



Economic Impact Statement

Fiscal Year 2003

Fort Drum



Fort Drum United States Army Garrison

***Commanding General
BG (P) LLOYD J. AUSTIN III***

***Garrison Commander
COL EMORY R. HELTON***

***Deputy Garrison Commander
MS. JUDITH L. GENTNER***

***Garrison Command Sergeant Major
CSM ANTHONY R. MERCANTE***

COMMUNITY IMPACT

Fort Drum is a dominant force in the economy of Northern New York. The installation provides employment for more than 2,000 area residents and millions of dollars in trade for local businesses. Fort Drum Soldiers and family members receive various types of medical care from community institutions. Fort Drum Soldiers' children are enrolled in local school districts located off-post. The result is an economic and social impact that benefits not only Northern New York, but New York State as well.

EMPLOYMENT AND PAYROLL: \$392,845,177

Point of Contact providing personnel data is the Plans, Analysis and Integration Office (Tammie Robinson)
Point of Contact providing military pay data is 10th SSB (SSG Jordan)

Fort Drum is the largest employer in Northern New York. In FY03, 12,117 Soldiers and 2,548 civilians were employed at Fort Drum. Civilian and military payrolls totaled \$84,625,040. (*does not include National Guard Maneuver Area Training Equipment Sites MATES) and \$308,220,137 respectively.

Personnel Category	Number Employees
Military:	
Garrison	180
Division	9,354
Non-Division	1,411
Tenants	1,172
Military Total:	12,117
Civilian:	
Garrison	1,149
Tenants	1,084
Nonappropriated Fund	315
Civilian Total:	2,548
Grand Total:	14,665

* National Guard MATES payroll not available at printing.

ARMY COMMUNITY HOUSING: \$21,583,472

Point of Contact providing this data is Public Works (Margaret Hedden)

Fort Drum uses two distinct methods for housing Army families -- Army Community Housing (Section 801 leased units) and on-post Army owned housing.

The Army Community Housing Program, completed in 1990, provides housing for 2,000 Army families in 10 communities in the Tri-County area. These units are contractor built and, for the most part, contractor operated and maintained.

Fort Drum controls a total of 4,272 family housing units, both on and off-post.

Location	Annual Expenditure
Watertown	\$6,136,377
LeRay	\$3,593,332
Calcium	\$3,535,980
Gouverneur	\$1,796,180
Philadelphia	\$1,528,815
Carthage	\$1,296,696
West Carthage	\$1,271,504
Clayton	\$1,025,481
Copenhagen	\$ 772,326
Lowville	\$ 626,781
Grand Total	\$21,583,472



CONTRACTING IMPACT IN TRI-COUNTY AREA: \$55,507,666*

Point of Contact for Fort Drum Awarded Contract data is the Army Contracting Agency (Annie Semo)
Point of Contact for Corps of Engineer Awarded Contract data is the Corps of Engineers (Michael D. Williams)
* See Chart Below

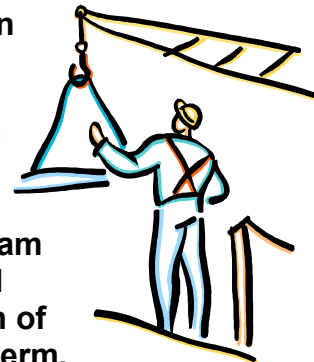
Fort Drum is a major customer for construction companies and suppliers of goods and services in Northern New York State.

In FY03, Fort Drum awarded a total of 342 construction contracts worth \$41,007,970. Companies located in the Tri-County area (Jefferson, Lewis and St. Lawrence) received 154 contracts of the total 342 contracts awarded worth \$24,322,570. Fort Drum also awarded 1,779 supplies and service contracts worth \$55,984,316. Of those, 368 contracts worth \$15,086,599 were awarded to businesses in the Tri-County area.



Contracts	Total	*TriCounty	%
Construction	\$41,007,970	\$24,322,570	59.31
Service	\$55,984,316	\$15,086,599	26.95
Impact Card & Accommodation	\$20,828,798	\$16,098,497	77.29
Total	\$117,821,084	\$55,507,666	47.11

The U.S. Army Corps of Engineers also awarded construction contracts for work at Fort Drum. Major construction placement work totaled approximately \$24,600,000 for FY 03. The Corps of Engineers has many guidelines when awarding construction contracts. One of the guidelines is to use the HUBZONE Program. The Tri-County area is zoned as a HUBZONE. The HUBZONE Empowerment Contracting program provides federal contracting opportunities for qualified small businesses located in distressed areas. Fostering the growth of these federal contractors as viable businesses, for the long term, helps to empower communities, create jobs, and attract private investment.



Contractor wages related to those contracts are estimated at \$14,250,000. The Corps of Engineers estimates that the majority of the wages stay within the Tri-County area because contractors use local unions to hire the labor.

Top Ten Contractors	
Contractor	\$ Amount of Contract
*Beneco	\$15,010,936
*Lawman Heating and Cooling (Sackets Harbor, NY)	\$10,729,987
*Purcell Construction Corporation (Watertown, NY)	\$10,139,809
Niagara Mohawk Power Corporation	\$7,612,367
L C Industries for the Blind	\$6,426,553
*Jefferson Rehabilitation Center (Watertown, NY)	\$5,092,360
Omega QSE, Inc	\$3,244,504
Micron Government Computers (MPC-C-LLC)	\$2,231,110
Development Authority of the North Country (Watertown, NY)	\$2,213,356
Dell Computer Corporation	\$2,059,280

****Blue Ribbon Contractor Award Recipient***

The International Merchant Purchase Authorization Card (IMPAC) Program and accommodation checks were used to purchase \$20,828,798 worth of supplies and services this fiscal year. Purchases on the Government VISA card/checks are limited to transactions under \$2,500 each. The economic impact of these purchases directly affected Tri-County businesses; however, an exact measure of dollars cannot be calculated. Through the IMPAC Program and Accommodation checks, it is estimated that over 75% of the purchases, or ***\$16,098,497**, was kept in the local area.

The New Fort Drum Battle Simulation Center will be operational in May 2004.



1. AAR FACILITY, (WITH 2 12X20 SCREENS)
 2. 133 COMPUTER WORKSTATIONS
 3. COMPUTER ROOM
 4. AUDIO VISUAL/ COMMUNICATION
 5. TACTICAL COMMUNICATION ROOM
 6. STORAGE AND MAINTENANCE AREA
 7. BREAK AND ADMIN AREAS (WITH 2 GENERAL OFFICER OFFICES)
 8. WARFIGHTERS SIMULATION WORK AREA
 9. LATRINES
 10. ANTENNA FARM PADS W/TIEDOWNS
 11. SENTRY STATION
- TOTAL SQUARE FEET IS 74,135.**

MEDICAL & DENTAL SERVICES: \$27,369,400

Point of Contact providing this data is the U.S. Army Medical Activity (Frank Gorri)

The United States Army Medical Department Activity (USA MEDDAC) and United States Army Dental Activity (USA DENTAC) provide a comprehensive managed care program to Soldiers and their families. In FY03, USA MEDDAC and USA DENTAC spent \$27,369,400 in the North Country for medical and dental services.

On-post care is provided for our Prime Enrollment beneficiaries at the Guthrie Ambulatory Health Care, Connor Troop Medical Clinics, Riva Ridge and Wilcox Dental Clinics. The Managed Care Support Contractor is responsible for providing health care services off-post through the TRICARE regional contract. The TRICARE Management Activity (TMA), DOD and above are continually making policy changes to that program. The changes dictate the way we will or will not render care in our Medical Treatment Facility (MTF). Sometimes that could help us financially or it could hurt us. Either way, it impacts the way we are able to deliver care to our beneficiaries.

The above impacts, plus the effects of the Global War On Terrorism (GWOT), account for the large increase in dollars expended. The Dental Activity has increased as well. The total dollar amounts expended to include supplies, equipment, and contracts are \$26,452,700 (MEDDAC) and \$916,700 (DENTAC), respectively.

VETERINARY SERVICE: \$5,900

Point of Contact providing this data is the U.S. Army Medical Activity (Frank Gorri)

In FY03, USA MEDDAC veterinary services at Fort Drum spent \$5,900 for normal operating expenditures in the North Country. Expenditures included veterinary claims, supplies and contracts. Military personnel assumed the role of the Civilian position in FY03, thereby eliminating civilian payroll cost.



TUITION ASSISTANCE & CONTRACTED EDUCATION: \$1,659,370

Point of Contact providing this data is the Directorate of Resource Management (Rosalie Austin) &
Point of Contact providing this data is the Directorate of Plans, Training and Mobilization (Carla Ortiz)

Fort Drum spent \$1,495,000 for tuition assistance for active Soldiers. This program assists the Soldiers in paying college expenses. A total of 2,861 Soldiers were enrolled in the tuition assistance program with over 75% enrolled in local colleges. A total of \$164,370 was contracted for adult education programs during FY03 for the Education Center, to pay for multipurpose learning facility support, advertising for programs, test examiners, instructors, counselors, and counselor support.

Prior to FY03, the Army paid 75% tuition assistance for any college course that fit within a Soldier's degree or certificate program. Each Soldier also had a limit of \$187.50 per semester hour of credit and a ceiling of \$3,500 per fiscal year. Out of pocket expenses prevented college attendance for many Soldiers due to the high cost of many college courses in addition to the cost of fees and books. In FY03, the Army tuition assistance policy changed to allow payment up to 100% for college courses that fit within a Soldier's degree or certificate program. The cost allowance per semester hour of credit was increased to \$250 and the fiscal year ceiling to \$4,500. Soldiers were still required to pay for the majority of college fees as well as book costs. However, the change in Army tuition assistance policy put the now minimal cost of attending college well within most Soldiers' price range. This created an influx of new or returning college students seeking tuition assistance from the Fort Drum Education Center. The combination of an increase in the number of Soldiers attending college and the increase in Army payment of tuition assistance from 75% to 100% more than doubled the amount of tuition assistance provided to Soldiers in FY03 over FY02.



IMPACT AID: \$13,965,267

State Aid extracted from 2001-2002 School Year Aid Payment Summary Report (<http://stateaid.nysed.gov/>)
Federal Aid data provided by Gail McSpadden, Communications Director, Nat'l Assn of Federally Impacted Schools
(<http://www.sso.org/nafis>)

School aid is provided to local school districts from both the State and Federal Departments of Education. One of the determining factors for aid received is the student population. Students enrolled because of their parent's federal employment (military & civilian) affect aid levels.

President Harry S. Truman signed Federal Impact Aid into law in 1950, to directly reimburse public school districts for the loss of traditional revenue sources due to a federal presence or federal activity. Since its inception, the program has been amended many times. Today its legal reference is P.L. 103-382, Title VIII.

Traditionally, property sales and personal income taxes account for a large portion of the average school district's annual budget. However, federally connected students can adversely affect a school district's financial base because their parents or guardians do one or more of the following in the school districts that the students attend:

- 1. Often pay no income taxes or vehicle license fees in their state of residence.**
- 2. Live on non-taxable federal property.**
- 3. Shop at stores that do not generate taxes.**
- 4. Work on non-taxable federal land.**



Federal Impact Aid to the schools in the Tri-County area totaled \$11,369,088 for the 2002-2003 school year. The Department of Education Federal Impact Aid program calculated the projected FY 2003 payments for the tri-county school districts by using the following definitions.

- A. BSP – Represents the school district projected basic support payment.**
- B. SPED – Represents the amount of projected special education funding.**
- C. CONST – Represent the projected construction funding.**
- D. FEP Prop – Federal property payment.**

State aid to Fort Drum area school districts remained the same as last year to continue grants to school districts in the Fort Drum area that have pupil enrollments that are impacted due to the influx of personnel at Fort Drum. The 2002-2003 school year State aid for the Tri-County area totaled \$2,596,179.

PARTNERING WITH THE COMMUNITY:

Point of Contact providing this data is the Public Affairs Office (Lori Haney) & Directorate of Community Activities (Barbara Allington)

Each year the local community has many opportunities to visit Fort Drum.

Annually, the public joins us for Mountain Fest, a Fourth of July celebration showcasing the 10th Mountain Division (Light Infantry). Mountain Fest activities include equipment displays and demonstrations, car and boat show, craft fair and flea market, petting zoo and midway activities, a 56 gun salute to the states and territories, culminating with a 10th Mountain Division Band concert and fireworks display.



The community is also invited to join us for the U.S. Army Soldier Show, an entertainment showcase touring the world under the direction of the United States Army Community and Family Support Center.

The 10th Mountain Division Band performs concerts and participates in many parades and events in the local area.



Tours of the installation are provided for civic, youth, school, and Army recruiting groups. Guest speakers and military equipment displays are important aspects of school, community, and recruiting events. Fort Drum hosts students from several school districts for job-shadowing experiences and career explorations throughout the year.

Partnering relationships with local schools, through the Fort Drum Education Liaison Committee, provides a foundation for communication and resolution of the unique situations facing military students and families.

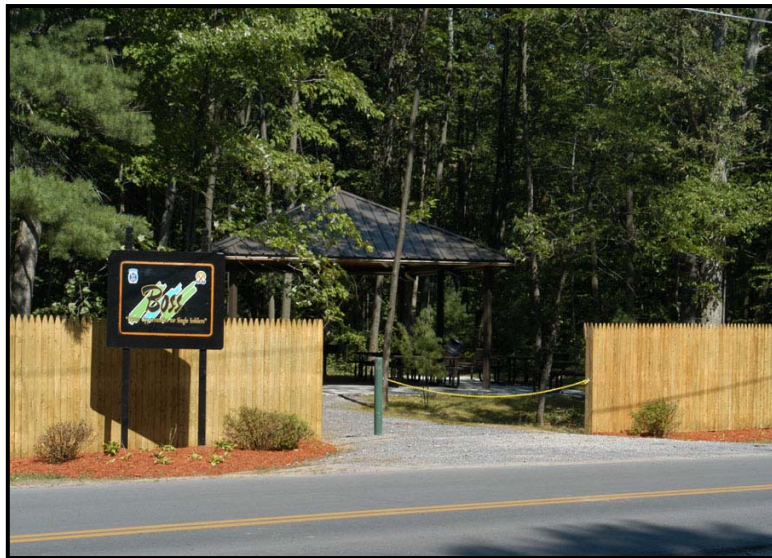
Fort Drum Soldiers and their family members belong to local civic, professional, volunteer, and religious organizations and are active community members working and volunteering in activities throughout the North Country. The interaction of the military and civilian communities benefits both the installation and our North Country neighbors.

The Piece of the Rock (POR) program was designed to enable units to develop and maintain healthy community relationships between military housing, the local schools and local community government. The primary focus is on units fostering a healthy, family oriented environment in their assigned housing area.



The Project Strong Communities program established in 2000 operates thru the efforts of the Directorate of Community Activities, Fort Drum Community Life (Mayoral) Program, The Armed Services Young Men's Christian Association (YMCA) of the USA and the Watertown Family YMCA. Their mission is to improve the quality of life for military families residing in Army Community Housing through heightened awareness and understanding of the host separate communities. The past year has been a very busy year for the four-year-old program.

Through Project Strong, nineteen Fort Drum Soldiers from the Better Opportunity for Single Soldiers (BOSS) program and two civilian Fort Drum employees gutted a house in Watertown last spring. They removed old bricks, rotting woodwork, and mounds of miscellaneous trash to prepare the house for future renovation by the Thousand Islands Chapter of Habitat for Humanity. Eventually a first time homeowner will occupy the house.



New BOSS pavilion fence constructed this year.

New Playground added this year at Pine Plains.



CONCLUSION: \$ 529,736,252 IN FY03 / \$6,392,799,874 TO DATE

The total economic impact of a military installation on a geographic area is difficult to calculate. For the purpose of this report, outflow of military expenditures from the tri county region has not been estimated, nor have expenditures by more than 40,000 Soldiers, such as the National Guard and Reserve who train at Fort Drum. Analysis of the direct expenditures from Fort Drum highlights the post's importance to Northern New York and New York State's economic well-being. The continuing annual impact of Fort Drum's spending on the community is substantial and totaled over \$529,736,252 in FY03. Total spending from FY88 to date exceeds \$6,392,799,874.

FY03 Spending By Category	
Payroll (Drum) National Guard Mates not included.	\$392,845,177
Payroll (Corps of Engrs)	\$900,000
Payroll (MCA Contractors)	\$14,250,000
Medical/Dental	\$27,369,400
Veterinary	\$5,900
Army Community Housing	\$21,583,472
Contracts (Tri-County)	\$55,507,666
Federal Aid	\$11,369,088
State Aid	\$2,596,179
Education (Tuition Assistance/Contracts)	\$1,659,370
PX/Commissary Service & Maintenance	\$1,650,000
TOTAL	\$529,736,252

Cumulative Investment FY88 to Date	
Fiscal Year	Amount
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
TOTAL	\$6, 392,799,874

FORT DRUM AT A GLANCE - Capital Assets

Point of Contact providing this data is Public Works (Karen Taylor)

Surfaced Roads (Miles)	169.0
Unsurfaced Roads (Miles)	241.0
Runways/Taxiways/Parking Aprons (Square Yard)	1,434,751.0
Parking (Square Yard)	2,587,666.7
Sidewalks (Square Yard)	386,919.99
Electric Lines (Linear Feet)	2,730,744.0
Water Lines (Linear Feet)	773,807.0
Gas Lines (Linear Feet)	253,858.0
Sanitary Sewer Lines (Linear Feet)	469,854.0
High Temp Hot Water Lines (Linear Feet)	225,991.0
Storm Sewer Lines (Linear Feet)	266,869.0
Fence (Linear Feet)	469,218.0
Railroad Trackage (Miles)	10.8
Communication Lines (Miles)	267.9
Airfield Lighting (Linear Feet)	162,926.0
Fuel Lines (Miles)	4.7

FORT DRUM AT A GLANCE - Building Utilization

Point of Contact providing this data is Public Works (Karen Taylor)

Type	Square Feet
Training/Operations	370,951.0
Headquarters and Unit Supply	1,111,525.0
Maintenance	1,251,859.0
Warehouse	1,105,187.0
Administration	433,092.0
Chapels/Religious Education	45,762.0
Troop Billets	1,813,209.0
Transient Quarters	252,948.00
Dining Facilities	147,418.0
On-Post Family Housing	3,980,974.0
Morale, Welfare & Recreation	441,907.0
PX/Clothing Sales	194,064.0
Commissary	82,800.0
Medical Facilities	189,672.0
Miscellaneous	355,588.7
TOTAL	11,776,956.7

***This booklet was prepared by the
Plans, Analysis and Integration Office, Fort Drum, NY 13602-5102***