFAS Locations

DFAS Cleveland
Charleston
Norfolk
Oakland
Pacific
Japan
Pensacola
San Diego
DFAS Columbus
DFAS Denver
Dayton
Limestone
Omaha
San Antonio
San Bernardino
DFAS Indianapolis
Europe
Lawton-Ft. Sill
Lexington
Orlando
Rock Island
Rome
Seaside
St. Louis
DFAS Kansas City

PDFs on this page require viewer software

DFAS Columbus

Points of Contact Local Archive



Defense Finance and Accounting Service (DFAS) Columbus was established in 1988 as the Defense Logistics Agency (DLA) Finance Center, to consolidate payment processing then taking place at 20 sites throughout DLA. In January 1991, it became part of the new Defense Finance and Accounting Service, which was formed to standardize, consolidate and approve payments, accounting and financial functions throughout the Department of Defense (DoD).

Nancy Zmyslinski is the central site director of DFAS Columbus, and is dual-hatted as the director of Accounting Services for Defense Agencies.

Mailing address:

Director, Accounting Services, Defense Agencies
DFAS Columbus
P.O. Box 182317
Columbus, OH 43218-2317

The DFAS Columbus central site is the home of the Commercial Pay Services Business Line (CPBL) and Accounting Services, Defense Agencies. Taken together, the CPBL and elements of Corporate Resources and Travel Pay are responsible for:

- Contractor and vendor payments of more than $228 billion annually
- Accounting services, such as the Chief Financial Officer statement, as well as DFAS and Treasury reports, for Defense Agencies
- Local and remote personnel and resource management
- Processing some 251,000 travel payments, totaling more than $179 million, for permanent change of station (PCS) and temporary duty (TDY) assignments.

The Director of **Commercial Pay Services** is Jerry S. Hinton. His deputy director is Martha J. Stearns.

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Agency (DCAA)
- Defense Contract Management Agency (DCMA)
- Defense Human Resource Activity (DHRA)
- Defense Technical Information Center (DTIC)
- Document Automation & Production Services (DAPS)
- Counterintelligence Field Activity (CIFA)
- Defense Advanced Research Projects Agency (DARPA)
- Defense Information Systems Agency (DISA)
- Defense Intelligence Agency (DIA)
- Defense Legal Services Agency (DLSA)
- Defense Prisoner of War/Missing Personnel Office (DPMO)
- Defense Security Cooperation Agency HQ (DSCA)
- DoD Education Activity (DoDEA)
- DoD Inspector General (DoDIG)
- Joint Staff Comptroller (JSC)
- Missile Defense Agency (MDA)
- National Security Agency (NSA)
- Office of Economic Adjustment (OEA)
- TRICARE Management Activity
- Washington Headquarters Services (WHS)
- Pentagon Force Protection Agency
- United States Army Commands and Financial Management Offices
- United States Marine Corps Commands and Financial Management Offices
- United States Navy Commands and Financial Management Offices
- United States Air Force Commands and Financial Management Offices

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DFAS Locations

DFAS Cleveland
Charleston
Norfolk
Oakland
Pacific
Japan
Pensacola
San Diego
DFAS Columbus
DFAS Denver
Dayton
Limestone
Omaha
San Antonio
San Bernardino
DFAS Indianapolis
Europe
Lawton-Ft. Sill
Lexington
Orlando
Rock Island
Rome
Seaside
St. Louis
DFAS Kansas City

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DFAS Indianapolis

Points of Contact

The Defense Finance and Accounting Service - Indianapolis (formerly the U.S. Army Finance and Accounting Center) was activated Jan. 20, 1991.

Center Director Steve Bonta, is responsible for oversight of a network of eight operating locations. These eight locations are:

- Europe - Contact.
- Lawton, OK - Contact.
- Lexington, KY - Contact.
- Orlando, FL - Contact
- Rock Island, IL - Contact.
- Rome, NY - Contact.
- Seaside, CA - Contact.
- St. Louis, MO - Contact.

DFAS Indianapolis disburses more than $39 billion annually. It provides services to a population which exceeds 1.9 million people and includes active army and reserve component soldiers and families as well as former soldiers and spouses.

Mailing address:

DFAS-IN
8899 East 56th Street
Indianapolis IN 46249

Please direct questions/comments to DFAS Indianapolis

Last updated: March 01, 2005 at 16:15

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Defense Finance and Accounting Service

Your Financial Partner @ Work

DFAS Locations

DFAS Cleveland
Charleston
Norfolk
Oakland
Pacific
Japan
Pensacola
San Diego
DFAS Columbus
DFAS Denver
Dayton
Limestone
Omaha
San Antonio
San Bernardino
DFAS Indianapolis
Europe
Lawton-Ft. Sill
Lexington
Orlando
Rock Island
Rome
Seaside
St. Louis
DFAS Kansas City

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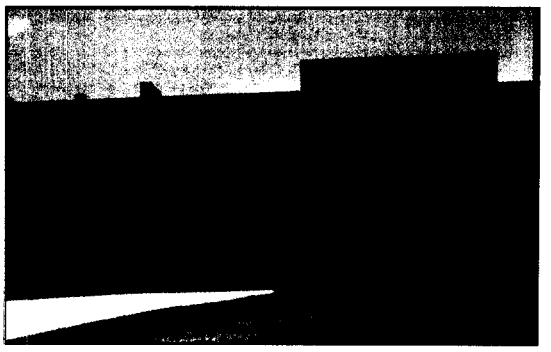
DFAS Denver - Buckley Annex

Points of Contact Library/Archives



Located on the former Lowry Air Force Base, the DFAS Denver was activated on Jan. 18, 1991. The director is responsible for oversight of a network of five field sites:

- Dayton OH
- Limestone ME
- Omaha NE
- San Antonio TX
- San Bernardino CA

Services provided to these customers include:

- maintaining the largest pay system in the world, which pays over 2.2 million military members (Military Pay).
- paying about 295,000 Department of Defense civilians (Civilian Pay).
- centrally managing accounting and reporting for the collection of individual out-of-service debt and contractor debt for the Department of Defense (Out-of Service Debt).
- providing financial services for the Department of Defense's Security Assistance program. Security Assistance pertains to the sale, grant, lease or loan of U.S. defense articles, military training and other defense-related services to friendly foreign governments and international organizations.
- performing centralized financial accounting and reporting for the Air Force and other select Department of Defense agencies.

Mailing address:

DFAS Denver
Building 444
6760 East Irvington Place
Denver CO 80279

Buckley Annex CO

Facts and Assumptions

- **FACILITIES ACREAGE, BUILDING OCCUPANCY AND SQUARE FOOTAGE**
  - Acreage: approximately 38 acres
  - Building was constructed in 1976
  - Total inside walls measurement 599,430 sq ft (includes entire building) (Source: Geo-base Office, Buckley AFB)
  - DFAS 78% (467,555 sq ft)
  - ARPC 21% (125,880 sq ft)
  - All other listed on next slide occupy one percent (5,994 sq ft)

Buckley Annex, Colorado

Facts and Assumptions

- **TEN OTHER AGENCIES ON SITE**
  1. DSCA – Defense Security Cooperative Agency
  2. DISA – Defense Information System Agency
  3. U.S. Public Health Service – Federal Occupational Health – The Health and Wellness Center
  4. Space Age Credit Union
  5. DFEB – Denver Federal Executive Board
  6. State of Colorado – Business Enterprise
  7. DoD Inspector General
  8. GAO – Government Accountability Office
  9. AAFES – Cafeteria
  10. AFAFO – Air Force Accounting Finance Office

Your Financial Partner @ work

View This Report and Detailed Financial Statements Online:
www.dod.mil/dfas/

IT'S ABOUT THE CUSTOMER

stakeholders' report
fiscal year two thousand and four

Report to DFAS Stakeholders for Fiscal Year 2004

It's about the customer.

In FY 2004, the Defense Finance and Accounting Service sharpened its focus on the needs of its customers, the men and women who defend America. They are the reason DFAS exists, and the DFAS team proudly serves them.

DFAS customers serve around the world, often in harm's way, performing missions that are critical to national security. Every day these customers rely on DFAS to deliver pay and entitlements to satisfy their basic needs and the needs of their families. They depend on DFAS to pay contractors and vendors accurately and on time so that the support and materiel necessary to perform their missions will be readily available. DFAS customers require useful, accessible business intelligence that allows leaders to make better-informed decisions regarding the resources entrusted to them to defend America and to fight the global war against terror.

DFAS customers are world-class. They deserve a world-class finance and accounting partner. After all, for DFAS, it's about the customer.

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A Message to DFAS Stakeholders

To our stakeholders:

I am proud to present this report on the performance of the Defense Finance and Accounting Service (DFAS) in Fiscal Year (FY) 2004. The members of DFAS take pride in being part of the Department of Defense team. We are dedicated to continuously improving the products and services we provide to the men and women who defend America. In FY 2004, the DFAS team continued its march toward becoming a world-class finance and accounting organization, capable of delivering the best value to its clients.

It's about the customer

We affect the morale and readiness of America's Military Services. Delivering accurate and timely pay and entitlements allows the troops to focus on their mission and not on their money. Failing to fulfill this promise violates the trust they have in us, distracts our service members from their mission, and hurts our military's ability to recruit and retain soldiers, sailors, airmen and Marines.

We enable the flow of materiel that promotes our nation's defense by ensuring timely and accurate payment for goods and services provided by defense industry contractors and vendors.

We also understand that our customers must get the most out of every dollar entrusted to them by the American taxpayers. By accelerating accounting reports and improving their overall quality, DFAS increases the speed and precision with which our clients can use their resources to execute their missions.

FY 2004 Accomplishments

In FY 2004, the DFAS team sharpened its focus on the needs of our customers. World events increased operations tempo for our clients and stretched their resources as they fought a global war on terror. This environment makes professional, responsive finance and accounting service more critical than ever.

World events, including the war on terrorism, have increased demands on DFAS. DFAS team members played important roles in supporting the mobilization and demobilization of more than 195,000 military members. Many DFAS members deployed to provide support to commanders in theater. Meanwhile, other DFAS personnel contributed finance and accounting expertise to help rebuild the Iraqi nation by establishing control, disbursing and pay processes.

DFAS's workload in FY 2004 continued to grow as the team processed more than 104 million pay transactions for about 5.9 million military members, civilian employees, and military retirees and annuitants. The team also made 6.9 million travel payments, paid 12.6 million commercial invoices, processed 127.3 million general ledger postings, disbursed $455 billion, and accounted for 282 active Defense appropriations. The DFAS team also helped make money for the department by managing military and health benefit funds worth approximately $234 billion.

The quality of DFAS products and services also improved this past year. We reduced the time to deliver quarterly accounting reports from 45 to 21 days and the amount of time for annual reports from 80 to 45 days. The team lowered the amount of overaged Unmatched Disbursements from $134 million in FY 2003 to $23 million in FY 2004, decreased the amount of interest paid per million disbursed from $160 in FY 2003 to $138 in FY 2004, and expanded the myPay customer base to 2.9 million people.

Our efforts in FY 2004 increased the overall satisfaction of our customers for the second consecutive year. Satisfaction improved by an average of 4.3 percentage points across the measures of recovery, choice, access, knowledge, timeliness, tangibles, reliability, quality and courtesy.

Building a team for success

To meet the demands of our customers, DFAS must satisfy the needs of our team members by building an organization and an environment that attracts, develops and retains world-class talent.

In FY 2004, we expanded developmental assignments to provide growth and learning opportunities to more than 4.7 percent of employees to broaden and strengthen their skills. We used intern programs like the Entry Level Professional Accountant and Entry Level Financial Analyst programs to bring more than 178 new professionals to the DFAS team. We also invested nearly $1,384 per employee, or 2.7 percent of our total payroll, in training and career development, nearly double the average corporate training investment within the United States.

In return for this investment, DFAS team members reported an increase in employee satisfaction for the fourth consecutive year. Since 2000, employee satisfaction has improved by 13 percentage points. The overall results of DFAS Organizational Assessment Survey also showed continued improvement in 2004, raising the average score across the 17 measures by an average of 13 percentage points since 2000.

The continuing challenge

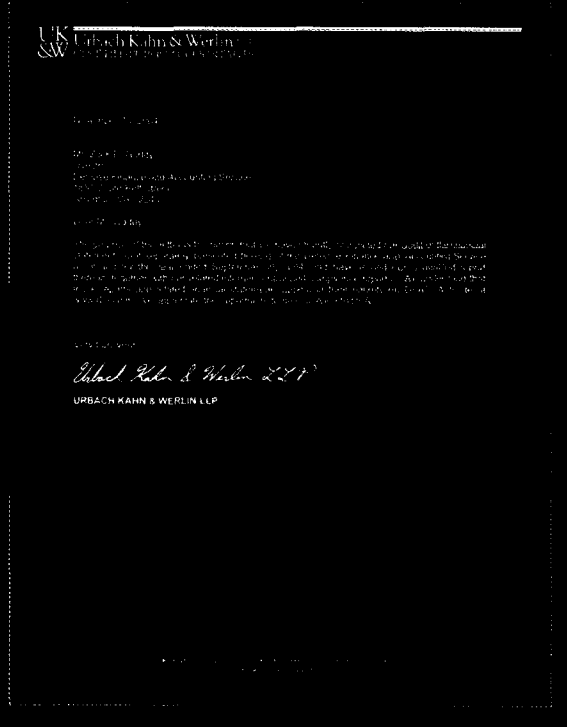
The DFAS team is proud of these results but recognizes it has much work to do to meet the continuing challenge of an ever-changing environment, shrinking resources and increasing demands for quality and service.

The DFAS team has the tools to succeed. Our transformation effort is an integrated, leadership-driven program that evaluates each function within DFAS to determine the best option for transforming that function to ensure it is delivering the right products and services to DFAS customers through the most efficient means possible. Lean6 combines Lean Thinking with the methods of Six Sigma to identify and seize opportunities to eliminate waste, reduce errors and increase productivity. Portfolio Management disciplines our investment decision-making process to prioritize and fund projects and initiatives that best support the DFAS strategy. Finally, we rigorously manage these efforts through the agency's Balanced Scorecard to ensure our efforts are delivering the results our customers expect and the strategic progress we demand of ourselves.

The members of the DFAS team are dedicated to supporting the men and women who defend America with integrity, innovation and service. We are committed to achieving our vision of truly becoming a world-class finance and accounting organization because our customers deserve nothing less.

Zack E. Gaddy

Zack E. Gaddy
Director



What DFAS Accomplished

In fiscal year 2004, the DFAS team

- Processed 104 million pay transactions to military members, federal civilian employees, retirees and annuitants
- Made 6.9 million travel payments
- Paid 12.6 million commercial invoices
- Processed 127.3 million general ledger postings
- Managed $234 billion in military retirement and health benefit funds
- Disbursed $455 billion to pay recipients
- Managed $13.5 billion in foreign military sales (reimbursed by foreign governments)
- Accounted for 282 active DoD appropriations

DFAS provides professional, responsive finance and accounting services to DoD and other federal agencies. It delivers mission essential payroll, contract and vendor pay, and accounting services to support America's national security.

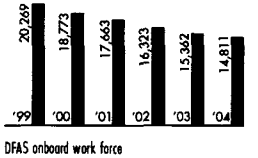
DFAS is a Defense Working Capital Fund agency. Rather than receiving direct appropriations, DFAS earns operating revenue for products and services provided to its customers.

DFAS continually seeks ways to improve its effectiveness and efficiency, to raise the quality of its products and services, and to increase the value returned to its customers and the American taxpayer. Greater efficiency leads to reduced costs that DFAS subsequently returns to its customers in the form of lower bills. By reducing its cost of operations, DFAS enables its defense customers to apply more of their resources to training, equipping and supporting the men and women who defend America.

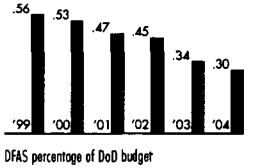
Since its inception in 1991, DFAS has worked to reduce its infrastructure. Finance and accounting systems exceeded 300 in number have been reduced by more than 75 percent. In conjunction with the Business Management Modernization Program and the Domains, DFAS is continuing this effort.

Today, DFAS accomplishes its mission with 27 percent fewer employees than in 1999. DFAS has also reduced the number of military personnel assigned to DFAS from 1,545 in FY 1999 to 738 at the end of FY 2004, reducing the percentage of DFAS employees who are military members to just 4.78 and freeing others to perform more operational duties for their respective service. DFAS delivers its services for 0.30 percent of the overall DoD Budget.

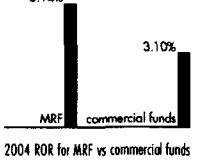
For more about DFAS and to review DFAS's audited financial statements, visit http://www.dod.mil/dfas.



DFAS onboard work force



DFAS percentage of DoD budget



2004 ROR for MRF vs commercial funds

Mission: Provide responsive, professional finance and accounting services for the people who defend America

Vision: Best value to our customers

- A world-class provider of finance and accounting services
- A trusted, innovative financial partner
- One organization, one identity
- An employer of choice, providing a progressive and professional work environment

Values: Integrity – Service – Innovation

DFAS Mission

DFAS's mission is about the customer. It is about delivering pay and entitlements to meet the needs of the men and women who defend America and their families. It is about paying for the materiel and services that support national security. It is about providing meaningful business intelligence that allows defense leaders to get more from their resources.

More than just the world's largest finance and accounting operation, DFAS performs the nation's most important finance and accounting mission for the nation's most important customers.

Responsive, professional finance and accounting services go beyond just meeting customers' needs today. It involves anticipating how those needs will evolve by developing and nurturing close business relationships between executives in DFAS and executives at each client. It requires integrity, service and innovation to ensure that each client is well served.

DFAS team members are proud to serve the men and women who defend America. Team members know that every DFAS customer is a friend or a family member who has answered their nation's call to serve. This same sense of service drives DFAS team members to deliver their very best.

"Our strategy must place our customers' needs in the forefront and must be full, informed by the voice of our customers. This strategy must focus less on the outputs of processes and more on the results that matter to our customers."

– Zack E. Gaddy
Director

DFAS Strategy

DFAS is on a mission to provide responsive, professional finance and accounting services for the people who defend America. Today, more than ever, the world challenges us. We operate in a more dynamic environment, with a continually changing security and economic landscape. The environment is also more competitive with private-industry becoming increasingly capable of providing similar services on the same scale at a competitive price. DFAS's vision is to be the best value to its customer, which requires becoming a world-class finance and accounting organization and to maintain our competitive edge. To continue achieving success, DFAS must take a strategic approach to managing its transformation. DFAS must meet these challenges by being a strategy-based, customer-focused and metrics-driven organization.

DFAS's strategy places its customers' needs in the forefront and is fully informed by the voice of our customers. This strategy focuses less on outputs of processes and more on results.

This strategy understands that to succeed in the future, DFAS must:

- Deliver error-free pay services on time. Pay affects people's lives and satisfies their basic needs. A failure in our ability to fully satisfy this basic capability risks adversely affecting the morale and readiness of our military forces at a time when the world demands more from them.
- Provide business intelligence that enhances leaders' ability to make resource decisions. We must provide knowledge that arrives in time to make a difference and in a format and level of detail that can be used easily and effectively.
- Lead a partnership with our customers to anticipate their needs and deploy integrated solutions that enhance financial management capabilities across the Defense enterprise.
- Attract, develop and retain a world-class work force with the skills, agility and motivation necessary to achieve the DFAS mission. DFAS employees will ultimately determine the agency's success and our ability to serve the men and women who defend America.

DFAS has committed to achieving five fundamental strategic targets in the next several years:

- Pay service members what they are entitled to on the scheduled pay date
- Expand electronic commerce for Commercial Pay
- Provide auditable financial statements
- Develop a corporate capability to deliver client unique business intelligence
- Recruit, train and retain a work force needed to develop and implement the DFAS Strategy

Achieving these targets will enhance DFAS's value to its customers and further support DoD's Transformation and the President's Management Agenda.

"DFAS employees have built a tremendous record of excellence of continually making DFAS more effective and more efficient. I know we will continue to deliver results for our customers as we tackle this next chapter in DFAS's transformation."

– Zack E. Gaddy
Director

DFAS Balanced Scorecard, Awards, and Recognition

	Goal	Report Cycle	Corporate	Acct	Comm Pay	Mil & Civ Pay
Customer Perspective						
Client/Customer Satisfaction (annual customer surveys)	5%	annual		●		
Accurate Delivery of Services (one from each main Business Line)						
Accounting - Timeliness of Accounting Reports to Customers	3/3 indicators	month			◐	◐
Commercial Pay - Reduce Overage Commercial Invoices on Hand						
Military and Civilian Pay - Resolve Pay Problems within 30 days						
Contact Center Customer Satisfaction	50%	month	◐		◐	◐
Financial Perspective						
Total Costs - Cost Variance from Target	<=5%	month	◐		●	◐
Unit Costs (one from each main Business Line)						
Accounting - Direct Billable Hours for Accounting Services	3/3 indicators	month	◐	◐	◐	◐
Commercial Pay - Reduce Composite Unit Costs below $20.04						
Military and Civilian Pay - Reduce Composite Unit Costs below $5.33						
Systems Capital Cost	<=10%	month	-	●	◐	◐
Systems Operating Cost	<=10%	month	-	◐	◐	◐
Systems Milestones Delivered (composite score of 19 systems)	19/19	month	-	◐	◐	◐
Internal Business Process Perspective						
Commencement of Scheduled Business Case Analyses	6 BCAs	month	◐	◐	◐	◐
Accurate Delivery of Services (one from each main Business Line)						
Accounting - Reduce Aged Intragovt Disbursements	3/3 indicators	month	●	●	◐	◐
Commercial Pay - Minimize Interest Penalty Payments						
Military and Civilian Pay - Pay Entitlement Calculations Processed Accurately						
Innovative Business Practices	17/year	month		◐	◐	◐
Growth and Learning Perspective						
Employees in Developmental Assignments	3%	month	◐	◐	◐	◐
Employees with Licenses or Certificates	90%	month	◐	◐	◐	◐
Employees with Degrees (bachelor & higher)	90%	month	◐	◐	◐	◐
Employee Satisfaction	60.7%	annual		◐		●
Climate for Action	55.3%	annual	◐	◐	◐	●

DFAS Balanced Scorecard results for FY 2004

Significant Awards and Recognition

The following are selected examples of awards earned by DFAS for innovation and excellence as a federal leader in finance and accounting.

myPay – Innovative online self-service system

- Named top federal innovator by MIT/Accenture
- Named among top technology innovations by Government Executive Magazine
- Winner Department of Defense Value Engineering Achievement Award

Defense Civilian Pay System – Quality software development and systems management

- Earned Level-4 Capability Maturity Model Certification from the Software Engineering Institute

ePortal – Collaborative knowledge management

- Named as one of the top 10 government intranets by NielsenNorman Group

Commercial Pay Services – expanding the use of ecommerce

- Winner Department of Defense Value Engineering Achievement Award

Defense Cash Accountability System – special achievement

- Winner Department of Defense Value Engineering Achievement Award

"The DFAS team is proud to support the men and women who defend America. We are dedicated to continually improving the products and services we deliver because we recognize that in order for our customers to succeed in their missions we must excel in ours."

– Brig. Gen. Jan D. "Denny" Eakle, USAF
Deputy Director

DFAS Operations Overview

DFAS exists to deliver world-class finance and accounting products and services to the men and women who defend America. DFAS employs approximately 14,800 people throughout the United States and in the European and Pacific theaters of operations to serve this purpose.

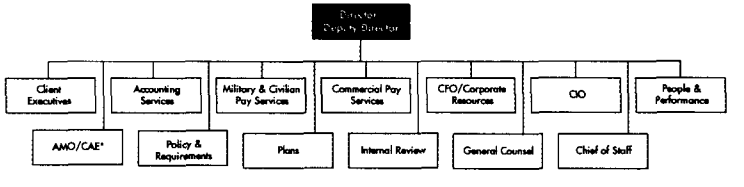
DFAS has built its organization to anticipate and meet its customers' needs by assigning each major customer a dedicated client executive to foster effective communication and build partnerships that enhance customers' mission capabilities. These client executives ensure the DFAS operational team understands the unique and diverse requirements of each customer.

DFAS's three operational business lines deliver the specific products and services that satisfy these needs:

- Military and Civilian Pay Services provides all aspects of pay to individuals—pay, travel reimbursements and garnishments.
- Commercial Pay Services provides payment services to all contractors doing business with DoD.
- Accounting Services provides departmental and field-level accounting and disbursing services.

DFAS operations also include managing DoD's Financial Management Regulation; advocating policy, overseeing the acquisition and management of finance and pay systems that support DoD's Business Management Modernization Program; and developing a corps of finance and accounting professionals to meet DoD's business needs.

To support these functions, DFAS recently reorganized its management structure and streamlined decision making within the agency, making DFAS more responsive to its customers and providing more effective leadership and management within the agency.



DFAS organization structure as of October 3, 2004
* Acquisition Management Organization / Component Acquisition Executive

[illegible]

– *Bill Case*

Retired Pay Customer

Military and Civilian Pay Services

Customers depend on DFAS every day to deliver timely, accurate pay services in peacetime and during times of war.

DFAS pays 5.9 million people, including:

- Members of the Army, Navy, Air Force, and Marine Corps
- Civilian employees of DoD and various federal agencies
- Military retirees and annuitants

The Military and Civilian Pay Services Business Line provides all forms of payments to individuals, almost entirely through electronic funds transfer.

In FY 2004, DFAS continued to enhance myPay, a Web-based system that allows customers to manage their pay account information securely and easily from around the world, night or day at https://mypay.dfas.mil. Today, more than 2.9 million people choose to use myPay regularly. DFAS also expanded its support to hundreds of thousands of military members overseas by launching the Community Bank Online Banking Service that provides the same type of online services people in the states enjoy.

The Military and Civilian Pay Services team also performs critical support functions that include:

- Staffing call centers and help desks to solve individual customer problems
- Defining and testing changes to automated pay systems
- Processing garnishment, debt and waiver applications
- Working with federal, state and local taxing authorities
- Overseeing the Defense travel card and Defense overseas military banking programs

DFAS took significant steps to enhance the quality of products and services it delivers its pay customers. In March, DFAS established its Customer Operations Product Line to integrate the agency's customer service. In June, DFAS opened its Reserve Pay Center of Excellence to better meet the unique needs of the Reserve Component members of America's military.

This year DFAS also supported the mobilization and demobilization of more than 195,000 men and women for the war on terrorism. DFAS team members worked closely with the Armed Services to develop and implement a comprehensive plan to eliminate problems faced by mobilized Reserve Component members. The plan addresses issues created by aging systems, ineffective processes and insufficient training. It includes development of training programs for mobilization support personnel as well as in-theater finance professionals. The plan also calls for the creation of a Forward Compatible Pay System to replace the Defense Joint Military Pay Systems. FCP will support both the active and Reserve Components of the Army, Air Force and Navy as an interim solution until the Defense Integrated Military Human Resource System is implemented and brings personnel and pay systems together. DFAS will begin rolling out FCP in late summer of 2005.

DFAS team members also deploy alongside finance units to provide in-theater support. Support to mobilized service members includes payroll disbursements, training, check cashing, currency conversion and contracting.

"The mutual benefits derived from our partnership [with DFAS] include enhanced communications, process improvements, and elimination of duplicate efforts in both organizations. The results achieved thus far have been outstanding, having met all our joint partnership goals for three years in a row."

– Christopher Kubabik
Chief Financial Officer
Lockheed Martin

Commercial Pay Services

DFAS also supports our nation's security by ensuring that U.S. defense industry contractors and vendors are paid accurately and on a timely basis for the materiel and support they provide.

DFAS's Commercial Pay Services Business Line pays all defense industry partners, ranging from small business vendors to large-scale weapon systems developers.

Commercial Pay Services disbursed approximately $228 billion in FY 2004 through two product lines-Contract Pay and Vendor Pay-down from $284 billion last year. The DFAS team processed more than 12.6 million invoices and paid 93 percent of them via electronic funds transfer.

Increasing the effectiveness and efficiency of Commercial Pay Services allows DoD to get more out of its money by realizing greater discounts for early payment, reducing interest paid for late payments and decreasing the number of incorrect payments. The key to achieving these benefits is expanding electronic commerce and the automation of tasks associated with contract and vendor pay operations.

DFAS is forging stronger collaborative relationships with its partners in the defense industry and its customers throughout DoD. Sustained customer outreach and education initiatives, to include quarterly Open Houses, "Roadshows" and Defense Industry Leader Working Group sessions where partnerships with customers have continued to strengthen, will remain the foundation of our campaign to totally implement e-Commerce for the mutual benefit of all stakeholders. Such outreach efforts not only educate and train contractors and their clients; they also increase the use of current e-commerce tools and reduce the number of problem invoices.

The Commercial Pay Services Customer Service Office answered 95 percent of total calls offered within 16 seconds, a stellar achievement when compared to the private sector's 80/20 measure. The Interactive Customer Evaluation (ICE) survey was implemented to further measure the quality of service provided to customers. The overall satisfaction rating received for the Call Center was 47 percent, better than the private sector's 43 percent "world-class" mark. Our Customer Service Office was also recognized for its outstanding accomplishments by winning a Department of Defense Value Engineering Award for streamlining processes and reducing costs. Such achievements greatly contributed to the improved quality and efficiency of service provided by the Commercial Pay Services Business Line.

DFAS further reduced the amount of interest paid per million dollars disbursed, decreasing the amount down to $138 per million in FY 2004. This amount equals 80 percent of the July 2003 baseline of $172 per million. Paying less interest returns a greater value to the American taxpayer.

By emphasizing training and increasing customer awareness and use of electronic tools like Wide Area WorkFlow, Commercial Pay services will continue to make progress in streamlining processes, reducing costs and improving service. As electronic commerce and electronic funds transfer become the universally accepted way of conducting commercial pay business, DFAS customers throughout DoD will see benefits that include fewer over-aged invoices, more timely payments and a lower cost per invoice.

"The Army is served well by DFAS and by our Chief Executive. If we need things because of the mission, we get it."

– *Ernest J. Gregory*
Principal Deputy to the Assistant Secretary of the Army (retired)

Accounting Services

The DFAS Accounting Services Business Line delivers timely, meaningful financial information to meet the management needs of Defense Department leaders. Customers at the field and departmental levels depend on DFAS for accounting support for all types of funds—appropriated funds, working capital funds and trust funds. Accounting professionals maintain accounting systems and develop procedures to implement federal accounting requirements mandated by Congress, the Office of Management and Budget, Department of the Treasury and DoD.

DFAS accounting professionals produce monthly accounting reports in 13 days and quarterly reports in 21 days instead of last year's 45 days. More current accounting reports provide decision makers the confidence to more accurately and more quickly execute the budgets entrusted to them to fulfill their missions.

Accounting Services completed more than 127 million accounting transactions during FY 2004. DFAS accounting professionals managed $195 billion in the Military Retirement Fund earning a 5.19 percent market value return and $39 billion in the Medicare-Eligible Retiree Health Care Fund earning 2.43 percent return. The return on the Military Retirement Fund exceeded the market value average return on competitive commercial funds by over 2 percent. The team also accounted for $13.5 billion in foreign military sales and $4.6 billion in grants and loans through foreign military finance.

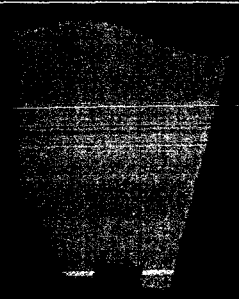
DFAS surpassed its goals for negative unliquidated obligations, aged intransit transactions and unmatched disbursements. Negative unliquidated obligations finished at $95 million, $76 million better than the $171 million goal for FY 2004. Aged intransit transactions ended the year at $502 million, and Unmatched Disbursements came in at $735 million, $194M under its $929 million goal.

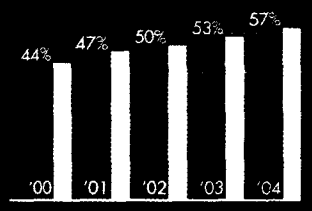
DFAS is enhancing delivery of accounting support for customers. By expanding the use of mission support accountants with its clients, DFAS is improving responsiveness by embedding the professional accountants with the client units they support. In August, DFAS announced that the Security Assistance Accounting function would be retained by the Government's Most Efficient Organization as a result of an A-76 cost comparison. DFAS currently performs the Security Assistance Accounting work with 250 employees as compared to 460 in March 2000.

In FY 2004, DFAS achieved its fifth consecutive unqualified opinion on its audited financial statements while helping Defense Commissary Agency and the Defense Contract Audit Agency to earn their third consecutive clean opinions and the Military Retirement Fund to earn its eleventh. DFAS continues to work with its accounting clients to make progress toward producing auditable financial statements for all of DoD by FY 2007.

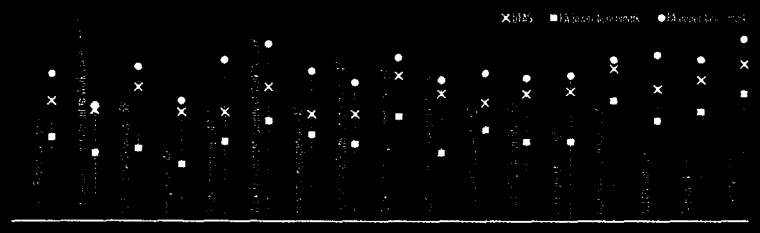
"DFAS can be proud of the improvements we've made since 2000. Across DFAS, employee satisfaction improved by 13 percentage points. According to OPM's Performance America Benchmarks, DFAS is near the top in commitment to its work force, innovation, training and career development, leadership and quality, and customer orientation when compared to other organizations."

– Zack E. Gaddy
Director





employee satisfaction index



2004 organizational assessment vs. Performance America benchmarks

Support Functions:

Behind the clerks, technicians, and accountants who serve the many customers of DFAS, a cadre of educated and highly-skilled professionals works to ensure they have the personnel, technology, training, policy and other business resources necessary to make their mission a success.

DFAS has made great strides in ensuring its support functions are more efficient, which in turn makes the overall organization more effective. DFAS has also reduced its footprint by 13 percent since FY 2001 and reduced facility related costs by 7 percent or $6.0 million.

In FY 2004, DFAS simplified its structure to create more agile and effective management and decision making. In addition to the three major business lines, all other functions were aligned based on their major responsibilities:

- Chief Information Officer. Operating technology services were consolidated under the CIO.
- Chief Financial Officer/Director of Corporate Resources. Financial Management and Comptroller, and Support Services functions remain aligned to the CFO/Director of Corporate Resources.
- Policy and Requirements. DFAS consolidated all of its policy functions and created a corporate requirements function into a single directorate.
- Plans. Corporate Planning functions of Competitive Sourcing, Base Closure and Realignment, Strategic Planning, Transformation, Benchmarking and Activity Based Costing studies, and Balanced Scorecard management are consolidated with Business Integration and Lean6 functions under the newly created Plans and Requirements Directorate.
- People and Performance. Human capital, performance management and quality initiatives became a separate corporate directorate to emphasize the agency's commitment to its people and its pursuit of perfection.
- Acquisition Management Office/Component Acquisition Executive. DFAS established an Acquisition Management Organization to comply with recommendations from the December 2003 Under Secretary of Defense (Acquisition Technology and Logistics) review. This new directorate oversees acquiring all new major systems as required by the Department of Defense 5000 series regulations. It encompasses Systems Integration, Contract Services, and takes on oversight of Forward Compatible Pay, Defense Modernization Office, and Military Pay Systems Transition Program Office.
- Chief of Staff. DFAS also consolidated its Corporate Communications, Legislative Affairs and Freedom of Information Act functions under its Chief of Staff.

Each year the Office of Personnel Management surveys DFAS to measure its organizational health and progress. Survey data are arranged in 17 categories and consolidated into two key indices—the Climate for Action (how an organization's culture embraces change and innovation) and the Employee Satisfaction Index (an overall indicator of how satisfied employees are). Climate for Action improved by 12 percentage points while Employee Satisfaction improved by 13 percentage points since 2000.

DFAS also enhanced its security and contingency readiness posture in 2004 by ensuring systems and operations had solid continuity of operation plans and exercising those plans at various DFAS sites around the country.

These support functions provide much of the business management activities necessary to support this Defense Working Capital Fund agency with revenue in excess of $1.5 billion. Future success at DFAS will involve continued commitment to smart business tools and processes like the Balanced Scorecard, Lean6, Portfolio Management and Business Case Analyses.

DFAS: Here to Serve You

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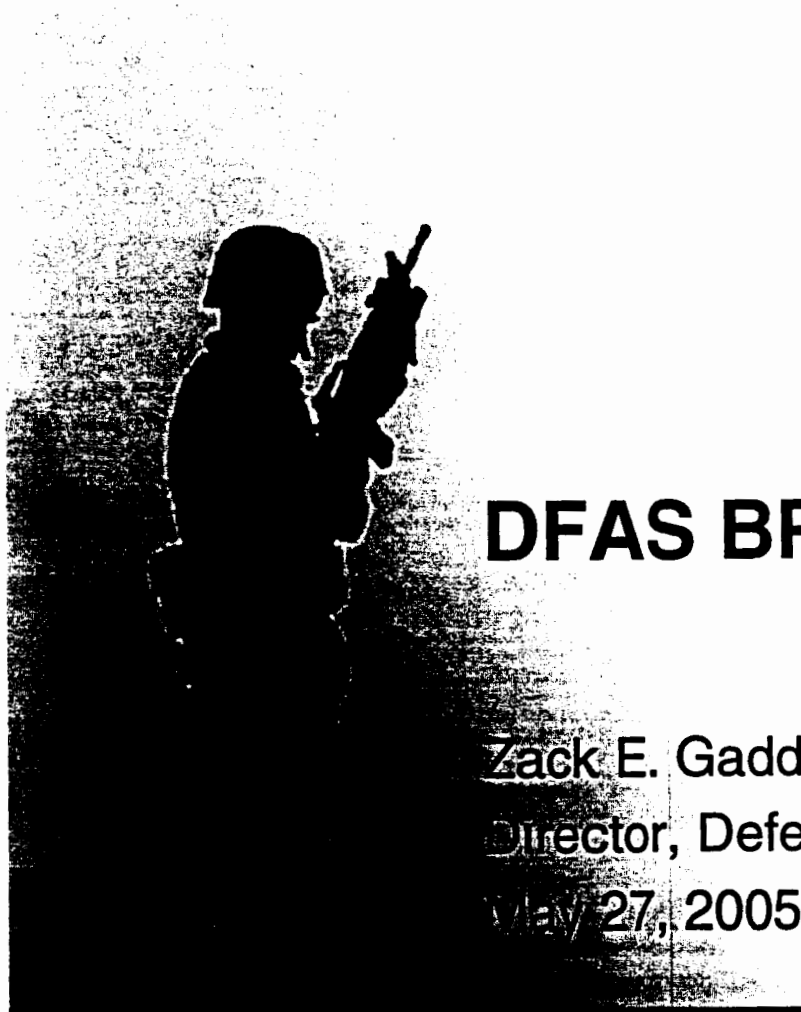
Customer Service Directory – http://www.dod.mil/dfas/about/contacts

This report is produced by DFAS Corporate Communications.

Additional information and audited financial statements are available on the Web at http://www.dod.mil/dfas.



Your Financial Partner @ Work

DFAS BRAC Commission Update

Zack E. Gaddy
Director, Defense Finance and Accounting Service

May 27, 2005

Agenda

- DFAS at a Glance
- DFAS Customer Service Matrix and Organization
- DFAS History of Change
- The Road Ahead – Transformation
- BRAC 2005 Impact
- Summary

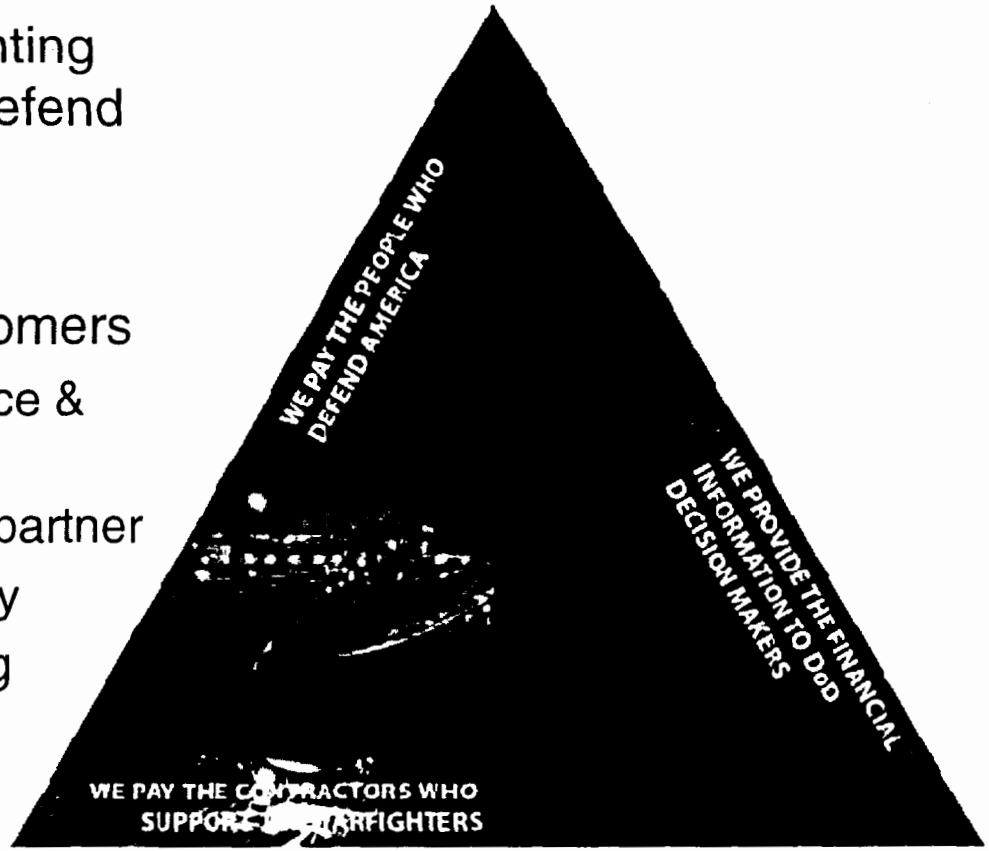
DFAS at a glance -- Director's Priorities

- Take care of our customers
- Improve our operations to become world-class
- Deliver the best value that excites our customers & motivates our employees

DFAS at a glance -- Our mission, vision & values

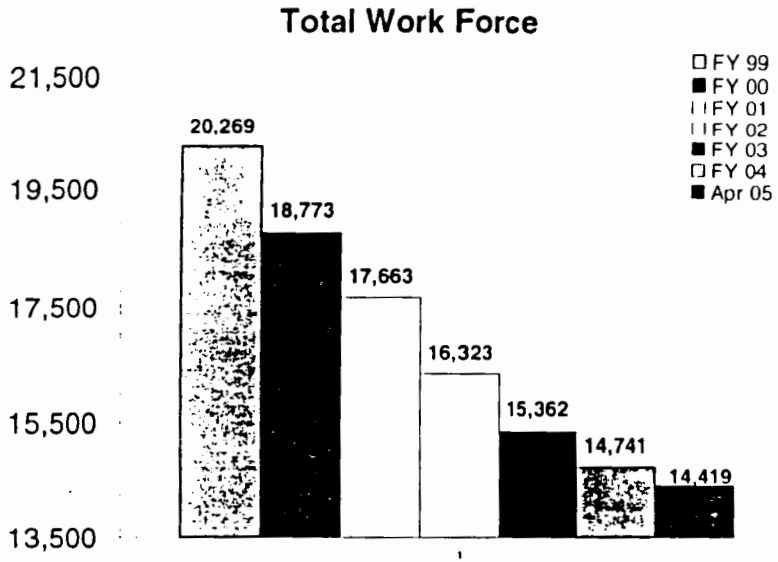
- *Mission:* Provide responsive, professional finance & accounting services for the people who defend America

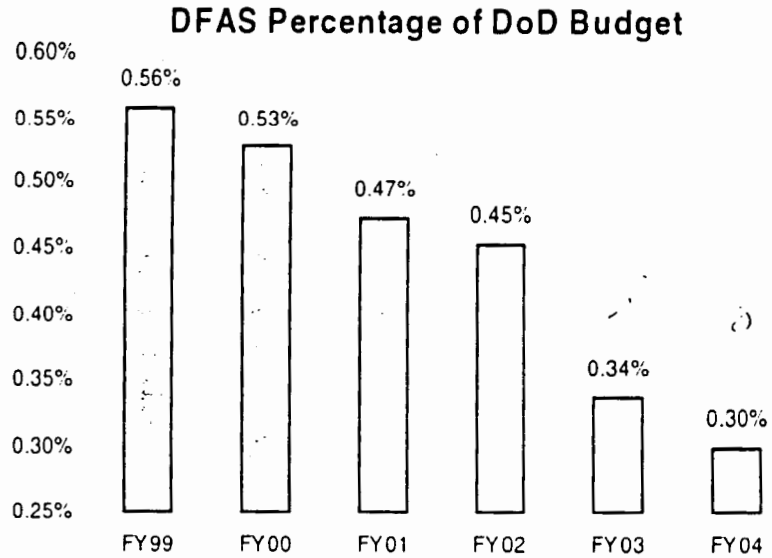
- *Vision:* Best value to our customers
  - World-class provider of finance & accounting services
  - Trusted, innovative financial partner
  - One organization, one identity
  - Employer of choice, providing a progressive & professional work environment

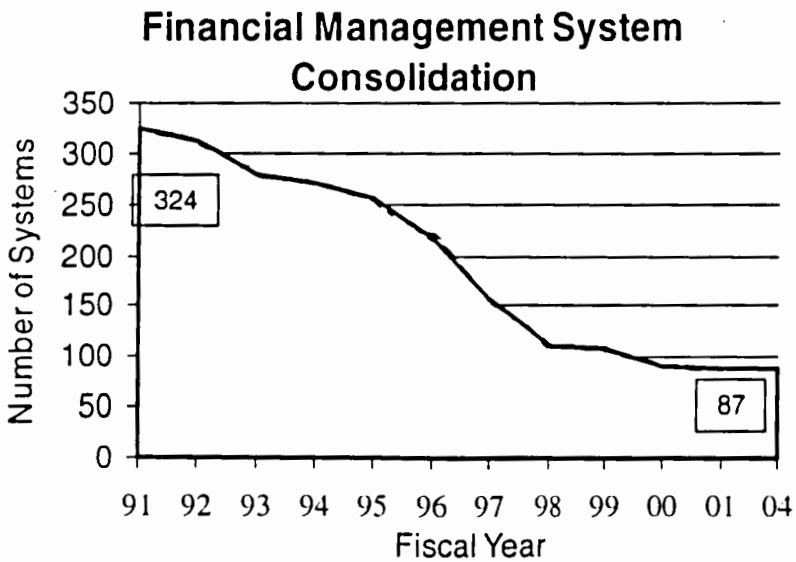


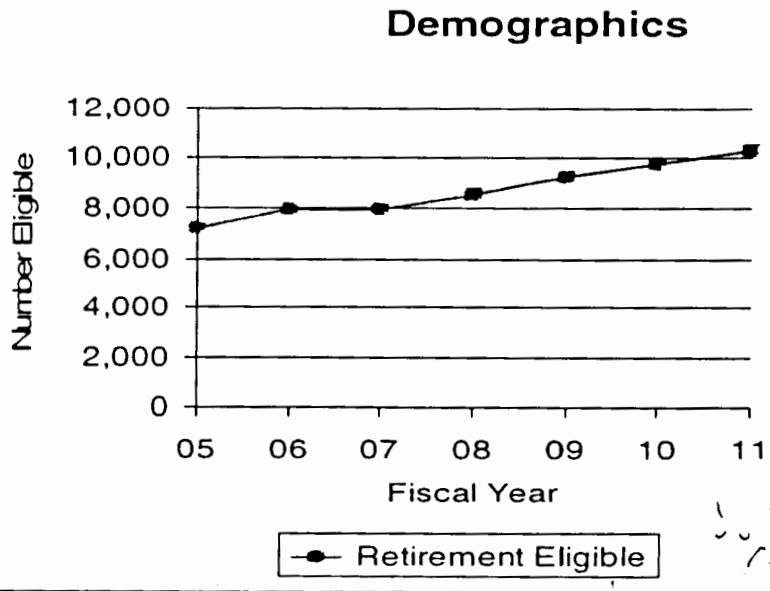
- *Values:* Integrity, Service, Innovation

DFAS at a glance -- The state of DFAS today







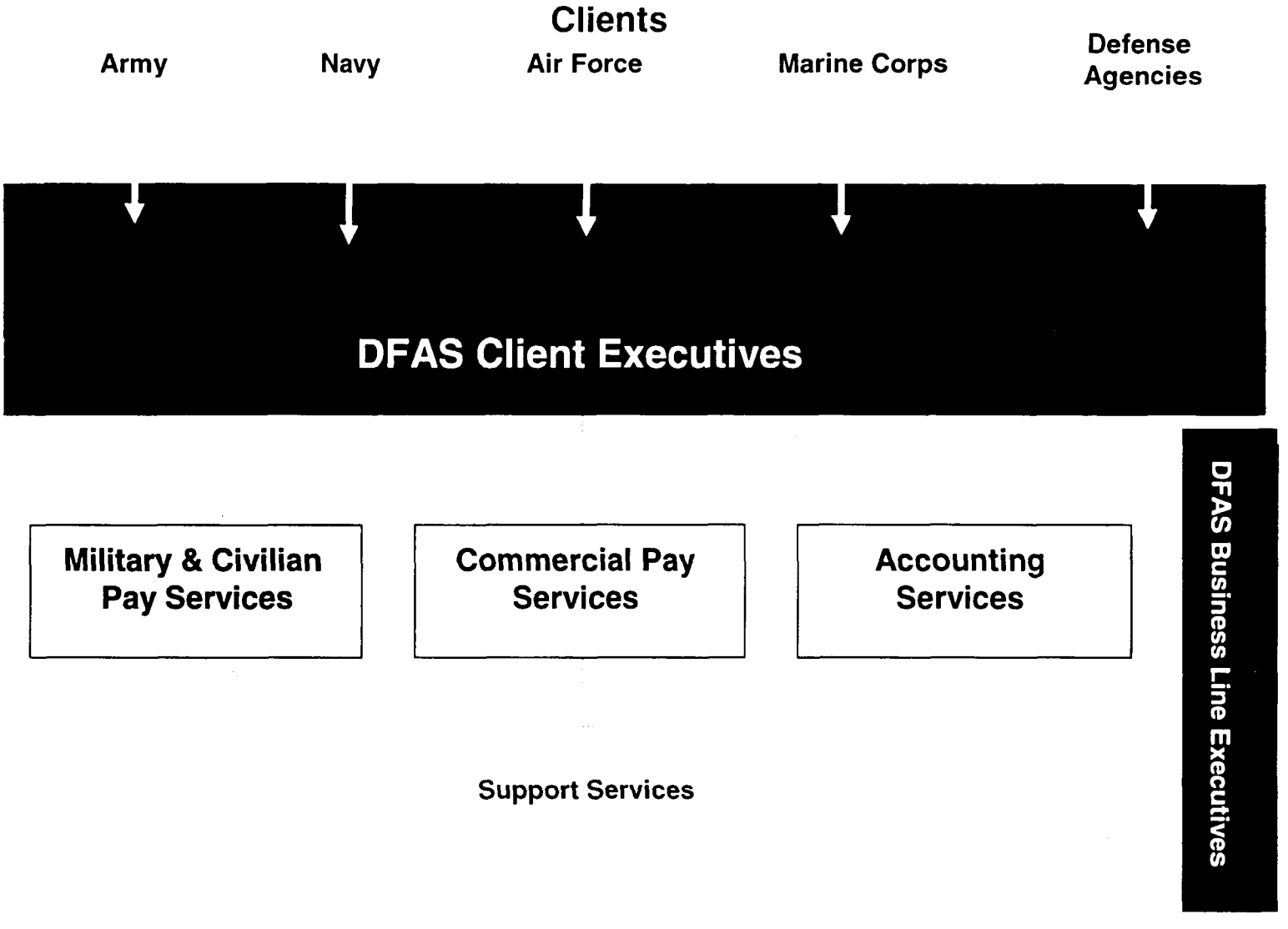


DFAS at a glance -- Magnitude of annual operations

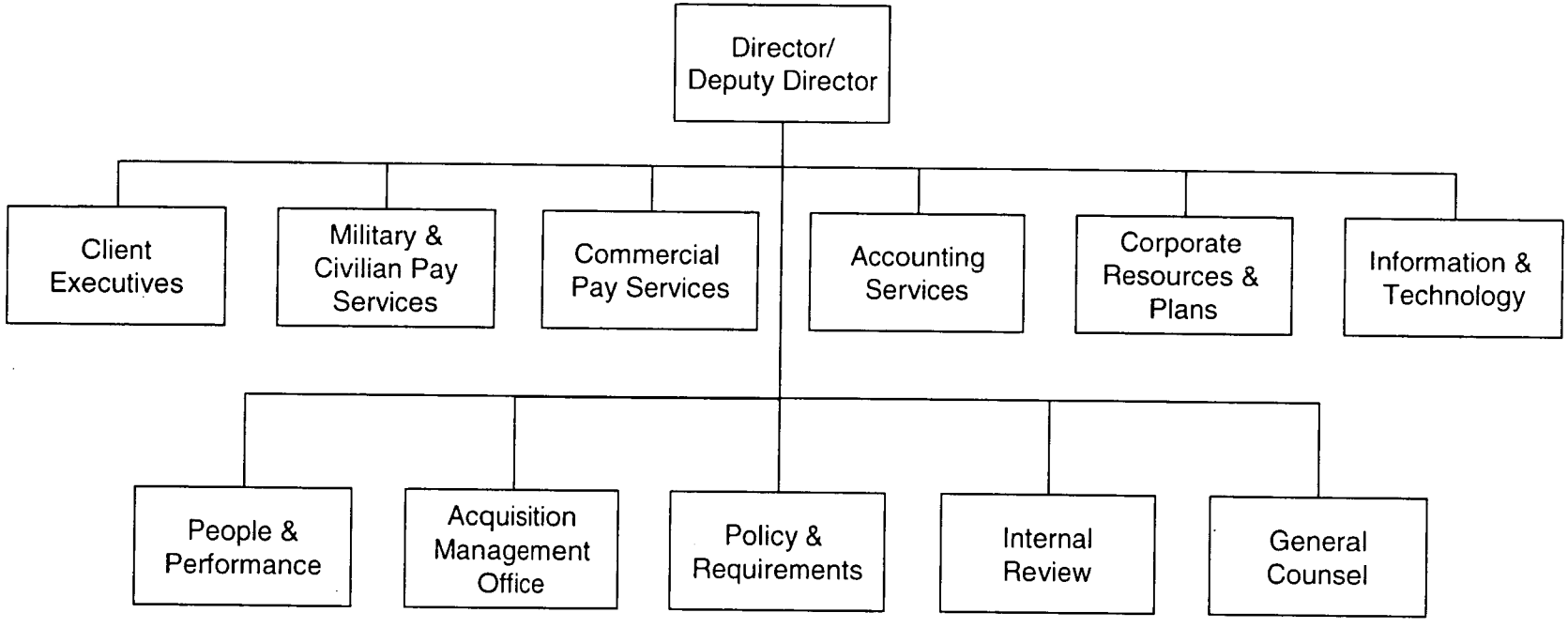
- Process 104M pay transactions to 5.9M military, civilians, retirees and annuitants
- Make 6.9M travel payments
- Pay 12.6M commercial invoices
- Process 127.3M general ledger postings
- Manage military and health benefits funds ($234B)
- Make an average of $455B in disbursements to pay recipients
- Manage $13.5B in foreign military sales (reimbursed by foreign governments)
- Account for 282 active DoD appropriations

It's about the customer!

Customer Service Matrix



DFAS Organization



As of Feb. 28, 2005

DFAS Locations / Product Lines

	Sites Remaining if BRAC Scenario is Unchanged								Sites Closing if BRAC Scenario is Unchanged																					
	Arlington (Liaison)	Columbus	Denver	Indianapolis	Cleveland Enclave / Cleveland Bratenahl	Europe	Japan	Red River Army Depot	Charleston	Cleveland	Dayton	Kansas City	Lawton	Lexington	Limestone	Norfolk	Oakland	Omaha	Orlando	Pacific	Patuxent River	Pensacola NAS	Pensacola Saufley	Rock Island	Rome	San Antonio	San Bernardino	San Diego	Seaside	St Louis
Military & Civilian Pay Services	X	X	X	X	X				X	X		X	X						X			X	X		X	X				X
Accounting Services	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X		X	X	X	X	X	X	X
Commercial Pay Services	X	X		X			X		X		X		X	X	X	X		X	X	X		X		X	X	X	X	X		X
Corporate Resources	X	X	X	X					X	X	X	X	X	X	X	X	X	X	X	X		X		X	X	X	X	X	X	X
Corporate Elements	X	X	X	X						X		X															X		X	
TSO	X	X	X	X	X			X		X		X							X		X	X	X							

DFAS: A History of Change

- Established January 16, 1991 to standardize finance and accounting processes and systems, reduce cost of DoD finance and accounting operations, and improve financial management
- Since 1991:
  - Consolidated more than 338 finance & accounting sites into 30 locations
  - Streamlined workforce from more than 27,000 to less than 15,000
  - Reorganized into major business units to align to customer needs and missions
  - Reduced number of systems from 324 to 87
  - Reduced operating costs from $2.2B to $1.8B (constant '05 dollars)

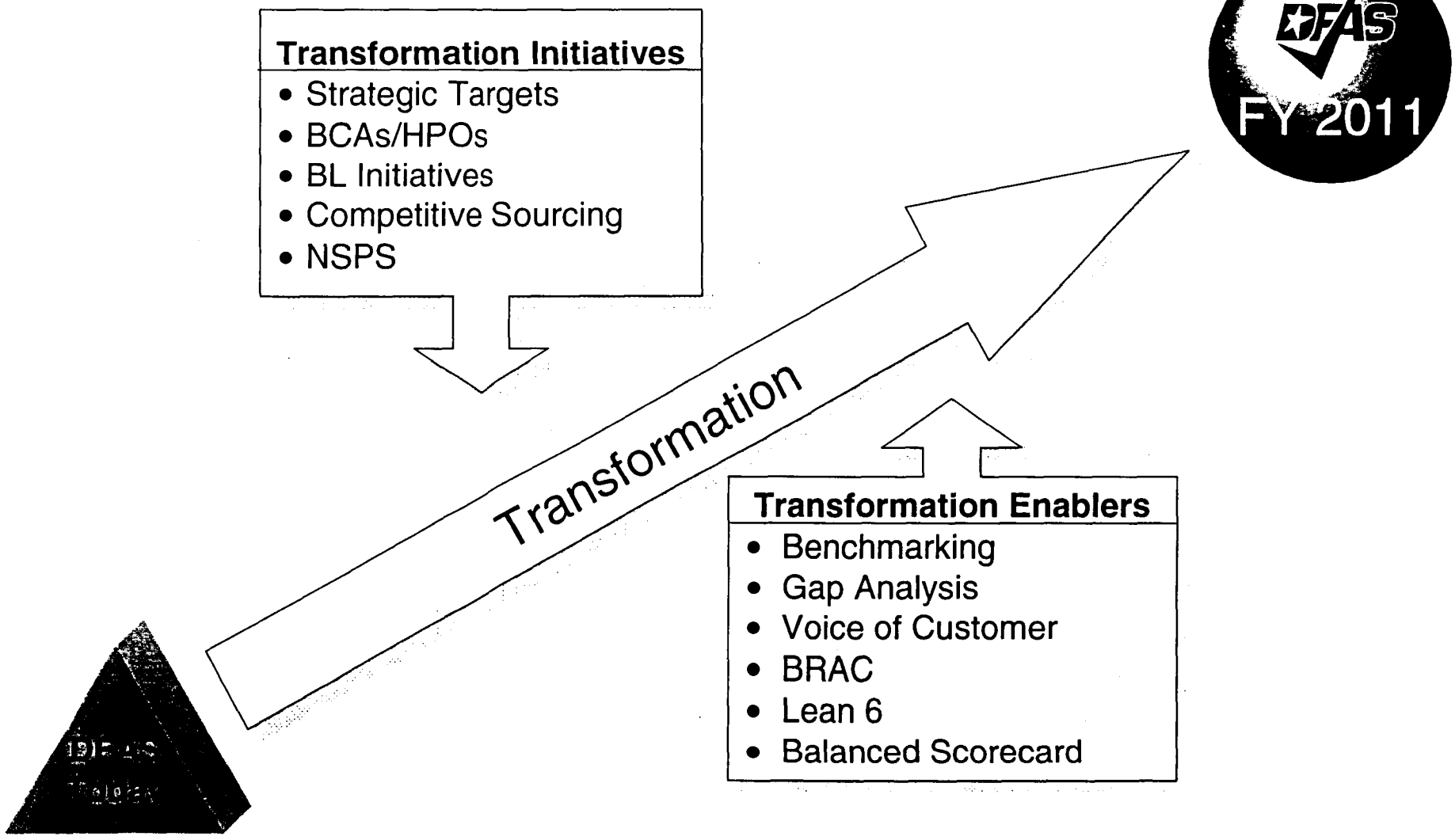
DFAS Transformation

- DFAS transformation strategy designed to realize vision – "Best-value for our customers and world-class performance
  - Competitive in the marketplace
  - "Brand name" is accepted as industry leader
  - Organization becomes a benchmark for others
- Business case analysis and enabling tools ensure fact-based decisions determine the best transformation alternative
- All transformation alternatives garner significant savings
- Transformation is a team effort and involves everyone in DFAS

Transformation Successes

- A-76 Competitions
  - 7 major competitions with an average 37% FTE reduction
- Business Case Analyses (BCAs)
  - 9 BCA studies completed, analyzing critical DFAS segments
- High Performing Organizations (HPOs)
  - 2 HPO plans complete and beginning implementation
  - 6 HPO development plans currently ongoing
- Benchmarking
  - Contract with Deloitte & American Productivity and Quality Center (APQC)
  - Benchmark on key quality, service, and cost dimensions--execute business initiatives to close performance gaps

Transformation Roadmap



BRAC 2005 Impact on DFAS

- DFAS BRAC involvement through Headquarters and Support Activities (HSA) JCSG:
  - Functional Subgroup - Financial Management Team
  - Major Admin HQ/NCR Subgroup - DC Area HQ & Support Activities Team
  - DFAS supplied data in response to JCSG data calls
  - DFAS did not make BRAC site recommendations
- BRAC provides an opportunity to transform DFAS
  - DFAS has realigned workload in the past. Results were limited, without BRAC-like authority
  - BRAC provides opportunity to implement site consolidations, streamline DFAS operations, and support goal to provide best value to customers

BRAC facilitates DFAS transformation

DFAS Opportunity Leveraging BRAC

DFAS Today

Arlington
Charleston
Cleveland
Cleveland Bratenahl
Columbus
Dayton
Denver
Europe
Indianapolis
Japan
Kansas City
Lawton
Lexington
Limestone
Norfolk
Oakland
Omaha
Orlando
Pacific
Patuxent River
Pensacola NAS
Pensacola Saufley
Red River Army Depot
Rock Island
Rome
San Antonio
San Bernardino
San Diego
Seaside
St Louis

BRAC

DFAS 2011

Arlington Liaison
Cleveland Enclave / Cleveland Bratenahl
Columbus
Denver
Europe
Indianapolis
Japan
Red River Army Depot

DFAS Transformation Footprint

Today's Footprint

- 30 locations *
- 14,290 FTEs
- 87 systems
- $1,776M cost/execution authority
- 70% technicians / 30% professional
- Aging workforce
- General Schedule Pay System

FY 2011 Footprint

- 8 locations *
- 10,932 FTEs
- < 50 systems
- $1,337M cost/execution authority
- 70% professional / 30% technicians
- Right employees with right skills
- Optimum number and mix of civilians/contractors
- Pay for performance under NSPS

* Includes Europe & Japan

Summary

- Transformation has been a key part of Agency strategy since DFAS was established in 1991
- DFAS transformation is based on BCA and accepted process improvement methodology (Lean 6)
- BRAC is an integral part of transformation strategy
- DFAS transformation will continue during and beyond BRAC 2005

DFAS

Your Financial Partner @ Work

DFAS TRANSFORMATION STRATEGY

March 2003

Version 1.1

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1. Introduction

Transformation is a principle theme of the September 30, 2001, Quadrennial Defense Review (QDR) Report and is at the heart of the new strategic approach embraced by the Department of Defense. The QDR notes that among the areas needing transformation: "DoD's financial systems are decades old and not well interconnected, and accounting and auditing processes would struggle to meet the standards of generally accepted accounting principles." As a follow-up to the QDR, the FY 2003-2007 Defense Planning Guidance (DPG) continues developing the theme of transformation. In particular, the DPG tasked the Defense Agencies to prepare Transformation Roadmaps by June 2002 for review by the Secretary of Defense. In response, DFAS established a Transformation Working Group to develop an initial strategy for DFAS transformation. The strategy provides a foundation upon which to build a financial services operation that addresses existing financial management deficiencies by enhancing and streamlining government processes, consolidating operations, and leveraging to the greatest extent possible private sector expertise and innovation. The roadmap was a first step in defining the challenges and the general approach DFAS will pursue in the transformation process, it was not meant to describe the DFAS vision for transformation in full or to detail an implementation approach and transformation schedule. Before proceeding to the next phase of transformation planning and broader involvement by DFAS personnel in transformation activities, an understanding of our strategic approach to transformation is essential. This Transformation Strategy (or roadmap) describes our approach.

2. Transformation Plan Methodologies

The DFAS Transformation Strategy is based on the *DFAS Segments* option – defined as transformation on a Product Line basis – and would result in the best value to DoD. Pursuing the DFAS Product Line approach, DFAS' initial analysis identified four Transformation methodologies as most likely to yield the best value to DoD for the various DFAS Product Lines. These include:

- Competitive Procurement (FAR Part 15). DFAS' analysis assumes that competition drives innovation and, in turn, best value. The Competitive Procurement process of the Federal Acquisition Regulation (FAR Part 15) could be used as a means to engage in public-private competitions in order to determine the best provider of a function or service. This approach mirrors the recommendation recently outlined in the Commercial Activities Panel Report, *"Improving the Sourcing Decisions of the Government."* OMB is in the process of revising Circular No. A-76 to incorporate FAR Part 15 guidance and create a single step cost comparison process. If this method is used DFAS will stress the concept of a "soft landing" for its employees.

- Public-Private Venture (PPV). In general, a PPV is a contractual arrangement formed between public and private sector partners, and can include a variety of activities involving the private sector in the development, financing, ownership, and operation of a public facility or service. Typically, each partner shares in income resulting from the partnership in direct proportion to the partner's investment. The underlying logic for

establishing partnerships is that both public and private sector partners have unique characteristics that provide them with advantages in specific aspects of service or product delivery.

- Most Efficient Organization (MEO) Plus. "MEO Plus" refers to a streamlined Government organization developed via appropriate tools/models. MEO Plus will reorganize the function to be the most efficient and effective in providing the required services without entering into a competition with a private sector entity.

- Circular No. A-76 Cost Comparison. This long-standing approved method of conducting public-private competitions (last updated by OMB in 1996) is an extremely difficult, although effective, process that has resulted in substantial savings to DoD. Currently OMB is revising this process based on the recommendations of the Commercial Activities Panel report in an attempt to streamline it, incorporate FAR Part 15 guidance, and make the process more fair to both the government and industry.

3. Transformation Goals

DFAS is a Working Capital Fund activity. It is not funded by direct appropriations; rather it operates on revenue received by charging customers for services provided. In effect, the Military Services and Defense Agencies have contracted out their finance and accounting work to DFAS and DoD intends to continue along this path. DFAS has been in a state of transformation since it was established in 1991. In keeping with our goal of being a "best value" service provider, DFAS has continuously worked to reduce operating costs and increase efficiencies and to seek better ways to do business. We are responsible for providing "best value" for the hard earned taxpayer dollars committed to this work.

In carrying out this responsibility, any DFAS transformation activity must be in sync with the Strategic Mission of DFAS to "*Provide responsive, professional finance and accounting services for the people who defend America*" and its Strategic Vision to provide "*Best Value to its Customers*" by becoming:

- A world-class provider of finance and accounting services,
- A trusted, innovative financial partner,
- One organization, one identity, and
- An employer of choice, providing a progressive and professional work environment

The DFAS Transformation Strategy is intended to document and institutionalize this "best value" commitment and the strategic approach for continuous evolution to achieve "best value". This strategy will provide the foundation on which DFAS will assist DoD in taking financial operations to the next level.

Our approach to transformation is active not passive, but our activism must be tempered by the reality established by the legislative and policy environment by which we are governed. We

must continue to identify the means to achieve improved efficiencies and reduced costs of operation. Where legislation and/or policy preclude pursuing improvements, we must inform appropriate authorities and work for relief. While progress has been made, a significant amount of work needs to be completed before DFAS Transformation becomes reality. For instance, in pursuing some of the methodologies discussed in the Transformation Plan, enabling legislation is required. In moving forward with the transformation framework outlined in this plan, DFAS will work with the DoD leadership and the DoD Office of General Counsel to develop a legislative proposal to obtain the required relief. While the challenges to rapidly implement an organizational transformation of this scope and complexity are significant, continuing to transform DFAS is in the best interests of the Department, the warfighter, and the American taxpayer.

4. Assumptions

The DFAS Transformation Strategy is based on a number of key assumptions as follows:

- The critical evaluation criterion in DFAS' analysis was the potential for "best value" to DoD,
- While the current A-76 process is an inefficient method for achieving organization wide transformation, it is the primary methodology currently available,
- DFAS delivers services to DoD that can be provided by the private sector,
- While the private sector can provide the services currently delivered by DFAS, because of the purely commercial nature of these functions, the conversion process will require significant process customization (e.g., unmodified Commercial off the Shelf [COTS] software probably will not initially work for DFAS),
- Establishing commercial analogues is critical to efficiently outsourcing government functions, and
- DoD financial management systems and processes are not standardized. The transformation strategy must be flexible enough to mitigate these barriers and adapt to the framework being developed in the "To-Be" DoD Enterprise Financial Management Architecture.

5. Transformation Strategy Overview

The DFAS Transformation Strategy is effectively a four-part process: Part One identifies a candidate function for transformation. Part Two performs a Business Case Analysis (BCA) of the identified function and provides a recommended transformation option. This BCA is key to a successful transformation initiative and is a management decision process. Part Three presents the completed BCA to the DFAS Leadership Council (DLC) for a decision on the recommended transformation option. Part Four implements the DLC decision whether it is one of the options identified in the transformation plan some other yet to be defined direction. In the end, each DFAS Product Line will be analyzed to determine the best transformation approach. The BCA is not designed to restrict the potential solution sets, but rather should examine all possible options. While early analysis by the DFAS Transformation Working Group eliminated some options as

unworkable, many additional approaches and organizational forms/processes were not discussed that should be examined for possible implementation.

Figure 1 below provides an overview of this Transformation Strategy.

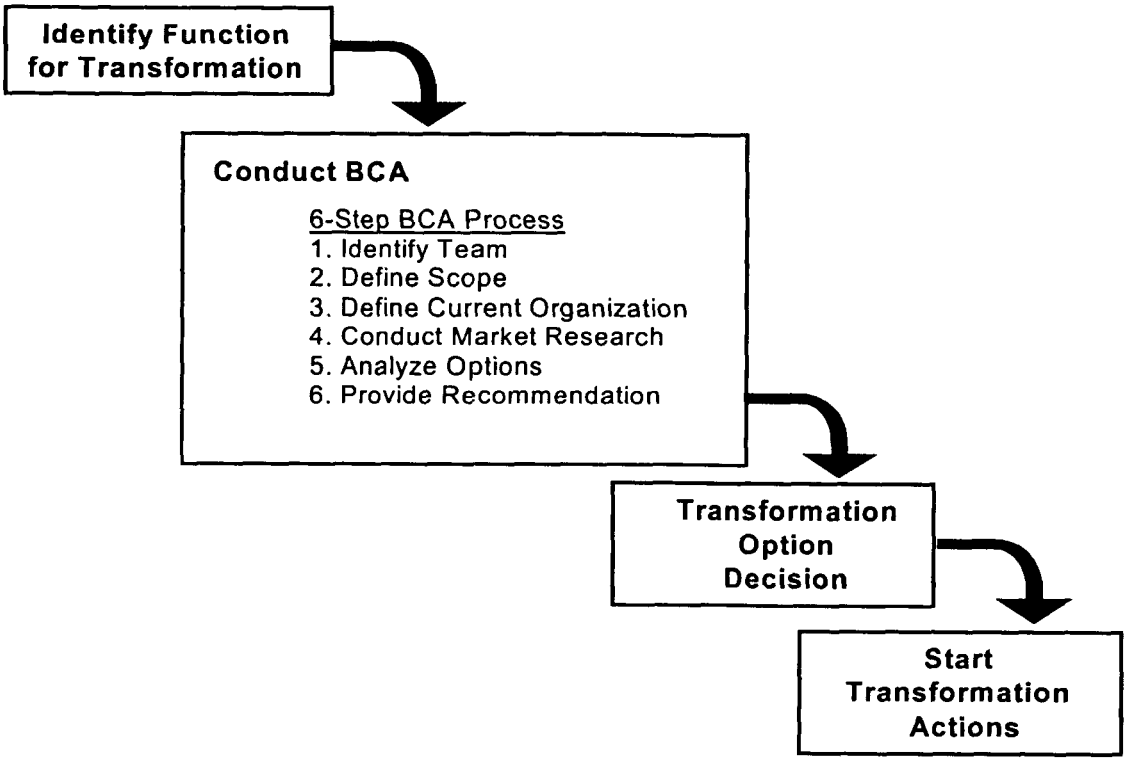

Figure 1. Transformation Strategy

6. The Business Case Analysis (BCA) Process

The BCA is the key to the transformation strategy and forms the basis for management decisions. The Business Line Executive (BLE) is primarily responsible for conducting this analysis. The purpose of the BCA is to determine the best transformation methodology for the function being considered for transformation. The objectives of the BCA are to:

- Define the mission, scope, and boundaries of the function under study;
- Clearly define the organization, manpower, cost, and resources of the current function;
- Present a comparison with other commercial alternatives; and
- Present options for consideration with an analysis of the benefits and drawbacks.

The BCA process consists of the six steps shown in Figure 1 and is programmed to take about 90 days to complete as shown in the Figure 2.

Step	Activity	Time	Month 1	Month 2	Month 3
1	Appoint BCA Team	2 days			
2	Define Scope of Study	2 weeks			
3	Define Current Organization	7 weeks			
4	Conduct Market Research	6 weeks			
5	Define & Analyze Options	5 weeks			
6	Provide Recommendation	1 week			

Figure 2. BCA Timeline

The following sections summarize the key steps of the BCA process. DFAS is developing a BCA Guide that provides the detailed process information needed to complete a BCA. This guide will be posted on the DFAS ePortal on the Competitive Sourcing page when completed.

6. a. Step 1 - Appoint the BCA Team

Successful completion of the BCA will depend on the quality, experience and dedication of the team identified to conduct the analysis. Because this analysis will have far reaching effects on DFAS mission, personnel, and costs, the BCA analysis team is chaired by the BLE, Product Line Executive (PLE), or a direct reporting representative to the BLE. The BCA Team members should include functional expertise and be supported by legal, personnel, procurement, financial analysts, and systems experts. In some analyses, key customer representatives may need to participate.

6. b. Step 2 - Define the Scope of the Study

This is the most important step of the analysis in that it will define the boundaries of the function under study, its relationship to the DFAS mission and customers, and the impact of inherently governmental or core functions. The definition of the business unit defines the boundaries of the work that will be included in the study. The business unit must sound with clearly severable work, but the definition should not try to state the desired organizational end result.

6. c. Step 3 - Define the Current Organization

This step will be the most time consuming and detailed part of the analysis. It defines the foundation for evaluation of transformation options and the final recommendation. The current organization must be clearly defined to include resources (manpower, facilities, budget), relationships (internal DFAS, external support, and customers), and key functions (processes, deliverables, and general workload).

6. d. Step 4 - Conduct Market Research

This step requires significant involvement of the Acquisition Services representative in coordination with the Competitive Sourcing representative. The desired outcome of this section is a clear view of commercial availability of similar services, general commercial standards for the services, and identifies any other potential options for conversion to contract (i.e. Preferential Preferred Programs such as NISH, NIB, etc.).

6. e. Step 5 - Define and Analyze Options

This step examines the available options and analyzes each option. Sufficient information must be gathered for each option to allow management to make a well-informed decision that is in the best interest of DFAS and the DoD. All alternative courses of action should be included in the BCA. Each option should be presented separately and include a basic description, the end result, a benefit analysis, a cost analysis, personnel impact analysis, and an overall risk assessment of the tangible and intangible risks of implementing the option. A basic acquisition approach should also be addressed for each alternative.

6. f. Step 6 - Provide Recommendation

This step prioritizes the options examined in Step 5 and generates a recommendation identifying the course of action that has the greatest benefit and lowest risk while focussing on the DFAS mission. A synopsis of the benefit and risk analysis is provided that supports the recommendation. The final BCA report is provided to the DFAS Leadership Council (DLC).

Decision

The DFAS Leadership Council evaluates the recommendation provided in the BCA and makes a final determination of the course of action that will be implemented and the projected timeline.

7. Transformation Implementation

Once the DFAS Leadership Council or Director has decided on a course of action, the transformation process can begin. Actual implementation time will be dictated by a number of factors including the transformation option choice made, interaction with other DFAS transformation efforts or other DoD transformation initiatives such as BRAC and the development of the DoD Enterprise Financial Management Architecture.

8. Conclusion

A completed, comprehensive Business Case Analysis and a DFAS Leadership Council decision will provide a solid foundation for follow-on transformation actions associated with pursuing the recommended course of action for the DFAS function under study. Through this Transformation Strategy, DFAS will determine the appropriate course of action to transform functions. With the assistance of the Business Case Analysis Guide, the Competitive Sourcing Guide, our Competitive Sourcing Lessons Learned, and potential legislative and policy relief to broaden

Staff
Base Visit Book

Air Reserve Personnel Center
Denver-Aurora, Colorado
Recommendations

Senior Analyst Colleen Turner

21 June 2005

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BASE SUMMARY SHEET

Air Reserve Personnel Center, Denver-Aurora, Colorado

INSTALLATION MISSION

The Air Reserve Personnel Center serves over 950,000 Reservists, Guardsmen, retirees, and their family members. The Center's mission is to ensure the nation always has a warrior bank of mission-ready Air Guardsmen and Reservists for mobilization and USAF augmentation by providing personnel management and services for its customers. The Center also maintains the master personnel records of Air National Guard and Air Force Reserve members not on extended active duty. In fulfilling its mission, ARPC is in constant contact with the Air Staff, the director of the Air National Guard, the chief of Air Force Reserve, major commands, field operating agencies and individual reservists. During contingency operations or war, the Center receives direction and guidance through the Air Force Crisis Action Team. The Center orders individual Air Force Reserve personnel and members of the Retired Reserve and Regular Air Force to extended active duty, as required during national emergencies and as provided by law. Their vision statement is: "A dedicated team recognized as the nation's premier personnel organization exceeding out customers' expectations through state of the art technology and world class service."

DOD RECOMMENDATION

Consolidate/Co-locate Active and Reserve Personnel & Recruiting Centers for Army and Air Force: Realign Army Human Resources Command leased facilities in Alexandria, VA, Indianapolis, IN, and St. Louis, MO. Relocate and consolidate all functions at Fort Knox, KY. Realign the Air Reserve Personnel Center (Buckley Annex), CO, by relocating the Air Reserve Personnel Center processing functions to Randolph Air Force Base, TX, and consolidating them with the Air Force Personnel Center at Randolph Air Force Base, TX, and by relocating the Individual Mobilization Augmentee operational management functions to Robins Air Force Base, GA, and consolidating them with the Air Force Reserve Command at Robins Air Force Base, GA. Realign Robins Air Force Base, GA, by relocating Air Force Reserve Recruiting Service to Randolph Air Force Base, TX.

Air Reserve Personnel Center

Action Name	Base Name	ActionType
Realign ARPC from Denver	Randoloph AFB, TX	Realignment
Realign IMAs from Denver	Warner-Robbins AFB, GA	Realignment

DOD JUSTIFICATION

The collocation of military personnel and recruiting functions for Army and Air Force creates Service Human Resources Centers for Excellence and improves personnel lifecycle management. This recommendation enables Business Process Reengineering transformation to support several significant Department of Defense initiatives such as increasing Active and Reserve Component Total Force integration and effectiveness and supporting the Department's goals for the Continuum of Service concept which permits a range of participation to assist in force management and relieve stress on military skills that have been in high demand during recent operations and also supporting the ongoing development and implementation of the Defense Integrated Military Human Resource System (DIMHRS). For the Army, this recommendation eliminates over 1,100,000 square feet of leased space with annual lease savings of over $31.0M and a one-time cost avoidance of over $30.0M. In addition, it eliminates over 248,000 gross square feet of current excess capacity and moves a large support organization of over 2,000 personnel out of the National Capital Region. For the Air Force, this recommendation eliminates over 100,000 gross square feet of current excess capacity. The Air Force reserve Individual Mobilization Augmentee (IMA) operational command and management functions will be relocated and consolidated with the Air Force Reserve Command at Robins Air Force Base, GA for improved command management of Reserve forces assigned to the Command. The HSA JCSG agrees with the Air Force that the operational alignment of personnel would benefit the Department and this action creates a similar organizational construct with the Marine Corps. The Air Force Recruiting Service is currently located at Randolph Air Force Base; this scenario will collocate Active and Reserve Component headquarters functions in a single location and assist with overall Total Air Force Recruiting management. Randolph Air Force Base is also the current location of the Air Education and Training Command further improving opportunities to coordinate personnel life-cycle planning. The overarching strategy for these consolidated human resources and recruiting centers extends to other organizations within the Army and Navy. The relocation of Army Accessions Command and Cadet Command from Fort Monroe, VA, and their co-location with the US Army Recruiting Command Headquarters at Fort Knox, KY, is captured in the installation closure recommendation for Fort Monroe. The relocation of the Navy Reserve Personnel Center, the Enlisted Placement and Management Center and the Navy Recruiting Command Headquarters from Naval Support Activity, New Orleans, LA, and their consolidation with the Navy Personnel Command and Navy Recruiting Command Headquarters at Naval Support Activity Millington, TN, is captured in the installation closure recommendation for Naval Support Activity New Orleans.

COST CONSIDERATIONS DEVELOPED BY DOD*

• One-Time Costs:	$ (119.3) million
• Net Savings (Cost) during Implementation:	$ 463.0 million
• Annual Recurring Savings:	$ 152.8 million
• Return on Investment Year:	0
• Net Present Value over 20 Years:	$1,913.4 million

* An internal COBRA run distinguishing the costs/savings of the Army and the Air Force actions revealed these figures are overwhelmingly related to the Army portion of this recommendation while the Air Force's ARPC portion accounts for less than 1 percent of the total savings.

MANPOWER IMPLICATIONS OF THIS RECOMMENDATION (EXCLUDES CONTRACTORS)

	Military	Civilian	Students
Reductions	-	-	-
Realignments	(122)	(284)	NA
Total	**(122)**	**(284)**	**NA**

MANPOWER IMPLICATIONS OF ALL RECOMMENDATIONS AFFECTING THIS INSTALLATION (INCLUDES ON-BASE CONTRACTORS AND STUDENTS)

Colorado	Action	Out Mil	Out Civ	In Mil	In Civ	Net Gain/Loss Mil	Net Gain/Loss Civ	Net Mission Contractor	Total Direct
ARPC in '05 BRAC Report	Realign	(159)	(1,447)	57	1,500	(102)	53	(59)	(108)
ARPC Actual #s	Realign	(119)	(252)	0	0	(119)	(252)	(59)	(430)

ENVIRONMENTAL CONSIDERATIONS

At Randolph Air Force Base, TX, there are historical properties that may be impacted as well as the Military Munitions Response Program that may represent a safety hazard for future site development. Additionally, threatened and endangered species or critical habitat may be impacted and will require a Biological Opinion to ensure the recommendation conforms. This recommendation has no impact on air quality; cultural, archeological, or tribal resources; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noise; threatened and endangered species or critical habitat; waste management; water resources; or wetlands. This recommendation will require spending approximately $0.5M for waste management and environmental compliance activities. This cost was included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, or environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.

REPRESENTATION

Mayor of Denver: John W. Hickenlooper
Colorado Governor: Bill Owens
Colorado Senators: Wayne Allard (R); Ken Salazar (D)
1st[nd] District Representative: Diana DeGette (D)

ECONOMIC IMPACT*

- Potential Employment Loss: 828 jobs (465 direct and 363 indirect)
- MSA Job Base: 1,545,580 jobs
- Percentage: 0.0 percent
- Cumulative Economic Impact (Year-Year): NA

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is $119.3M. The net of all costs and savings to the Department of Defense during the implementation period is a savings of $463.0M. Annual recurring savings to the Department after implementation are $152.8M with an immediate payback expected. The net present value of the costs and savings to the Department over 20 years is a savings of $1,913.4M.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in maximum potential job reductions (direct and indirect) over the 2006-2011 period as follows*

Region of Influence	Total Job Reductions	Direct Job Reductions	Indirect Job Reductions	% of Economic Area Employment
Denver-Aurora, CO Metropolitan Statistical Area	828	465	363	Less Than 0.1
Indianapolis, IN Metropolitan Statistical Area	227	137	90	Less Than 0.1
St. Louis, MO-IL Metropolitan Statistical Area	4,171	2,093	2,078	0.3
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division	3,735	2,177	1,558	0.1

*The aggregate economic impact of all recommended actions on these economic regions of influence was considered and is at Appendix B of Volume I of the 2005 BRAC Report

Community Infrastructure Assessment: A review of community attributes indicates some minor issues regarding the ability of the infrastructure of the community to support missions,

forces and personnel at Fort Knox, KY. These issues include no nationally accredited child-care centers reported for the local community, the current quantity of rental and sale units available (adequate military housing exits on Fort Knox), and the population to physician ratio of 1 to 8 versus the national ratio of 1 to 4. These issues are mitigated, in part, by the recommendation itself under the expectation that an influx of personnel will result in a growth in community services such as child care centers and the building of housing to support increasing market demand. In addition, the proximity of Fort Knox to the City of Louisville (29 miles) where some personnel may choose to reside mitigates this issue. Overall, we find that the community infrastructure at Fort Knox can support this recommendation. At Randolph Air Force Base, TX, a review of community attributes indicates the Uniform Crime Reports Index is approximately 64 percent higher than the national average. This is significantly higher for those relocating from the Air Reserve Personnel Center in Denver, CO, but is not significantly higher for those relocating from Robins Air Force Base, GA. There are no other issues regarding the ability of the infrastructure of the community to support missions, forces and personnel. Overall, we find that the community infrastructure can support this recommendation, and it should proceed notwithstanding the crime index at Randolph Air Force Base. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

MILITARY ISSUES

These two realignments are combined in a way that makes it difficult to understand the value of each independently. Separate COBRA runs need to be made on each aspect of the recommendations. Also, because ARPC shares the facility of Buckley Annex with a major DFAS unit, what happens to one group can impact the other and needs to be assessed. The Appendix B numbers were combined with DFAS and need to be reassessed. A primary issue is potential degradation of service to clients and mission.

COMMUNITY CONCERNS/ISSUES

Loss of employment in the area and impact of inaccurate numbers.

ITEMS OF SPECIAL EMPHASIS NA

Colleen Turner/JCS Team/July 19th, 2005

BASE VISIT REPORT

Air Reserve Personnel Center
Denver-Aurora, Colorado, CO

Monday July 25, 2005

LEAD COMMISSIONER: None

ACCOMPANYING COMMISSIONER: None

COMMISSION STAFF: Ms. Colleen Turner, Senior Analyst, Joint Cross-Services Team

LIST OF ATTENDEES:

David Aldrich	Dir Personnel Services	HQ ARPC/PS	303 676-6286	David.aldrich@arpc.denver.af.mil
Linda Berkey	Dir of Staff	HQ ARPC/DS	303 676-6314	Linda.berkey@arpc.denver.af.mil
Jacqueline Bing	Dir of Personnel Program Mgt	HQ ARPC/DPP	303 676-6426	Jackie.bing@arpc.denver.af.mil
Col Doug Carroll	Dir of Plans	HQ ARPC/XP	303 676-6280	douglascarroll@arpc.denver.af.mil
CMSgt Art Engelbrecht	Supt Reserve AF Select. Board Sect	HQ ARPC/DPB	303 676-6401	Arthur.engelbrecht@arpc.denver.af.mil
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Lt Col Darrell Riggs	Dir of Mission Support	HQ ARPC/MS	303 676-6324	Darrell.riggs@arpc.denver.af.mil
John Russell	Ops Manager Logistics/Contracts	HQ ARPC/MSLG	303 676-6317	John.russell.ctr@arpc.denver.af.mil
Col Ann Shippy	Commander	HQARPC/CC	303 676-6310	Ann.shippy@arpc.denver.af.mil
Lt Col Seferino Silva	Dir Health Services	HQ ARPC/SG	303 676-6150	Seferino.silva@arpc.denver.af.mil
MSgt Lew Sutton	Supt Health Services	HQ ARPC/SG	303 676-6150	Lewis.sutton@arpc.denver.af.mil
Kim Wheeler	Chief, Public Affairs	HQ ARPC/PA	303 676-6515	Kim.wheeler@arpc.denver.af.mil
Debra Young	Director, Qual Records Management	HQ ARPC/DPQ	303 676-6512	Debi.young@arpc.denver.af.mil

BASE'S PRESENT MISSION:

The Air Reserve Personnel Center serves over 950,000 Reservists, Guardsmen, retirees, and their family members. The Center's mission is to ensure the nation always has a warrior bank of mission-ready Air Guardsmen and Reservists for mobilization and USAF augmentation by providing personnel management and services for its customers. The Center also maintains the master personnel records of Air National Guard and Air Force Reserve members not on extended active duty. In fulfilling its mission, ARPC is in constant contact with the Air Staff, the director of the Air National Guard, the Chief of Air Force Reserve, major commands, field operating agencies and individual reservists. During contingency operations or war, the Center receives direction and guidance through the Air Force Crisis Action Team. The Center orders individual Air Force Reserve personnel and members of the Retired Reserve and Regular Air Force to extended active duty, as required during national emergencies and as provided by law. Their vision statement is: "A dedicated team recognized as the nation's premier personnel organization exceeding our customers' expectations through state of the art technology and world class service."

SECRETARY OF DEFENSE RECOMMENDATION:

Consolidate/Co-locate Active and Reserve Personnel & Recruiting Centers for Army and Air Force: Realign Army Human Resources Command leased facilities in Alexandria, VA, Indianapolis, IN, and St. Louis, MO. Relocate and consolidate all functions at Fort Knox, KY. ***Realign the Air Reserve Personnel Center (Buckley Annex), CO, by relocating the Air Reserve Personnel Center processing functions to Randolph Air Force Base, TX, and consolidating them with the Air Force Personnel Center at Randolph Air Force Base, TX, and by relocating***

the Individual Mobilization Augmentee operational management functions to Robins Air Force Base, GA, and consolidating them with the Air Force Reserve Command at Robins Air Force Base, GA. Realign Robins Air Force Base, GA, by relocating Air Force Reserve Recruiting Service to Randolph Air Force Base, TX.

Air Reserve Personnel Center

Action Name	Base Name	ActionType
Realign ARPC from Denver	Randolph AFB, TX	Realignment
Realign IMAs from Denver	Warner-Robbins AFB, GA	Realignment

SECRETARY OF DEFENSE JUSTIFICATION:

The collocation of military personnel and recruiting functions for Army and Air Force creates Service Human Resources Centers for Excellence and improves personnel lifecycle management. This recommendation enables Business Process Reengineering transformation to support several significant Department of Defense initiatives such as increasing Active and Reserve Component Total Force integration and effectiveness and supporting the Department's goals for the Continuum of Service concept which permits a range of participation to assist in force management and relieve stress on military skills that have been in high demand during recent operations and also supporting the ongoing development and implementation of the Defense Integrated Military Human Resource System (DIMHRS). For the Army, this recommendation eliminates over 1,100,000 square feet of leased space with annual lease savings of over $31.0M and a one-time cost avoidance of over $30.0M. In addition, it eliminates over 248,000 gross square feet of current excess capacity and moves a large support organization of over 2,000 personnel out of the National Capital Region. ***For the Air Force, this recommendation eliminates over 100,000 gross square feet of current excess capacity. The Air Force reserve Individual Mobilization Augmentee (IMA) operational command and management functions will be relocated and consolidated with the Air Force Reserve Command at Robins Air Force Base, GA for improved command management of Reserve forces assigned to the Command. The HSA JCSG agrees with the Air Force that the operational alignment of personnel would benefit the Department and this action creates a similar organizational construct with the Marine Corps. The Air Force Recruiting Service is currently located at Randolph Air Force Base; this scenario will collocate Active and Reserve Component headquarters functions in a single location and assist with overall Total Air Force Recruiting management. Randolph Air Force Base is also the current location of the Air Education and Training Command further improving opportunities to coordinate personnel life-cycle planning***. The overarching strategy for these consolidated human resources and recruiting centers extends to other organizations within the Army and Navy. The relocation of Army Accessions Command and Cadet Command from Fort Monroe, VA, and their co-location with the US Army Recruiting Command Headquarters at Fort Knox, KY, is captured in the installation closure recommendation for Fort Monroe. The relocation of the Navy Reserve Personnel Center, the Enlisted Placement and Management Center and the Navy Recruiting Command Headquarters from Naval Support Activity, New Orleans, LA, and their consolidation with the Navy Personnel Command and Navy Recruiting Command Headquarters at Naval Support Activity Millington, TN, is captured in the installation closure recommendation for Naval Support Activity New Orleans.

MAIN FACILITIES REVIEWED: Tour of ARPC offices/shared space of Buckley Annex

KEY ISSUES IDENTIFIED: The Air Force portion of this recommendation encompasses three separate moves raising concerns primarily about costs, personnel support, and impact upon mission effectiveness:

1. Realign the Air Reserve Personnel Center (Buckley Annex), CO, by relocating the Air Reserve Personnel Center processing functions to Randolph Air Force Base, TX, and consolidating them with the Air Force Personnel Center at Randolph Air Force Base, TX

2. Relocating the Individual Mobilization Augmentee (IMA) operational management functions to Robins Air Force Base, GA, and consolidating them with the Air Force Reserve Command at Robins Air Force Base, GA

3. Realign Robins Air Force Base, GA, by relocating Air Force Reserve Recruiting Service to Randolph Air Force Base, TX

INSTALLATION CONCERNS RAISED:

ARPC IMAs to Warner Robins AFB, GA

The process of relocating the ARPC IMAs (approximately 30 personnel) to Robins AFB, GA (#2 above) was already in process prior to the 2005 BRAC. No further action can be taken on this item until the BRAC process is finished, as it was included as a BRAC recommendation. There is widespread agreement for this portion of the recommendation. The minor costs related to this aspect of the recommendation are outweighed by the potential benefits.

AF Reserve Command Recruiting Service to Randolph AFB, TX

A base visit conducted by a BRAC Air Force team member revealed moving the AF Reserve Command Recruiting Service to Randolph AFB as problematic for the following reasons:

- AFRCRS is currently based with HQ AFRC at Robins AFB and fully integrated with HQ AFRC in all daily activities

- Unlike the other military services, AFRCRS does not work for the respective active duty recruiting service but works directly for HQ AFRC

- "AFRCRS is Best in DOD in accessions per production recruiter and tops in FY05 production vs. goal, while being among lowest in overhead and cost per accession"

- "Mission effectiveness and customer support could suffer greatly by relocating AFRCRS away from its parent MAJCOM"

- Concerns that move may impair currently successful recruiting efforts: Don't "fix" what isn't broken

Air Reserve Personnel Center (Denver, CO) to Randolph AFB, TX

The major portion of the Air Force aspect of this recommendation involves moving the Air Reserve Personnel Center out of Colorado where it has been for over 40 years to Texas in order to be physically located with the active duty Air Force Personnel Center (AFPC). A number of issues have surfaced regarding the efficacy of this potential move:

- Virtual realignment and transformation have already been successfully occurring over an extended period

- While on-going alignment of personnel process was expected, the physical relocation of personnel to Randolph AFB, TX was not an anticipated recommendation. Prior coordination and feedback had not occurred and costs rather than savings are incurred.

- The DoD Joint Cross-Service Headquarters & Support Activities author of this recommendation expressed overwhelming awareness and support from the ARPC leadership for this recommendation. While there is complete agreement regarding realignment and transformation of Reserve Component processes to whatever degree is possible, there is unequivocal disagreement regarding the proposed physical relocation. The extreme disparity in these viewpoints may warrant a question to the BRAC Clearinghouse as to how this occurred. Regardless of the outcome of that question, a number of issues were raised by the installation staff to include:

    - The BRAC reporting process
    - Differences between the active duty and reserve components
    - The potential impact of moving the operation to Texas
    - Buckley Annex facility issues and DFAS
    - Mission and transformation issues
    - Potential alternatives to the BRAC recommendation

The BRAC Reporting Process

- DoD numbers used in the 2005 BRAC report used to describe actions at ARPC were incorrect DoD (see following table)
- Repeated attempts by ARPC to clarify official numbers proved ineffective
- Inaccurate data was repeatedly reported by media and community remained unaware of actual impact

Colorado ARPC	Action	Out Mil	Out Civ	In Mil	In Civ	Net Gain/Loss Mil	Net Gain/Loss Civ	Net Mission Contractor	Total Direct
ARPC #s in '05 BRAC Report	Realign	(159)	(1,447)	57	1,500	(102)	53	(59)	(108)
ARPC #s from ARPC	Realign	(119)	(252)	0	0	(119)	(252)	(59)	(430)

Distinctions between service to active duty and reserve component

- Vast majority of processes owned by AFPC and ARPC are "alike" in name only
- Different laws and rule sets apply to AFPC and ARPC, driven by customer base served
- Complexities and nuances of ARPC- owned personnel service processes not fully understood by AFPC

Impact of move to Randolph AFB, TX

- A COBRA run separating out the Air Force from Army moves indicates an overall 20 year loss of $6 million (see attachment)
- Over $10 million MILCON required at Randolph AFB for renovation and new buildings negates savings
- Extensive hiring and training is needed to replace personnel because less than once percent of current civilians indicate a willingness to move to Texas
- Potential for significant interim reduction in customer service due to loss of expertise unique to reserve personnel and other functions such as: Loss of years of experience executing mobilizations, push/pull exercises, musters, and potential inability to effectively and quickly respond to another 9/11 type national emergency
- Requires deconfliction with all historical properties
- Safety hazard considerations must be given to the Military Munitions Response Program
- Threatened and endangered species and critical habitat considerations must be given
- Requires expenditure of $500K for waste management and environmental compliance activities

Buckley Annex Facility Issues and DFAS

- ARPC facility built in 1976 on a 38 acres site called Buckley Annex
- ARPC occupies approximately one-fourth of a facility primarily used by DFAS
- BRAC 2005 reported ARPC numbers for entire Buckley Annex facility that is shared with DFAS
- If Denver DFAS realigned elsewhere would leave ARPC in approximately one-fourth of an empty building until and unless otherwise used

- Ten other agencies use about one percent of the facility:

  1. DSCA – Defense Security Cooperative Agency
  2. DISA – Defense Information System Agency
  3. U.S. Public Health Service – Federal Occupational Health – The Health and Wellness Center
  4. Space Age Credit Union
  5. DFEB – Denver Federal Executive Board
  6. State of Colorado – Business Enterprise
  7. DoD Inspector General
  8. GAO – Government Accountability Office
  9. AAFES – Cafeteria
  10. AFAFO – Air Force Accounting Finance Office

Transformation Mission Issues

Current technological approach extensively developed at ARPC enables virtual delivery of massive amount of personnel service processes to worldwide customers

Virtual realignment of processes currently underway:

- Personnel Service Delivery Transformation (PSDT)
- Shared Service Organization (SSO) efforts
- Defense Integrated Military Human Resource System (DIMHRS)

ARPC has long-term record of actively pursuing and leading way in process transformation:

- First centralized Military Personnel Flight since 1960s
- First to establish a single toll-free number system in 1970s
- Pioneered Call Center in 1980s
- Electronic, paperless scoring of promotion and selection boards
- Electronic file storage maturing; significantly reducing paper
- Web-based 24/7/365 customer inquiry up and running
- Leading edge Contact Center answers on first contact (17K calls/month)
- PSDT efforts reflect the application of this technology
- Results: To date, reduced 24 authorizations valued at $962K

Potential alternatives to proposed physical relocation of ARPC

The Air Force portion of this recommendation costs rather than saves millions of dollars and those it impacts are overwhelmingly not in support of it. Furthermore, the unwillingness of personnel to move out of state incurs hiring and re-training costs and a potential degradation of services for a significant period of time. The majority of services are conducted virtually. The actual benefits to mission enhancement by physical proximity to active duty processes are

theoretical and philosophical rather related to objectively proven. Consequently, the following alternatives were offered for consideration:

1. If Denver DFAS stays at the Buckley Annex facility, keep ARPC where it is

2. If Denver DFAS moves out of the Buckley Annex facility, move ARPC to nearby Buckley AFB for the following reasons:

    - It is only 8 miles away and thus most personnel would be willing to remain

    - There is room to accommodate ARPC

    - It would provide on-going exposure to and synergy with active duty personnel and processes

Conclusion

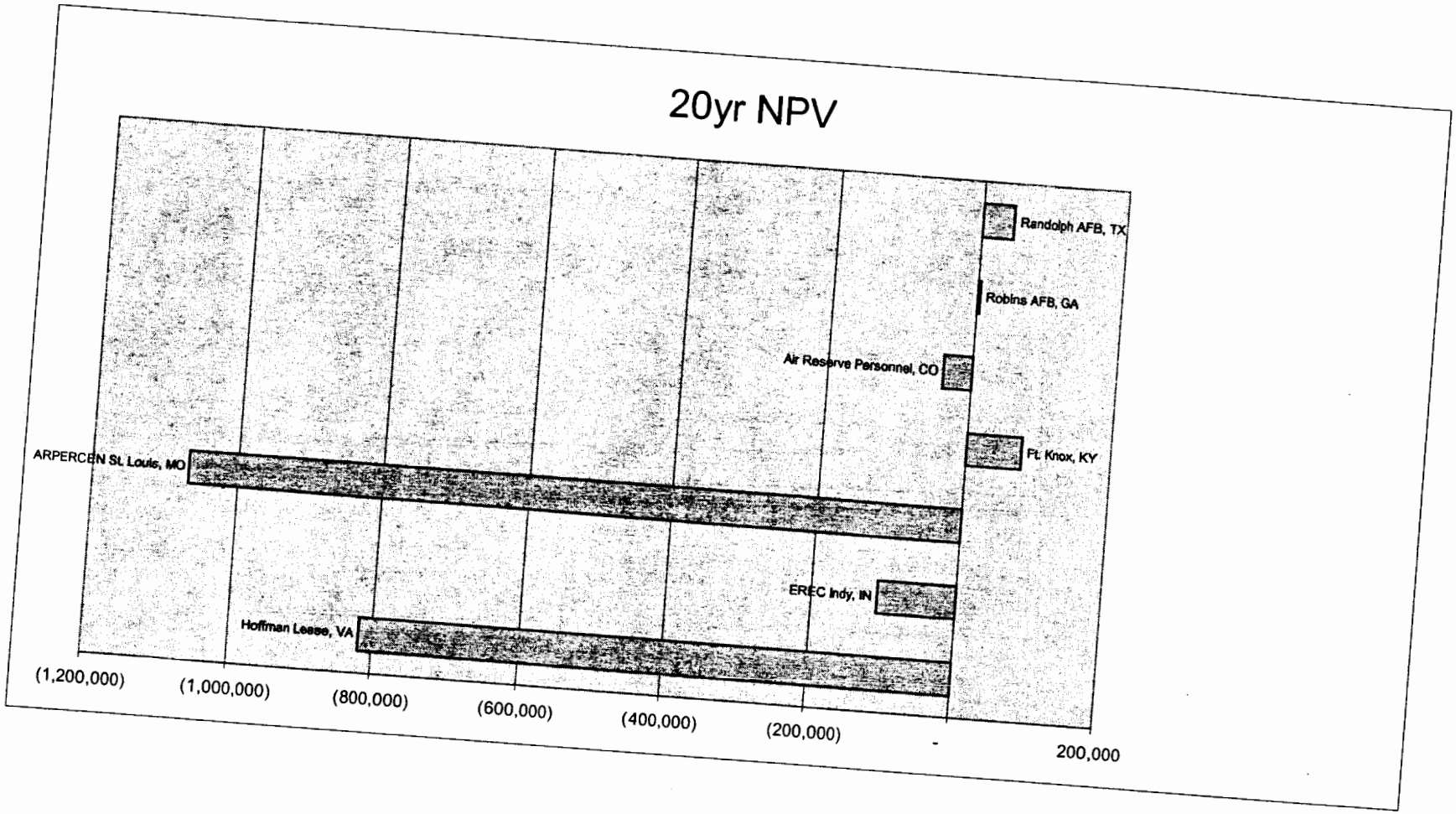
The current operating costs for ARPC are relatively low and the average experience level of civilians is high (17 years). The alternatives proposed by ARPC avoid the costs of the recommendation including a potential civilian buy-out, military PCSs, physical movement of equipment, and MILCON at Randolph. The morale at ARPC has been objectively assessed as high and only one grievance has been filed in the last three years. The BRAC recommendation has impacted the ARPC personnel as a major "hit" negatively impacting morale. The lack of prior coordination regarding the recommendation has given personnel concern about how they will be treated in the future. Regardless, on-going efforts are being made to avoid a subsequent negative impact upon customer service. Therefore, the proposal of continuing virtual realignment of ARPC processes while staying physically located in the Denver area enhances savings while maintaining mission effectiveness. This alternative needs to be seriously considered and evaluated en lieu of the BRAC recommendation. In the words of the ARPC Commander: "I have worked in personnel here in Denver, at Randolph Air Force Base, and in Washington D.C. If I thought for a minute we could improve services for our reservists by moving to Randolph Air Force Base, I'd be the first one to say 'Let's pack up and go!'"

COMMUNITY CONCERNS RAISED: Community not yet involved primarily because inaccurate BRAC numbers reported do not raise cause for concern

REQUESTS FOR STAFF AS A RESULT OF VISIT: Commissioner visit requested and strongly recommended to further assess issues and situation.

State / Installation / Recommendation Page, Name, and Section	Action	Out Mil	Out Civ	In Mil	In Civ	Net Gain/(Loss) Mil	Net Gain/(Loss) Civ	Net Mission Contractor	Total Direct
Colorado									
Air Reserve Personnel Center									
H&SA - 33 Consolidate/Co-locate Active and Reserve Personnel & Recruiting Centers for Army and Air Force	Vol 1: Part 2 - Headquarters and Support Activities Section								
	Realign	(122)	(284)	0	0	(122)	(284)	(59)	(465)
H&SA - 37 Defense Finance and Accounting Service	Vol 1: Part 2 - Headquarters and Support Activities Section								
	Realign	(37)	(1,163)	43	968	6	(195)	0	(189)
H&SA - 37 Defense Finance and Accounting Service	Vol 1: Part 2 - Headquarters and Support Activities Section								
	Gainer	0	0	14	532	14	532	0	546
	Base Total	(159)	(1,447)	57	1,500	(102)	53	(59)	(108)
Buckley Air Force Base									
USAF - 22 New Orleans Air Reserve Station, LA	Vol 1: Part 2 - Air Force Section								
	Gainer	0	0	4	33	4	33	0	37
USAF - 40 Springfield-Beckley Municipal Airport Air Guard Station, OH,	Vol 1: Part 2 - Air Force Section								
	Gainer	0	0	9	48	9	48	0	57
	Base Total	0	0	13	81	13	81	0	94

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.


20yr NPV
Randolph AFB, TX
Robins AFB, GA
Air Reserve Personnel, CO
Ft. Knox, KY
ARPERCEN St. Louis, MO
EREC Indy, IN
Hoffman Lease, VA
(1,200,000)
(1,000,000)
(800,000)
(600,000)
(400,000)
(200,000)
-
200,000

143 (HS&A - 33)	Hoffman Lease, VA	EREC Indy, IN	ARPERCEN St. Louis, MO	Ft. Knox, KY	Air Reserve Personnel, CO	Robins AFB, GA	Randolph AFB, TX	Total
2006	-	-	-	364	99	41	945	1,449
2007	-	-	-	3,070	1,199	527	38	4,834
2008	(8,632)	(4,554)	(28,046)	5,346	(596)	649	-	(35,833)
2009	(64,904)	(8,380)	(83,346)	5,346	(610)	643	184	(151,067)
2010	(64,904)	(8,380)	(83,346)	5,346	(621)	639	11,184	(140,082)
2011	(64,904)	(8,380)	(83,346)	5,346	5,978	746	2,237	(142,323)
Beyond	(64,904)	(8,380)	(83,346)	5,346	(4,532)	82	2,967	(152,767)
0.028								
1	-	-	-	359.01	97.64	40.44	932.04	1,429
2	-	-	-	2,945.43	1,150.35	505.62	36.46	4,638
3	(8,056.17)	(4,250.21)	(26,175.09)	4,989.38	(556.24)	605.71	-	(33,443)
4	(58,924.45)	(7,607.96)	(75,667.41)	4,853.48	(553.80)	583.76	167.05	(137,149)
5	(57,319.51)	(7,400.74)	(73,606.43)	4,721.28	(548.43)	564.33	9,877.07	(123,712)
6	(55,758.28)	(7,199.16)	(71,601.58)	4,592.69	5,135.63	640.88	1,921.78	(122,268)
7	(54,239.57)	(7,003.07)	(69,651.35)	4,467.59	(3,787.34)	68.53	2,479.49	(127,666)
8	(52,762.23)	(6,812.33)	(67,754.23)	4,345.91	(3,684.19)	66.66	2,411.95	(124,188)
9	(51,325.12)	(6,626.78)	(65,908.78)	4,227.54	(3,583.84)	64.84	2,346.26	(120,806)
10	(49,927.16)	(6,446.28)	(64,113.60)	4,112.39	(3,486.22)	63.08	2,282.35	(117,515)
11	(48,567.28)	(6,270.70)	(62,367.32)	4,000.38	(3,391.27)	61.36	2,220.19	(114,315)
12	(47,244.43)	(6,099.91)	(60,668.60)	3,891.42	(3,298.90)	59.69	2,159.72	(111,201)
13	(45,957.62)	(5,933.76)	(59,016.14)	3,785.43	(3,209.05)	58.06	2,100.89	(108,172)
14	(44,705.86)	(5,772.14)	(57,408.70)	3,682.32	(3,121.64)	56.48	2,043.67	(105,226)
15	(43,488.19)	(5,614.92)	(55,845.04)	3,582.03	(3,036.62)	54.94	1,988.00	(102,360)
16	(42,303.68)	(5,461.99)	(54,323.97)	3,484.46	(2,953.91)	53.45	1,933.86	(99,572)
17	(41,151.44)	(5,313.22)	(52,844.33)	3,389.55	(2,873.45)	51.99	1,881.18	(96,860)
18	(40,030.59)	(5,168.50)	(51,404.99)	3,297.23	(2,795.18)	50.57	1,829.95	(94,222)
19	(38,940.26)	(5,027.72)	(50,004.85)	3,207.42	(2,719.05)	49.20	1,780.10	(91,655)
20	(37,879.63)	(4,890.78)	(48,642.85)	3,120.06	(2,644.99)	47.86	1,731.62	(89,159)
20yr NPV	**(818,581)**	**(108,900)**	**(1,067,005)**	**75,055**	**(39,860)**	**3,747**	**42,124**	**(1,913,421)**
			Sum of Part 1	(1,919,432)		Sum of Part 2	6,011	

Run ID 143
Rec Page H&SA - 43

	2006	2007	2008	2009	2010	2011	Total	Beyond
ARPC	99	1199	-596	-610	-621	5,978	5,448	-4,532
Randolph	945	38	0	184	11,184	2,237	14,588	2,967
Robins	41	527	649	643	639	746	2522	82
	1085	**1764**	**53**	**217**	**11202**	**8961**	**22558**	**-1483**

2006	1085
2007	1764
2008	53
2009	217
2010	11202
2011	8961
Total	22558
Beyond	-1483
0.028	
1	1,070.12
2	1,692.42
3	49.46
4	197.01
5	9,892.97
6	7,698.29
7	(1,239.33)
8	(1,205.57)
9	(1,172.73)
10	(1,140.79)
11	(1,109.72)
12	(1,079.49)
13	(1,050.09)
14	(1,021.49)
15	(993.67)
16	(966.60)
17	(940.27)
18	(914.66)
19	(889.75)
20	(865.52)

20 yr NPV 6,010.58

Sea

Air Reserve Personnel Center

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Directions to Buckley AFB

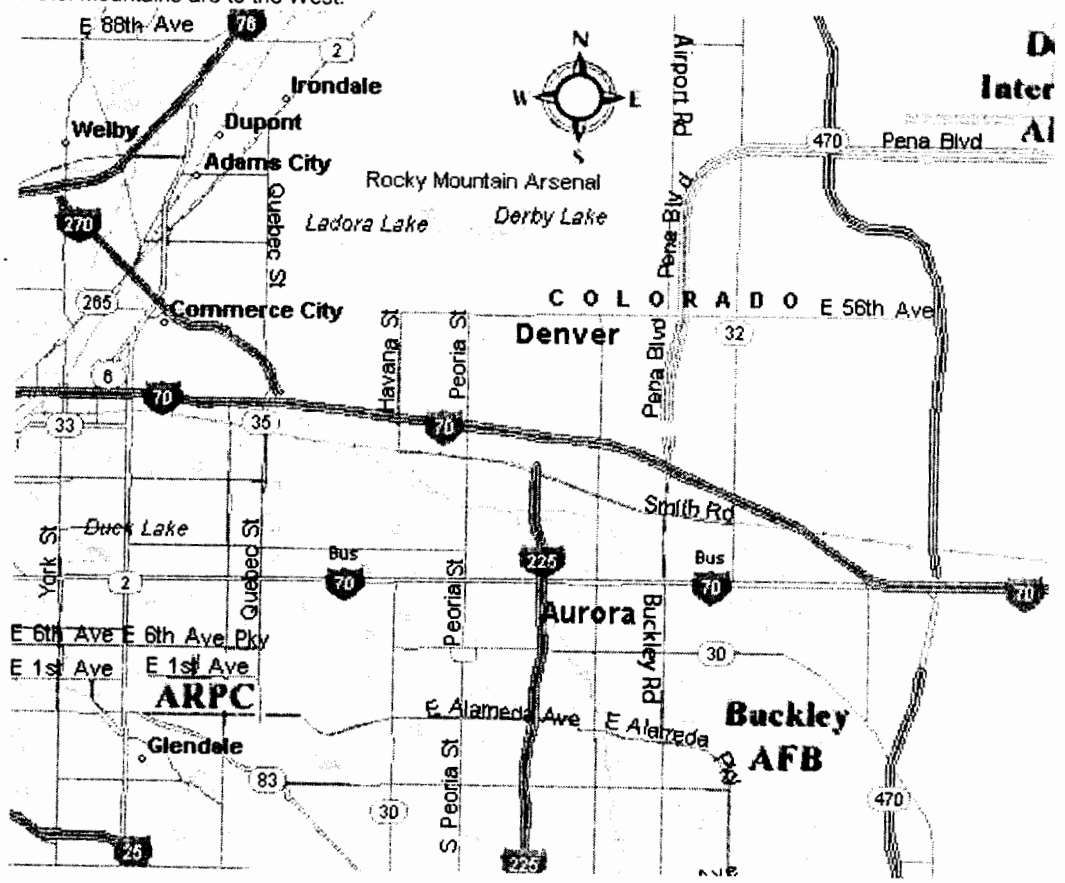
ARPC to Buckley

1. **Exit ARPC parking lot** (Irvington Pl/Lowry Blvd) turning **South/right on Quebec St**
2. Take **Quebec St** to **Alameda Ave** (first light), turning **East/left**
3. Take **Alameda Ave** to **Buckley Rd**, turning **North/left**
4. Take **Buckley Rd** to **6th Ave**, turning **East/right**
5. Take **6th Ave** to **Buckley AFB Main Gate** (right lane exit)

Buckley to ARPC

1. **Exit Buckley AFB Main Gate** turr **West/left** on **6th Ave**
2. Take **6th Ave** to **Airport/Buckley South/Left**
3. Take **Airport/Buckley Rd** to **Alan** turning West/right
4. Take **Alameda Ave** to **Quebec St North/right**
5. Take **Quebec St** to **Irvignton Pl/L Blvd**,turning **West/left into ARPC p**

Note: Mountains are to the West.



Updated: 12

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Air Reserve Personnel Center

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Contact Information

Toll Free 1-800-525-0102

	DSN	Commercial
Voice	926-6314	(303) 676-6314
Fax	926-8188	(303) 676-8188

HQ ARPC Event Support: **arpc.eventsupport@arpc.denver.af.mil**

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Customer Support

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BIOGRAPHY

UNITED STATES AIR FORCE

Headquarters Air Reserve Personnel Center
Office of Public Affairs
Denver, CO 80280-1010

COLONEL ANN C. SHIPPY

Colonel Ann C. Shippy is the commander, commander, Headquarters Air Reserve Personnel Center, Denver, Colo. As commander, she is responsible for the Center's primary mission of mobilization. ARPC provides personnel and administrative support to more than 1.2 million Air Force Reserve and Air National Guard forces to ensure they are prepared, available resources in the event of a national emergency. Under her command, the Center provides support to reservists throughout their military careers, from initial entry to retirement, including assignments, promotions and separations.

The colonel was commissioned in 1979 via the Reserve Officer Training Corps program at the Pennsylvania State University, Colonel Shippy has served as a career Personnel Officer in both active and Reserve status. After serving eight years on active duty, she separated from active duty in 1988. In the Air Force Reserve, she served as an individual mobilization augmentee at Air Force Space Command and joined the Active Guard Reserve program in 1997.

EDUCATION:

1979	Bachelor in Psychology, Penn State University, University Park, Pa.
1982	Squadron Officer School, Maxwell Air Force Base, Ala.
1986	Air Command and Staff College, seminar
2000	Master's in Business Administration, Regis University, Denver, Colo.
2002	Air War College, correspondence

ASSIGNMENTS:

1. September 1979 – May 1981, chief, Customer Assistance and Quality Force Sections, 321st Combat Support Group, Grand Forks Air Force Base, N.D.
2. May 1981 - May 1982, chief, Quality Force Section, 52nd Combat Support Group, U.S. Air Forces Europe, Spangdahlem Air Base, Germany
3. May 1982 – October 1982, student, Squadron Officer School, Maxwell Air Force Base, Ala.
4. October 1982 – July 1984, chief, Personnel Utilization Section, 52nd Combat Support Group, U.S. Air Forces Europe, Spangdahlem Air Base, Germany

5. July 1984 – June 1985, Education-With-Industry (Personnel Management), Air Force Institute of Technology, Host Company - ITT, New York, N.Y.
6. June 1985 - June 1987, chief, AFIT Leadership and Developmental Programs Branch, Headquarters Air Force Personnel Center, Randolph Air Force Base, Texas
7. June 1987 – May 1988, chief, Communications-Electronics Assignments Section, Headquarters Air Force Personnel Center, Randolph Air Force Base, Texas
8. April 1989 – April 1991, U.S. Air Force Admissions Liaison Officer (ALO), U.S. Air Forces Europe, Spangdahlem and Bitburg Air Bases, Germany
9. April 1991 – July 1997, individual mobilization augmentee, Directorate of Assignments and Personnel Programs, Headquarters Air Force Space Command, Peterson Air Force Base, Colo.
10. August 1997 – May 1999, deputy director, Customer Assistance, Headquarters Air Reserve Personnel Center, Denver, Colo.
11. June 1999 – May 2001, chief, Reserve General Officer Matters, Office of Air Force Reserve, Pentagon, Washington, D.C.
12. May 2001 - November 2001, chief, Senior Officer Management Division, Office of Air Force Reserve, Washington, D.C.
13. November 2001 - April 2004, chief, Active Guard Reserve (AGR) Management Office, Office of Air Force Reserve, Pentagon, Washington, D.C.
14. April 2004 - July 2005, vice commander, Headquarters Air Reserve Personnel Center, Denver, Colo.
15. July 2005 - present, commander, Headquarters Air Reserve Personnel Center, Denver, Colo.

MAJOR AWARDS AND DECORATIONS:

Legion of Merit
Meritorious Service Medal with three oak leaf clusters
Air Force Commendation Medal with two oak leaf clusters
Air Force Achievement Medal
Air Force Organizational Excellence Award with two oak leaf clusters

EFFECTIVE DATES OF PROMOTION:

Second Lieutenant	May 26, 1979
First Lieutenant	May 26, 1981
Captain	Dec. 11, 1985
Major	Oct. 1, 1991
Lieutenant Colonel	Sept. 1, 1997
Colonel	Jan. 30, 2003

(Current as of July 2005)

FACT SHEET

May 2005

UNITED STATES AIR FORCE

Air Reserve Personnel Center
Office of Public Affairs
6760 E. Irvington Place #1010
Denver CO 80280-1010

Air Reserve Personnel Center

The Air Reserve Personnel Center, with headquarters located in Denver, Colo., is a major command direct reporting unit of the Air Force Reserve Command with technical and policy guidance provided by the Chief of Air Force Reserve.

APPROXIMATE PERSONNEL ASSIGNED:
Military 131/Civilian 276/Contractors 70

VISION:
"A dedicated team recognized as the nation's premier personnel organization exceeding out customers' expectations through state of the art technology and world class service."

History

The Center was established Nov. 1, 1953, as Detachment 1, Headquarters Continental Air Command, to centralize the custody and maintenance of master personnel records of Air Force Reserve members not on extended active duty. The detachment officially began operations on March 1, 1954, and soon had responsibilities for a wide variety of personnel actions, including administrative capability for mobilization of the Air Force Reserve.

On Jan. 1, 1957, the organization became Headquarters Air Reserve Records Center, acquiring the status of a numbered Air Force within Continental Air Command. Because of increasing involvement in all areas of personnel management, the Center was renamed the Air Reserve Personnel Center Sept. 1, 1965. Responsibility for maintaining personnel records of Air National Guard officers was added in July 1971, and airmen in March 1978.

ARPC was designated a separate operating agency on Aug. 1, 1968, with no significant change in mission. In 1978, its status changed to that of a direct reporting unit and organizational element of the Air Force Reserve. Separate operating agency status was re-established May 1, 1983. The Center was designated as a field operating agency Feb. 5, 1991. With the establishment of the Air Force Reserve Command on Feb. 17, 1997, ARPC was assigned to AFRC as a major command direct reporting unit.

Mission

The Center's mission is to ensure the nation always has a warrior bank of mission-ready Air Guardsmen and Reservists for mobilization and USAF augmentation by providing personnel management and services for its customers. The Center also maintains the master personnel records of Air National Guard and Air Force Reserve members not on extended active duty.

In fulfilling its mission, ARPC is in constant contact with the Air Staff, the director of the Air National Guard, the chief of Air Force Reserve, major commands, field operating agencies and individual reservists. During contingency operations or war, the Center receives direction and guidance through the Air Force Crisis Action Team. The Center orders individual Air Force Reserve personnel and members of the Retired Reserve and Regular Air Force to extended active duty, as required during national emergencies and as provided by law.

Operations

The Center's mission of personnel management and services is reflected in its organization and function. Most activities parallel those of the active Air Force, modified as necessary to accommodate the special requirements of the reservist.

Personnel Actions

ARPC's support of Air National Guard and Air Force Reserve members throughout their military careers is essential to the maintenance of a warrior-bank of mission-ready Air Guardsmen and Reservists.

To ensure that the Air National Guard and Air Force Reserve are ready to meet their Total Force role, the Center's military and civilian employees accomplish a vast number of personnel actions.

These actions include officer and airman career management, master and field personnel records maintenance, appointment, classification, point credit accounting, promotion, career development, discharge and retirement. ARPC also maintains medical records of non-unit Reservists for certification of fitness.

The Center also administers and manages Air Force Reserve pay and non-pay programs for members who participate and train on an individual basis rather than as part of a unit. They may receive pay for their duty or may be in a program where they only receive retirement points.

ARPC is the central manager for professional individual mobilization augmentees (IMAs) who support staff judge advocate, health services and chaplain programs.

Additionally, the Center is responsible for overseeing the Reserve Personnel Appropriation travel and training dollars for IMAs.

ARPC is one of only three locations where Air Force officers are considered for promotion by central selection boards. These boards consider Air National Guard and Air Force Reserve officers for promotion and determine qualifications of airmen and officers to retain their Reserve status. The Center also convenes boards to select Air Force Reserve officers to attend professional military education schools.

Mobilization

Since its inception, ARPC has been required to activate personnel of the Air Reserve components during five national emergencies — the Berlin Crisis in 1961, the Cuban Missile Crisis in 1962, the USS Pueblo Incident in 1968, Southeast Asia in 1968, Desert Shield/Storm in 1990 and Operation Noble Eagle, Enduring Freedom in 2001 and Iraqi Freedom in 2003.

Continuing mobilization tests verify the efficiency and effectiveness of mobilization procedures to ensure that the Center can respond rapidly during any future national emergency.

In a crisis, the Center's participation begins with notification from Air Force headquarters to activate the Personnel Readiness Center. The center works closely with similar centers in the Pentagon and other commands to fill Air Force personnel requirements from reserve and retired resources.

Depending on the nature of the crisis, ARPC performs a variety of personnel actions. In a call-up or partial mobilization, selected Guardsmen and Reservists are called to active duty, but remain assigned to the Guard and Reserve.

In a full mobilization, Guardsmen and Reservists are placed on extended active duty. In these cases ARPC transfers the members' master personnel records to the Air Force Personnel Center (AFPC). For individual mobilization augmentees (IMAs), ARPC forwards the members' master records to AFPC, ships their field records to the unit of assignment and publishes their activation orders.

When active-duty vacancies exist after mobilization, other qualified reserve personnel resources are used. These members are in the Individual Ready Reserve, Standby Reserve or Retired Regular and Reserve categories. ARPC ensures all requirements are filled, selects substitutions, notifies all members selected, and publishes orders. Their master and field records are then transferred to AFPC and the unit of assignment.

During demobilization, ARPC is responsible for the orderly return of personnel to their reserve or retired status.

FACT SHEET

February 2003

UNITED STATES AIR FORCE

Air Reserve Personnel Center
Office of Public Affairs
6760 E. Irvington Place #1010
Denver CO 80280-1010

The IMA Program - Past and Present

The Air Reserve Personnel Center provides day-to-day administrative and personnel support for approximately 12,000 Air Force Reserve Individual Mobilization Augmentees (IMAs). IMAs make up one of the most flexible and cost effective elements of the Total Force. By definition, IMAs are members of the Selected Reserve – an element of the USAFR's Ready Reserve. IMAs are usually assigned to active Air Force units in order to support contingency operations or pre/post mobilization requirements.

Like unit Reservists, IMAs are the first-line back-up for the Air Force in the event of war, national emergency or natural disaster. However, IMAs are unique in that they operate somewhat unilaterally – conducting their service lives outside the traditional organizational structure of Unit reservists and, in conjunction with the needs of their active duty units, often taking the initiative to arrange their own participation and training.

You will find highly trained, professional IMAs working along side their active duty counterparts in nearly all career fields: They serve in weapons systems acquisition, test operations and engineering, aircraft maintenance, civil engineering, fire protection, intelligence, security police, public affairs, medicine, legal, and the chaplaincy. The list of career fields and specialties in which IMAs serve is as varied as the weapons systems and support functions required to carry out the Air Force mission. The IMA mission in peacetime is readiness, and as such, IMAs are an integral part of the Total Force.

A Proud Past

The present Air Force IMA program traces its origin to the late 1940s and grew out of the Army Air Forces' (AAF) first attempts to train individual reservists in the period between World War II and the Korean War. The AAF leaders were concerned about staying militarily prepared and maintaining a large pool of trained personnel which could be called upon in the event of war or national emergency. In July of 1946, the AAF plan for training both organized reserve units and individual reservists was approved. This plan functioned as the starting point for the Air Reserve Forces from 1946 until October 1948. While a specific IMA program was not identified in this plan, it did call for "individual proficiency training," the means of which was to be determined by the commander of the Air Defense Command (ADC).

The ADC implemented the first IMA training effort in April of 1947 when the ADC commander instructed numbered air force commanders and headquarters staff to assign reservists to key ADC positions. The goal: to have these individuals available and fully familiar with their immediate assignments in case of general mobilization. In December of 1947, the first official definition of an IMA was published in an ADC regulation which was titled "Military Mobilization Assignments for Air Force Reserve Personnel."

Several years later, the Air Force chief of staff directed all major command missions to incorporate specific reserve training responsibilities and the Air Staff published a directive on the assignment, administration and training of individual reservists at active duty bases where no reserve units were located. This directive allowed commanders to determine the number of reservists they could accommodate based on their abilities to train them without regard to specific mobilization requirements.

In 1948, the newly independent Air Force undertook a revision of the AAF Plan for the Air Reserve. This revision resulted in the major commands becoming more directly involved in managing IMA assignments. Also, this revision called for "Regular Air Force" funds, facilities, supplies, and equipment to be used to train all reserves with reserve pay, travel, and clothing allowances remaining chargeable to the Air Force Reserve.

The Korean War – which resulted in the mobilization of more than 141,000 reservists in 1950 – revealed some weaknesses in firm mobilization planning which resulted in inefficient use of the Air Force Reserve. This caused the Air Force to reevaluate all its reserve programs. As a result, the large pool concept of maintaining a reserve force was replaced with a "match-merge" policy of projecting wartime requirements and structuring a reserve force, including IMAs to meet those requirements. While the management of IMA resources has undergone many changes over the years, this match-merge policy of justifying and maintaining IMA resources remains at the heart of the program.

The IMA Program – Today

Today, the Air Force Reserve IMA program is one of the most flexible and responsive within the Department of Defense. Most IMAs have served on active duty with the Air Force prior to their assignments within the Air Force Reserve. Many have valuable scientific and professional expertise or technical skills gained from previous Air Force assignments or civilian careers. Through the IMA program, the Air Force is able to take advantage of such resources in a very cost effective manner.

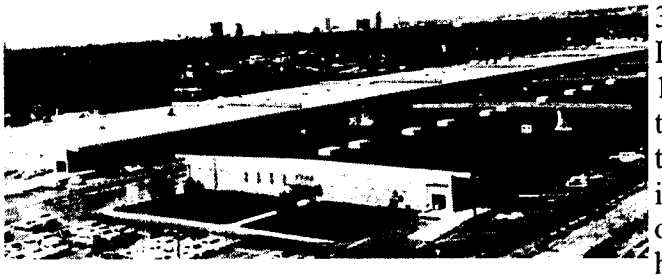
IMAs not only fill positions within the Air Force, but also work alongside active duty and reserve professionals from other services in joint and unified assignments. They also serve in Air Force assigned positions of the Federal Emergency Management Agency and Selective Service System.

The responsibility of administering the IMA program is shared between the active and reserve structure. The offices of the deputy chief of staff for personnel, Headquarters USAF, and the Air Force Reserve (USAF/RE), both at the Pentagon, cooperate to provide overall organizational support and personnel policy guidances. Air Force major commands (MAJCOMs) identify and justify their IMA requirements and supervise, train and use assigned IMAs.

The Air Reserve Personnel Center in Denver provides the day-to-day management and administrative personnel support for all IMAs and also centrally manages career programs for legal, chaplain and medical IMAs attached to active duty organizations throughout the Air Force. ARPC is also responsible for budgeting and allocating the funding required for IMA training.

As Air Force Reservists and contributing members of active duty Air Force, as well as other defense related organizations, IMAs share a proud citizen airman heritage and represent an integral and important part of the Total Force.

History of the Air Reserve Personnel Center



The Air Reserve Personnel Center (ARPC) opened for business at 3800 York Street in Denver, Colorado, in 1954, and remained at that location until moving to Lowry Air Force Base in September 1976. For over forty years, ARPC has provided personnel and administrative services for the Air National Guard and the Air Force Reserve. The Air Force relied on those services to activate reservists during a national emergency or in time of war. Most significantly, the Personnel Center supported the five major mobilizations of reservists since the 1960s, beginning with the Berlin Crisis of 1961-1962 and continuing through the Persian Gulf War of 1990-1991.

When World War II ended in 1945, President Harry S. Truman exempted America's returning military members from any reserve obligation. President Truman took this action even though legislation mandated reserve service following active duty. Instead, service by reservists became a voluntary activity. After the postwar demobilization, readiness in the Air Force Reserve began to decline. By 1948, Air Force officials concluded that many reservists were poorly prepared for their wartime role. For instance, the Department of Defense had not required reservists to attend training drills or classes.

In December 1948, the Air Force acted to improve the Reserve by forming Continental Air Command to direct the Reserve from its headquarters at Mitchell Air Force Base, New York. While the outbreak of war in Korea in June 1950, delayed further reforms, the Korean mobilization revealed weaknesses in the Air Force Reserve. Some problems occurred because the Air Force did not maintain reservists' records properly,

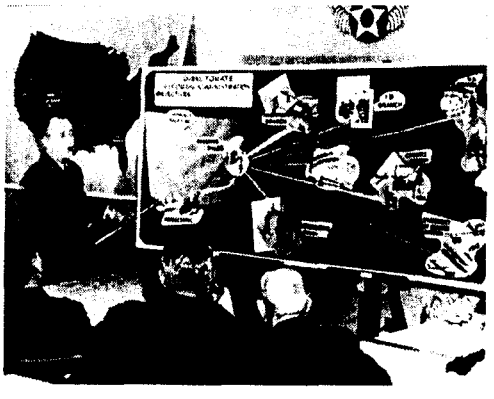
primarily as a result of storing records at eight locations. In addition, those records sometimes lacked current information on the members.

In July 1952, Congress enacted the Armed Forces Reserve Act to improve the readiness capability of both the unit and the individual reservists. When the Korean War ended, the Air Force directed more attention to the Reserve.

In November 1953, Continental Air Command established the Air Reserve Records Center in Denver. The Records Center opened on March 1, 1954, to maintain in one location the master personnel files of 250,000 Air Force reservists not on active duty. In this way, the Air Force ensured the availability of accurate records in a mobilization. By 1958, the number of these records for reservists had increased to more than 500,000.

In October 1959, the Air Reserve Records Center installed the RCA 501 computer. Automation helped to make the Records Center more than a repository for documents by increasing its management duties for reservists. Those duties included career guidance, classification, assignment, promotion, separation, discharge, and retirement actions. Another innovation occurred in 1962, when the Records Center introduced a national five-digit grid address system that made it easier to process address changes for reservists and arrange their assignments. Later, this address system became the basis for the Post Office Department's zip code system.

A change in name to the Air Reserve Personnel Center in September 1965, reflected the broader mission that encompassed all areas of personnel management. The Personnel Center's mission expanded in the 1970s, when the Air Force made ARPC responsible for all Air National Guard personnel records. This action happened first for officers in July 1971, and then for enlisted members in March 1978.

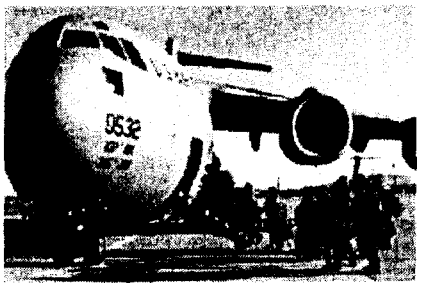


As part of a reorganization, the Air Force deactivated Continental Air Command in August 1968, and substituted two Separate Operating Agencies. Headquarters Air Force Reserve at Robins Air Force Base, Georgia, received the organizational and command duties for reserve units. At the same time, ARPC became the personnel center for the Reserve. These Separate Operating Agencies reported to the Chief of Air Force Reserve, a general officer on the Air Staff. In addition, the two agencies had the functions and responsibilities of major Air Force commands.

Since the late 1960s, the Air Force has relied more on the Guard and the Reserve to augment the active duty forces in an emergency. For their part, the reserve units needed to closely resemble their active duty counterparts in terms of equipment, readiness, and organization. Accordingly, in 1970 the Department of Defense introduced the concept that became the Total Force policy.

ARPC responded to the Total Force concept in several ways. The Personnel Center assumed a greater role in managing individual reservists through the Directorate of Individual Reserve Programs, formed in July 1970. Next, ARPC adopted the central manager approach, whereby directorates managed the individual reservists serving in the professional career fields. This happened first for the legal and chaplain personnel in August 1972, and then for the medical personnel in July 1973. Moreover, ARPC participated in Air Force mobilization exercises.

In the records area, ARPC experimented with microfilming personnel records. Center employees began converting the master personnel records to microfilm in 1974 and completed the project three years later. In addition to savings in space and money, microfilming offered greater availability and access to records, thereby making records management more efficient. In March 1983, ARPC completed microfilming all of the paper records.



More recently, Center officials have looked to the Automated Records Management System as the next step in records management. ARPC personnel commenced converting the microfiche and paper records to optical disk on May 18, 1995. They completed the initial scanning on October 28, 1996, and anticipate finishing the quality control check of the scanned

documents in 1998.

In 1983, the Air Force designated ARPC as the alternate computer and communications site for the Air Force Military Personnel Center at Randolph Air Force Base, Texas. If the Randolph organization's computer system became inoperable, ARPC had the capability to continue personnel actions for the Air Force. Accordingly, ARPC's new Honeywell DPS 8/70 computer became operational in November 1984.

In the early 1980s, ARPC made a commitment to the Air Force's quality program with a civilian recognition program that paralleled the military's for honoring people quarterly and annually. Next, the Personnel Center expanded its formal training programs and assisted people with on-the-job and other training. Then in 1988, ARPC introduced the Excellence in Management Program to familiarize new supervisors with the management and leadership tools for enhancing job satisfaction, productivity, and customer service. Two years later, the Personnel Center began a similar program for middle managers, the Management Symposium Program. In 1989, ARPC adopted the Total Quality Management approach to customer service.

Besides improving management and personnel policies, ARPC moved forward with mobilization planning. POWDER RIVER '85, in October 1984, marked ARPC's first involvement with a full-scale Joint Chiefs of Staff exercise. Between 1985 and 1989, the Personnel Center played a leading role in implementing PUSH/PULL mobilization for the Air Force. In 1986, ARPC became the Air Force Field Operations Center for annual screenings of the Individual Ready Reserve.

These efforts paid off in 1990, when ARPC helped to mobilize reservists for the fifth time in the Center's history. After Iraq invaded Kuwait on August 2 and threatened Saudi Arabia, President George W. Bush ordered American troops to the Middle East. By the end of February 1991, ARPC had involuntarily ordered to active duty 2,663 Individual Mobilization Augmentees, 1,122 members of the Individual Ready Reserve, and 293 retirees.

In February 1991, ARPC became a Field Operating Agency that received technical direction and guidance from the Chief of Air Force Reserve. A Field Operating Agency carried out field activities under the operational control of a Headquarters United States Air Force functional manager. While the agencies had the same administrative and organizational responsibilities as the major Air Force commands, their missions remained separate from those of the major commands.

Another change in Air Force structure altered ARPC's status in 1997. This action resulted from the redesignation of Headquarters Air Force Reserve as Air Force Reserve Command on February 17. As a result, ARPC became a MAJCOM Direct Reporting Unit to the Air Force's new major command on September 15. Now ARPC received direction and guidance from the

Commander of Air Force Reserve Command.

In the years since ARPC opened for business in 1954, the Personnel Center has performed its mission with distinction. While the workload expanded without increases in employees, the quality of the work has remained high. In 1971 and again in 1984, ARPC received the Air Force Outstanding Unit Award. This tradition continued with Air Force Organizational Excellence Awards in 1979, 1989, 1992, 1996 and 1998.

In 1991, ARPC's Excellence in Management Program gained commendation with the Commander in Chief's Special Recognition for Installation Excellence. Four years later, ARPC received the Vice President of the United States' Hammer Award for superior customer service. Air Force-wide recognition continued in 1997. First, ARPC received the Air Force Association Verne Orr Award for its use of human resources in accomplishing the Center's mission. Next, the Air Force Chief of Staff presented a team of ARPC employees with the Team Excellence Award at the Air Force Quality and Management Symposium. It was only through the hard work and dedicated service of ARPC's men and women that the Personnel Center compiled this noteworthy record.

In 1997, the Air Force celebrated its 50th anniversary. The American people expressed pride in the achievements of their nation's Air Force and its continuing role in promoting peace and security throughout the world. As members of the Total Force, the men and women of ARPC can face the challenges that lie ahead with the confidence and knowledge of both the Personnel Center's and the Air Force's heritage and tradition of excellence.

Air Reserve Personnel Center

Print

3 - 2 - 1 - contact: Advances improve service

By Rachel Bubb
Headquarters ARPC/PA

ARPC?s new self-serve Web based section of the Contact Center is taking yet another step forward. The new contact center is exclusive to ARPC and its customers, and now it shows. The Web site that allows customers to take issues into their own hands now has its own logo.

?The significant change made was the incorporation of the new Virtual Personnel Center Guard Reserve logo into the header of this secure ?https? area. This step forward is similar to Air Force Personnel Center?s branding of the ?Virtual MPF.? Through this area on our Web site customers are able to look up questions, receive answers, request personnel products, and submit issues all online at the Tier 0 or 100 percent self-service level. ARPC is going to be marketing the term and logo ?VPC-GR? on the current public Web,? said Thomas Laursen, ARPC?s Web Administrator.

The logo itself is more than just colored graphics on a Web site. It is the marketing of a completely new feature of ARPC customer service.

It helps focus not only the ARPC Web site in general, but specifically on online customer support. The planned redesign of the entire ARPC Web site includes the new logo and puts emphasis on the online interactivity. ARPC wants its customers to associate the logo with quality service and create a sense of confidence when it comes to dealing with ARPC.

?ARPC Requirements and Data Services Division is responsible for the Remedy software-based solution development you see online. ARPC Public Affairs and Information Technology Plans and Policies Division (are) working together and have handled the incorporation of this Web based Remedy software application into the look and feel of our existing public Web site and into the new redesign,? said Mr. Laursen. This new design ?will ensure that customers will have the best experience possible on the ARPC web site.?

ARPC is following AFPC?s lead in creating a new and improved Web site to help generate an increased level of customer service and to enhance the Contact Center?s ability to handle a variety of customer questions, comments and problems.

This is yet another step in trying to achieve the Web site?s goal of bringing ?frontline? personnel services into the Contact Center.

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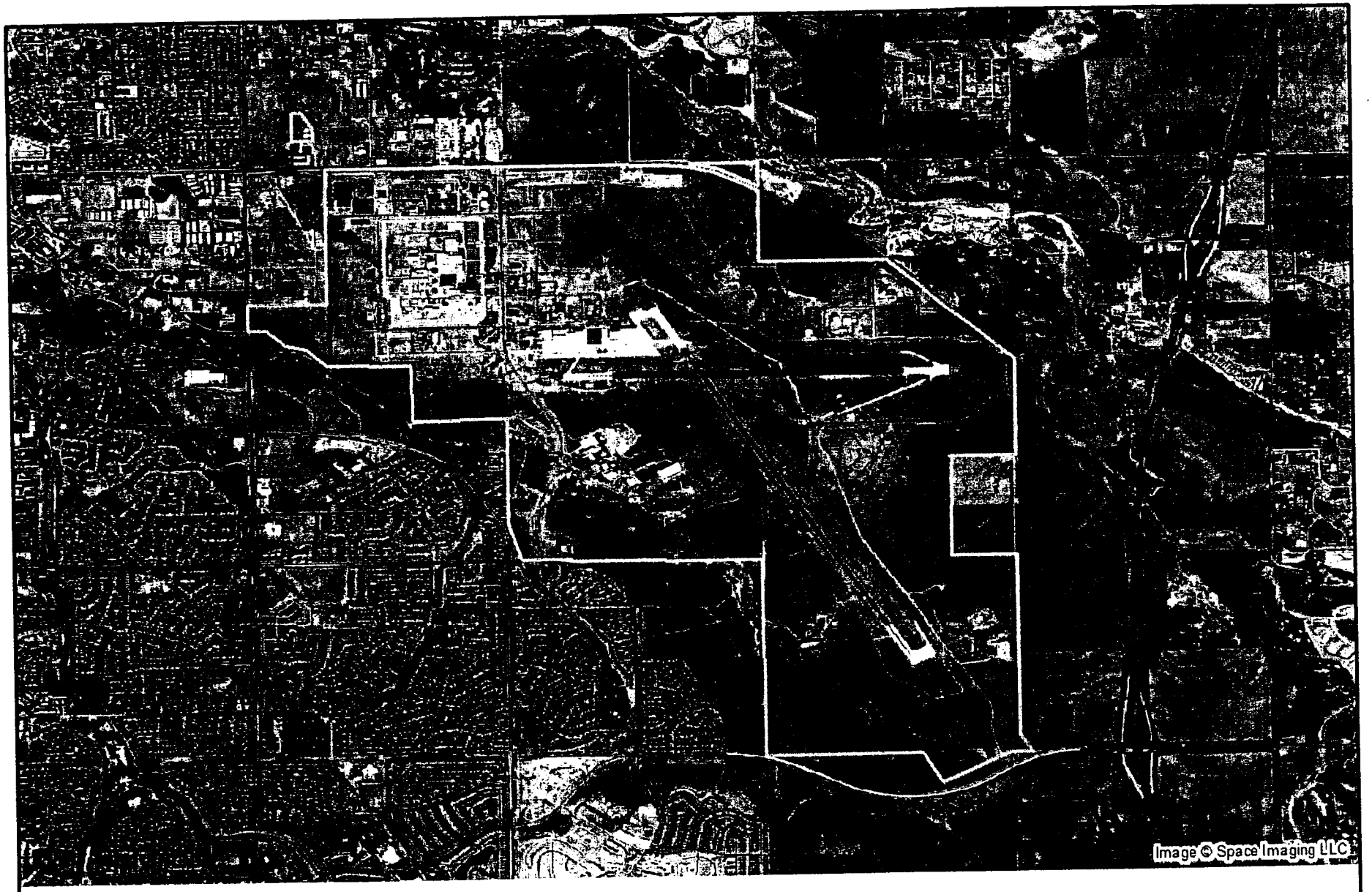
http://arpc.afrc.af.mil/pa/press/010705_vpcgrlogo.asp



Buckley AFB, CO

Installation Boundary

1 Miles

Fort Collins
Greeley
25
Longmont
76
Boulder
36
Thornton
Westminster
Arvada
Buckley AFB
Denver
Lakewood
Aurora
6
285
225
70
Hugo
Colorado Springs

UNITED STATES AIR FORCE RESERVE (USAFR)
READY RESERVE

SELECTED RESERVE AFRC UNITS

(A) AA-AZ, A1-A9
BA-BZ, B1-B9
(Unit PAS Code)

AFRC Non-Prior Service Trainees
(Reserve Unit PAS Codes)
On Initial Active Duty Training (IADT)
(F) CC-IADT-84 DAYS
(F) CD-IADT-85 DAYS +

High School Senior awaiting IADT
(P) CE-84 days
(P) CF-85 days +

High School Graduate awaiting IADT
(P) CG-84 DAYS
(P) CH-85 DAYS +

SELECTED RESERVE IMAs

Air Reserve Squadrons (ARS)

(B) MA 9003 ARS (963IFGR6)
(B) MD 9003 ARS (963IFG89)
Selected Service System (SSS)

(B) MB Job Proficiency, Flying

(B) MC Job Proficiency, Non-Flying
--MAJCOM IMAs
--9005 ARS JAG (JA) (963IFW3M)
--9018 ARS Chaplains (HC) (963IFXQC)
--9019 ARS Medical (SG) (963IFXRR)
--9026 ARS (SG) Critical Medical Skills (963IF5NH)

(B) ME AF Elements
--MAJCOM IMAs

(B) MR Air Force National Security Emergency Preparedness (AFNSEP)

Reserve Section	Inactive Duty Training (IDT) Maximum Requirements Per FY	Annual Training (AT) Requirements Per FY	Minimum Retirement/ Retention R/R Point Requirement
MA	36 Paid 12 Non-Paid	12-14 Days	35
MB, ME, MR	48 Paid	12-14 Days	35
MC	24 Paid	12-14 Days	35
MD	24 Non- Paid	12-14 Days	35
MT and MX		No Requirement	35 Non- Paid *
NC and ND	No requirement	No requirement	35 Non- Paid

* Required to earn a minimum of 16 points through IDT, AT/ADT/ADSW/MPA or combination

INDIVIDUAL READY RESERVE (IRR)

PARTICIPATING IRR (POINTS ONLY)

(E) MT (963IF1ZM) Ready Reinforcement Personnel Section (RRPS) with or without an MSO
--3 year max-waiverable when member loses position (no fault of their own)
--No Selected Reserve Position Available

(E) MX --(963IF1ZQ) 9001 ARS Air Force Admissions Liaison Officer/ Reserve Officer Training Corps (AFALO)/(ROTC)
--(963IF1ZS) 9002 ARS Chaplains (HC)
--(963IF1ZT) 9004 ARS Civil Air Patrol Reserve Assistance Program (CAPRAP)
--(963IF1Z2) 9021 ARS Medical (SG)
--(963IF1VH) 9025 ARS JAG (JA)

NON-PARTICIPATING IRR
Officers are promotion eligible, no promotion recommendation form (PRF) or OPR required

Obligated Reserve Section (ORS)
(E) RA (S73IFLX5) ORS Muster duty or Active Duty Training (ADT) may be required for IRR screening

(J) RC (S73IFLX7) ORS
--Officers with EAD commitment
--Enlisted enrolled in AFROTC or college scholarship program

(E) RD (S73IFZ6M) Non-obligated Non-participating Ready Personnel section (NNRPS)
2 year max-3 year if Sep. Pay Recipients Muster duty or ADT may be required for IRR screening

(E) RZ (S73IFZNS) unassigned for research prior to assignment to proper reserve section

INDIVIDUAL READY RESERVE (IRR)

SPECIAL PROFESSIONAL EDUCATION AND STIPEND PROGRAMS

(J) MZ (963IF1Z3) 9035 ARS (JA) legal interns (60-89 days active duty) pay only, no points, while in law school

(K) TA 9016 ARS (SG)
--(S83IFB2B) Officers only, Health Professions Scholarship Program (HPSP)
--(S83IFHWO) HPSP stipend program (45 days ADT, pay only, no points)

(J) TB (963IF1Z1) 9017 ARS (HC) Chaplain candidates, officers only, 100 days ADT during program

(J) TC (963IFCCH) 9027 ARS (SG) Full Stipend, officers only, no training authorized, not promotion eligible

(J) TD (963IFCCK) 9027 ARS (SG) Half Stipend, officers only, no training authorized, not promotion eligible

(J) TE (963IFCCQ) 9027 ARS (SG) Stipend, enlisted only, $100 per month, no training authorized

( ) = DoD Training and Retirement Category Code

DISTRIBUTION: X
HQ ARPC VA 36-3001
20040224
OPR: HQ ARPC/XPX

STANDBY RESERVE

ACTIVE

Officer Promotion eligible, no PRF or OPR required

Nonaffiliated Reserve Section (NARS)

(D) NA (S73IFLX2) Non-obligated
Normally 2 year retention
training not authorized
--hardship (personal/community)
--twice deferred officers not in sanctuary
--pending discharge for cause

(D) NB (S73IFLX3) obligated
training not authorized
--same as NA and:
--key employees
--dual status (Res. Off/Reg Enl)
--non-military delays/religious obligations

(D) NC (963IFIZN) Reserve sanctuary not retained in position

(C) ND (963IF1ZP)
--Key employee with or without MSO (by application)

INACTIVE

(N) RB (S73IFLX6) Inactive status list reserve section (ISLRS)
Non-obligated. Training not authorized. Not eligible/ did not apply for retirement.
Normally 3 year retention
--exceeded 2 year retention NARS (NA)/NNRPS
--key employee
--involuntary release from EAD
--dual status (Res Off./Reg. Enl.)
--Sep pay recipients
--unsatisfactory participants

RETIRED RESERVE

ZA (S73IFLX9) Reserve awaiting pay at age 60 (File AR/BR)

ZB (S73IFLYB) Reserve drawing pay at age 60 (File RA/RB)

ZC (S73IFLYC) Reserve recalled to active duty (File BA/BR)

ZD (S73IFPPF) Regular enlisted with less than 30 years service (File RA) Title 10 U.S.C., Section 688 Mobilization Resource

ZE (S73IF1QO) Regular and reserve disability (File RA/RB)

ZF (S73IF1SQ) Reserve officer with 20 years active duty (File RB) Title 10 U.S.C., Section 688 Mobilization Resource

ZG (S73IF24X) Discharged. (Reserve retirement eligible or deceased with survivor benefit plan) (SBP) (File AR/BR)

ZI (Last active duty PAS) Regular officer and enlisted with 30 years service (File RA/RB) Title 10 U.S.C., Section 688 Mobilization Resource

ZJ (S73IF5RT) Reserve enlisted with 20 years active duty (File RA) Title 10 U.S.C., Section 688 Mobilization Resource

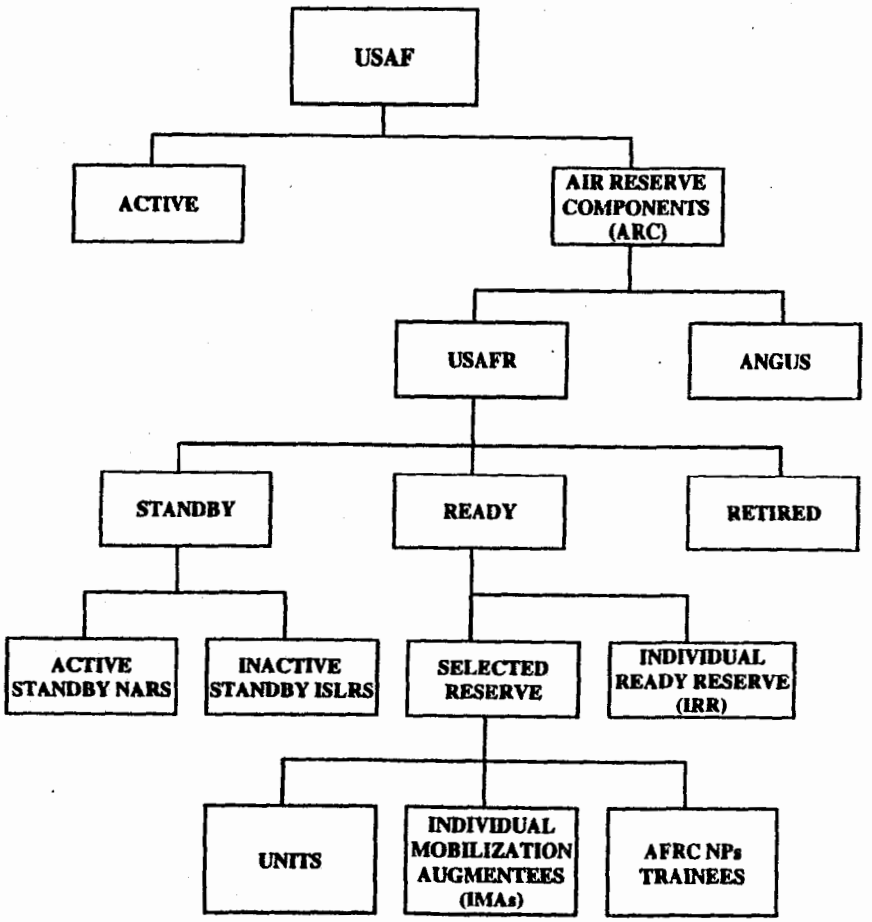
ZK (NO PAS) Former ZG members. 20 sat. service years. Drawing retired pay (File RA/RB)

ZG and ZK have no military status

Inactive Standby and Retired Reservists are not eligible for promotion

REFERENCES

DoDI 1100.19, Wartime Manpower Planning Policies and Procedures
DoDD 1215.6, Uniform Reserve Training and Retirement Categories
AFI 36-2115, Assignments Within the Reserve Components
AFM 36-8001, Reserve Personnel Participation and Training Procedures
AFI 36-2608, Military Personnel Records System
AFI 36-3209, Separation and Retirement Procedures for Air National Guard and Air Force Reserve Members
AFI 36-2612, USAFR Reenlistment and Retention Program



VISIT ITINERARY – August 2, 2005

General Lloyd W. Newton, USAF (Ret)
and
The Honorable Samuel K. Skinner

AIR FORCE INSTITUTE OF TECHNOLOGY
WRIGHT PATTERSON AIR FORCE BASE
DAYTON, OHIO

DATE & TIME	EVENT	LOCATION	POC	ACTION
August 02 1245	Commissioners Arrive at Wright Patterson Air Force Base	Transported to Base by Marilyn Wasleski from Columbus, OH	Marilyn Wasleski and Syd Carroll	Transport Commissioners to Wright Patterson AFB
1245 - 1300	Travel from gate to commander's office	Wright Patterson AFB	Syd Carroll	
1300 - 1600	Commissioner's brief and tour of AFIT	Wright Patterson AFB	BG Mathews , AFIT Commandant Ms Susan Adams, AFIT Chief of Protocol	Mission Brief and AFIT Tour
1600 - 1615	Media	TBD	Syd Carroll	Respond to Media Questions
1615 - -1700	Meeting With Community Representatives	Stebbins High School Dayton, Ohio	Marilyn Wasleski and Syd Carroll	Listen to Community Concerns
1700	Commissioners depart by POV		Marilyn Wasleski	Transport Commissioners to Indianapolis, IN

GEORGE V. VOINOVICH
OHIO

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(202) 224-3353
TDD: (202) 224-6997
senator_voinovich@voinovich.senate.gov
http://voinovich.senate.gov

United States Senate

WASHINGTON, DC 20510-3504

ENVIRONMENT AND PUBLIC WORKS
CHAIRMAN, SUBCOMMITTEE ON CLEAN AIR, CLIMATE CHANGE AND NUCLEAR SAFETY

ETHICS
CHAIRMAN

FOREIGN RELATIONS

GOVERNMENTAL AFFAIRS
CHAIRMAN, SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA

July 14, 2005

The Honorable Anthony J. Principi
Chairman
BRAC 2005 Independent Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Dear Chairman Principi:

I write to express my very strong support for keeping the Air Force Institute of Technology open and at its current location, Wright Patterson Air Force Base, Ohio. The Air Force has conducted several reports and analyses on AFIT dating back to 1998. Each time, they have concluded that there is more to gain for the Department of Defense by keeping this facility open and located in Ohio. If the goal of BRAC is to reduce costs, save money, and promote the defense interests of the United States, then logic dictates that AFIT must remain open and remain in Ohio.

AFIT provides critical defense-focused education and research that is needed to sustain the technological supremacy of America's air and space forces. Unlike civilian institutions, AFIT models its programs, courses, and research around the requirements of the Air Force, the Defense Department, and the war-fighter, rather than focusing on the technologies demanded by the market as most civilian institutions do.

Over the past four years, AFIT has established five Centers of Excellence each with a specific defense focus. The Centers include: Measurement and Signature Intelligence, a critical intelligence capability for our forces; Information Security, addressing the threat of cyber-terrorism to our critical infrastructure; Directed Energy, focusing on the development of lasers and microwave weapons systems; and Systems Engineering and Operational Analysis; which focus on modeling and simulation to improve military operations.

Each of the Centers addresses cutting-edge and immediate defense needs and enables graduates to move directly into positions that support the military. For example, a steady stream of military faculty from the Operational Analysis Center have deployed in support of Operation Iraqi Freedom to supply analyses to our war fighters in Iraq. The ability of AFIT to move good people into demanding positions that are critical to our national security is just what this country needs as we continue to fight the war on terrorism.

AFIT also provides the military with valuable research to advance our military's goals. Apart from the cutting-edge and timely research undertaken by AFIT's faculty, the students at AFIT conduct research that can be used immediately by the Air Force and other services to meet our

STATE OFFICES:
36 EAST SEVENTH STREET
ROOM 2017
CINCINNATI, OHIO 45202
[illegible]

1240 EAST NINTH STREET
ROOM 2058
CLEVELAND, OHIO 44199
[illegible]

37 WEST BROAD STREET
ROOM 320 (CASEWORK)
COLUMBUS, OHIO 43215
(614) 469-6774

37 WEST BROAD STREET
ROOM 310
COLUMBUS, OHIO 43215
(614) 469-7657

420 MADISON AVENUE
ROOM 1210
TOLEDO, OHIO 43604
(419) 259-3895

defense requirements. Their access to classified information makes this research possible, a point critical to understanding the unique value AFIT has to our military and to our Air Force.

With the constant production of high-quality research, every student's thesis directly contributes to current military projects and issues, resulting in millions of dollars of savings annually for the Defense Department. AFIT research performed in FY2002 for the Air Force and other Defense Department customers actually resulted in saving of $26 million.

However, if AFIT is closed or realigned, there will be significant losses to the Air Force and our Defense Department. If AFIT is moved, it would mean the loss of 500 military and civilian jobs and the end of more than 1,000 students that attend the school annually. We would lose another 10,000 to 20,000 students who take Internet-based courses from AFIT throughout the year.

If we attempt to establish similar programs at another less qualified institution, it would be necessary to rehire and retrain over 85 percent of the personnel lost, as less than 15 percent are predicted to transfer to another location. This would represent a severe loss to the military's intellectual capital – the people who have in-depth knowledge in military sciences and defense technologies. Such reductions would disrupt military training efforts that AFIT supports and coordinates, as well as critical research that is now needed to support our military.

I am also concerned that there is some discussion of moving AFIT to Monterey, California. Such a move would severely contradict the fundamental principles of BRAC, which among other things is to save taxpayers money. As you can imagine, the costs of living and real estate are much higher in Monterey, California as compared to Dayton, Ohio. If AFIT were moved to California, the Department of Defense would have to spend significantly more tax dollars to house AFIT students and to compensate them (not to mention the sizeable expenditure of tax dollars that would be necessary to expand Monterey's infrastructure to accommodate the influx of new students.)

Wright Patterson Air Force Base is also the ideal location for AFIT as AFIT is part of the Dayton Area Graduate Studies Institute, or DAGSI, which while serving as Ohio's governor in the 1990's I worked to establish with the Dayton community.

DAGSI is a consortium of graduate engineering schools at AFIT; the University of Dayton, a private institution; and Wright State University, a state-assisted institution. The DAGSI partnership also includes The Ohio State University, the University of Cincinnati and Miami University. DAGSI integrates and leverages the combined resources of the partnership, including faculty, facilities, equipment, and other assets of the institutions. The DAGSI partnership effectively expands educational and research opportunities at the masters and doctoral levels of engineering and computer science, thereby strengthening AFIT.

Finally, in 2003, I authored an amendment to the 2004 Defense Authorization Bill, which allowed AFIT to keep tuition money from non-Air Force students and use it toward its operating budget. I invested this time and effort to help AFIT because I believe if the U.S. military is going to retain its status as the world's most powerful military, it must invest in its most valuable resource – people. AFIT is known for the high quality of its faculty and for producing some of the best minds in our military.

At a time when our military requires more technology to deal with the changing threats to our country and when we are facing difficulties with the acquisition and retention of technically qualified personnel, it is critical that we hold on to the quality faculty and students that we have at AFIT and the quality personnel that AFIT is producing every year. It is critical that we do not shut down a facility that is training and retaining some of our best defense assets.

Once again, I hope that the BRAC Commission will give full consideration to the many studies that have been done on AFIT already resulting in a positive recommendation to keep AFIT open, and that the BRAC Commission will stick to the principles of reducing costs, saving money, and promoting the defense interests of the United States. If I can answer any questions regarding my concerns or the attached information, please let me know or have your staff contact my staff person on defense and military issues, Jeannie Siskovic, at 202-224-1505. Thank you.

Sincerely,

George

George V. Voinovich
U.S. Senator

Air Force Institute of Technology

COMMISSION BASE VISIT
August 2, 2005

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VISIT ITINERARY – August 2, 2005

General Lloyd W. Newton, USAF (Ret)
and
The Honorable Samuel K. Skinner

AIR FORCE INSTITUTE OF TECHNOLOGY
WRIGHT PATTERSON AIR FORCE BASE
DAYTON, OHIO

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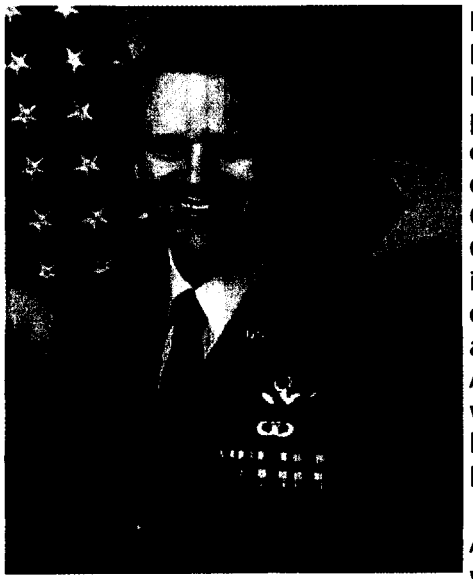
AIR FORCE INSTITUTE OF TECHNOLOGY

Biography
United States Air Force
AIR FORCE INSTITUTE OF TECHNOLOGY
Office of Public Affairs - Wright-Patterson AFB OH 45433-7765
(937) 255-9354

BRIGADIER GENERAL MARK T. MATTHEWS



Brigadier General Mark T. Matthews is the Commandant, Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio. The Institute supports national defense by providing graduate, post-graduate, and professional education and research programs for Air Force officers and civilians in pertinent scientific and technical disciplines. General Matthews was born in Raleigh, N.C., graduating from Garner High School, N.C., in 1973. He entered the Air Force in 1977 with a commission from the U.S. Air Force Academy, earning a bachelor of science degree in engineering sciences as an honor graduate. A distinguished graduate of the U.S. Air Force F-15 Fighter Weapons School, General Matthews was a member of the initial cadre to stand-up F-15s in Alaska before attending graduate school and his assignment to Headquarters U.S. Air Force.

As a member of the Checkmate Division, General Matthews was one of the authors of Rapid Thunder, the initial planning effort that evolved into the Desert Storm air campaign against Iraq. He later served as operations officer and Commander of the 435th Fighter Squadron, training pilots of the Taiwan air force before attending Air War College in 1996. General Matthews was the 607th Air Operations Group Commander and the U.S. Director of Operations for the U.S. Air Force, South Korea, before his assignment to the Joint Staff as the Assistant Deputy Director for Global Operations and its acting Director during Operation Enduring Freedom. The general later served as Deputy Director for Operational Plans and Joint Matters, Deputy Chief of Staff for Air and Space Operations, Headquarters U.S. Air Force, Washington, D.C. Before assuming his current position, the general was Commander of the 48th Fighter Wing, Royal Air Force Lakenheath, England.

EDUCATION

1977 Bachelor of science degree in engineering sciences, U.S. Air Force Academy, Colorado Springs, Colo.

1982 Squadron Officer School, Maxwell Air Force Base, Ala.

1987	Air Command and Staff College
1987	Master of science degree in operations research, Princeton University, Princeton, N.J.
1997	Air War College, Maxwell AFB, Ala.
2001	Seminar XXI - Foreign Political and International Relations, Massachusetts Institute of Technology, Cambridge

ASSIGNMENTS

Sept 1977 - Aug 1978	Student, undergraduate piot training, Vance AFB, Okla.
Jan 1979 - July 1982	F-15A/C aircraft commander, 94th Tactical Fighter Squadron, Langley AFB, Va.
July 1979 - Jan 1983	F-15A instructor pilot, 43rd TFS, Elmendorf AFB, Alaska
Jan 83 - June 1983	F-15A student, U.S. Air Force Fighter Weapons School, Nellis AFB, Nev.
June 1983 - Aug 1984	Chief, F-15A Weapons and Tactics, 43rd TFS, Elmendorf AFB, Alaska.
Sept 1984 - Aug 1985	Chief, F-15A Weapons and Tactics, 21st Tactical Fighter Wing, Elmendorf AFB, Alaska.
Sept 1984 - Aug 1985	Chief, F-15A Weapons and Tactics, 21st Tactical Fighter Wing, Elmendorf AFB, Alaska.
Sept 1985 - Jan 1987	Graduate student, Princeton University, Princeton, N.J.
Feb 1987 - Oct 1987	Plans and programs research systems analyst, Headquarters U.S. Air Force, Washington, D.C.
Nov 1987 - Apr 1992	Air-to-air capabilities and war strategies analyst, Checkmate Division, Headquarters U.S. Air Force, Washington, D.C.
Apr 1992 - Aug 1993	AT-38B instructor, 435th Fighter Squadron, later, Chief of Safety, 49th Fighter Wing, Holloman AFB, N.M.
Aug 1993 - June 1996	Operations officer, later, Commander, 435th Fighter Squadron, Holloman AFB, N.M.
July 1996 - May 1997	Student, Air War College, Maxwell AFB, Ala.
June 1997 - June 1999	Deputy Commander, later, Commander, 607th Air Operations Group, Osan Air Base, South Korea.
June 1999 - May 2002	Assistant Deputy Director for Global Operations, Joint Staff, Washington D.C.
June 2002 - July 2003	Deputy Director for Operational Plans and Joint Matters, Headquarters U.S. Air Force, Washington, D.C.
Aug 2003 - June 2005	Commander, 48th Fighter Wing, RAF Lakenheath, England.
Jul 2005 - Present	Commandant, Air Force Institute of Technology, Wright Patterson Air Force Base, OH.

FLIGHT INFORMATION

Rating: Command Pilot
Flight Hours: 2,300
Primary Aircraft Flown: T-37, T-38, F-15A/C, AT-38B, F-16C and F-15E

MAJOR AWARDS AND DECORATIONS

Defense Superior Service Medal
Meritorious Service Medal with three oak leaf clusters
Air Force Commendation Medal
Combat Readiness Medal
Global War on Terrorism Service Medal
Korea Defense Service Medal

EFFECTIVE DATES OF PROMOTIONS

Second Lieutenant	June 1, 1977
First Lieutenant	June 1, 1979
Captain	June 1, 1981
Major	Feb. 1, 1988
Lieutenant Colonel	April 1, 1992
Colonel	Dec. 1, 1997
Brigadier General	Oct. 1, 2003

(Current as of July 6, 2005.)

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AIR FORCE INSTITUTE OF TECHNOLOGY

What is AFIT?

The Air Force Institute of Technology (AFIT), located at Wright-Patterson AFB, Ohio, is the Air Force's graduate school of engineering and management as well as its institution for technical professional continuing education. A component of Air University, AFIT is committed to providing defense-focused graduate and professional continuing education and research to sustain the technological supremacy of America's air and space forces.

AFIT accomplishes this mission through three resident schools: the Graduate School of Engineering and Management, the School of Systems and Logistics, and the Civil Engineer and Services School. Through its Civilian Institution Programs, AFIT also manages the educational programs of officers enrolled in civilian universities, research centers, hospitals, and industrial organizations. Since resident degrees were first granted in 1956, over 15,000 graduate and 300 doctors of philosophy degrees have been awarded. In addition, Air Force students attending civilian institutions have earned over 12,000 undergraduate and graduate degrees in the past twenty years.

The Graduate School of Engineering and Management offers doctor of philosophy and master's degrees in aeronautical engineering, applied mathematics, astronautical engineering, computer engineering, computer systems, electrical engineering, electro-optics, engineering physics, nuclear engineering, and operations research. The graduate school also offers master's degrees in engineering and environmental management, military meteorology, operational analysis, space operations, systems engineering, cost analysis, logistics management, acquisition logistics management, supply management, transportation management, information systems management, systems management, contracting management, software systems management, and information resource management. In addition, the school offers the Master of Air Mobility degree in partnership with the Air Mobility Warfare Center at Fort Dix, New Jersey.

In 2001 the Graduate School of Engineering and Management awarded 207 master's degrees and 16 doctorates. With this high-quality research, every thesis has directly contributed to current military projects and issues, resulting in saving millions of dollars annually. AFIT research performed in FY2002 for the Air Force and other DoD customers resulted in saving of $26 million.

The School of Systems and Logistics is the Air Force's sole provider of professional continuing education courses in the areas of acquisition, logistics, and software engineering. With over 40 courses, the school plans, develops, and conducts courses and programs to satisfy the technical management educational needs of logistics, systems, and

acquisition customers from the Air Force, Department of Defense, and other federal agencies. Over 5,000 students receive education from the School of Systems and Logistics each year.

The school currently offers Air Force courses ranging in length from 3 days to 3 weeks in the following disciplines: reliability and maintainability, data management, the operational requirements process, logistics, configuration management, provisioning management, life cycle costs, acquisition management, and software engineering. It is also the leader in Web-based education for the acquisition and logistics workforce, providing the tools, skills, and abilities to manage the entire spectrum of a systems life cycle.

The Civil Engineer and Services School provides professional continuing education in engineering, environmental, and management subjects for military officers and civilians in the civil engineering and services career fields. The school offers over 50 courses delivered in- residence and by on-site seminars, videotape and satellite presentations, and consultation services. More than 5,000 students worldwide receive education from the Civil Engineer and Services School annually.

The Office of Civilian Institution Programs manages the graduate degree programs of more than 2,300 Air Force members in civilian universities, research centers, hospitals, and industrial organizations to meet the specific educational requirements of the Air Force. Additionally, this program arranges professional continuing education courses for approximately 3,600 Air Force personnel annually.

Some of the most accomplished engineers and scientists in Air Force history are AFIT alumni. Air Force pioneers General George Kenney, General Jimmy Doolittle, and General Bernard Schriever attended AFIT programs prior to the time degrees were conferred. General Lawrence Skantze, who culminated his career as the commander of Air Force Systems Command, was one of the early degree graduates. Major General William Anders and fellow astronaut Colonel Guion Bluford also attained graduate degrees at AFIT while General Lester Lyles, Commander, Air Force Materiel Command, is an AFIT Civilian Institutions graduate.

The effects of AFIT's educational programs pervade the Air Force and Department of Defense. Graduates are assigned to a wide range of positions in a rapidly changing technological environment. They become both practicing engineers and broadly educated leaders. No matter what degree a student earns, AFIT's primary goal is to graduate mission-ready men and women who can positively impact the Air Force.

As the scientific and technical capabilities of the Air Force continue to evolve, AFIT strives to maintain a corps of officers and other leaders who are prepared intellectually to harness these innovations and apply them so that our Air Force is prepared to conduct and sustain decisive operations. AFIT will continue to ensure that members of our force have the in-depth knowledge in military sciences and defense technologies needed to uphold the high standards of the most powerful aerospace force in the world. As the Air Force continues to excel in the challenges of the 21st Century, AFIT stands poised to lead the way in meeting the educational needs of our Air Force and Department of Defense.

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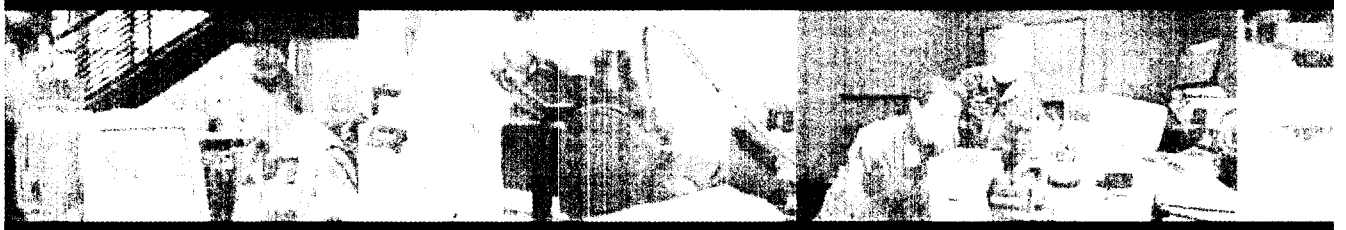
Graduate School of Engineering and Mana



wright patterson afb, ohio 45433-7765

ABOUT US:

Dr. Robert A. Calico, Jr.
Dean

Col Caylor, Michael J.
Associate Dean

Dr. Heidi R. Ries
Associate Dean for Research

Dr. Paul J. Wolf
Assistant Dean for Academic Affairs

Air Force Institute of Technology

MISSION: The mission of the Graduate School of Engineering and M engage in research activities that enable the Air Force to maintain its scie school's mission reflects its focus on preparing students with the skills req Force, with the recognition of research as a critical element in quality grac

The Graduate School of Engineering and Management provides scientific, applicable to Air Force, Department of Defense, and civilian research and School not only enhances the intellectual growth of its students by offerin programs, but also prepares them for successful careers in engineering, a preparation of its curricula and in its operation, the Graduate School is co responsibility – the technical and management education of Air Force offic their country to the greatest degree possible.

The Graduate School of Engineering and Management offers graduate pro Doctor of Philosophy degrees in engineering, applied science, and manage

- **Fall 2004 Factsheet**

The Graduate School of Engineering and Management Dean, is organized into the academic departments of:

- **Aeronautics & Astronautics**
- **Electrical & Computer Engineering**
- **Engineering Physics**
- **Mathematics & Statistics**
- **Operational Sciences**
- **Systems & Engineering Management**

ACCREDITATION

The Air Force Institute of Technology is accredited by The Higher Learning Commission and is a member of the Nort

The NCA can be contacted at:
Higher Learning Commission (NCA)
30 N. LaSalle Street, Suite 2400
Chicago, IL 60602-2504
(800) 621-7440; (312) 263-0456; Fax: (312) 263-7462
on the web:

http://www.ncahigherlearningcommission.org/

In addition to institutional accreditation, the Accreditation Board for Engineering and Technology (ABET) accredits se the Graduate School of Engineering and Management. These curricula are Aeronautical Engineering, Astronautical E Electrical Engineering, Nuclear Engineering, and Systems Engineering. ABET can be contacted at:

Accreditation Board for Engineering and Technology, Inc.
111 Market Pl., Suite 1050
Baltimore, MD 21202
(410) 347-7700
(410) 625-2238 (Fax)
on the web:

http://www.abet.org/

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SCENARIO COST/SAVINGS SUMMARY

SCENARIO	One Time Cost ($K)	Net Implementation Costs ($K)	Annual Recurring Savings ($K)	Payback Years	NPV of Savings in 2025 ($K)
Disestablish AFIT and NPS and privatize postgraduate education	135,923	-441,797	-109,276	Immediate	-1,474,528
Privatize AFIT Only and realign Boss for NPS/ DLI	66,288	-172,900	-19,456	Immediate	-353,702
Consolidate NPS and AFIT at NPS; Realign BOS at NPS and DLI	121,034	-133,896	-18,009	Immediate	-301,637
Consolidate NPS and AFIT at AFIT	428,600	416,961	-7,344	100+	310,943
Status Quo: Only realign BOS at NPS and DLI (Service rather than BRAC action)					

NOTES:

( ) = Savings

Annual Recurring Savings = savings after 2011

Scenario	Pros	Cons

ivatize Both FIT and NPS	• Improves civil-military relations by commingling domestic and international military members with domestic and international civilians.
	• Exposes the nation's civilian institutions of higher learning, their faculties, and their student bodies to military problems, and military education and research requirements.
	• Obviates perception of military exclusivity.
	• Reallocates key Service personnel to critical wartime related missions
	• Allows the Air Force and Navy to expand their existing outsourced graduate education programs and in so doing, leverage a larger market share and existing administrative infrastructure.
	• The Army outsources all of it graduate education.
	• The Air Force currently outsources 40% of its graduate education.
	• The Navy outsources approximately 1/3 of its graduate education. The cost is less than 6% of the OMN budget for post-graduate education.
	• Allows the Air Force and Navy to reallocate Base Operation and Maintenance and Repair funds to more critical mission elements.
	• Increases the name recognition and the value of the graduate degree for the officers.
	• Provides the Services with the option of selecting universities with recognized world class graduate degree programs.
	• Allows the Air Force and Navy the ability to offer officers graduate education at their home installations, decreasing total number of PCS moves. (QOL)
	• Eliminates high BAH costs for all
		• The Services state that civilian institutions (CIVINS) do not offer military specific degrees.
		  • Caveat: AF stated in the past that only 1 of 23 AFIT degrees identified as military-specific; Navy: only 11 of 54 NPS degrees identified as military-specific)
		  • Caveat: Similarly titled academic degrees reflect similar curricular content and **virtually all the degrees that AFIT and NPS grant are granted by civilian institutions.** However, while the degree title captures the bulk of its curricular content, there is a much smaller subset of content, especially in advanced degree curricula, that is unique to the degree granting institution. AFIT and NPS and civilian institutions are alike in this regard, all reflecting the reality that faculties of like disciplines differ and that advanced degrees are not standardized. This subset of unique content is either available at civilian institutions or could be developed at the direction of the Services.
		  • Given that the Army outsources its whole graduate education program, mostly to civilian institutions, and that the Air Force and Navy both augment their in-house resident graduate education programs with a substantial portion outsourced to civilian institutions, tacitly recognizes that civilian institutions can rise to meet Service time constraints and curricular content.
		• Loss of control of military graduate degree programs
		  • Caveat. Services control funding and accordingly, can control desired curricular content of civilian-hosted military programs.
		• Lack of professors at civilian universities to teach military specific programs
		  • Caveat. Civilian universities could hire NPS and AFIT professors to teach military programs, but as has

ivatize Both FIT and NPS (cont'd)	Services at NPS.
	• Allows family members opportunity to pursue graduate education at civilian universities while the military member is in student status. (QOL)
	• Reduces the high demand on TRICARE providers supporting students and families at the NPS.
	• Allows closure of NPS facility, with a potential NPV savings of $1.12B; privatizing AFIT has potential NPV savings of $353M
	• With closure of AFIT, allows MILCON cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB
		been the practice in the past, well structured MOAs and well though-out RFPs, enable civilian institutions to tailor faculty recruitment and hiring to meet specific scholastic requirements.
		• Lack of "secret" level facilities at civilian universities
		  • Caveat. Secure space can be designated by MOU at existing military and ROTC units. Alternately, many CIVINS already have designated secure spaces.
		• Loss of availability of research facilities at NPS and AFIT. Much of the research conducted is directly tied to military specific missions.
		  • Caveat. Given that all graduate educational institutions vie for the same research dollars, program sponsors could identify other venues for their requirements or move (or build) the necessary infrastructure with BRAC funds at the selected institutions. Additionally, universities could be invited to use the facilities at AFIT as approved by the Service.
		• Elimination of international student program that provides international students graduate degrees and loss of interaction between domestic and international students.
		  • Caveat. See appendix.
		• Loss of joint military education environment created by AFIT and NPS
		  • Caveat. Services could create military concentrations at selected universities or in designated geographic regions. Note: neither NPS nor AFIT tailors student mix to create specific joint synergies. JPME is delivered via non-resident methods, without consideration for student body mix.
		• Professional Continuing Education (PCE) realignment combines all USAF PCE functions at Maxwell AFB, creating a Service Center of Excellence while reducing duplicative functions.

Scenario	Pros	Cons

Privatize AFIT only / Realign BOS for NPS/DLI	• For Air Force only: Improves civil-military relations by commingling domestic and international military members with domestic and international civilians.
	• For Air Force only: Exposes the nation's civilian institutions of higher learning, their faculties, and their student bodies to military problems, and military education and research requirements.
	• For Air Force only: Obviates perception of military exclusivity.
	• Realignment of BOS for NPS and DLI creates BOS savings in Monterey; privatizing AFIT eliminates BOS support for AFIT at WPAFB
	• Allows Air Force to focus graduate education in civilian universities, plus use the NPS degree programs, as appropriate
	• Creates a single DOD Center of Excellence for Graduate Education
	• Allows the AF to reallocate Service personnel to critical wartime related missions
	• With closure of AFIT, allows MILCON cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB
	• Allows the Air Force the ability to offer officers graduate education at their home installations, decreasing total number of PCS moves. (QOL)
	• Allows Air Force family members opportunity to pursue graduate education at civilian universities while the military member is in student status. (QOL)
	• Privatizing AFIT has potential NPV savings of $353M
		• Maintains military exclusivity at NPS and does not favorably impact civil-military relations.
		• Loss of availability of research facilities at AFIT; loss of synergistic relationships with AF Research Lab, Aeronautical Systems Center, National Air and Space Intelligence Center and academic consortium of local institutions.
		  • Caveat. Given that all graduate educational institutions vie for the same research dollars, program sponsors could identify other venues for their requirements or move (or build) the necessary infrastructure with BRAC funds at the selected institutions. Additionally, universities could be invited to use the facilities at AFIT as approved by the Service.
		• Lack of "Secret" level classrooms and facilities at existing civilian universities
		  • Caveat. Space can be designated by MOU at existing military and ROTC units
		  • Caveat. Air Force students can attend graduate degree programs at the "new" DOD Center of Excellence for Graduate Education
		• Loss of programs that had been consolidated in 2003 from NPS to AFIT under the AFIT/NPS Rationalization initiative (i.e. aeronautical engineering)
		  • Caveat. Programs are available at CIVINS.
		• Professional Continuing Education (PCE) realignment combines all USAF PCE functions at Maxwell AFB,

		creating a Service Center of Excellence while reducing duplicative functions.

Scenario	Pros	Cons
Consolidate AFIT and NPS at NPS; Realign BOS at NPS and DLI	• Requires less MILCON (than the movement of NPS to AFIT) due to some excess capacity at NPS (only $39M). • Fewer graduate degree programs and classes to recreate since NPS currently offers more classes and programs than AFIT • Ability to eliminate redundant and duplicative programs, thus eliminating more faculty positions • Reduces the number of officers, enlisted, and civilian support positions which must be moved for consolidation from AFIT to NPS • Accreditation issues for consolidation of similar programs are minimal • With closure of AFIT at WPAFB, allows MILCON cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB • Title X, Chapter 605 designates the existence of graduate education ONLY at NPS; no such authority for AFIT • Improves joint and international officer interaction • Realignment of BOS for NPS and DLI creates BOS savings in Monterey; consolidating AFIT to NPS eliminates BOS support for AFIT at WPAFB • AF and Navy continue to take advantage of Service Centers of Excellence (National Security Studies, Homeland Security, Joint Information Operations, Regional Studies, etc.)	• The existing capacity at NPS does not meet the future force requirements of the Services. Additional MILCON would be required. (approx. $39M) • Degrades civil-military relations by isolating domestic and international military service members from domestic and international civilians. • Isolates a large portion of the Air Force and Navy graduate education programs from the nation's civilian institutions of higher learning, their faculties, and their students. • Fails to stimulate the faculties and students of civilian institutions with military problems, perspectives, and requirements. • Perpetuates the perception of military exclusivity and elitism. • Both institutions offer similar degree programs in several academic disciplines, but the degree programs contain curricular content that is Service-specific and focuses students on Service-specific research. • Tricare contracts currently meet demand, but must be renegotiated to reflect increased personnel numbers • Insufficient on-site student resident and on-site family resident facilities on NPS to accommodate the additional students and faculty moving from AFIT to NPS • Housing costs at Monterey and surrounding counties are very high • Rehab costs and some MILCON would be involved • Water credits for new buildings at NPS must be obtained. • Loss of availability of research facilities at AFIT; loss of synergistic relationships with AF Research Lab,

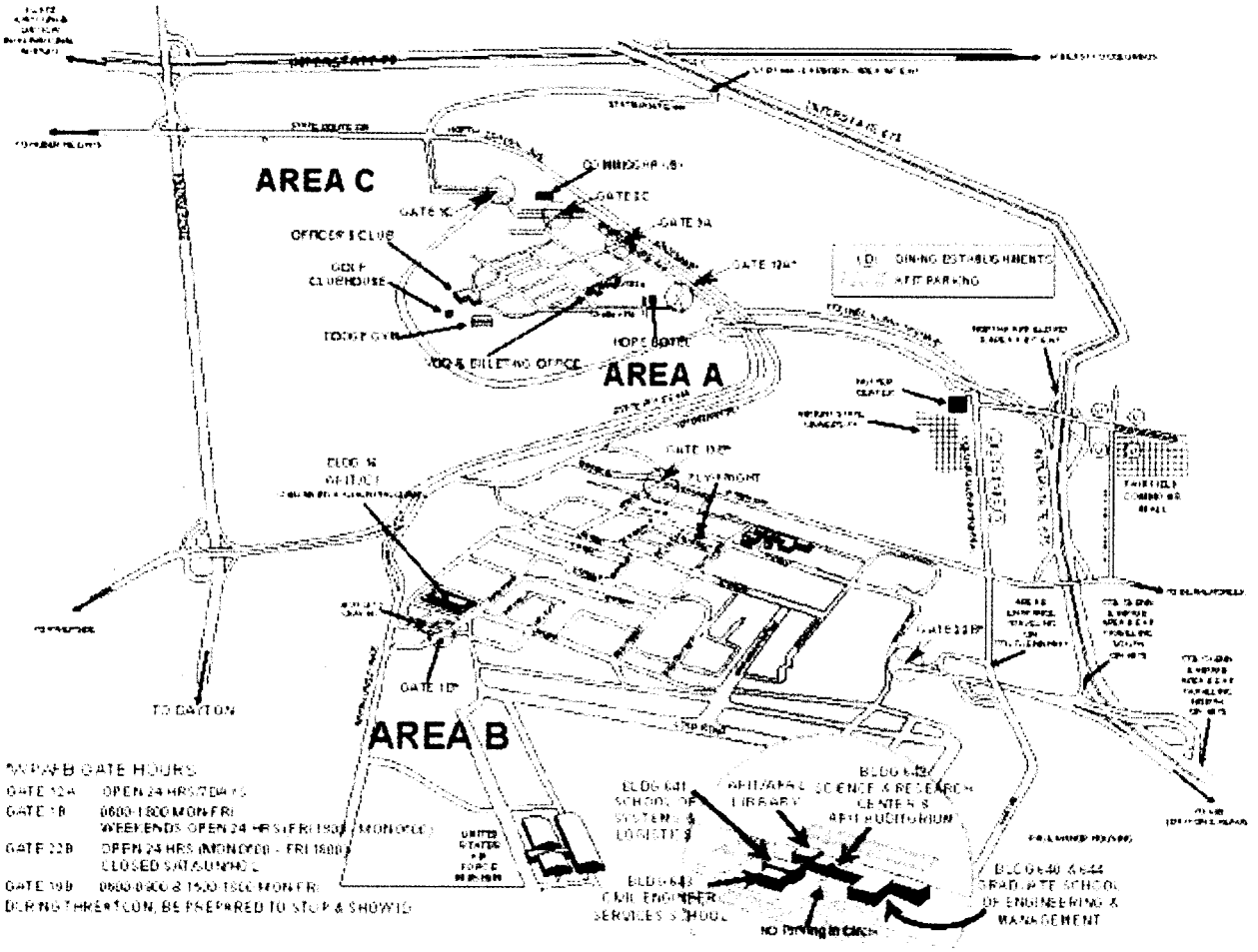
		Aeronautical Systems Center, National Air and Space Intelligence Center and academic consortium of local institutions. • Caveat. Given that all graduate educational institutions vie for the same research dollars, program sponsors could identify other venues for their requirements or move (or build) the necessary infrastructure with BRAC funds at the selected institutions. Additionally, universities could be invited to use the facilities at AFIT as approved by the Service • A consolidation that impacted faculty would raise issues of faculty governance and tenure. • Reallocates some AF personnel to critical wartime related missions • Professional Continuing Education (PCE) realignment combines all USAF PCE functions at Maxwell AFB, creating a Service Center of Excellence while reducing duplicative functions.

Scenario	Pros	Cons
Consolidate AFIT and NPS at AFIT	• Availability of numerous existing 21st century research facilities at Wright Patterson AFB • Ability to eliminate redundant and duplicative programs • Availability of buildable acres at Wright-Patterson AFB • More affordable family resident housing in the Dayton, OH area, reducing high Monterey BAH costs for all Services. • Reduces demand on Tricare providers supporting NPS. • Allows closure of facility at NPS for significant BOS savings in Monterey • Improves joint and international officer interaction	• Significant MILCON costs to move the larger graduate education program at NPS to a smaller program at AFIT (over $231M) • Maintains military exclusivity and does not favorably impact civil-military relations. • Accreditation issues for consolidation of multiple new programs are problematic • The personnel savings from single-siting the institutions at AFIT yield minimal savings because there is a small reduction in faculty consolidations due to overhead required to conduct additive Navy grad ed and Navy "short courses". • A consolidation that impacted faculty would raise issues of faculty governance and tenure. • Does not allow cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB

Scenario	Pros	Cons
Status Quo; only Realign BOS at NPS and DLI	• Allows the Air Force and Navy to offer military graduate education to domestic and international officers • Title X, Chapter 605 designates the existence of graduate education at NPS • Realignment of BOS for NPS and DLI creates BOS savings in Monterey	• Maintains military exclusivity and does not favorably impact civil-military relations. • Costly allocation of money to run two separate graduate degree programs that are not critical to Air Force and Navy missions; does not establish a DoD center of Excellence • Allows redundant curricula to continue since both Services consider similar graduate programs and classes to be Service unique. • Does not allow cost avoidance of $200M for Medical JCSG, moving School of Aerospace Medicine from Brooks City Base to Wright Patterson AFB • Continues to limit number of officers allowed to attend civilian universities

AIR FORCE INSTITUTE OF TECHNOLOGY

Map of Area B



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Wright-Patterson AFB, OH (AFIT) - Demographics

Demographics

The following tables provide a short description of the area near the installation/activity. Wright-Patterson AFB is 15 miles from Dayton, OH, the nearest city with a population of 100,000 or more. The nearest metropolitan statistical area (MSA) is

MSA	Population
Dayton-Springfield, OH MSA	950,558

The following entities comprise the military housing area (MHA):

County/City	Population
Clark	144742
Darke	53309
Greene	147886
Montgomery	559062
Preble	42337
Total	947,336

Wright-Patterson AFB, OH (AFIT) – Child Care/Cost of Living

Child Care

This attribute captures the number of nationally accredited child-care centers within the local community: 43

Cost of Living

Cost of Living provides a relative measure of cost of living in the local community. General Schedule (GS) Locality Pay provides a relative scale to compare local salaries with government salaries and Basic Allowance for Housing (BAH) is an indicator of the local rental market. In-state tuition is an indicator of the support provided by the state for active duty family members to participate in higher-level education opportunities.

Median Household Income	(US Avg $41,994)	$41,550	Basis: MSA
Median House Value	(US Avg $119,600)	$99,000	
GS Locality Pay	("Rest of US" 10.9%)	12.0%	
O-3 with Dependents BAH Rate		$1,081	
In-state Tuition for Family Member		Yes	
In-state Tuition Continues if Member PCSs Out of State		Yes	

Wright-Patterson AFB, OH (AFIT) – Education

Education

This attribute defines the population in local school districts and identifies capacity. The pupil/teacher ratio, graduation rate, percentage of certified teachers and composite SAT I/ACT scores provide a relative quality indicator of education. This attribute also attempts to give communities credit for the potential intellectual capital they provide.

NOTE: "MFR" means a Memorandum For Record is on file at the installation/activity/agency to document problems in obtaining the required information. Reasons for not being able to obtain information may be that the school district refused to provide the information or the school district does not use or track the information.

If the installation/activity/agency has incomplete information from the local school system in order to accurately compute a score in this area, the number of school districts reporting information will be captured in addition to the computed answer.

		Basis
School District(s) Capacity		
Students Enrolled	140,389	39 of 39 districts
Average Pupil/Teacher Ratio	18.1:1	39 of 39 districts
High School Students Enrolled	43,852	39 of 39 districts
Average High School Graduation Rate (US Avg 67.3%)	85.8%	39 of 39 districts
Average Composite SAT I Score (US Avg 1026)		
Average ACT Score (US Avg 20.8)		
Available Graduate/PhD Programs	10	
Available Colleges and/or Universities	15	
Available Vocational and/or Technical Schools	11	

Wright-Patterson AFB, OH (AFIT) – Employment

Employment

Unemployment and job growth rates provide a relative merit of job availability in the local community. National rates from the Bureau of Labor Statistics are also provided.

The unemployment rates for the last five-years:

	1999	2000	2001	2002	2003
Local Data	3.8%	3.7%	4.3%	5.7%	6.2%
National	4.2%	4.0%	4.7%	5.8%	6.0%
Basis:	MSA	MSA	MSA	MSA	MSA

The annual job growth rate for the last five-years:

	1999	2000	2001	2002	2003
Local Data	- .3%	.3%	1.2%	-2.6%	- .3%
National	1.5%	2.4%	.03%	-.31%	.86%
Basis:	MSA	MSA	MSA	MSA	MSA

Wright-Patterson AFB, OH (AFIT) – Housing/Medical

Housing

This attribute provides an indication of availability of housing, both sales and rental, in the local community. Note: according to the 2000 Census, Vacant Sale and Vacant Rental Units do not equal Total Vacant Housing Units; Total Vacant Housing Units may also include units that are vacant but not on the market for sale or rent.

Total Vacant Housing Units	28,651	Basis: MSA
Vacant Sale Units	5,285	
Vacant Rental Units	12,423	

Medical Providers

This attribute provides an indicator of availability of medical care for military and DoD civilians in the local community. The table reflects the raw number of physicians/beds and ratio of physicians/beds to population.

	# Physicians	# Beds	Population	
Local Community	2,392	2,724	950,558	Basis: MSA
Ratio	1:397	1:349		
National Ratio (2003)	1:421.2	1:373.7		

Wright-Patterson AFB, OH (AFIT) – Safety/Crime/Trans

Safety/Crime

The local community's Uniform Crime Reports (UCR) Index for 2002 per 100,000 people and the national UCR based on information from the Federal Bureau of Investigation (FBI) for 2002:

Local UCR	4,928.7	Basis: MSA
National UCR	4,118.8	

Transportation

Distance to an airport shows convenience and availability of airline transportation. Public transportation shows potential for members and DoD civilians to use it to commute to/from work under normal circumstances and for leisure.

Distance from Wright-Patterson AFB to nearest commercial airport: 18.6 miles
Is Wright-Patterson AFB served by regularly scheduled public transportation? Yes

Wright-Patterson AFB, OH (AFIT) – Utilities

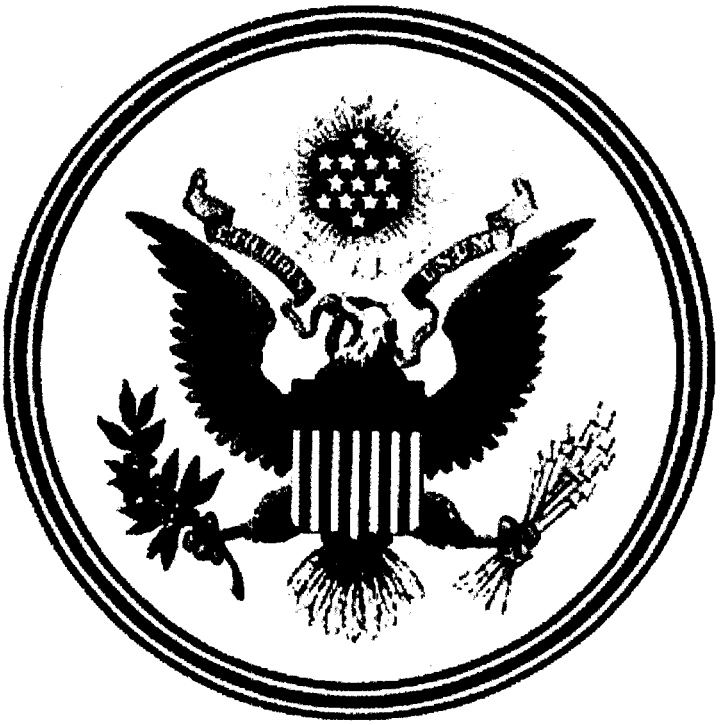
Utilities

This attribute identifies a local community's water and sewer systems' ability to receive 1,000 additional people.

Does the local community's water system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes

Does the local community's sewer system have the ability to meet an expanded need of an additional 1,000 people moving in the local community? Yes

BRAC
Base Visit Book



Air Force Institute of Technology

The Honorable
Samuel K. Skinner

August 2, 2005