

Approved: BH m 1-11-95  
Date

## MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Chairperson Bob Miller at 3:30 p.m. on January 10, 1995 in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Lynne Holt, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Bonnie Fritts, Committee Secretary

Conferees appearing before the committee: Fred Hepler - Exec. Dir. Governor's Task Force in Support of Ft. Riley

Others attending: See attached list

The meeting was called to order at 3:30 p.m. by the Chairperson Bob Miller.

Brief introduction of each committee member.

Chairperson Miller briefed committee members on what issues the committee would focus on.

Fred Hepler addressed the committee with the aid of a slide presentation, on  what the economic impact on the people of Kansas and the state as a whole would be if Ft. Riley would close (Attachment 1).

Meeting was adjourned at 4:30 p.m.

The next meeting is scheduled for January 11, 1995.



GOVERNOR'S TASK FORCE  
IN SUPPORT OF  
  
FORT RILEY

HOUSE ECONOMIC DEVELOPMENT  
1-10-95  
ATTACHMENT 1

Governor's Task Force in Support of  
FORT RILEY

**John F. "Fred" Hepler**  
*Executive Director*

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GOVERNOR'S TASK FORCE

# CURRENT ISSUES

## DEFENSE

- CHANGING THREAT
- FORCE REDUCTIONS
- INFRASTRUCTURE REVITALIZATION
- DECLINING RESOURCES
- BOTTOM-UP REVIEW

VS.

## DOMESTIC

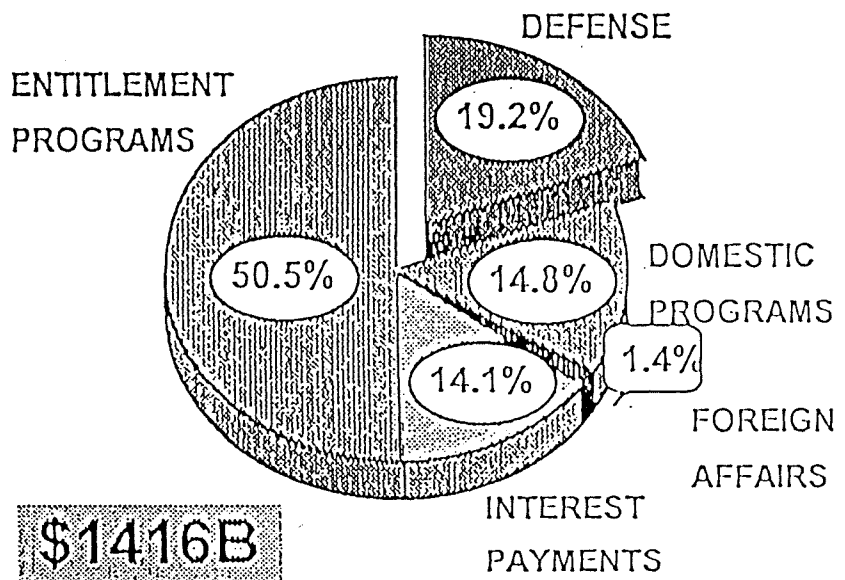
- HEALTH CARE
- EDUCATION NEEDS
- INFRASTRUCTURE REBUILDING
- DEFICIT REDUCTION
- CRIME



# PUTTING THE 'SQUEEZE' ON DEFENSE

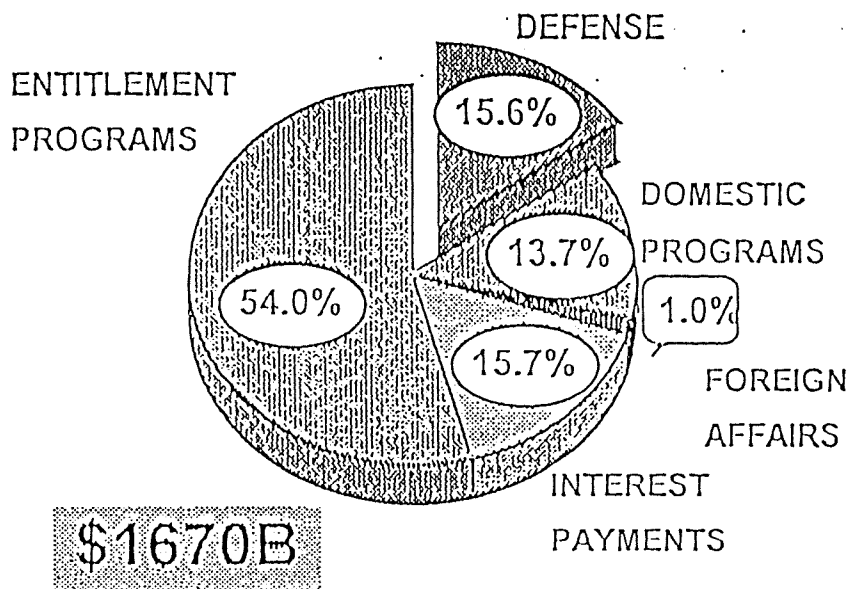
## FEDERAL BUDGET (CURRENT PROPORTIONS)

(FY93)



## FEDERAL BUDGET (CBO EXPECTATION)

(FY97)



**DEFENSE CONTINUES TO SHRINK!**

# Background

## What is BRAC?

Defense Base Closure & Realignment Commission

Established by Congress

Authorized Three Rounds

BRAC 91 & 93 - Closed or realigned 257 installations

BRAC 95 will be very competitive

# DOD POLICY ON THE BASE REALIGNMENT AND CLOSURE PROCESS

SECRETARY OF DEFENSE WILLIAM J. PERRY AND CHAIRMAN OF THE JOINT CHIEFS OF STAFF GENERAL JOHN SHALIKASHVILI JOINTLY ISSUED THE FOLLOWING STATEMENT ON 1995 BASE CLOSURES:

**“WE WILL CONDUCT THE 1995 ROUND OF BASE CLOSURES...**

**WE SHALL CONSIDER THE CUMULATIVE ECONOMIC IMPACT ON COMMUNITIES AS WELL AS OUR CAPACITY TO REASONABLY MANAGE RE-USE OF CLOSED FACILITIES...**

**IF CLOSURES BEYOND THE AMOUNT WE CAN RESPONSIBLY ACCOMPLISH IN 1995 ARE REQUIRED OR FORCE STRUCTURE REQUIREMENT CHANGE, WE WILL SEEK AUTHORITY FOR FUTURE BRAC ROUNDS.”**

GOVERNOR'S TASK FORCE

# KEY DATES IN BRAC '95

- JAN - DEC 94      SERVICE/OSD BRAC ANALYSIS
- ➔ 3 JAN 95      PRESIDENT SENDS COMMISSION NOMINATIONS TO SENATE
- JAN 95      SECDEF SUBMITS FORCE STRUCTURE PLAN WITH BUDGET
- 15 JAN 95      SECDEF PUBLISHES FINAL SELECTION CRITERIA
- ➔ 1 MAR 95      SECDEF ANNOUNCES BRAC 95 RECOMMENDATIONS
- 8 MAR 95      SECDEF FORWARDS ANALYSIS & JUSTIFICATION TO THE COMMISSION  
(NEW ITEM, SEC 2926 PL 103-160)
- ➔ 17 MAY 95      COMMISSION PUBLISHES PROPOSED CHANGES TO RECOMMENDATIONS  
(45 DAYS AFTER LIST IS RECEIVED SEC 2926 PL 103-160)  
(VICE 30 DAYS FOR BRAC 91-93)
- 1 JUL 95      COMMISSION SENDS RECOMMENDATIONS TO PRESIDENT
- 15 JUL 95      PRESIDENT APPROVES OR DISAPPROVES COMMISSION  
RECOMMENDATIONS. IF APPROVED, SENT TO CONGRESS.
- ➔ 1 SEPT 95      DEADLINE FOR SENDING BRAC 95 RECOMMENDATIONS TO CONGRESS



# SUMMARY

## WHY IS BRAC SO DIFFICULT?

- OSD DOES NOT FULLY RECOGNIZE:
  - ARMY'S PREVIOUS BRAC ACHIEVEMENTS
  - LAND INTENSIVE NATURE OF ARMY'S MISSION
- COMMISSIONERS:
  - MAY LACK KNOWLEDGE ABOUT THE ARMY
  - ARE UNDER INTENSE PRESSURE TO CONSIDER OTHER OPTIONS
- SERVICE RECOMMENDATIONS MUST BE SUPPORTED BY AN AUDITABLE DECISION MAKING PROCESS
- **EVERY BASE IS PROTECTED BY SOMEONE -- POLITICIANS GET INVOLVED AT ALL LEVELS**
- PREMATURE DISCLOSURES ARE CATASTROPHIC -- PUBLIC OPPOSITION IS SOPHISTICATED AND EFFECTIVE

# THE ARMY'S GOAL...

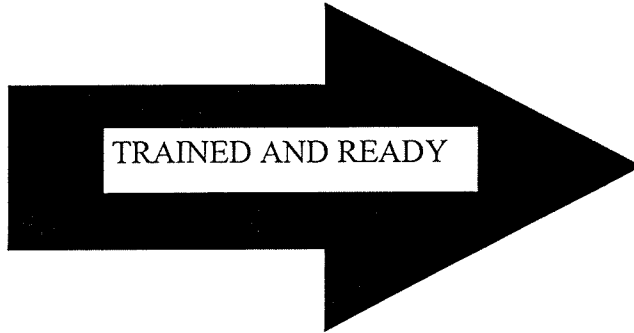
## FORCES OF CHANGE

INACTIVATIONS

PERSONAL  
TURBULENCE

DECLINING  
\$

BRAC



COLD WAR WORLD

FOCUS ON R&D

BASOPS  
DEMANDS

ENVIRONMENTAL  
COMPLIANCE

**AMERICA'S ARMY, TRAINED AND READY TO  
FIGHT AND WIN OUR NATION'S WARS**

**GOVERNOR'S TASK FORCE**

# AMERICA'S ARMY IN TRANSITION

	<u>FY89</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>
ACTIVE DIVISIONS REDUCED:	18	14	12	10(?)

NG DIV EQUIVALENTS REDUCED:	10	8	8	8
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END STRENGTH REDUCED:

ACTIVE	-34%		FY89 TO FY95
RESERVE	-17%		
CIVILIAN	-30%		
EUROPE	-70%		

BUYING POWER REDUCED:	-32%
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REDUCED INFRASTRUCTURE:	83 CONUS CLOSURES
	573 OCONUS CLOSURES

TRANSFERRED FUNCTIONS:	SPECIAL OPS
	FINANCE AND ACCOUNTING
	COMMISSARIES
	SUPPLY DEPOTS
	ARMY INFO PROCESSING CENTER
	PEACETIME HEALTH CARE

GOVERNOR'S TASK FORCE

# OPPORTUNITY

STRATEGY

US Armed Forces adopted a "power projection" strategy

FORCE  
STRUCTURE

Bottom-Up Review provided general guidance for the Army's Force Structure

POST - COLD WAR  
ARMY

BASE  
STRUCTURE

BRAC '95 will establish base structure to support the force structure in the execution of the strategy

These define the parameters within which the post-Cold War Army must operate

GOVERNOR'S TASK FORCE

# INSTALLATION CATEGORIES

## MANUEVER AREAS

BRAGG  
 CAMPBELL  
 CARSON  
 DRUM  
 HOOD  
 LEWIS  
 RICHARDSON  
 RILEY  
 STEWART  
 WAINWRIGHT  
 SCHOFIELD BKS

## MAJOR TNG AREAS

CHAFFEE  
 DIX  
 GREELY  
 AP HILL  
 HUNTER-  
 LIGGETT  
 INDIANTOWN  
 GAP  
 IRWIN  
 McCOY  
 PICKET  
 POLK

## ADMIN SUPPORT

BELVOIR  
 BUCHANAN  
 GILLEM  
 KELLY SPT  
 HAMILTON  
 McPHERSON  
 MEADE  
 MONROE  
 MYER  
 PRICE SPT  
 PSF  
 RITCHIE  
 SELFRIDGE  
 SHAFTER

## TRAINING SCHOOLS

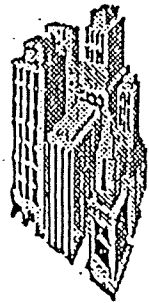
BENNING  
 BLISS  
 EUSTIS/STORY  
 GORDON  
 HUACHUCA  
 JACKSON  
 KNOX  
 LEE  
 LEONARD WOOD  
 McCLELLAN  
 POM  
 RUCKER  
 SAM HOUSTON

## PROFESSIONAL SCHOOLS

CARLISLE BKS  
 LEAVENWORTH  
 McNAIR  
 WEST POINT

DOLLARS  
\$\$\$

BUSINESSES

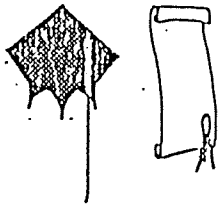


POPULATION



FORT RILEY  
makes an impact!

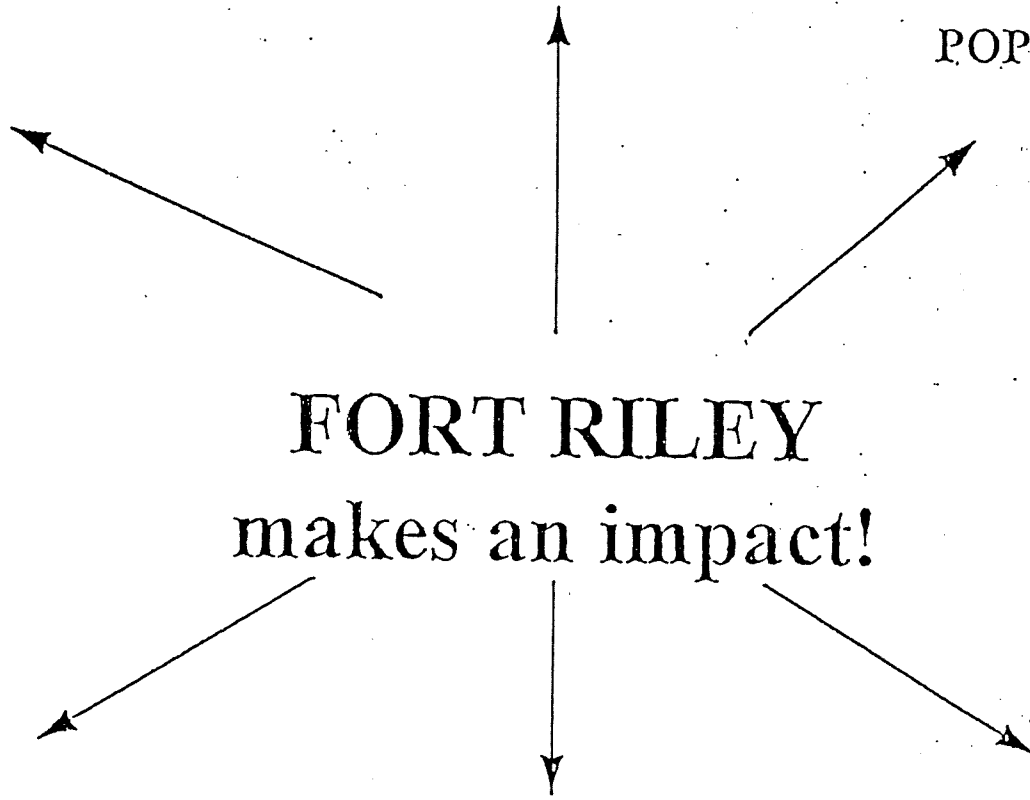
SCHOOLS

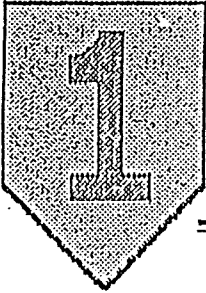


TAX BASE



HOUSING

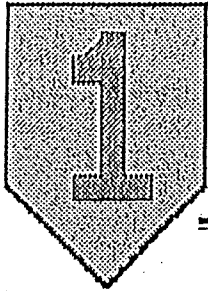




## ABOUT FORT RILEY

### FORT RILEY

- Historical post established in 1853.
- Thirteenth largest city in Kansas.
  - » Daytime population of 25,625; a residential population of 17,037.
  - » 130-bed hospital, dental facilities and recreational services.
  - » 2,083 buildings of 14,157,042 square feet.
  - » 1 middle and 5 elementary schools.
  - » College classes for over 6,000 students.
  - » 5 chapels
- Reservation covers approximately 100,676 acres.
- Home to the 1st Infantry Division (Mechanized) since 1955.
- Annually, the Division supports Reserve/National Guard units, community events and MAST missions.



# ANNUAL OPERATING BUDGET

## FY 93 - \$ IN MILLIONS

1-14

FORT RILEY

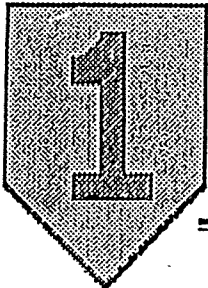
<u>APPROPRIATION/SOURCE</u>	<u>\$M</u>
Operations/Maintenance Army	175.0
Operations/Maintenance Army Reserve	2.5
Reserve Personnel Army (RPA)	.1
Army Family Housing (AFH)	19.6
Office Sec of Defense (OSD)	39.3
Military Pay	347.4
Other Civilian Pay	13.5
Major Construction (Ongoing)	52.7
Nonappropriated Fund	5.1

**TOTAL**

**\$655.2 Million**

21



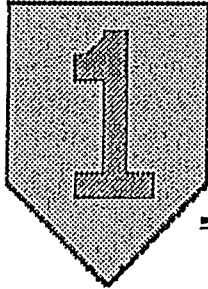


# JOB IMPACT

FORT RILEY

**SECOND LARGEST  
EMPLOYER  
IN KANSAS!**

• MILITARY		14,438
• CIVILIAN		3,672
- Department of Army Civilian	1,800	
- Nonappropriated Fund (NAF)	256	
- Department of Defense (Finance & Commissary)	213	
- Other (Concessionaires, Contractors, etc.)	<u>1,403</u>	
• TOTAL		18,110



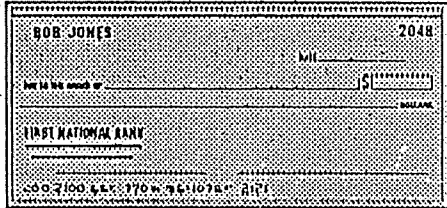
# PAYROLL

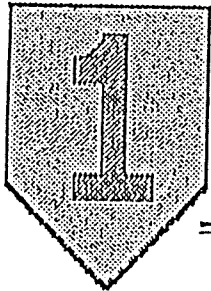
FY 93

FORT RILEY



• Military Pay	\$347,397,233
• Dept of Army Civilian	\$ 51,118,800
• Nonappropriated Fund	\$ 2,642,154
• Other Civilian Employees	\$ 13,478,069
• Retirees	\$ <u>96,634,752</u>
<b>TOTAL</b>	<b>\$511,271,008</b>





PURCHASES WITHIN KANSAS  
FY 93

1-17

TORRILEY

• SUPPLIES/SERVICES/CONTRACTS \$64,570,643

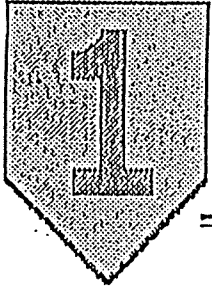
Supplies	\$ 6,851,592
Services	18,689,155
Contracts	18,800,196
Communications	376,600
Transportation	710,600
Utilities	12,474,500
Housing Reimbursement to Corps of Engineers	7,468,000

• CONCESSIONS & NON APPROPRIATED FUNDS \$ 1,165,954

• TOTAL

**\$65,736,597**

204

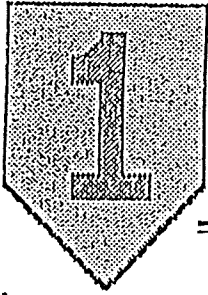


FORT RILEY

# MEDICAL IMPACT

FY 93

- Many Fort Riley family members are seen by local doctors.
- FY 93 CHAMPUS Health care payments totalled \$9.5M.
- MEDDAC/DENTAC care providers are actively involved in community service and outreach programs, e.g.:
  - » Volunteers during flood relief
  - » Crisis intervention program

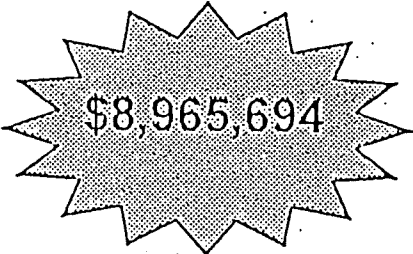


# CONSTRUCTION

1-19

TORRILEY

- APPROPRIATED FUNDS (APF) \$8,240,138
- NON APPROPRIATED FUNDS (NAF) \$ 725,556
- TOTAL CURRENT YEAR PAYMENTS **\$8,965,694**

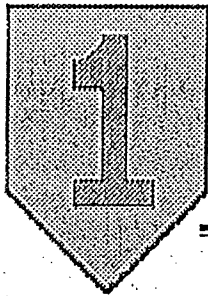


## APF

## NAF

Water Treatment Plant	\$1.2M
Ellis Heights	\$2.7M
Tactical Equipment Shop	\$1.4M
Camp Funston Railyard	\$.9M
Modified Firing Range	\$.9M

Outdoor Recreation Center	\$167K
Guest House	\$452K

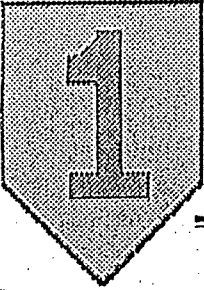


# DIRECT SPENDING IMPACT

FY 93

FORT RILEY

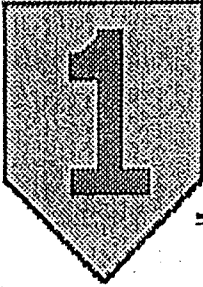
\$ Payroll	\$511,271,008
📁 Purchases	\$ 64,570,643
🛒 Concessions/Non Appropriated Funds	\$ 1,165,954
♋ CHAMPUS	\$ 9,446,487
📖 College Tuition Assistance	\$ 797,208
▲ Construction - Appropriated Funds	\$ 8,240,138
◆ Construction - Non Appropriated Funds	\$ <u>725,556</u>
<b>TOTAL <u>DIRECT</u> SPENDING</b>	<b>\$596,216,994</b>



## BUSINESS IMPACT

### FORT RILEY

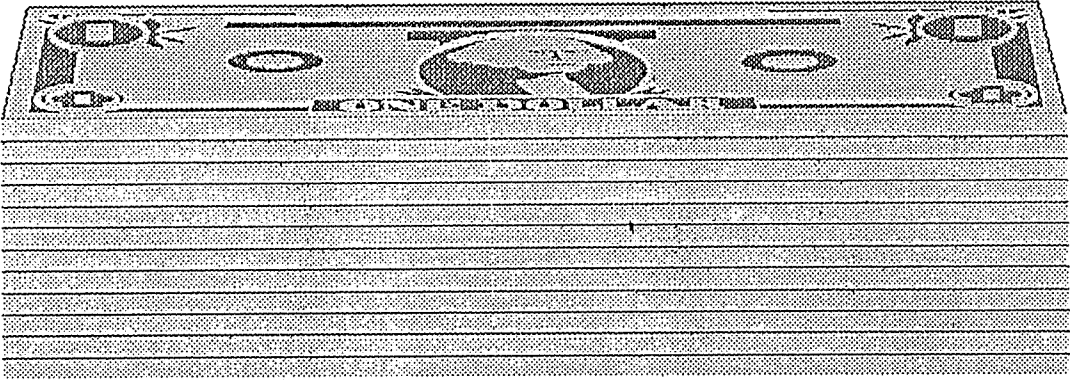
- ☎ Telephone - 4,000 customers from Fort Riley
- 📦 Retail Sales - Fort Riley contributes 17% (\$52M) in Riley County  
25% (\$27M) in Geary County
- ⚡ Kansas Power & Light - Fort Riley is the largest customer in the tri-state area.
- 🏠 Housing - Fort Riley soldiers and civilians are 27% of Junction City housing  
are 10% of Manhattan housing
- 💰 Sales Tax - Fort Riley capital infusion generates - \$3M in Riley County  
- \$2M in Geary County



# MULTIPLIER EFFECT

FORT RILEY

- **FORT RILEY'S** FY 93 direct spending in Kansas is **\$596M.**
- **WITH MULTIPLIERS,** the effect is **\$1.2B.**





# WHERE ARE WE?

- INITIAL MEETINGS HELD; ORGANIZATIONAL STRUCTURE ESTABLISHED
- FUNDING STREAM IN PLACE
- PLAN OF WORK DEVELOPED
- WASHINGTON BASED SUPPORT RETAINED
- CONGRESSIONAL SUPPORT BRIEFED AND ACTIVE
- COMMUNITY SUPPORT IS *OVERWHELMING*

# OPPORTUNITY

STRATEGY

US Armed Forces adopted a "power projection" strategy

FORCE STRUCTURE

Bottom-Up Review provided general guidance for the Army's Force Structure

POST - COLD WAR ARMY

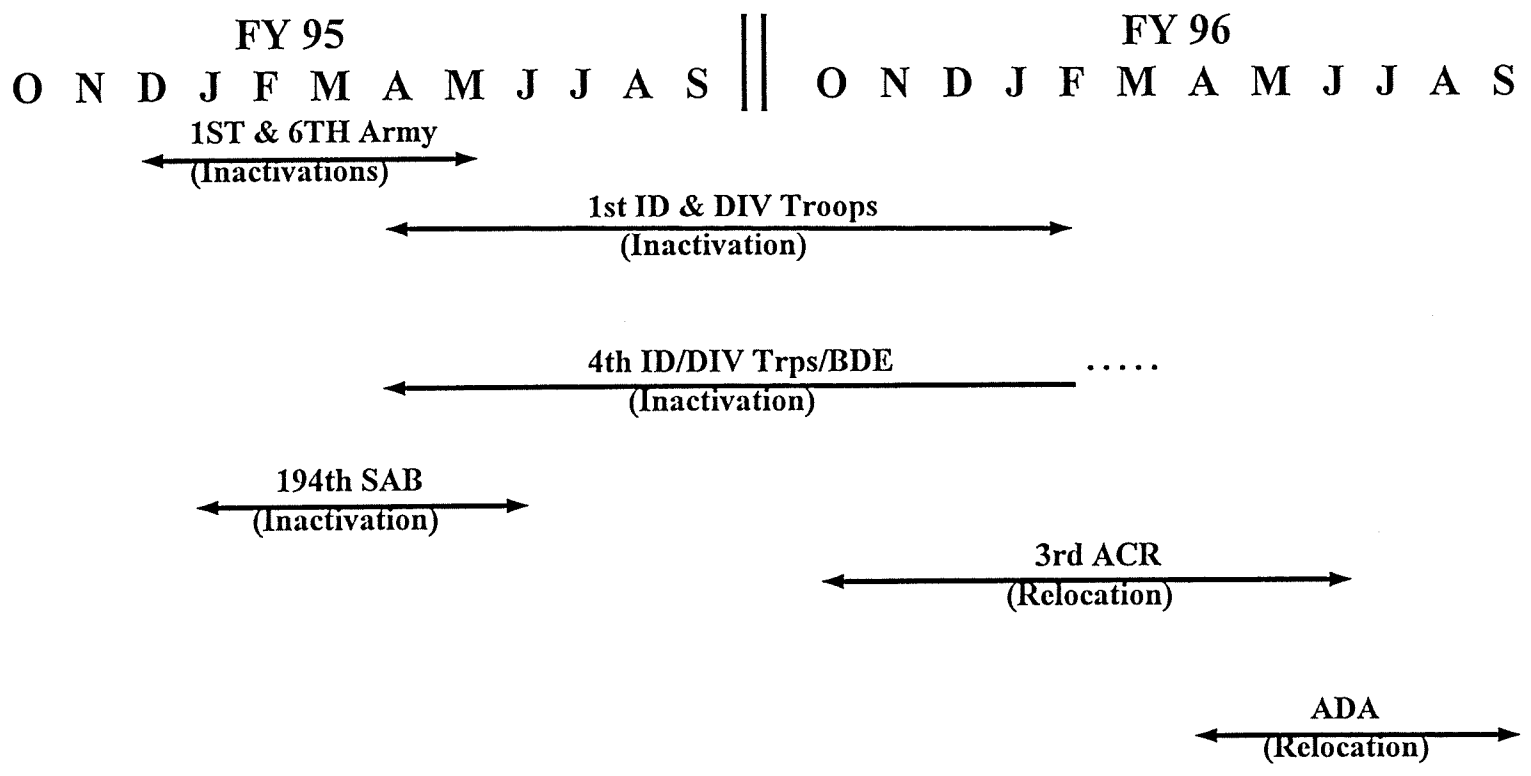
BASE STRUCTURE

BRAC '95 will establish base structure to support the force structure in the execution of the strategy

These define the parameters within which the post-Cold War Army must operate

GOVERNOR'S TASK FORCE

# FORCE STRUCTURE TIMELINE

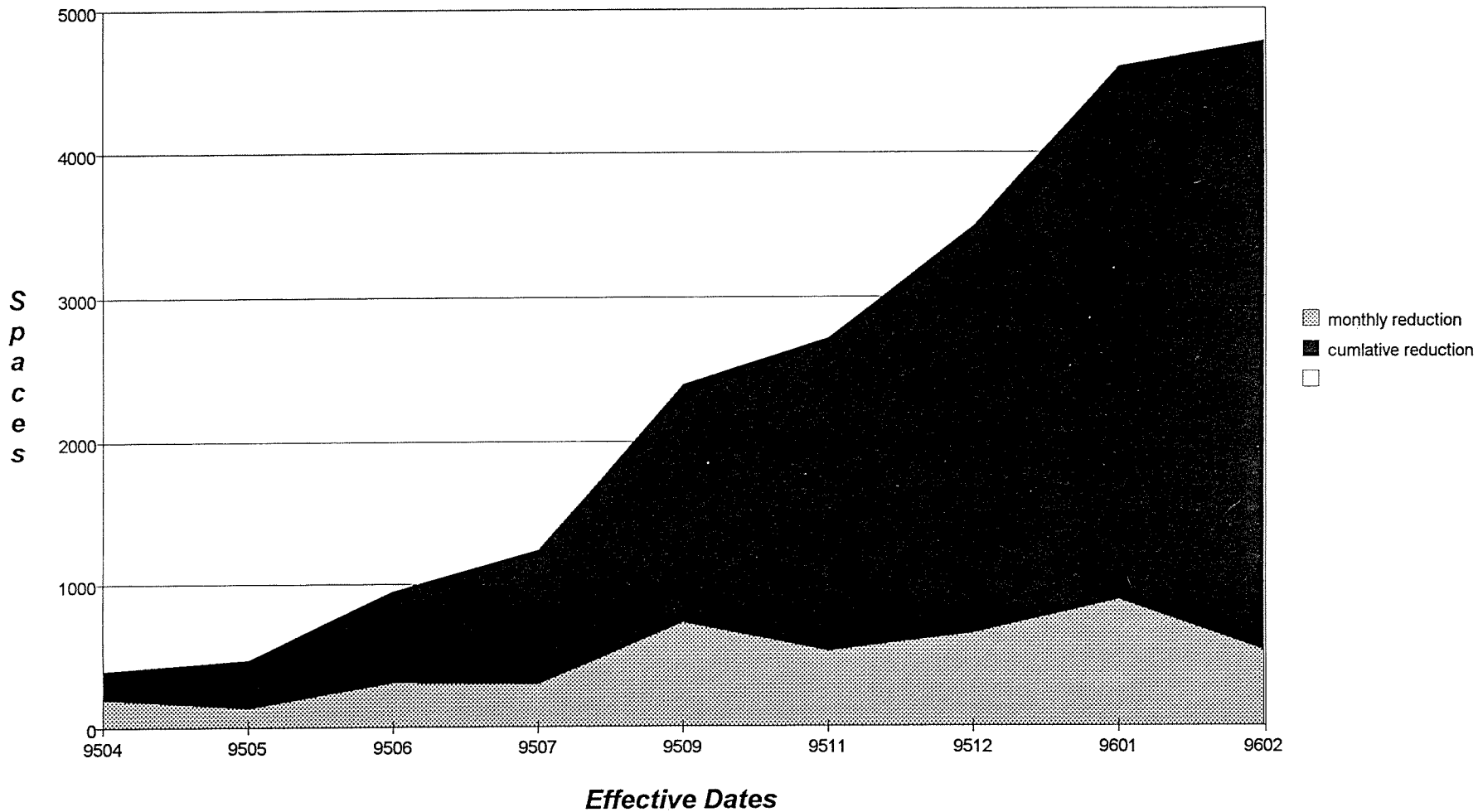


GOVERNOR'S TASK FORCE

# BIG RED ONE DRAWDOWN TIMELINE

AS OF:	9504	9505	9506	9507	9509	9511	9512	9601	9602
MONTHLY REDUCTION	199	137	308	299	727	525	649	878	526
CUMLATIVE REDUCTION	199	336	644	943	1670	2195	2844	3722	4248

# Drawdown Timeline



# KEIOF GRANT

## MANAGEMENT OF CONSULTANT

### EXECUTIVE DIRECTOR:

PROVIDES GUIDANCE ON SPECIFIC TASKS TO BE PERFORMED

SUPERVISES ACTIONS BEING COMPLETED

USES ACTIONS MATRIX AS A GUIDE

APPROVES INVOICES, PROCESSES FOR PAYMENT