

BASE VISIT REPORT

DEFENSE FINANCE AND ACCOUNTING CENTER (DFAS) San Antonio, TX

July 6, 2005

LEAD COMMISSIONER: General Hill

ACCOMPANYING COMMISSIONER: None

COMMISSION STAFF: Marilyn Wasleski

LIST OF ATTENDEES:

Lawrence Ursell, Site Director, (210) 527-8842, larry.ursell@dfas.mil
Timothy Harp, Component Acquisition Executive, (703) 607-2100, tim.harp@dfas.mil
Lt. Col. Philip S. Defenbach, Commander, Air Force Element, DFAS-San Antonio,
(210) 527-8996
Thersa Reker, Corporate Resources Manager, DFAS San Antonio
Yolanda Vilches, President, AFGE Local 1022 (210) 527-8048
Congressman Charles A. Gonzalez (D-20th/TX)
Bob Rasmussen, Base Realignment and Closure Consultant, 2005 BRAC Strike Force,
State of Texas, (512) 463-5770
B. General (ret.) John G. Jernigan, M.D., Director, Defense Transformation Institute,
(210) 229-2188

PRESENT MISSION:

To provide responsive, professional finance and accounting service to the people who defend America at the 13 major installations of the Air Education and Training Command and the six regions of the Army Medical Command.

SECRETARY OF DEFENSE RECOMMENDATION:

Close the Defense Finance and Accounting Service (DFAS) in San Antonio, TX, ME. 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.

Library Routing Slip 2005 BRAC Commission Materials
Title of Item: DFAS San Antonio Report
Installation or Community: San Antonio TX
Source: COMMISSION
Certified Material? yes no
Analyst / Provider: Wasleski, M Date Received: 7/29

SECRETARY OF DEFENSE 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.

MAIN FACILITIES REVIEWED:

DFAS Facility in San Antonio, TX.

KEY ISSUES IDENTIFIED

The Director provided an overview of DFAS and their current plan under the BRAC proposal. He then provided an overview of the DFAS operations in San Antonio, TX highlighting their current business lines and functions. A power point presentation was provided and can be found in the BRAC library.

Key issues presented during the presentation are as follows:

Mission Issues

What is unique about DFAS San Antonio's mission?

- DFAS San Antonio performs accounting services for its Army customers. It also processes payments for goods, supplies, and services for the Air Education and Training Command and Army Medical Command customers. Included are Foreign Military Sales (FMS), miscellaneous payments for training, utilities, etc. transportation, credit card and contractual payments. The site also processes temporary duty travel vouchers and local travel vouchers for military and civilian travelers. They also process interim travel settlements for deployed soldiers, medical travel for TRICARE prime enrollees and non-medical attendants and for family members of injured soldiers.

Force Protection Issues

- DFAS San Antonio meets the DoD Force Protection standards as required. The force protection standards are different when DoD is not the sole occupant of the building.

Facility/Capacity Issues

- The site is in leased space with their lease expiring on October 10, 2006. SBC, the owner of the building, want the space back. Before the BRAC announcement they were looking at space at Ft. Sam Houston at a cost of \$17/sq ft. and at a local site that meets DoD Force protection issues at about \$9 sq. ft. Therefore, if needed, they could expand to any size where space was available. The Fort Sam Houston site can house up to 1000 personnel. It is move in ready space.
- They are in leased space because at the time the site was being stood up GSA shopped around for space for them and felt that the leased space was a good deal. At the time there was no space available on the local installations. Originally the site was to house up to 750 personnel. They have since been downsizing and are at their current level of 316.

Workforce Issues

- Total workforce 316
- Average grade is a GS-8. The accounting area has high graded personnel and the vendor pay lower.
- Average age of workforce 53
- 17% (53) eligible for regular retirement; 28% (87) eligible for early retirement
- Estimated that less than 10-15% of the people will move. The union president estimates that less than 10 percent of the staff will move. She said a lot of the staff came from Kelly Air Force Base when it was BRACed in 1995.

INSTALLATION CONCERNS RAISED

- Site conducts regular face-to-face meetings with customers that are local. The Army Medical Command has a lot of local sites in the San Antonio area. DFAS conducts accounting reviews and other issues with these customers that are very productive in resolving outstanding issues. These customers like having the face-to-face contact and have expressed concern with the DFAS closure. While these issues can be handled long distance via VTC and other means, it is just easier to handle them face to face.
- Personnel at the site thought that DFAS would reduce to large sites with so many satellite sites under those larger sites. This would allow for continuation of service to the military customer without degradation issues.
- The site director is concerned with consolidating down to only three sites with the estimate that so few people will move. With so few people moving DFAS wide, this will pose a large problem for DFAS in regards to training new people on service centric processes some of which have long learning curves. While vendor pay can be learned relatively quickly, service accounting issues are not that easy to learn. If accounting reports are not timely to commanders, the information will not be useful to them to make effective decisions. It could take up to a year to train a new hire on accounting functions. It could take even longer if you are hiring people with no accounting background at all as you will have to teach them basic accounting principles.

- When the first were formed only about 30 Army personnel from Ft Sam Houston came to DFAS. They got more personnel from the Air Force. They had to train the Air Force Personnel on the Army functions. Even though these people were well trained on Air Force processes, they still had a substantial learning curve to learn the Army processes. As a result, during their first year account receivables were high as well as unmatched reimbursements. It took about a year for them to reduce their backlog. He fears this will happen again but only worse, because you will have to be training many new people at the same time.
- He is also concerned that during the transition because of the degradation of service that will occur interest on vendor payments will also raise substantially. This has occurred to DFAS in the past when they first were organized and when work was just transferred internally among the sites.
- The site director expressed a concern about being able to continue their site operationally if the site is slated for closure. He said all of his good people will look for other jobs immediately. He also knows that the nearby customers want to hire some of the people. Before when a DFAS site would run into this type of problem a tiger team from other sites could be sent down to help until new people are trained. However, if these people are going to be needed to trained people at the new sites, how will DFAS San Antonio continue on until their closure point? This scenario could happen to other sites as well.
- The site director believes that having 5300 people at one site (Indianapolis) is too many. He believes the work should be broken down by service into smaller sites as it will be easier to control.
- He expressed a concern with the agency being able to get the required security clearances with all of the new hires. The hiring process and obtaining security clearances does not happen overnight.

COMMUNITY CONCERNS RAISED:

- See concerns raised above in installation concerns. Community concerns will be raised at the regional hearing in New Orleans July 14, 2005.
- The union president expressed a concern that many people are not eligible to retire and because of family concerns cannot not move.
- She said that the site has never closed due to weather and expressed a concern that the three gaining sites are all in northern climates.
- She also asked if the temporary employees will be allowed to transfer.

REQUESTS FOR STAFF AS A RESULT OF VISIT: None at this time.

Prepared by: Marilyn Wasleski, Interagency Team

DFAS Site Visit Questions

1. What is your current mission?
2. What is unique about this mission that closing it and moving the mission to another location will affect DFAS operations and thus readiness?
3. Do you feel this mission can be transferred if done in a prudent manner?
4. What percentage of staff may apply for transfers?
5. What percentage of staff is eligible for full retirement? Early retirement?
6. Of you current staff (as of May 2005), what are the numbers of actual vs. authorized?
7. Is there excess capacity at your site? If so, how much in terms of square footage?
8. Are there any force protection issues?