

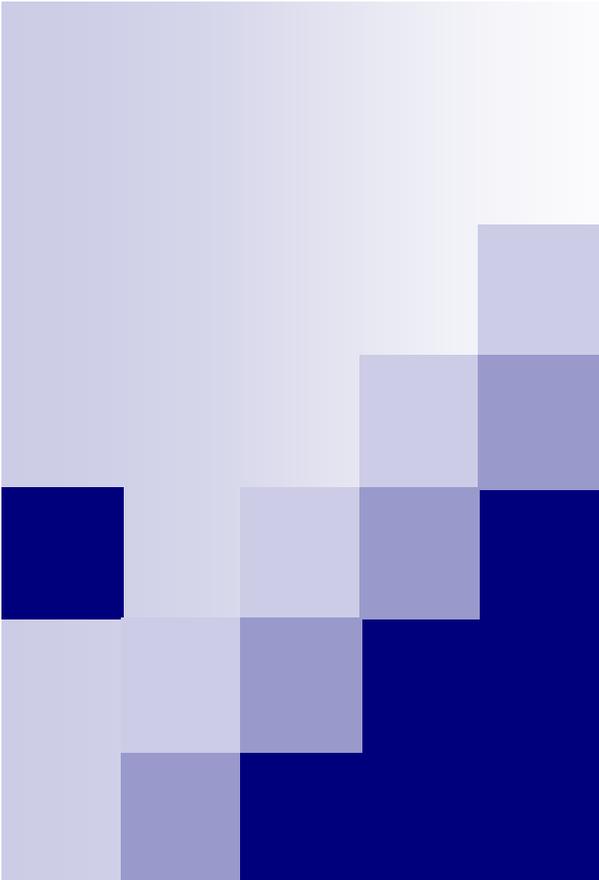
Panel Discussion: Base Realignment and Closure 2005

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House Appropriations Committee
November 15, 2005



Presentation Outline

- Military and federal government presence in Virginia
 - Infrastructure fiscal presence
 - Overview of BRAC
 - State's Efforts Regarding BRAC
- BRAC 2005
 - Recommendations impacting Virginia
- Response to BRAC 2005



Military Presence In Virginia

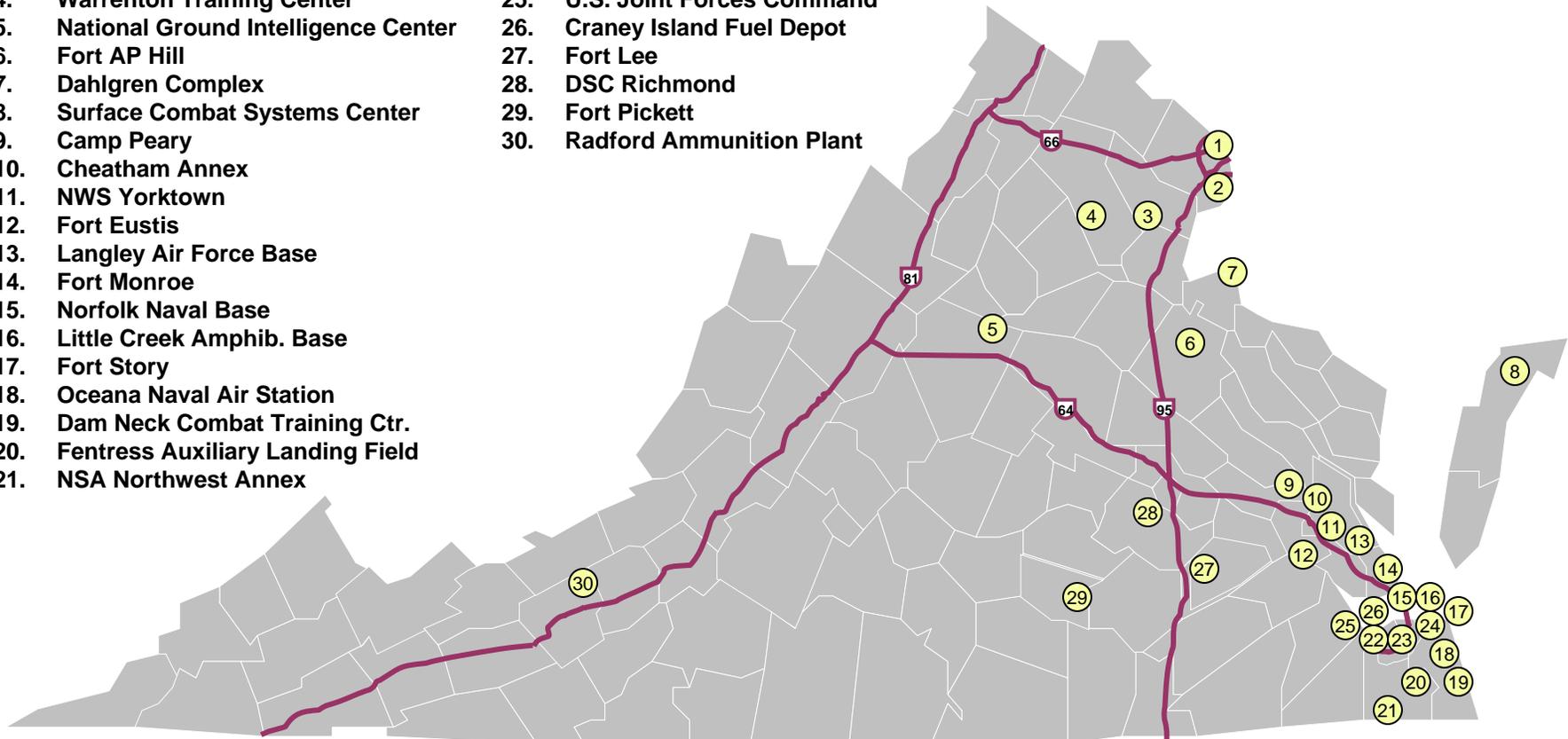


Military Presence in Virginia is Significant

- The 2005 Department of Defense (DoD) Base Structure Report identified 2,900 military sites in the United States
 - 283,500 buildings
 - 29 million acres
 - \$514 billion replacement value
- The report also identified 88 military sites in Virginia
 - 13,800 buildings
 - 280,000 acres
 - \$27 billion replacement value

Selected U.S. Military Sites in Virginia

- | | |
|--|-------------------------------------|
| 1. Pentagon/Fort Meyer/Marine HQ | 22. Norfolk Naval Shipyard |
| 2. Fort Belvoir | 23. Naval Regional Medical Center |
| 3. Quantico Marine Corps base | 24. Fort Norfolk-Corps of Engineers |
| 4. Warrenton Training Center | 25. U.S. Joint Forces Command |
| 5. National Ground Intelligence Center | 26. Craney Island Fuel Depot |
| 6. Fort AP Hill | 27. Fort Lee |
| 7. Dahlgren Complex | 28. DSC Richmond |
| 8. Surface Combat Systems Center | 29. Fort Pickett |
| 9. Camp Peary | 30. Radford Ammunition Plant |
| 10. Cheatham Annex | |
| 11. NWS Yorktown | |
| 12. Fort Eustis | |
| 13. Langley Air Force Base | |
| 14. Fort Monroe | |
| 15. Norfolk Naval Base | |
| 16. Little Creek Amphib. Base | |
| 17. Fort Story | |
| 18. Oceana Naval Air Station | |
| 19. Dam Neck Combat Training Ctr. | |
| 20. Fentress Auxiliary Landing Field | |
| 21. NSA Northwest Annex | |

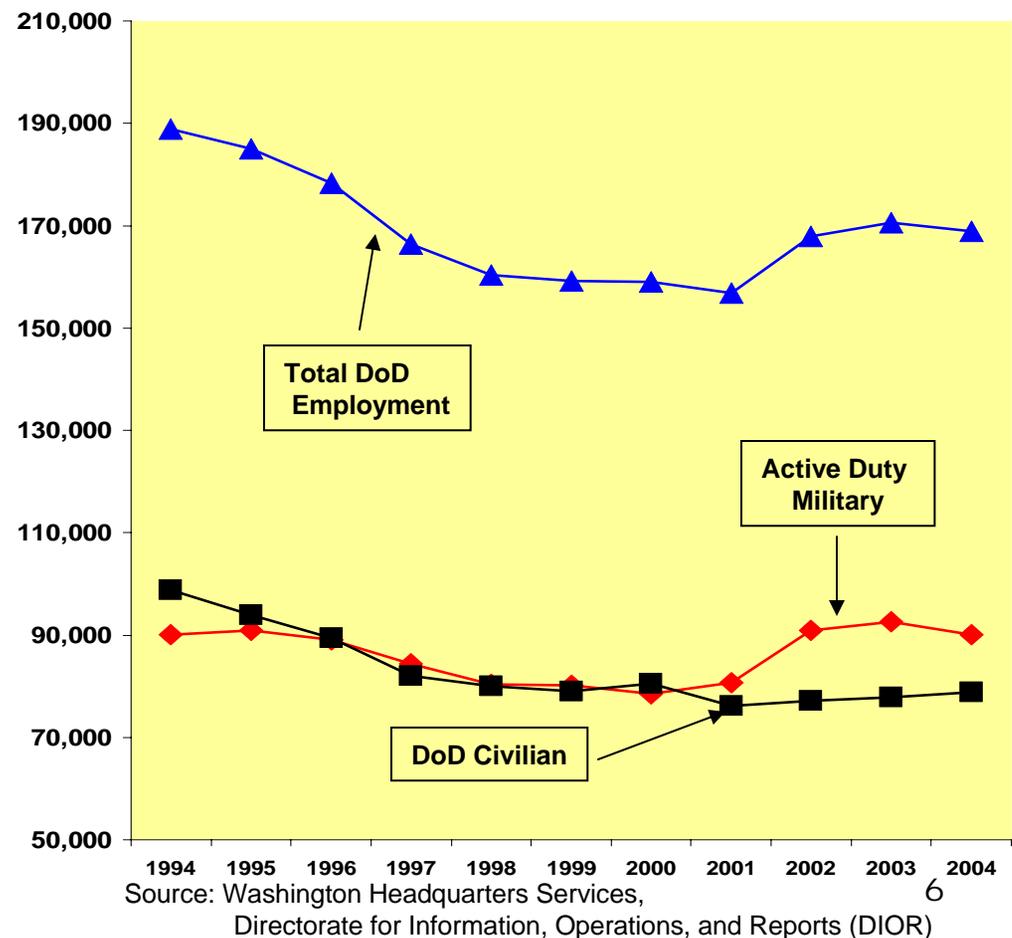


Source: Virginia Commission on Military Bases

Military Presence in Virginia is Significant: DoD Employment

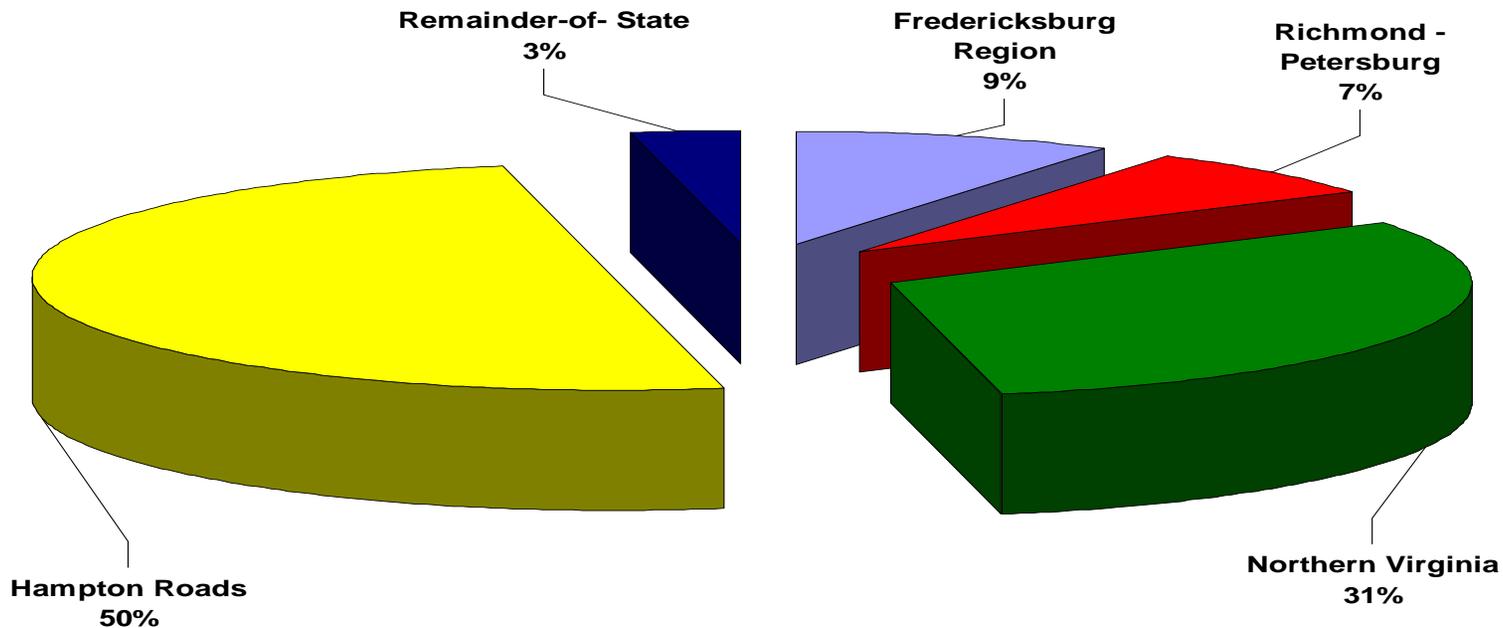
- Active duty military and full-time DoD civilian employment nationwide totaled more than 1.7 million in FY 2004
 - California led the nation with over 186,000 active duty military and civilians
- Virginia ranked second with 168,000 active duty military and civilians in FY 2004
- DoD employment losses in Virginia occurred in civilian employment with a 20 percent decline from FY 1994
 - Similar decline in civilian DoD employment nationwide
- Active duty military employment level same as FY 1994 in Virginia

DoD Military and Civilian Employment in Virginia
1994 - 2004



Virginia DoD Employment by Region, FY 2004

- The Hampton Roads region contains the largest proportion of DoD employment in Virginia
 - Number of large military facilities in the region
- Northern Virginia region ranks second with 31% of Virginia's DoD employees
 - Pentagon and numerous command headquarters

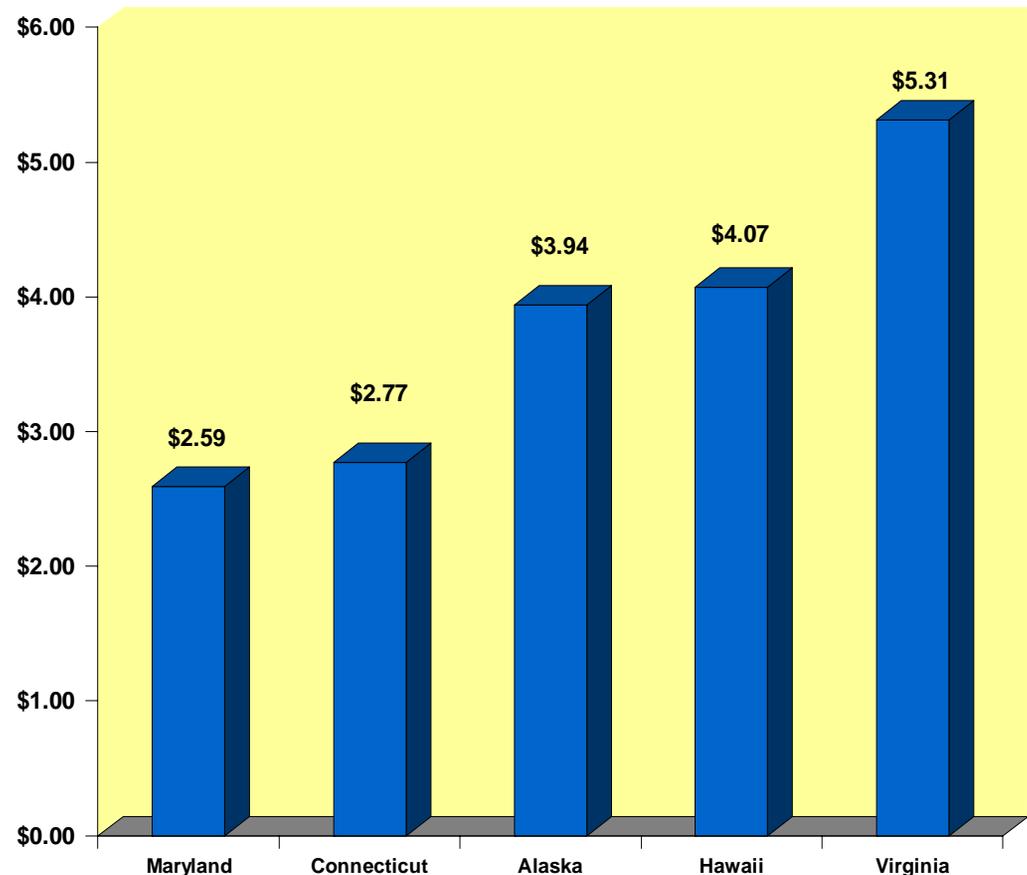


Source: Virginia Commission on Military Bases

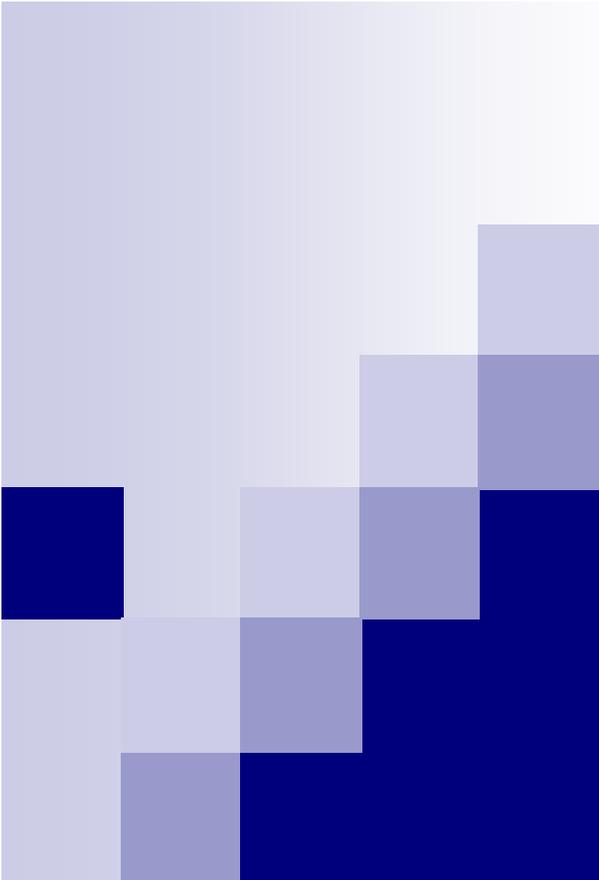
Military Presence in Virginia is Significant: DoD Spending

FY 2004 Per Capita DoD Expenditures
Top Five States (\$ in thousands)

- Virginia ranked first in defense expenditures among the 50 states on a per-capita basis
- Federal defense expenditures nationwide totaled more than \$340.0 billion in FY 2004
 - California accounted for the largest share of total expenditures -- \$43.3 billion
- Expenditures in Virginia totaled \$39.6 billion (second to CA)
 - About 60 percent of the spending in Virginia (\$23.6 billion) was for contracted goods and services
 - The remainder (\$16.0 billion) was for military and DoD civilian personnel payroll



Source: Virginia Commission on Military Bases



Overview of the Base Realignment and Closure (BRAC) Process

Results of Completed Military Base Closure Processes

- Prior to 1988, there was no formalized process for closing DoD military facilities
 - Moratorium on base closures occurred between 1977 and 1988
- Since 1988, four base realignment and closure (BRAC) rounds authorized and completed
 - 1988, 1991, 1993, and 1995
- Annual recurring savings estimated at \$7.3 billion

Results of Previous Base Realignments and Closures, 1988 - 1995			
	<u>Major Closures</u>	<u>Major Realignments</u>	<u>Minor Closures/ Realignments</u>
BRAC 1988	16	4	23
BRAC 1991	26	17	32
BRAC 1993	28	12	123
BRAC 1995	<u>27</u>	<u>22</u>	<u>57</u>
Total	97	55	235



Impact of Previous BRACs on Virginia

- In Virginia, BRACs completed in 1988, 1991, 1993, and 1995 resulted in:
 - 22 base facility closures
 - 30 base facility realignments

- Base closures in Virginia included
 - Cameron Station (Alexandria)
 - Vint Hill Farms (Fauquier)
 - Diamond Laboratories (Prince William County)
 - Fort Pickett (Nottoway County)

- Base realignments in Virginia included
 - Norfolk Naval Shipyard (Portsmouth)
 - Defense General Supply Center (Richmond)
 - Naval Sea Systems Command (Arlington)



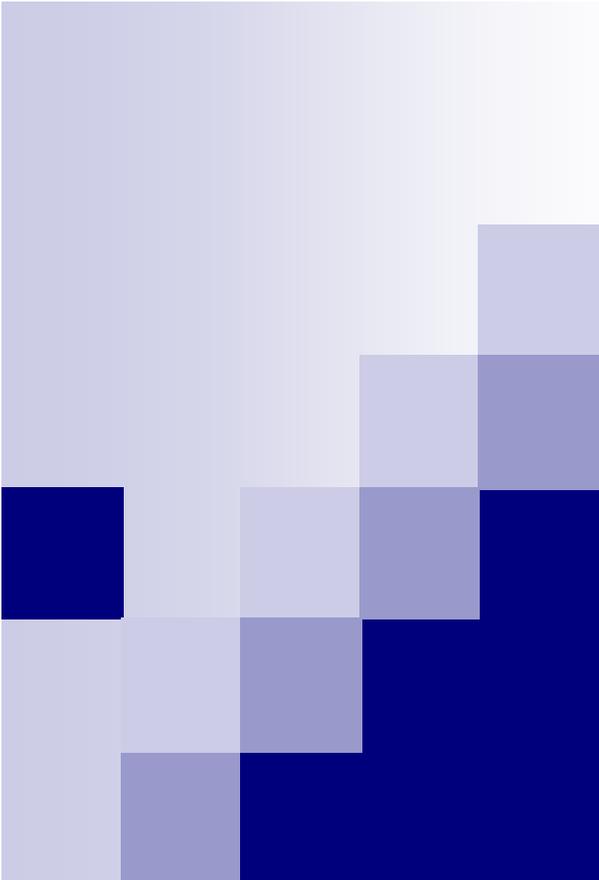
BRAC 2005

- DoD goals for BRAC 2005
 - Continue force transformation, eliminate excess physical capacity, and promote jointness between service branches
- BRAC 2005 selection criteria
 - Military value
 - Cost savings
 - Impact on communities
 - Ability of infrastructure to support forces
 - Environmental impact
- Statute requires that military value be the primary consideration in developing recommendations



Results of BRAC 2005

- DoD recommended 190 closures or realignments
- In September 2005, BRAC Commission
 - Accepted or amended 177, rejected 13, and proposed 5
- BRAC Commission's final recommendations included
 - 22 major closures and 33 major realignments
- Commission estimated cost savings to be \$4.2 billion annually
- BRAC 2005 recommendations became law on November 9, 2005



Virginia's Preparation and Response to BRAC 2005



State Response to BRAC 2005

- Virginia Commission on Military Bases (VCOMB) established June 2003 (Executive Order 49)
 - 28 members appointed by Governor
 - Includes members of the General Assembly
- VCOMB duties and objectives include
 - Coordinate activities to support Virginia's military bases
 - Advocate growth and retention of the state's military infrastructure
 - Support collaboration among local and regional efforts
 - Assist Virginia's Congressional Delegation in supporting Virginia's military infrastructure
- VCOMB is staffed and administered by the Virginia Economic Development Partnership



State Response to BRAC 2005

- 2004 General Assembly approved \$1.0 million in the 2004-06 biennium to support local and regional efforts related to BRAC
 - State grants totaling almost \$700,000 awarded to 6 regional groups across the state
- In July 2005, Governor proposed setting aside \$25 million of the FY 2005 surplus to assist Virginia localities affected by BRAC
- In September 2005, four regional working groups established to address specific BRAC proposals
 - Final recommendations by December 2005