

State of Indiana
Submission to the
Defense Base Realignment and Closure Commission
Site Visit to DFAS Indianapolis

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August 3, 2005

Major General Emmett J. Bean Center

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OVERVIEW

After a successful career as a member of the Senior Executive Service managing the administrative, personnel, and financial aspects of various large, complex organizations in the United States and Europe, I am interested in applying my talents and experience to meeting the challenges of a new organization.

COMPETENCIES

Management - Directed an organization of 10,000 personnel located in over 60 offices responsible for all aspects of accounting and finance in support of the US Army. Served as the Director of Finance, Department of Defense (DOD) responsible for the support given to the 5 million customers receiving Military Pay, Retired Pay, Civilian Pay and Commercial Payments from the DOD. Served as the Program Manager executing the capitalization of the 350 finance and accounting offices in the 4 Military Services and 20 DOD agencies into the largest Accounting entity in the world.

Financial - Planned, supported, executed and was accountable for budgets reaching in excess of \$600 million. Operated within budget, increased productivity and attained a 15% reduction in staffing over the last 3 years.

Strategic Planning - Chair the Executive Steering Group overseeing the Defense Finance and Accounting Service Transformation to include competitive sourcing, realignments and other workload changes. Directed and participated in strategic initiatives for the last 20 years.

WORK HISTORY

2000 - Present Senior Accountant for Marine Corps Accounting. Serve as the single focal point as the Client Executive for all Defense Finance and Accounting Service products and support related to accounting and finance operations in support of the US Marine Corps. As such, administers to accounting operations and analysis; preparation of financial reports, disbursement of payroll, commercial payments, travel payments and supporting operations.

1998 - 2000 Director of Finance, DOD. Served as the principal DOD executive agent for Finance matters. Exercised control and oversight over all financial policy, systems and operations. Responsible for planning, formulating, developing and promulgating financial policy, standards, procedures and operations, and overseeing development, deployment and maintenance of functional systems requirements.

1994 - 1998 Director, Defense Finance and Accounting Service - Indianapolis Center. Led the network of 10,000 military and civilians who operated the systems and processes related to accounting and finance

operations in support of the US Army. Administered an extensive accounting and finance effort in support of over 20 Defense Agencies and the other Military Services

1992 - 1994 Director, Defense Finance and Accounting Center - Kansas City. Directed the operations in support of Marine Corps finance and accounting. Planned and implemented a myriad of actions to meet DOD goals to include significant reductions in cost of operations.

1991 - 1992 Program Manager- Defense Management Review Decision 910, Consolidation of Finance and Accounting. Assembled and directed 200 members, representing almost every Defense Component, while providing guidance and direction to the various field level teams. Accomplished the capitalization and initiated the consolidation of over 300 field level offices.

1989 - 1991 Director, Finance and Accounting Plans, Deputy Assistant Secretary of the Army (Financial Management). Developed fielding and monitoring plans for all changes in concert with installing of new technology and expansion of finance and accounting services. Integral leader in the development documenting and installing of the Standard Installation Accounting Organization throughout the US Army.

1976 - 1989 Middle Management positions of increasing responsibilities. Duties included personnel, operations, planning and budget in major Army organizations in the US and Germany.

1971 - 1976 US Army Audit Agency. Advanced from auditor intern to Auditor-in-Charge accomplishing a myriad of audits within the US Army and American Red Cross.

Accomplishments

- Reduced cost to the DOD by hundreds of millions of dollars both through efficiencies and cost reductions
- Directed staffs up to 10,000 Military and civilians with operating budgets in excess of \$600 million
- Led, as Program Manager, the team who capitalized over 350 finance and accounting offices into one entity reducing manpower levels by over 6000 and locations by 300
- Developed first Army Accountants Handbook
- Defense Distinguished Civilian Service Medal; Army Civilian Meritorious Service Medal
- Received Association of Government Accountants Elmer Staats award as outstanding Federal Executive, National Leadership Award

EDUCATION AND CERTIFICATIONS

Certified Public Accountant; Certified Government Financial Manager;
Certified Defense Financial Manager

Syracuse University, New York - Master of Business Administration:
Management

University of Notre Dame, Indiana - Bachelor of Business Administration:
Accounting

A wide range of Federal, DOD and private sector courses and training related to leadership, management and accounting.

Lane A. Ralph - Background Information

A native Hoosier born and raised in Gary, Indiana. Attended 12 years of school at Lake Ridge School Corporation graduating from **Calumet High School** in May 1970.

1974 received **Bachelor of Science Degree** in Political Science with a Minor in Library Science from **Indiana State University**. 1980 received **Master of Public Administration** degree from **Indiana State University**. His MPA paper was on the siting of hazardous waste facilities.

During college Lane was **twice** elected **Vice President of the Student Government Association** and served as a representative to the University Board of Trustees. He was instrumental in getting the Indiana General Assembly to establish the student trustees position for all the state universities that passed the Indiana General Assembly in 1974.

1975 to 1978 Lane worked for **Indiana Vocational Technical College** and served as an operations manager for a training program for unemployed workers.

In 1978, Lane joined the staff of **Senator Richard G. Lugar** as Special Projects Assistant responsible for environmental and energy issues, coordination with state and local government officials, sewer and water system programs, soil and water conservation programs, grants, loans and transportation issues.

1981 to 1997 - Lane served as Assistant State Director for both of Indiana's U.S. Senators. This included **Dan Quayle** from 1981 to 1988 and **Dan Coats** when he became U.S. Senator for Indiana in 1989. Lane served as **Dan Coats** State Director in 1999 during his last year of Senate service.

Lane is currently serving as **Deputy State Director** of **Senator Dick Lugar's** Indiana staff with a number of varied responsibilities involving federal grant assistance, local government assistance and programs, transportation and environmental concerns.

Lane and his wife Ruth live in Greencastle and are the parents of two daughters (both graduates of Greencastle High School); Elina, a Ph. D graduate from the University of Chicago who is a clinical psychologist and lives in Boston; and Emily, a graduate in political science from Earlham College who is a third year student at Drake University Law School in Des Moines, Iowa.



City of
Indianapolis
Bart Peterson, Mayor



Bart Peterson

47th Mayor of Indianapolis

Bart Peterson was elected the 47th mayor of the City of Indianapolis, the State of Indiana's capital and the nation's 12th largest city, on November 2, 1999, and again on November 4, 2003. He first took office on January 1, 2000.

During his 1999 and 2003 campaigns for mayor, he presented *The Peterson Plan*, a bold and detailed vision for leading Indianapolis in the new millennium. Since taking office, he has focused on fulfilling the goals articulated in his blueprint: strengthening the economy and creating jobs, fighting crime aggressively, improving neighborhood quality of life, lifting up public education, making Indianapolis a cultural destination and celebrating the community's diversity.

Before running for office, Mayor Peterson had a distinguished career in the private sector, as well as in public service.

With his family, he built The Precedent Companies, a conglomerate of 11 development and financial services companies that created hundreds of good paying jobs in central Indiana. He served as president of The Precedent Companies from 1995 to 1999.

From 1989 to 1995, he was a member of Indiana Governor Evan Bayh's leadership team, first as his aide for environmental affairs, and later, as chief of staff.

Mayor Peterson is a lifelong resident of Indianapolis. He graduated from North Central High School, Purdue University and the University of Michigan Law School. He is a board member of the Indiana Nature Conservancy and the Regenstrief Foundation and has been actively involved in other community organizations.

He and his wife, **Amy Minick Peterson**, are the parents of a 16-year old daughter, **Meg**. Mrs. Peterson is president of Minick Peterson, a firm dedicated to strategy, marketing and communications consulting. She also serves on the boards of several community organizations.

For more information: Steve Campbell or Jo Lynn Garing, {317} 327-NEWS

Martin C. Jischke

When Dr. Martin C. Jischke became Purdue's 10th president in August 2000, he established the goal of making a great university into a preeminent university.

He is well on the way to accomplishing that.

Dr. Jischke and the Purdue University Board of Trustees have embarked upon a strategic plan that is transforming Purdue into a more dynamic and powerful institution. Purdue is not only on its way toward educational preeminence but is also leading efforts to bring about an economic resurgence for the state of Indiana.

In November 2001, the Board of Trustees approved a five-year strategic plan designed to take the university to the next level of excellence. The plan called for data-driven decision making — a key focus being the collection of data for comparison with peer institutions — and bold new steps to improve diversity, expand interdisciplinary research, enhance learning with the addition of 300 new faculty positions, and engage government and business leaders to advance economic development. The creation of Discovery Park, a \$100-million multidisciplinary research and entrepreneurial cluster now being built on the south edge of campus, is the most visible change.

A \$1.3 billion fund-raising campaign, launched in September 2002 in support of the strategic plan, designates \$200 million for student scholarships and fellowships, \$200 million to attract and retain the best faculty, \$200 million for programs and centers, \$600 million for facilities and equipment and \$100 million for unrestricted funds. It is the largest campaign in the history of higher education in Indiana.

President Jischke also continues to build alumni support and create a number of educational partnerships within the state of Indiana. Working cooperatively with state government to achieve better education and economic development for Indiana citizens are among Dr. Jischke's highest priorities.

Dr. Jischke has held numerous national leadership roles in service to colleges and universities. He has served as President of the Global Consortium of Higher Education and Research for Agriculture. He is a member of the National Association of State Universities and Land-Grant Colleges (NASULGC) Board of Directors and serves as the Chair of NASULGC's Commission on Food, Environment and Renewable Resources Executive Committee. He is a member of the NCAA Board of Directors and the Campus Compact Board of Directors. He is Vice Chair for the Association of American Universities Executive Committee and a Council Member of the National Academies Government University Industry Roundtable.

Dr. Jischke served as chancellor of the University of Missouri-Rolla from 1986 to 1991, and his success in that role led him to the presidency of Iowa State University. Like Purdue, Iowa State is a land-grant institution with strong emphases on engineering, science, agriculture, extension and veterinary medicine. During Dr. Jischke's nine years of leadership, the university made huge strides in improving undergraduate education, expanding research programs, increasing student diversity and raising money for scholarships. Private fund raising at Iowa State set records each year under Dr. Jischke's leadership, topping \$100 million annually.

After receiving his doctoral degree in aeronautics and astronautics from the Massachusetts Institute of Technology in 1968, Dr. Jischke joined the faculty of the University of Oklahoma's School of Aerospace, Mechanical and Nuclear Engineering. During his 17 years at Oklahoma, he served in multiple capacities. He became director of the School of Aerospace, Mechanical and Nuclear Engineering in 1977. He was the principal advisor to 21 thesis students. He served as dean of the College of Engineering from 1981 to 1986. In 1985 he was named the university's interim president.

Trained as a fluid dynamicist, Dr. Jischke has expertise in heat transfer, fluid mechanics, aerodynamics and problems related to high-speed aircraft and spacecraft. He is co-editor of one book and the author or co-author of 31 archival journal publications and 21 major technical reports. Dr. Jischke has given more than 50 major technical presentations and lectures. He has held research fellowships with NASA and the Donald W. Douglas Laboratory and has received research grants from the National Science Foundation, U.S. Air Force, NASA, National Institutes of Health, National Severe Storms Laboratory and Nuclear Regulatory

Commission. During 1975-76, he served as a White House fellow and special assistant to the U.S. secretary of transportation.

Dr. Jischke is a fellow of the American Association for the Advancement of Science and the American Institute of Aeronautics and Astronautics. He is a recipient of the Centennial Medallion of the American Society for Engineering Education. The Illinois Institute of Technology and the National Agricultural University of Ukraine have awarded him honorary doctoral degrees. He also has received the Illinois Institute of Technology Professional Achievement Award and the Ukraine Medal of Merit from that nation's president for outstanding service by a foreign national. He was honored with the U.S. Department of Agriculture 2004 Justin Smith Morrill Award.

In addition to serving on numerous civic, state and corporate boards during his academic career, Dr. Jischke has been a science adviser and consultant to a range of state and federal agencies and government officials and corporations.

He was born in Chicago and graduated from Proviso High School in Maywood, a suburb on Chicago's west side. In 1963 he earned his bachelor's degree in physics with honors from the Illinois Institute of Technology. Martin and Patty Jischke were married in 1970. They have two children, Charles, an audio engineer living in Southern California, and Mary, an engineer living in Indianapolis.





Dr. Carol D'Amico, Executive Vice President,
Ivy Tech Community College of Indiana

**REMARKS TO THE BASE REALIGNMENT AND
CLOSURE COMMISSION**

August 3, 2005
Lawrence, Indiana

Good morning. My name is Carol D'Amico. I serve as executive vice president of Ivy Tech Community College of Indiana and chancellor of the Central Indiana region. With an enrollment of more than 14,000 students in the Indianapolis metropolitan area, we are the largest of the 14 regions that comprise Indiana's community college system. Ivy Tech statewide enrolls more than 70,000 students. The college is the second largest institution of higher education in the state, just behind Purdue in headcount.

Quite simply, the mission of Ivy Tech Community College is to offer high-demand, high-quality degree programs, which prepare individuals for careers and continuing education in well-paying jobs. Students can choose from technical certificates and associate degrees in more than 30 programs, including accounting, computer information systems, office administration, business, human services, and the health and life sciences. Our tuition – at just over \$83 per credit hour – is the lowest in the state.

Transfer agreements in place with more than close to 50 regional and state universities and colleges – including Indiana and Purdue universities – allow our graduates to continue their education to the baccalaureate level and beyond.

I appreciate the opportunity to address you this morning about Ivy Tech's role in enhancing the quality of life for those who live and do business in Lawrence and the surrounding area. The college has offered classes in Lawrence since 1997, starting at Belzer Middle School, expanding to Lawrence North High School and eventually on to the Fort Harrison campus. In October of 2003, we purchased the former Gates-Lord Hall – known to veterans of Fort Harrison as "The School House" – and, with that investment, made a permanent commitment to the Lawrence community.

It's been a win-win partnership from the start. The enterprising Fort Harrison Reuse Authority made the college an offer it couldn't refuse. The 250,000 square foot building sits across from a state park and golf course, the beautiful Geist Reservoir is just minutes away, shops and restaurants are within walking distance, and when the new City Center for Lawrence is built, our Fairbanks Center, as it is now known, will anchor the northern end of the downtown mall.

BRAC Commission
Dr. Carol D'Amico, Ivy Tech Community College
August 3, 2005

Over the last two years, we've refurbished more than 110,000 square feet or 44 percent of the Fairbanks Center with the financial support of the Indiana General Assembly and more than \$6.5 million in contributions from local corporations and foundations. Next summer, we'll launch another phase of remodeling to add to the state-of-the-art labs and classrooms offered at Lawrence. Built in the 1950s to house various professional-level schools for the armed forces, the Fairbanks Center is now home to our health and life science programs, including nursing, biotechnology, surgical technology, respiratory technology, radiologic technology, medical assisting, health information technology, biomedical equipment, and mortuary science. In addition, we offer day, evening, and weekend classes in general studies, computer technology, and human services, and this fall will add our full degree program in business to the Lawrence campus. Starting this month, we're launching a market research study to determine what additional degree programs to bring to Lawrence. A real advantage of the community college system is our ability to offer new programs quickly and deliver graduates in two years.

Creating a campus in Lawrence has put access to college courses within a 20-minute drive of 25 percent of the metropolitan population. I would be remiss if I didn't note that from the corner of 56th Street and Post Road – where we are now – it takes less than five minutes to drive to the campus and 10 to walk! To make it even more convenient for students, we offer a growing menu of on-line courses. Plus, we can bring the college right to the office or production floor through our Corporate and Continuing Education Services division.

We expect enrollment at the Lawrence campus to double in the next five years from the 3,500 students who took classes this spring to more than 7,000.

At Ivy Tech Community College, we are committed to student success... whether it's completing the first two years toward a bachelor's degree; using one's associate degree or technical certificate to launch a first, second, or even third career; or taking courses that will help individuals advance in their current setting.

We also take seriously our obligation to serve as a community resource. A good example is our plan to refurbish the auditorium and adjacent space at the Fairbanks Center for community meetings, performances, and celebrations.

And we reach out to the community as partners in delivering education. Our students benefit from the applied expertise of our adjunct faculty, many of whom are drawn from the corporate sector. And through an extensive internship network, we send our students into the workplace to hone their skills under the tutelage of our local partners.

In closing, allow me to observe that this is an exciting time to put down roots in Lawrence. It is a growth-oriented, future-oriented community with a history rich in service to the military, to education, and to enterprise. We're pleased to be part of the community fabric and look forward to contributing to its success.

Thank you.

Representative Julia Carson

Former Congressman Andy Jacobs eloquently introduces the story of his successor, Julia Carson: "The only thing some people learn from oppression is hatred and revenge. Others learn compassion and empathy. From the physical pain of material poverty and the mindlessly cruel persecution of nitwit racism, Julia Carson made her choice, a choice of hard work, compassion and a pleasing sense of humor."

The result of Julia Carson's choice has been an extraordinary career of public service. Before she made history in 1996 by becoming the first woman and first African-American Indianapolis has ever sent to Congress, Julia Carson served 18 years in the Indiana General Assembly and 6 years as Center Township Trustee.

In those offices, she distinguished herself as the rare elected official who demonstrates both compassion and common sense. As a State Representative and Senator, Julia Carson sponsored legislation to encourage in-home health care and ease the collection of child support, while also serving as a no-nonsense fiscal watchdog member of the Senate Finance Committee. While a member of Indiana's citizen legislature, she also found time to work as a human resources executive at Cummins Engine and to operate her own small business.

In 1990, Julia Carson successfully ran for election to the post of Center Township Trustee of Marion County. She did so against the advice of many who feared the political quagmire of a poor relief office that was \$20 million in debt. Julia Carson's fiscal acumen and management skill lead to her being named for the second time as the Indianapolis Star's Woman of the Year. Her budget-balancing feat earned bi-partisan admiration, including that of Republican County Auditor John Von Arx, who said, "Julia Carson wrestled that monster to the ground."

In 1996, Julia Carson was elected to the United States Congress. As a member of the Financial Services Committee and the Committee on Transportation Infrastructure, Congresswoman Carson has helped sponsored legislation directed toward the most pressing needs of our community.

As she listens to her constituents' concerns, Congresswoman Carson is able to draw on her own extraordinary life history for insight. As a woman who has spent a lifetime scaling the barriers imposed by poverty as well as by racism and sexism, Congresswoman Carson speaks with unique credibility on these issues and to the young people of Indianapolis who she challenges to follow her lead over these barriers. Julia Carson pledges to continue to help build a safe, caring and responsible community.

BIOGRAPHY OF MAYOR DEBORAH CANTWELL

Mayor Cantwell was raised in Lawrence Township and graduated with honors from Lawrence North High School. She is currently single and her hobbies include watercolor painting, photography, writing, sewing and weight lifting. After she graduated from Lawrence North High School, she continued her education at the School of the Art Institute of Chicago where she earned a Bachelor's degree of Fine Arts. Due to her growing interest in the Labor Movement and the Spanish Language, she returned to school and is completing a dual Bachelor's degrees in Labor Studies and Spanish at IUPUI.. In 2002 Deborah Cantwell was named one of the top one hundred students at IUPUI. While campaigning and now running the city of Lawrence she has maintained a 4.0 average in school and she was recently placed on the Deans list for Labor Studies as well.

Her parents; Guy & Linda Cantwell, still live in Lawrence and she has one younger brother, Guy Bryan Cantwell. Her full time companion is an adorable Sheltie named Haley.

In 1989, Mayor Cantwell was hired as one of the first women on the Lawrence Township Fire Department as a career firefighter. It was during her tenure at the Fire Department that she became involved with the Fire fighters union and later became a Station Representative and then a Trustee at Large on the General Executive Board for the Metropolitan Firefighters Union Local 416. During this time Mayor Cantwell served on various committees as a labor representative including National Fire Protection Association Technical Committee on Fire Fighter Health and Medicine.

In 2002, Mayor Cantwell threw her hat into the ring for the office of Lawrence Township Assessor and received forty-five percent of the vote. In early 2003, she was appointed to the Lawrence Township Board. She was forced into retirement from the Firefighting career with an exacerbated osteoarthritis of the knee. Though she dearly loved serving her community in this capacity, she firmly believes that God never closes one door that He doesn't have a bigger and better assignment. Seeing and realizing how serious the City of Lawrence was needing a change, she finally decided to start a grass roots campaign and run for Mayor of Lawrence. She is the epitome of fighting for the under dog and firmly believes in equality for all citizens of Lawrence regardless of their race, religion or creed, or gender.

She vowed to run her office as she lives her life, with honesty and integrity!

Lt. Governor Becky Skillman

On January 10, 2005, Becky Skillman was sworn in as the first elected female Lieutenant Governor for the state of Indiana.

Lt. Governor Skillman began her career as a public servant in 1977 when she was elected as the Lawrence County Recorder. Eight years later, the voters of Lawrence County chose Becky Skillman to serve as County Clerk.

In 1992, Hoosiers in five southern Indiana counties elected Becky Skillman to represent them in the Indiana Senate. Rising quickly through the ranks, she held the second highest position as Majority Caucus Chair, becoming the first woman in Senate Republican leadership.

Now, serving as the fiftieth Lieutenant Governor of Indiana, Becky Skillman is a full partner with Governor Mitch Daniels on all matters of state government. She shepherded the Administration's legislative agenda through the Indiana General Assembly and served as President of the Senate.

Lt. Governor Skillman oversees the Office of Tourism Development, Energy Group, Indiana Housing and Community Development Authority, chairs the Indiana Counter Terrorism and Security Council and serves as the of Secretary of Agriculture and Rural Development under the State's, new and first ever, Indiana State Department of Agriculture and separate Office of Rural Affairs.

Growing up in rural Indiana, Becky Skillman has a passion for dealing with the needs of rural communities and has taken pride in having served as President of the Association of Indiana Counties. During her 12 years in the Senate, she led the charge to include the state's small towns and rural communities in its economic development plans. She authored plans for development in distressed counties and revitalization of downtown areas.

The Lt. Governor relies on the principles of faith, family, and hard work to guide her. She and her husband, Steve, have a son Aaron.

Base Realignment and Closure Commission

Defense Finance and Accounting Service

Field Visit

August 3, 2005

Indianapolis, Indiana

Testimony

Of

U.S. Senator Richard G. Lugar

And

U.S. Senator Evan Bayh

Presented

By

Lane A. Ralph

**Deputy State Director
U.S. Senator Richard G. Lugar**

I am Lane Ralph, Deputy State Director for U.S. Senator Richard G. Lugar. On behalf of both Senators, I want to welcome you to Indianapolis.

I have been asked by Senator Lugar and by Governor Daniels to make some general comments to the BRAC Commissioners and to the BRAC staff. Additionally, I would like to have placed in the official record the prepared statements of Senator Lugar and Senator Evan Bayh.

Both Senators have been supporters of the most recent BRAC process. This strong advocacy has been demonstrated through their work on the Foreign Relations Committee and the Armed Services Committee. Both Senators have worked with the Pentagon and with Commission to use accurate information available to make the best and most informed decisions about the defense needs of nation for the 21st Century.

Senators Lugar and Bayh support the City of Indianapolis and State of Indiana and their combined efforts to continue to serve the needs of the Defense Finance and Accounting Service as a major employer and respected member of the federal defense organizations throughout Indiana.

The Senators believe that the economic efficiencies that can be gained from consolidation of the various Defense Department finance service operations have long-term benefits to the federal government, and in particular, to the Department of Defense and to our military personnel.

Senators Lugar and Bayh hope that the BRAC Commission will obtain additional answers and insights into the areas where questions may remain about the future services delivery by the committed staff of the Defense Finance and Accounting Service in Indiana. On behalf of Senators Lugar and Bayh, I welcome you to central Indiana, and appreciate all you are doing in your important work.

July 18, 2005

The Honorable Anthony J. Principi
Chairman
Defense Base Closure and Realignment Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Dear Chairman Principi:

I am writing you concerning the recommendations of the United States Department of Defense to the Commission relating to the Defense Finance and Accounting Service (DFAS). The recommendations included the consolidation of a significant number of DFAS employee positions into DFAS-Indianapolis in the Major General Emmett J. Bean Center.

Purdue University, one of the 25 largest universities in the nation, is committed to partnering with the Pentagon should these recommendations be implemented. The substantial job growth in DFAS would have an enormous positive impact on Indiana's economy and Purdue will do whatever possible to support this transition. Purdue has been actively and aggressively involved in promoting economic development in Indiana, and has a significant presence in Indianapolis.

Purdue has excellent programs in business, accounting and finance, and produces many highly qualified graduates each year in these disciplines. The University also provides continuing education programs in several disciplines related to DFAS careers and can partner with DFAS-Indianapolis to offer such programs on-site, if desired. Purdue also houses one of the best Technical Assistance Programs in the nation, including active internship and minority placement programs.

We understand that the decision-making process for the Commission is extremely challenging and difficult, and greatly appreciate your and the other Commission members' service to our country in this regard. Purdue University stands ready to assist DFAS and the Pentagon in the coming years. We would be pleased to meet with DFAS officials at the appropriate time to discuss how we can assist the Pentagon in this transition. If you have any questions or if you would like to discuss this further, please do not hesitate to contact me.

Sincerely,

Victor L. Lechtenberg
Vice Provost for Engagement

VLL/md

TESTIMONY OF THE HONORABLE BART PETERSON
MAYOR OF INDIANAPOLIS, INDIANA
DFAS Indianapolis Site Visit
August 3, 2005

Commissioner Skinner and General Newton, members of the BRAC Commission staff, and other guests here today, I am honored to welcome you to Indianapolis. I am pleased that you are able to visit this extraordinary DFAS facility to learn more about what it offers.

I had the pleasure of meeting with Chairman Principi and Marilyn Wasleski two weeks ago in Washington, DC. I am impressed at how seriously the Commission takes its responsibility to conduct a thorough review and analysis of the Pentagon's base closure and realignment recommendations. This is an extremely difficult but important job, and I commend you for your willingness to undertake this process.

I would like to tell you why Indianapolis is such a great place to live, work and raise a family, particularly for employees of DFAS. Indianapolis is now the 12th largest city in the country and has made remarkable strides in recent decades. Indianapolis offers a vibrant and growing local economy, recently captured in a headline in The Wall Street Journal about Indianapolis that read: "Economic Engines are Really Revving." We're known as the Crossroads of America because Indianapolis is served by more interstate highway segments than any other city and is the most centrally located city to the top 100 U.S. markets. We're home to a broad array of major corporate headquarters including pharmaceutical giant Eli Lilly and Co; Simon Property Group, the largest publicly traded retail real estate company in North America, and Wellpoint (formerly Anthem), the nation's largest health insurance company.

DFAS currently plays a critical role in our local economy and is a major employer in our

county's northeast side. The proposed expansion of DFAS-Indy would be a major addition to our economy and one that we believe would be well accommodated by our community. DFAS has access to a highly educated, skilled labor pool thanks to 24 accredited colleges and universities in central Indiana, including world class research universities like Indiana University, Purdue University and IUPUI. More than 7,000 business degrees were awarded in 2002, including MBA's, with nearly 40,000 business students enrolled. You will hear from the university officials later, but I believe their being here personally demonstrates their desire to partner with DFAS to produce and train the kind of employees of whom DFAS will be proud.

In addition, this workforce has compelling reasons to come to and to stay in Indianapolis, as we have a world class quality of life environment. We are home to the Indianapolis Motor Speedway, which hosts the "Indianapolis 500," NASCAR's Allstate 400 at the Brickyard, and the nation's only Formula One race. We are home to the Indianapolis Colts, Indiana Pacers, Indiana Fever and Indianapolis Indians. We are considered the amateur sports capital of the United States, and home to the NCAA, USA Gymnastics, USA Track & Field, and other national amateur sports organizations. We routinely host the NCAA Final Four and other major sporting events. We have an abundance of vibrant and diverse neighborhoods and an affordable cost of living. Employees of DFAS-Indy get a lot of bang for their salary buck. The cost of living is surprisingly low for a major city. In fact, the Indianapolis region was recently named the most affordable city over one million people by the National Association of Homebuilders.

And we have a strong arts and cultural scene – including over 17 museums, among which are the Indianapolis Museum of Art, the nation's 7th-largest general art museum, and the Indianapolis Children's Museum, the largest children's museum in the world. We have diverse cultural districts and wonderful public art. All of these factors will help DFAS-Indy recruit highly

skilled employees into government service.

As Mayor of Indianapolis, I am proud to be home to the military's largest finance and accounting operations center, that, among other things, processes the pay for our soldiers in the United States Army. It is one way that Hoosiers contribute to the safety and security of our country. As our men and women put their lives at risk to keep us safe at home, it's comforting to know that almost 3,000 Hoosiers help ensure that our military families are provided for by the accurate and timely disbursement of their paychecks. Indianapolis stands out for its patriotism and support for our nation's military and veterans. The heart of the city is marked by the 284 foot Sailors' and Soldiers' Monument, and we are home to other significant war memorials including the Indiana World War Memorial and the nation's only Medal of Honor memorial. And the national headquarters of the American Legion is in Indianapolis.

This Center that houses DFAS – you will see on your tour a bit later – is one of the finest facilities in the federal government's inventory – and is the 3d largest. It is more than capable of meeting the military's demands to consolidate finance and accounting operations from around the country. It has the capacity to accommodate thousands of new employees for a price that is competitive or cheaper than any other DFAS community. It recently underwent a \$123 million renovation completed in 2003. In addition to the building's excellent attributes, I think it is also important to note that DFAS consolidation will help produce over \$1.3 billion in cost savings. We encourage you to support the recommendation of the Department of Defense to consolidate DFAS operations at the finance center in Indianapolis. I pledge to you, and the government and community leaders here today will do the same, that we will do everything we can to make a transition extremely smooth and productive for DFAS.

Thank you again for visiting Indianapolis and hearing from us how strongly we feel about

DFAS in our city. We are honored to showcase our city and this facility for you.



Base Realignment and Closure Commission

Defense Finance and Accounting Service

Field Visit

MG Emmett J. Bean Federal Center

August 3, 2005

Indianapolis, Indiana

Testimony

Of

U.S. Senator Richard G. Lugar

Commissioners Newton and Skinner, on behalf of the State of Indiana, thank you for taking the time to visit the Defense Finance and Accounting Service (DFAS) Center.

The citizens of Indiana appreciate the willingness of the Base Realignment and Closure Commission to review facilities firsthand, and give thoughtful audience to our views regarding the positive benefits of moving forward with Secretary Rumsfeld's 2005 Base Realignment and Closure (BRAC) recommendations involving the DFAS in Indiana and elsewhere.

The Commission faces a significant challenge in reviewing within a short timeframe the Secretary's proposed recommendations for reducing excess capacity. Among these recommendations, the consolidation of DFAS business, corporate and administrative functions to the MG Emmett J. Bean Federal Center will assist in streamlining an efficient DFAS organization. As I stated last month in my meeting with Chairman Principi, along with Senator Bayh, we are interested in this situation. I expressed my hope that the BRAC Commission use accurate information to ensure against choices that might jeopardize the security of our nation or lead to increased costs rather than savings.

During my tenure in the Senate, I have actively and consistently supported the base closure process as an important to meeting our changing national defense needs and protecting the interests of the taxpayer. As Chairman of the Senate Foreign Relations Committee, I continue my work on these important national security issues, and the role of Indiana as an ongoing contributor to this process.

Throughout previous base closure rounds that impacted a number of Hoosier communities, I have consistently advocated employing accurate information that defense officials can use to make informed decisions. It is my hope that the members of the Commission here today will see firsthand the many benefits of expanding operations at DFAS in Indiana. From my examination of the issues before us, and from my experience in central Indiana as a local official, I have great confidence in the abilities of our leaders and our workforce to meet the requirements of the Department of Defense.

I thank Lt. Governor Becky Skillman, Mayor Maria Cantwell, Mayor Bart Peterson and all of our elected officials and leaders for their active participation and input into this process. I appreciate your coming to Indiana, and I appreciate this opportunity to share with you some of my thoughts.

BRAC
Indianapolis
Wednesday, August 3, 2005
Remarks by
Martin C. Jischke
President, Purdue University

Thank you for this opportunity to speak about higher education in Indiana and our ability to meet the needs of the Defense Finance and Accounting Service operations in Indianapolis.

Along with others here today, I strongly agree with the recommendations outlined in the Secretary of Defense's Base Closure and Realignment report, especially as they relate to consolidation of Defense Finance and Accounting Service operations in Indianapolis.

As you will hear today, Hoosiers are patriotic people who have always been strong supporters of our nation's military. This is also a state that has enormous cooperation and partnership among various levels of government, business, industry and education. The fact that local, state, federal and higher education spokesmen have united today in this presentation speaks to the level of cooperation that exists in Indiana today.

Indiana has five outstanding four-year public universities with a total of 14 campuses, enrolling about 200,000 students. In addition there is an excellent, growing public community college system with campuses throughout our state serving more than 100,000 students. Indiana is also home to 30 private four-year colleges and universities with a total enrollment of more than 72,000.

Our state is unique in having two major public research universities that work closely and conduct joint research important to Indiana economic development. We even share campuses in several locations including Indiana University- Purdue University in Indianapolis which we call IUPUI.

IUPUI has developed into one of the nation's great urban universities. It ranks among the top 15 in the nation in the number of first professional degrees it confers. The campus offers more than 185 academic programs including business, finance and accounting, which are essential fields to Defense

Finance and Accounting Service operations. More than 29,000 students attend IUPUI representing 49 states and 122 countries.

Purdue and Indiana universities are among the greatest higher education institutions in our nation and the world. In November 2004, *The Times* of London ranked Purdue 59th worldwide, 25th in North America, 22nd among U.S. universities and ninth among American public universities. The Purdue and IU schools of businesses and management are also among the best.

The IU Kelley School of Business, offers undergraduate and graduate education programs to about 4,600 full-time students on its Bloomington campus and another 1,200 students at IUPUI. The Krannert School of Management at West Lafayette enrolls about 2,500 students in undergraduate and graduate programs. Both are consistently ranked highly by corporate recruiters, business developers and national business publications such as *Business Week*, *Entrepreneur* and *U.S. News & World Report*.

Last November, the *Financial Times* ranked the Krannert School of Management's executive MBA degree program 11th worldwide. Purdue's Krannert School of Management's MBA program was ranked No. 1 by regional corporate recruiters in *The Wall Street Journal* fall of 2004 report.

Purdue and Indiana University also have top information technology programs producing graduates needed in all business operations today.

At Ball State University in Muncie, the Miller College of Business has 150 students majoring in accounting. It offers two majors and three minors in finance. Indiana State University in Terre Haute and the University of Southern Indiana in Evansville also have excellent programs in accounting and finance.

There are already a number of graduates from universities in Indiana working at the Defense Finance and Accounting Service operations in Indianapolis. In fact, the Defense Finance and Accounting Service operation here has hired 21 Purdue graduates alone since January 1, nineteen of them accounting majors. And our universities are more than ready with top graduates to step in and fulfill all future needs.

Purdue and Indiana universities have also developed an international reputation for working to meet the needs of our state, federal government and business and industry. We have a close partnership with the Naval Surface Warfare Center in Crane, Indiana.

We have aligned our academic and research programs to meet the employment and development needs of those doing business in our state. We are flexible and ready to partner in any way we can to help our state and national government and any enterprise in Indiana. Indeed, we see this as one of our primary missions.

Indiana is a state with a top system of higher education focused on employment, research and economic development needs of our state. We look forward to an even stronger partnership with the Defense Finance and Accounting Service operations in Indianapolis and doing whatever we can to meet your needs.

Thank you.

INDIANA UNIVERSITY

July 18, 2005



The Honorable Anthony J. Principi
Chairman
Defense Base Closure and Realignment Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

OFFICE OF THE
VICE PRESIDENT FOR
LONG-RANGE PLANNING
AND
CHANCELLOR OF
IUPUI

Dear Chairman Principi:

As Chancellor of Indiana University-Purdue University in Indianapolis (IUPUI), I am writing you in strong support of the recommendations of the United States Department of Defense to the Commission regarding consolidation of Defense Finance and Accounting Service (DFAS) employees to Indianapolis. IUPUI is a world-class research and teaching university that stands ready to assist DFAS through a consolidation of employee positions here.

IUPUI was formed in 1969 as a partnership between Indiana University and Purdue University in downtown Indianapolis. It has grown to over 29,000 students in 185 academic programs, including the Indiana University Kelley School of Business and Indiana University School of Public and Environmental Affairs. In addition to degree programs, we have a strong continuing studies program called the Community Learning Network. The CLN offers more than 900 continuing education classes to over 11,000 non-degree students every year, including a certificate program in accounting. We are well-positioned to provide continuing education and graduate professional degrees as well as baccalaureate education in support of the DFAS workforce.

The expansion of DFAS-Indianapolis provides an important partnership opportunity for IUPUI. It comes at a time we are aggressively increasing our partnerships with the business and governmental communities. We have created the Solution Center to facilitate student internships and provide a single point of contact to the campus. The DFAS expansion would increase opportunities for student internships and job placement.

In turn, IUPUI is an important resource with critical strength in business and information technology, as well as being one of the nation's leading producers of health and life science degrees (we are home to Indiana's only medical school and only dental school). If we can provide assistance to DFAS please contact us. I would be happy to arrange a meeting between any Commission members and/or DFAS at the appropriate time to discuss ways IUPUI can assist.

If you have any questions or if you would like to discuss this further, please contact me.

Sincerely,

Charles R. Bantz
Vice President for Long-Range Planning
and Chancellor of IUPUI

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Dr. Carol D'Amico, Executive Vice President,
Ivy Tech Community College of Indiana

**REMARKS TO THE BASE REALIGNMENT AND
CLOSURE COMMISSION**

August 3, 2005
Lawrence, Indiana

Good morning. My name is Carol D'Amico. I serve as executive vice president of Ivy Tech Community College of Indiana and chancellor of the Central Indiana region. With an enrollment of more than 14,000 students in the Indianapolis metropolitan area, we are the largest of the 14 regions that comprise Indiana's community college system. Ivy Tech statewide enrolls more than 70,000 students. The college is the second largest institution of higher education in the state, just behind Purdue in headcount.

Quite simply, the mission of Ivy Tech Community College is to offer high-demand, high-quality degree programs, which prepare individuals for careers and continuing education in well-paying jobs. Students can choose from technical certificates and associate degrees in more than 30 programs, including accounting, computer information systems, office administration, business, human services, and the health and life sciences. Our tuition – at just over \$83 per credit hour – is the lowest in the state.

Transfer agreements in place with more than close to 50 regional and state universities and colleges – including Indiana and Purdue universities – allow our graduates to continue their education to the baccalaureate level and beyond.

I appreciate the opportunity to address you this morning about Ivy Tech's role in enhancing the quality of life for those who live and do business in Lawrence and the surrounding area. The college has offered classes in Lawrence since 1997, starting at Belzer Middle School, expanding to Lawrence North High School and eventually on to the Fort Harrison campus. In October of 2003, we purchased the former Gates-Lord Hall – known to veterans of Fort Harrison as "The School House" – and, with that investment, made a permanent commitment to the Lawrence community.

It's been a win-win partnership from the start. The enterprising Fort Harrison Reuse Authority made the college an offer it couldn't refuse. The 250,000 square foot building sits across from a state park and golf course, the beautiful Geist Reservoir is just minutes away, shops and restaurants are within walking distance, and when the new City Center for Lawrence is built, our Fairbanks Center, as it is now known, will anchor the northern end of the downtown mall.

BRAC Commission
Dr. Carol D'Amico, Ivy Tech Community College
August 3, 2005

Over the last two years, we've refurbished more than 110,000 square feet or 44 percent of the Fairbanks Center with the financial support of the Indiana General Assembly and more than \$6.5 million in contributions from local corporations and foundations. Next summer, we'll launch another phase of remodeling to add to the state-of-the-art labs and classrooms offered at Lawrence. Built in the 1950s to house various professional-level schools for the armed forces, the Fairbanks Center is now home to our health and life science programs, including nursing, biotechnology, surgical technology, respiratory technology, radiologic technology, medical assisting, health information technology, biomedical equipment, and mortuary science. In addition, we offer day, evening, and weekend classes in general studies, computer technology, and human services, and this fall will add our full degree program in business to the Lawrence campus. Starting this month, we're launching a market research study to determine what additional degree programs to bring to Lawrence. A real advantage of the community college system is our ability to offer new programs quickly and deliver graduates in two years.

Creating a campus in Lawrence has put access to college courses within a 20-minute drive of 25 percent of the metropolitan population. I would be remiss if I didn't note that from the corner of 56th Street and Post Road – where we are now – it takes less than five minutes to drive to the campus and 10 to walk! To make it even more convenient for students, we offer a growing menu of on-line courses. Plus, we can bring the college right to the office or production floor through our Corporate and Continuing Education Services division.

We expect enrollment at the Lawrence campus to double in the next five years from the 3,500 students who took classes this spring to more than 7,000.

At Ivy Tech Community College, we are committed to student success... whether it's completing the first two years toward a bachelor's degree; using one's associate degree or technical certificate to launch a first, second, or even third career; or taking courses that will help individuals advance in their current setting.

We also take seriously our obligation to serve as a community resource. A good example is our plan to refurbish the auditorium and adjacent space at the Fairbanks Center for community meetings, performances, and celebrations.

And we reach out to the community as partners in delivering education. Our students benefit from the applied expertise of our adjunct faculty, many of whom are drawn from the corporate sector. And through an extensive internship network, we send our students into the workplace to hone their skills under the tutelage of our local partners.

In closing, allow me to observe that this is an exciting time to put down roots in Lawrence. It is a growth-oriented, future-oriented community with a history rich in service to the military, to education, and to enterprise. We're pleased to be part of the community fabric and look forward to contributing to its success.

Thank you.



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Thank you.

Congress of the United States

Washington, DC 20515

**BRAC Commission Site Visit
Major General Emmett Bean Federal Center
City of Lawrence, Indiana
Wednesday, August 3, 2005**

**Joint Statement of:
The Honorable Dan Burton [R-IN-05]
The Honorable Julia Carson [D-IN-07]**

As Members of the Indiana Congressional delegation, we welcome the distinguished Base Realignment and Closure (BRAC) Commissioners Lloyd W. Newton and Samuel K. Skinner, and thank them for convening this important and timely site visit.

As evidenced by today's presence of Governor Daniels' staff, Lt. Governor Skillman, Mayor Peterson of the City of Indianapolis, Mayor Cantwell of the City of Lawrence, and senior staff from the Congressional delegation – both House and Senate – and the local community, there is strong, unwavering, and bipartisan support for the innovative consolidation initiative proposed by the Department of Defense (DoD). From the onset, we want to – once again – express our sincere appreciation for the vote of confidence bestowed upon the Defense Finance and Accounting Service (DFAS) – located at the Major General Emmett Bean Federal Center (the Center) – in the DoD's initial round of BRAC recommendations. As you may already know, the Major General Emmett Bean Federal Center – the United States' second largest military facility behind the Pentagon – has a long-standing history of service and dedication to the defense of our nation.

You may recall that we described in our testimony of June 20, 2005, before this Commission, that the state-of-the-art Center and the surrounding communities of Lawrence and Indianapolis have demonstrated the ability to facilitate large-scale DoD operations, while also providing cost-efficient and family-friendly communities which embrace the dedicated, hard-working men and women who represent the human capital of our military and national defense infrastructure. In fact, we are extremely proud of our broad and diverse workforce that utilizes all the talents and skills of our community. Moreover, the diversity – 32% minority and 59% women – is reflective of this community's ability to help attract, recruit, and retain qualified individuals to perform the broad range of jobs necessary to successfully fulfill the DFAS mission.

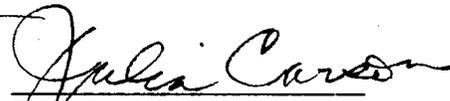
Furthermore, we respectfully commend your attention to the other capital invested at the Center. In fact, the Center was recently renovated at a cost of \$123.7 million, and now provides a safe, efficient, and cost-effective environment that maximizes DFAS operations and supports the mission of our men and women throughout the Department of Defense. Among the Center's myriad of attributes, it is one of the most secure facilities in the DoD's inventory, it provides a state-of-the-art workplace, and it preserves the historic integrity of the surrounding area. We hope you would agree that the DoD BRAC proposal seeks to maximize on this investment and the Center's many attributes.

Moreover, the Fort Harrison Reuse Authority (FHRA) - in partnership with the DoD, United States Army, Defense Commissary Agency, and the Army Air Force Exchange Service - are already working to construct a new, state-of-the-art, Commissary and Post Exchange at historic Fort Benjamin Harrison. In fact, we personally helped to secure approximately \$2 million in federal funding during the FY 2005 appropriations cycle to help cover building and construction costs. The new Commissary and Post Exchange will continue to provide essential services to local military personnel, retirees, their families, and - with your support - future employees. More importantly, we are willing and able to work together - once again and in the spirit of bipartisanship - to secure additional support for all of the great projects that the FHRA is accomplishing at former-Fort Benjamin Harrison.

Messrs. Commissioners, we join with our Senate colleagues to express the determination of this delegation to make the proposed consolidation a success in Indianapolis. We are assured that our State and local officials will provide you with all the details on how the DFAS Indianapolis site will optimize the consolidation initiative; and will also address any specific questions you may have regarding the Indianapolis DFAS site. Moreover, you can rest assured that we are firmly locked, arm-in-arm, with the Governor, Mayors, City Councils, State Legislature, and local community leaders to provide your Commission with whatever assistance you may require to insure the success of DFAS consolidation. We hope that you have a productive visit and look forward to working with you and the rest of the BRAC Commission in near the future.



Dan Burton
Member of Congress



Julia Carson
Member of Congress



**REMARKS BY DEBORAH L. CANTWELL, MAYOR OF THE CITY OF
LAWRENCE, TO THE BASE REALIGNMENT AND CLOSURE COMMISSION
August 3, 2005**

Good morning. I am Mayor Deborah Cantwell, and on behalf of the citizens of Lawrence, we welcome you for this site visit. And I am pleased to stand side by side with Lt. Gov Skillman and Mayor Peterson in our efforts to convince you that Lawrence, Indianapolis and Indiana would welcome the proposed additional finance center jobs.

For approximately 42,000 people, the City of Lawrence is home. This lively, active community offers many of the amenities of a traditional small town while located in the midst of the robust nine-county metropolitan area of Central Indiana. It is conveniently located with easy access to the interstate and downtown Indianapolis.

We are a city made up of both historic and modern residential neighborhoods. We have a popular, award-winning school system, and offer a superb quality of life through more than 2,000 acres of parkland, recreational opportunities for all ages, and a vibrant mix of light industrial, commercial and retail uses.

Our school system, the Metropolitan School District (MSD) Lawrence, oversees a progressive system of two high schools, three middle schools and 10 elementary schools. MSD Lawrence traditionally achieves high performance results from its students and its teachers are regularly honored for their skills and dedication. The Lawrence Central Marching Band is #1 in the nation, and the orchestra is #2 in the State of Indiana. Lawrence North High School's Marching Band is #6 in the State and their orchestra is #4. Lawrence is home to several private schools as well which also offer high quality educational opportunities to interested families. And we proudly boast an Ivy Tech State College campus that is continuing to grow and thrive in our community.

Since the closing of Ft. Benjamin Harrison, the City of Lawrence and the Ft. Harrison Reuse Authority have been keenly aware of the need to balance land use to ensure a high quality of life while providing for diverse residential choices, interesting jobs, challenging educational options, attractive places to shop and exciting entertainment choices.

When new people arrive in our area, they will find the City of Lawrence is continuing to prove to be a thriving, progressive, forward thinking city. Within the next couple of years, we plan to break ground for a new city center, which is a rare opportunity to create a new downtown that will have a branch of the Marion County library as the centerpiece. Plans for the new PX-Commissary are continuing to move forward and when it is finished, it will better serve the needs of the active military and their families, as well as the retired military families, that use this facility on a regular basis. We are continuing to improve the Pendleton Pike corridor and to change the face of “Old Lawrence.” We have started a new community policing program and recently announced the opening of a new Police Citizens Academy for our City.

When Ft. Ben closed, the 1700 acres of the military base were turned into Ft. Harrison State Park, which is the only urban State park in Indiana. It offers a golf course (designed by Pete Dye), hiking and biking trails, horseback riding, picnic areas and other amenities. Additionally, the City of Lawrence maintains 9 city parks that offer an extensive program of organized activities on 21 soccer fields, 3 football fields, 3 baseball and softball complexes, and neighborhood green spaces with play equipment. Lawrence prides itself as the “Home of Youth Soccer” with nearly 3,000 players participating in spring and fall leagues. We are also within minutes of the 18,000-acre Geist Reservoir, which provides boating, sailing and a variety of water sports during the summer.

Like many Midwestern cities, the population of the City of Lawrence has become diversified and people from many cultures and ethnic groups have moved here to work and raise their families. They are represented throughout the city through thriving family owned businesses and European, Asian and Hispanic restaurants. Additionally, the MSD Lawrence operates an elementary school, which focuses on international cultures.

People who live in Lawrence enjoy several festivals throughout the year. One of our biggest festivals, the July 4th celebration, lasts for 4 days and includes a carnival, live entertainment, an exhibition softball game and a huge fireworks show that is always a crowd pleaser.

The City of Lawrence is poised and ready to assist DFAS-Indianapolis welcome new federal employees. One of the commitments the City is offering is to assist DFAS and GSA in assessing the parking needs of the facility.

SENATOR EVAN BAYH'S STATEMENT
BRAC COMMISSION SITE VISIT TO DFAS—INDIANAPOLIS
AUGUST 3, 2005

I want to thank the Base Realignment and Closure (BRAC) Commission for taking the time to visit the Defense Finance and Accounting Services (DFAS)—Indianapolis and for giving me the opportunity to join with the rest of the Indiana Congressional delegation, the Governor of our state, local elected officials, higher education leaders, and members of the impacted communities, to discuss the Commission's recent decision to add DFAS—Indianapolis to the list of installations to be considered for realignment or closure.

As I said following the release of the Pentagon's BRAC Recommendations in May, I strongly support the proposed plan to move almost 3,500 jobs to DFAS—Indianapolis. I am troubled over the prospect of fewer jobs moving to DFAS—Indianapolis, but I understand the Commission's decision to add the installation to the list as part of a broader effort to determine the optimal number of DFAS sites. I commend the Commission's efforts to be thorough and get this important matter right.

As you may be aware, the situation involving DFAS—Indianapolis came up during the meeting Senator Lugar and I had with Chairman Principi on July 12, 2005, regarding Indiana installations and the 2005 BRAC round. Senator Lugar and I both made the case for the realignment of jobs to DFAS—Indianapolis, pointing out the many attributes and recent renovation. I was encouraged by Chairman Principi's comments during that meeting that the Commission was not seeking to unravel the Pentagon's BRAC Recommendations.

Indiana is very proud of the work performed at DFAS—Indianapolis. The excellent work done there continues a long Indiana tradition of Hoosiers supporting our Armed Forces. DFAS—Indianapolis is a first class facility, having recently undergone a \$123 million renovation. Perhaps more importantly, DFAS—Indianapolis, which is the largest DFAS facility nationwide, is capable of accommodating additional work without extensive military construction. On behalf of the more than 3,000 Hoosiers who work at DFAS—Indianapolis, I encourage you to take all of the factors raised today into consideration during your evaluation of the DFAS consolidation plan.

I want to thank you for your service to our nation and wish you the best throughout this process. If I can be of assistance, please do not hesitate to contact me.

Statement of Lt. Governor Becky Skillman

BRAC Site Visit
DFAS Indianapolis
August 3, 2005

As I said in my last appearance before you, the people of Indiana and their elected officials have been consistently supportive of the BRAC process in spite of the relatively heavy losses inflicted on our state by prior BRAC rounds. Governor Daniels supported this process during his service as Director of the Office of Management and Budget and has continued that support as Governor. He is particularly supportive of the DFAS consolidation process that originated during his tenure as Director of The Office of Management and Budget.

Throughout this process, we have taken a straightforward, professional and fact-based approach, and we will continue to do so.

No matter what statistical measure or index you employ, our story is a happy one. We invite comparison to other areas on quality of schools, roads, infrastructure, availability of both high quality and affordable housing and cultural opportunities. Regardless of how you keep score, we welcome the analysis.

We are also submitting for your consideration a more detailed paper regarding the clear reasons which support the recommendation of consolidating DFAS at the MG Bennett J. Bean Federal Center in Indianapolis

Since DFAS was created in 1991, it has been actively engaged in the process of consolidating the number of centers around the country. During that period of time, they have reduced the number of installation level facilities across the country from over 300 to the current level of 26. The need for this consolidation has been acknowledged in studies done by DoD itself and outside agencies such as GAO.

As part of the 2005 BRAC process, the Headquarters and Support Activities Joint Cross-Service Group recommended the final step in the process, by consolidating into three offices at Indianapolis, Columbus and Denver.

This consolidation will accomplish the major facilities reduction and business line realignment that DoD has determined is the best way to reshape the agency for its future mission. In arriving at this final configuration, DoD utilized an optimization model to ensure that military value is maximized while utilizing excess capacity to minimize construction costs.

We are not here today to quibble about details. We realize that the numbers set out in the DoD recommendations represent the optimum amount of potential job gain for Indianapolis. We understand that adjustments may well be needed in order to make sure the process ends up achieving maximum efficiency. We have absolute confidence that the professionals making those judgments know far better than we do what they should be. We are here to pledge our support for the successful continuation of the DoD initiative of DFAS consolidation, and the

long-term cost savings and efficiencies which will inevitably result from it. We pledge our maximum effort and resources to that effort and want to make sure we have identified everything we can do to bring this process to fruition.

Today, you will hear from representatives of state and local government who will assure you that we have the clear will and the recognized capabilities to address any problems or issues that may develop in connection with the consolidation. You will also hear from some of our educational institutions who will discuss educational capabilities and other issues relevant to the available pool of workers. I am here on behalf of the Governor and the State legislature to reaffirm our unwavering commitment to do what is necessary to take this consolidation process the rest of the way home. We are fully committed to making this work, and will do whatever is required to ensure that DFAS is able to realize the full benefits of completing this consolidation process.

Now I would like to provide you with more information about the impressive facility we are meeting in today.

DFAS Indianapolis is located in the Major General Emmett J. Bean Federal Center in Lawrence, Indiana, just outside Indianapolis. This facility is, in our view, an ideal location around which to center the effort to consolidate and transform DFAS operations.

The Bean Federal Center is the second largest building in the Pentagon inventory, and houses the largest DFAS facility in the nation. Perhaps more importantly, it has the greatest ability of any DFAS facility to accommodate additional business, corporate and administrative DFAS functions.

DFAS Indianapolis ranked ninth in overall ranking of military value. However, this is primarily due to the fact that it is not located on a DoD installation with a controlled perimeter. The same fact of location adversely affected its terrorist threat assessment ratings. Nonetheless, the facility does meet the DoD Antiterrorism/Force Protection (AT/FP) standards, and without the location criteria, DFAS Indianapolis would have ranked among the top three DFAS facilities nationwide.

Ironically, DFAS Indianapolis was located on a DoD facility (Fort Benjamin Harrison) until 1991, when the fort was closed as part of that BRAC. The Bean Center, however, was not included in that closing - a clear recognition of its existing and potential value.

The consideration of the other factors in the Military Value scoring plan provides further evidence of the Bean Center's worth.

- Facility condition: The Bean Center recently underwent a \$123.7 million renovation which was completed in November of 2003. As you can see, it is a state of the art facility, in mint condition. As a GSA location site, all future renovation and maintenance costs will be included under the GAO lease.
- Hiring time: DFAS Indianapolis ranks 5th in hiring time, currently requiring an average of just over 13 days to fill vacancies.
- Local workforce pool: Indianapolis ranks 10th among all DFAS facilities in the size of its workforce pool, well above the average size.

- Locality pay: DFAS Indianapolis ranks 13th among all DFAS operations in locality pay rate. However, DFAS Indianapolis' locality pay rate of 11.11 is well below the 13.79 average among all DFAS facilities. In addition, DFAS Indianapolis has the lowest locality pay rate among major urban areas, a key consideration given the importance of payroll in overall DFAS costs. DFAS Indianapolis ranks 18th among DFAS facilities in operating costs per square foot. However, this rating is somewhat skewed given the extremely low operating costs of the nine DFAS facilities located on a DOD installation. Furthermore, this calculation fails to take into account additional costs such as renovations and repairs, which are built into the lease costs for DFAS Indianapolis but are not included in those facilities on a DOD installation.
- One-of-a-kind corporate process applications: DFAS Indianapolis' skilled local workforce currently handles eight unique corporate process applications. Furthermore, the BRAC report notes that DFAS Indianapolis has the potential to evolve into a separate Business Line Center of Excellence and further enhance "unit cost" reductions beyond the BRAC facilities/personnel savings aspect.
- Defense Information Systems Network Point of Presence: DFAS Indianapolis has access to DISN backbone nodes on site

Earlier in my remarks, I said that we were not here to micromanage the process or fly-speak the decisions which will have to be made in order to complete this promising picture.

We would, however, encourage those making these decisions to make sure system benefits are not lost in the process of making cost and space analyses on particular installations. There is abundant evidence to suggest that entities which want to become more efficient look to consolidation as a means to accomplish that. This is clearly what the Department of Defense has done in this recommendation.

In conclusion, let me restate our strong support for the BRAC process and our ready acknowledgement of the enormously complex task and constricted time frame that confront you.

Our oral and written presentations are designed to re-enforce the sound decision to consolidate DFAS capabilities in our facility; and to demonstrate our willingness and ability to accommodate and welcome employees who choose to relocate here. Our state and local governments are pledged to extend the resources and commitment necessary to make this happen, and we look forward to working with The Office of Economic Assistance at DoD toward that end.

Thank you once again for your willingness to undertake this enormous task which requires you to analyze staggering amounts of data, travel thousands of miles, and is probably not calculated to win you new friends. On behalf of our men and women in uniform, who will be the beneficiaries of your labors, I close by extending to you once again the gratitude of the State of Indiana.