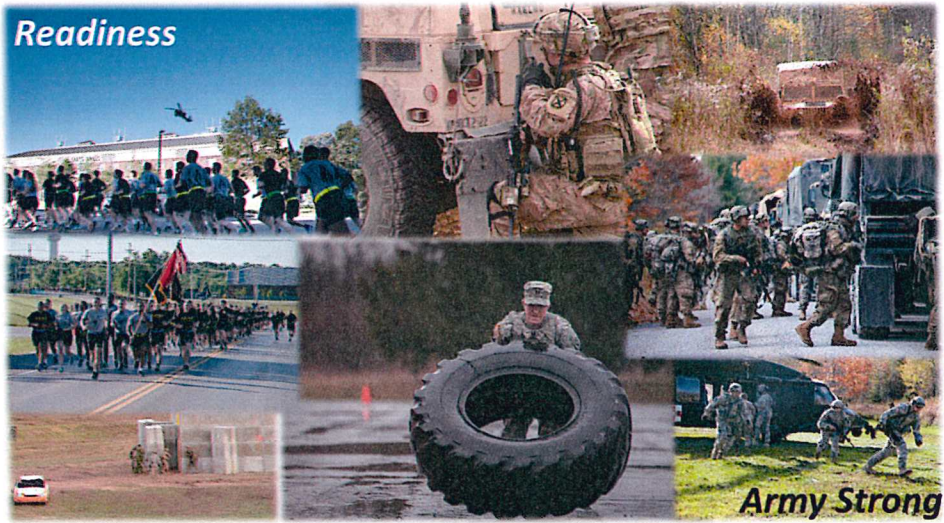


Fort Drum 2016



Economic Impact Statement

1 October 2015 — 30 September 2016

**Fort Drum
Fiscal Year 2016
Economic Impact Statement**

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Fort Drum ~ Home of America's Light Infantry Division

Executive Summary

Home of America's Light Infantry Division—the 10th Mountain Division (Light Infantry)—Fort Drum supports a total population of over 72,000 Service Members, Families, Civilians, and Retirees. There are over 18,000 full-time military and civilian jobs associated with Fort Drum spread across the active Army and Air Force components. Fort Drum is a Department of the Army (DA) designated Regional Collective Training Center that provides full-spectrum training and base operations support to all the service branches, 11 states, and parts of Canada. Annually, Fort Drum provides training and base operations support to an additional 23,500 Reserve and National Guard members as well as personnel from other federal, state, and local agencies. Fort Drum provides support to approximately 15,000 Retirees and their dependents.

Fort Drum's Fiscal Year (FY) 16 direct economic impact upon its surrounding community is \$1,185,191,930, down approximately \$36M or 3% from FY15. Corps of Engineer and Mission and Installation Contracting Command awarded contracts increased by approximately \$700K and \$15.2M respectively. Education benefits increased by approximately \$185K. All other categories decreased.

Payroll and Federal Impact Aid realized the most significant decreases. Payroll declined approximately \$25M or 2% from FY15. Correspondingly, Fort Drum's military and civilian (including contractors) population decreased from 19,314 to 18,854 (460 or 2.4%). Federal Impact Aid to local schools declined by approximately \$9.5M.

Fort Drum reports 12 categories of spending each year. Fort Drum no longer reports veterinary supplies and service and local Combined Federal Campaign contributions.

This report provides brief explanations of each category and the total economic impact amount to Fort Drum's surrounding community. Fort Drum has collected and reported economic impact data since FY88. The total cumulative investment to date is over \$23.46 billion.

Fort Drum ~ Home of America's Light Infantry Division

Fort Drum's total military (Soldier and Airmen) and civilian workforce population has increased 21% since 2003; the economic impact on the surrounding community has increased by over 77% during the same time frame going from \$529 million to over \$1.1 billion based on data collected. Since 2011, Fort Drum's population and direct impact dollars have declined each year. Nevertheless, Fort Drum continues to positively contribute to the development of new businesses, industries, and markets. This growth has stimulated the local economy and enriched the lives of many in the local area. Indirect or induced impacts are not calculated in this statement.

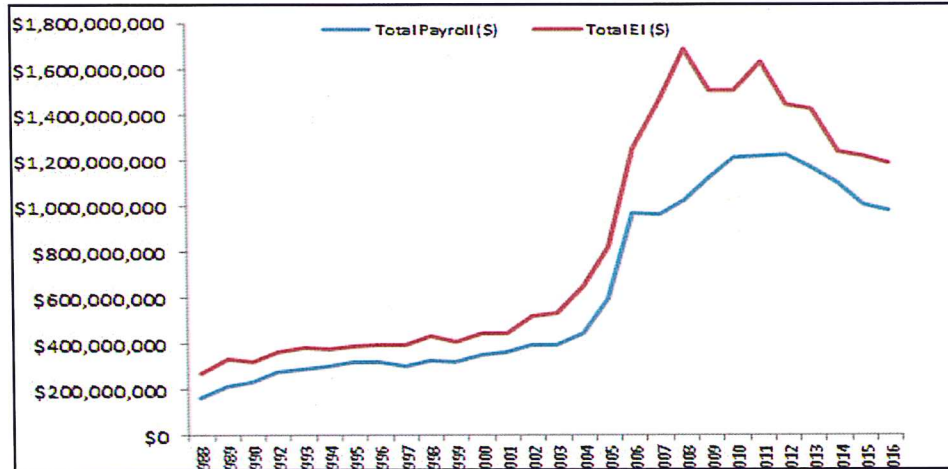


Figure 1.0, Impact and Payroll Trends

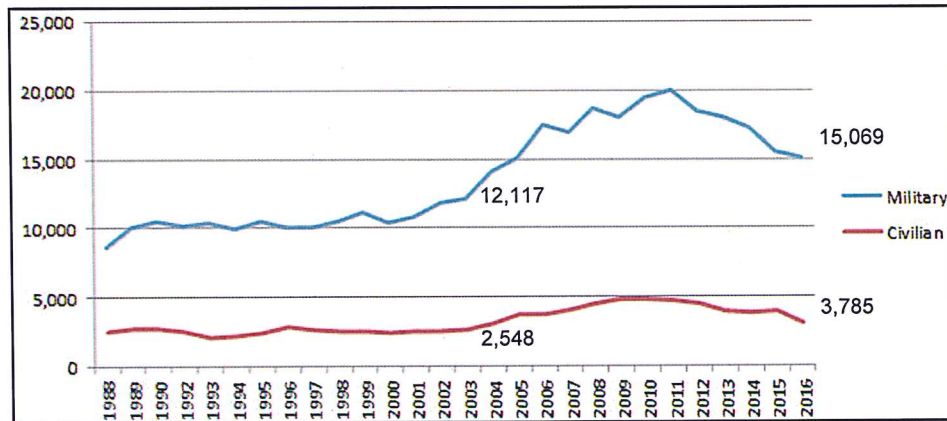


Figure 1.1, Population Trends

Fort Drum's

Economic Impact State-

*Pursuing perfection and attaining
excellence everyday.*

Welcome to the FY16 Fort Drum Economic Impact Statement.

Fiscal constraints associated with the Budget Control Act of 2011 (Sequestration), force structure reductions of military and civilian personnel, and a high operational tempo (deployments to Afghanistan, Iraq, Korea, and Europe) continue to present unique challenges and opportunities for Fort Drum and our North Country community. However, Fort Drum is recognized as one of the most ready and capability installations supporting Forces Command (FORSCOM). Fort Drum's success is attributable to its leaders, a committed workforce focused on customer excellence, the drive to continually optimize service delivery, and strong North Country partnerships. Fort Drum's workforce and the surrounding community take pride in serving one of the most deployed division in the United States Army—the 10th Mountain Division (LI)—and it shows through our history of sustained readiness and mission outcomes.

Our Fort Drum community is proud to be an integral part of what makes the North Country a great place to live, work, and play and is fortunate to receive phenomenal support from its North Country neighbors. We thank our state, county, town and local civic leaders and organizations that continue to provide exceptional community support our Service Members, Families, Civilians, and Retirees.



**Payrolls
(Military and Civilian)
\$979.5 Million**

Fort Drum is the largest single-site employer in Northern New York with 15,069 Soldiers and 3785 Civilians (including contractors) working on or near the installation. Military and Civilian payrolls

(including tenants and contractors) totaled \$732,053,408 and \$247,512,302 respectively.

Military pay includes basic pay and allowances, special pay, incentive pay, and bonus pay for all military members assigned to the Fort Drum area. Basic pay and allowances may include items such as Basic Allowance for Housing (BAH), Basic Allowance for Subsistence (BAS), Cost of Living Allowance (COLA), Clothing Monetary Allowances, Family Separation Allowance (FSA), Temporary Lodging Allowance (TLA) and Temporary Lodging Expense (TLE). Special pay may include items such as Medical, Dental, or Veterinary Pay, Special Duty Assignment Pay, Hardship Duty Pay, Hostile Fire and Imminent Danger Pay. Incentive pay may include items such as Aviation Career Incentive Pay, Flight Crew Pay and Non-Crew member, Parachute Pay and Demolition Duty. Bonus pay may include items such as Enlistment and Reenlistment Bonuses.

According to the DoD Office of the Actuary, July 2016 Statistical Report on the Military Retirement System (FY15), there are 3,006 retirees* from all branches of service living within the 136XX zip code that receive a total of \$5,143,000 a month, or \$61,716,000 per year, that flows directly into our local economy.

In addition to military retirees, there are 278 retiree survivors* in the 136XX zip code that receive a total of \$191,000 per month or \$2,292,000 per year.

Total military, civilian, tenant and contractor, payroll for FY16 was \$979,566,710.

*Retiree and retiree survivors compensation is not included in direct payroll total.





Fort Drum Mountain Community Homes (FDMCH) is a master planned community of 1,586 newly constructed three, four and five bedroom EnergyStar® certified homes, four state-of-the-art community centers in addition to 2,249 fully renovated existing homes. FDMCH is the Residential Communities Initiative (RCI) project for Fort Drum, a 50 year partnership

between Lend Lease and the Army, created to improve Soldier retention and readiness through the development of world-class, high-quality residential communities for military Families. The project also includes The Timbers, a 192 unit, EnergyStar® certified, one and two bedroom, suite-styled apartment community constructed for unaccompanied Soldiers (Staff Sergeant and higher ranks). Additionally, FDMCH provides Asset, Property, Maintenance, and Development management services for the entire project for the term of the 50 year lease with the Army. As of 1 July 2016, 208 existing legacy homes constructed during the 1970s and early 1980s were taken off-line awaiting demolition and replacement. FDMCH plans on replacing them with 155 new three and four bedroom EnergyStar® certified homes. This \$80 Million project will be paid for with reinvestment funds saved by FDMCH and is scheduled for completion in late 2018.



**Non-Appropriated Fund
(NAF) Contracts
\$1.1 Million**

Non-Appropriated Fund (NAF) activities spent \$1,144,946 locally in FY16. NAF activities include The Commons, gyms, youth services, and recreation. Example contracts include self-help construction supplies and equipment, decorations, furniture, small renovation projects, bedding, linens, washers, dryers, propane, gas, oil, tools, lawn maintenance equipment and supplies, uniform contracts, office supplies and equipment, advertising, package delivery services and sports officials.

**U.S. Army Corps of Engineers
(USACE)
\$20.1 Million**

The U.S. Army Corps of Engineers (USACE) awarded construction contracts totaling \$20,118,000 for work in the Fort Drum area. The USACE mission is to provide vital public engineering services in peace and war to strengthen our nation's security, energize the economy, and reduce risks from disasters. The Corps has many guidelines when awarding construction contracts to include maximizing small business participation. All projects this year were awarded to local certified small businesses through the federal acquisition process. The program helps foster the long-term growth of small businesses, helping to empower communities, create jobs, and attract private investment.



**Fort Drum Contracting
\$36.7 Million**

Fort Drum is a major customer for construction companies and suppliers of goods and services in Northern New York.

**Mission and Installation Contracting
Command (MICC)** Fort Drum awarded

81 construction contracts valued at \$14,888,765 to tri-county contractors. The MICC at Fort Drum also awarded a total of \$15,738,191 for supply and service contracts to tri-county businesses. Purchases of supplies using government credit cards are limited to transactions under \$3,500 each, yet government purchase card holders spent \$6,089,178 locally. Due to changes with contracting systems, Fort Drum will no longer report the Top Ten Tri-County Contractors.



**Fort Drum Tuition Assistance
& Centralized Education
\$1.9 Million**

During FY16, Fort Drum **Tuition Assistance and Centralized Education** enrolled 2,465 Fort Drum Soldiers in some 6,687 post-secondary courses with a success rate of 77%; of \$4.3M in tuition assis-

tance obligated, \$1.6M was paid to local colleges and an additional \$289K was spent to support educational contracts. GoArmyEd, the Army's virtual education system, continues to allow Soldiers to obtain tuition assistance for both traditional residential and online courses and allows college partners to create and update dynamic degree plans. GoArmyEd supports over 500 partner schools with up-front tuition assistance, program counseling, enrollment, and payment functions.

**Fort Drum Medical Services
\$71.9 Million**

The United States Army Medical Department Activity-Fort Drum (USA-MEDDAC) provides a comprehensive managed care program to a beneficiary eligible population of approximately

40,389 Soldiers, their Families and Retirees who are dispersed within a geographical area equal to the size of Rhode Island. Presently, MEDDAC serves as the primary care manager to 70 percent (28,282) of the eligible population.

Fort Drum MEDDAC exercises a health care model that leverages augmentation from the local community in order to support advanced medical care needs and inpatient services all focused on maintaining, improving and restoring the health of our beneficiaries. This unique model exercises three Systems for Health which "operationalizes" the *Army Medicine Vision 2025* campaign. These systems for Health are: Readiness, Families and Retirees and Combat Casualty Care.

Four clinics provide initial access to care: Guthrie Ambulatory Healthcare Clinic (GAHC), Warrior Transition Battalion (WTB), Connor Troop Medical Clinic (CTMC) and Bowe Troop Medical Clinic (BTMC) Troop Medical Campus. The BOWE TMC, a 23,000-square-foot facility named after a 10th Mountain Division combat medic, houses 16 exam rooms, a laboratory department, radiology department, medical records, a procedure room, and triage area to serve Soldiers of the 10th Mountain Division.

GAHC houses the WTB Clinic and provides primary care to all Family members, Retirees, a small number of active duty-non divisional beneficiaries and all WTB/Combat Casualty enrolled Soldiers. Within GAHC, several in-house specialties reside to include: Family Medicine, Pediatrics, Dermatology, Podiatry, Orthopedics, Physical Therapy, Chiropractic Care, Pain Management, Immunizations, and Radiology. In 2016, MEDDAC opened a new 23,000-square-foot Soldier Specialty Care Clinic (SSCC) addition to GAHC, which houses Traumatic Brain Injury (TBI) clinic and Occupational Therapy (OT) department. The SSCC also brings together all on-post OT services for the first time to better serve TRICARE beneficiaries with physical illness/injuries and psychosocial conditions.

MEDDAC maintains an Obstetrics and Gynecology clinic co-located with Samaritan Medical Center in Watertown and offers OB/GYN care to Soldiers and Family Members. The OB/GYN clinic underwent a CenteringPregnancy site visit and was certified in October 2015. Fort Drum MEDDAC is one of six certified sites within the Army Medicine. The CenteringPregnancy is traditional prenatal care, which includes routine health check-ups and supplementary support in a group-setting.

The Wilcox Behavioral Health Clinic is home to the MEDDAC Behavioral Health Department and includes Social Work Services and Family Advocacy Program.

MEDDAC also provides support and oversight to the Army Wellness Center, Soldier Readiness Center, DENTAC and VET Services.

MEDDAC averages a monthly total of 20,400 visits, 10,450 appointment calls, and 6,100 telephone consultations. Daily average consists of 1,385 visits, 505 appointment calls, 318 telephone consultations, 80-90 Radiology visits (X-Rays, MRI and Ultra Sound), processes 720 lab specimens and processes on average 1100 prescriptions.

MEDDAC staff consists of 837 personnel: military (218), Civilian (579), and contract (40). As previously stated, the health care delivery at Fort Drum is unique in that, although it is a MEDDAC supporting a light infantry division, it has no inpatient capabilities. A collaborative effort exists between local hospitals (Carthage, Samaritan, Lewis, and River), DoD and MEDDAC to provide cohesive inpatient care needs, solidifying a strong North Country health care system.

TRICARE is the DoD managed health care program for active duty military, Families, retirees and their Families, and other beneficiaries. As part of the regional TRICARE contract, the Managed Care Support Contractor is responsible for coordinating health care services off post, as well as maintaining the Civilian provider network within the community by establishing contracts with local health care providers and facilities.

Through the dedication of Civilian and military personnel, and coordinated care facilitated by TRICARE partners, the MEDDAC stands ready to provide quality health care to active duty service members, Retirees, their Families, and the military community. FY15 In/Outpatient Services totaled \$55,011,176 for the local community.

The total dollar amount expended in FY15 by the MEDDAC to include supplies, equipment and contracts was \$16,173,073. The MEDDAC Civilian payroll for FY16 was \$45,679,248 and is included in the Civilian payroll total for Fort Drum (see page 6).

**Fort Drum Dental Services
\$6.0 Million**

The United States Army Dental Activity (DENTAC) is comprised of three dental clinics and is staffed with 112 dedicated officers, Soldiers, DOD Civilians, contract personnel, and volunteers who provide comprehensive

dental care to authorized beneficiaries.

Marshall Dental Clinic, a 37-chair facility, is scheduled to undergo a \$600,000 sterilization services upgrade in FY17. Stone Dental Clinic, a 36-chair facility, opened its doors in October, 2009, and the clinic was officially memorialized in February, 2010. Dental care for Military beneficiaries is provided at Marshall Dental Clinic and Stone Dental Clinic; the Clark Hall Dental Clinic services provide in-process administration and dental education for all incoming Soldiers. The DENTAC seats an average of 3,710 patients and performs over 13,565 dental procedures each month.

Dental care totaling \$898,211 for 818 Active Duty Soldiers was out-sourced to the local civilian provider network in FY16 utilizing the Oral Health Initiative contracted by United Concordia Companies, Inc.

Family members utilize MetLife Dental Insurance, the TRICARE Dental Insurance contractor. MetLife has an extensive provider network in the North Country. Retired military beneficiaries can enroll in the Delta Dental Plan for Retirees that also has a provider network in the surrounding communities.

The local economy received \$2,395,546 for services provided to Family members, retirees, and Army Reserve/National Guard Soldiers who utilize MetLife and Delta Dental network providers.

In 2016, the DENTAC spent \$2,774,100 for dental supplies, equipment, Contracts and contractors' salaries. The DENTAC Civilian payroll for FY16 was \$2,855,800 and is included in the Civilian payroll total for Fort Drum (see page 6).

**Fort Drum
Federal Impact Aid
\$31.0 Million**

Many local school districts across the United States include within their boundaries parcels of land that are owned by the federal government or that have been removed from the local tax rolls by the federal

government. These school districts face the distinct challenge of providing a quality education with a reduced property-tax revenue base due to federal exemptions.

In response, Congress has provided financial assistance to these local school districts through the Impact Aid Program since 1950. Impact Aid assists local school districts that have lost property tax revenue due to the presence of tax-exempt federal property or that have experienced increased expenditures due to the enrollment of federally connected children. The Impact Aid law (now Title VIII of the Elementary and Secondary Education Act of 1965 [ESEA]) provides assistance to local school districts with concentrations of children residing on or off of military bases such as Fort Drum. Local schools received \$31,078,996 in **Federal Impact Aid.**

HOW DO SCHOOL DISTRICTS USE IMPACT AID?

Most Impact Aid funds, except for the additional payments for children with disabilities and construction payments, are considered general aid to the recipient school districts. School districts may use the funds in whatever manner they choose in accordance with their local and state requirements. Most recipients use these funds for current expenditures but may also use the funds for other purposes such as capital expenditures. School districts use Impact Aid for a wide variety of expenses including: teacher and teacher-aid salaries, textbooks, computers, after-school programs and remedial tutoring, advanced placement classes, and special enrichment programs. Payments for children with disabilities must be used for the extra costs of educating children with disabilities.

**Army Compatible Use Buffer
(ACUB) Program
\$1.2 Million**

The **Army Compatible Use Buffer (ACUB) program** is an integral component of the Army's sustainability triple bottom line: mission, environment, and community. The program is an innovative tool

used to proactively address encroachment issues and/or support conservation objectives by establishing buffers around installations.

Fort Drum and its local partners secured two parcels under conservation easement during FY16. The two parcels added 818 acres to the existing land-buffer bordering Fort Drum. This buffer helps sustain natural habitats and protects the installation's accessibility, training, and testing capabilities while also supporting the Army's triple bottom line of mission, environment, and community. The total FY16 ACUB economic impact for the community is \$1,241,620.

FY16 Total Economic Impact

Total economic impact of a military installation on a geographic area is difficult to calculate. This Economic Impact Statement only reports direct funding that flows into the local economy. Revenues generated by secondary or outflow of military expenditures from the tri-county area have not been estimated, nor have expenditures by the National Guard and Reserve Soldiers who train at Fort Drum. In addition, this report does not include retiree pay in its overall assessment. Analysis of the direct expenditures from Fort Drum emphasizes the post's importance to northern New York's economic well-being. Fort Drum's positive financial impact on the community is substantial, totaling \$1,185,191,930 for FY16.

Impact By Category

Payrolls (military, civilian, contractor, and retiree)	\$979,566,710
Medical Supplies and Services	\$71,921,790
Contracts Awarded by MICC, Fort Drum	\$36,716,136
Federal Impact Aid	\$31,078,996
FDMCH Local Dollars Expended	\$22,126,279
Contracts Awarded by COE	\$20,118,000
Contracts Centrally Funded By Others*	\$13,183,150
Dental Supplies and Services	\$6,067,857
Education (Tuition Assistance/Contracts)	\$1,848,343
ACUB Dollars	\$1,241,620
NAF Local Purchases	\$1,144,946
PX/Commissary Equipment Service & Maintenance *	\$178,103
TOTAL	\$1,185,191,930

* Category is not covered by a written overview section in the document.

Cumulative Financial Impact

Total cumulative financial impact since FY88 is estimated at **\$23,467,016,526**.

1988	\$271,715,512
1989	\$332,094,861
1990	\$317,301,075
1991	\$371,844,455
1992	\$365,671,927
1993	\$383,470,275
1994	\$377,435,633
1995	\$389,289,789
1996	\$397,281,856
1997	\$392,901,745
1998	\$432,415,785
1999	\$404,863,008
2000	\$441,510,994
2001	\$465,413,254
2002	\$519,853,426
2003	\$529,736,252
2004	\$652,902,907
2005	\$821,377,368
2006	\$1,247,658,930
2007	\$1,463,781,777
2008	\$1,682,987,413
2009	\$1,502,834,542
2010	\$1,505,857,420
2011	\$1,633,341,987
2012	\$1,441,992,825
2013	\$1,416,969,521
2014	\$1,298,737,921
2015	\$1,220,582,138
2016	\$1,185,191,930
Total	\$23,467,016,526

Fort Drum Tenant Organizations

<u>Tactical Units</u>	<u>Support Units</u>	<u>Service Offices</u>
• 10th Mtn Division • 91st MP Bn • 63rd EOD Bn • 630th Engineer Bn • USAF 20th ASOS • 18th Weather Squadron • Army Field Support Bn	• US Army Garrison • US Army MEDDAC • US Army DENTAC • US Army VETCOM • Civilian Personnel Advisory Center • Network Enterprise Center (NEC) • Logistics Readiness Center • US Army Corps of Engineers • Federal Investigative Service • Defense Logistics Agency • Missile Defense Agency • 925th CCBn & MICC Fort Drum • 62 MP DET CID • NCO Academy • 902d MI Group • Trial Defense Service • Defense Finance Accounting Ofc	• The Exchange • Defense Commissary Agency • American Red Cross • AmeriCU • NYS Dept of Labor • Veterans Administration • US Postal Service • USO • Fort Drum Thrift Shop
<u>Reserve & Guard</u>		
• NY MATES NYARNG • 99th Regional Support Command (ECS-1) • 479 Engr Bn HQ • 174th Fighter Wing		



Fort Drum Population Trends

Category	30 September 2011	30 September 2012	30 September 2013	30 September 2014	30 September 2015	30 September 2016
Military	19,978	18,416	18,060	17,269	15,457	15,069
Family members	19,980	20,000	19,151	18,383	16,085	15,229
Total Pop	39,958	38,416	37,211	35,652	31,542	30,298

Source: Fort Drum Post Population (Soldiers) and TRICARE Enrollment (Family members).

Fort Drum Capital Assets

Road (Miles)	197.300
TA Roads (Miles)	249.839
Airfield Runways, Taxiways, and Aprons (Sq Yards)	1,586,374.443
Parking (Sq Yds)	4,264,709.690
Sidewalks (Sq Yds)	610,623.211
Electric Lines (Linear Feet)	2,511,124.100
Water Lines (Linear Feet)	1,228,817.500
Gas LINES (Linear Feet)	464,646.500
Sanitary Sewer Lines (Linear Feet)	652,084.840
Storm Sewer (Linear Feet)	452,305.200
Fencing (Linear Feet)	708,623.000
Railroad Track (Miles)	10.929
Communication Lines (Miles)	524.661
Airfield Lighting (Linear Feet)	196,835.200
POL Pipelines (Linear Feet)	17,308.002

Fort Drum Real Property

Real property consists of lands and improvements to land, buildings, and structures, including improvements and additions, and utilities. Real property includes equipment affixed and built into the facility as an integral part of the facility (such as heating systems), but not movable equipment (such as plant equipment).

BUILDING TYPE	SQUARE FEET
Training Buildings	965,136.800
HQ & Unit Supply	2,607,475.385
Maintenance	2,179,451.500
Warehouse	1,439,268.000
Administration	452,868.600
Chapels/Religious Education	59,561.000
Transient Quarters	362,491.000
Troop Billets	3,588,360.000
Dining Facilities	119,572.000
On-Post Family Housing	7,721,178.000
MWR	591,536.000
AAFES	281,418.000
Commissary	88,336.000
Medical Facilities	393,470.000
Miscellaneous	610,496.200
TOTAL	21,460,618.485

Fort Drum Solid Waste and Recycling

Fort Drum disposed of approximately 4,350 tons of municipal solid waste and construction debris using the Development Authority of the North Country's (DANC) municipal solid waste landfill services at the Rodman Regional Landfill during FY16.

Economic Forecast

The Army's Total Force and Associated Unit policies reinforce the important role that Fort Drum plays in providing training and base support to our Active, Reserve, Guard, and Joint Forces; we expect to see our transient and rotational training population to remain steady or slightly increase over the next several years. We expect Fort Drum's current permanent force structure to remain relatively stable.

The Army's emphasis and focus on formal and informal partnerships may present additional opportunities for shared services with public entities. Fort Drum's education and medical models provide a benchmark and example for other potential public-to-public partnerships.

There are currently no Fort Drum projects in the FY17-FY22 Military Construction (MILCON) program. Our current focus is on sustaining or repurposing the installation's existing infrastructure.

