

FY 2015

Fort Drum, New York



Economic Impact Statement

October 1, 2014—September 30, 2015



Fort Drum Fiscal Year 2015 Economic Impact



Plans, Analysis, and Integration Office

Building P-10,000

10th Mountain Division (LI) Drive

Fort Drum, NY13602

Executive Summary	3-4
Economic Impact Statement Welcome	5
Employment and Payrolls	6
Retirees and Survivors	6
Fort Drum Mountain Community Homes	7
Non Appropriated Funded Contracts	8
U.S. Army Corp of Engineers	8
Contracting	9
Fort Drum Medical	10-11
Fort Drum Dental	12
Fort Drum Education	13
Federal Impact Aid	13-14
Army Compatible Use Buffer Program (ACUB)	14
Economic Impact by Category	15
Cumulative Economic Impact	16
Fort Drum Population Key Tenant Organizations	17
Fort Drum Trends and Capital Assets	18
Fort Drum Real Property	19
Fort Drum Solid Waste and Recycling	19
Fort Drum Economic Forecast	20

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 35,000 Soldiers, Airmen, Family Members, and Civilians! In total, there are over 19,000 full time military and civilian jobs associated with Fort Drum spread across the active Army and Air Force components as well as our Reserve and National Guard 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 11 states and parts of Canada. Each year, Fort Drum provides training support to an additional 27,000 Reserve and National Guard members as well as personnel from other federal, state, and local agencies. Finally, there are over 39,000 military retirees living within New York State, 2,857 of which reside within a short distance to the installation.

Fort Drum's Fiscal Year (FY) 15 positive direct economic impact upon its surrounding community reached over \$1.2 billion. This decrease of approximately \$78 million from the previous year was primarily driven by reduction of troop levels. Table 1.0

Fort Drum reports 15 categories of spending each year.

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 \$22 billion.

Fort Drum's total military (Soldier and Airmen) and civilian workforce population has increased 27% since 2003; the economic impact on the surrounding community has increased by over 79% during the same time frame going from \$529 million to over \$1.2 billion based on data collected. Fort Drum's growth has positively contributed to the development of new businesses, industries, and markets. Additionally, 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 model. Table 1.2

Fort Drum ~ Home of America's Light Infantry Division

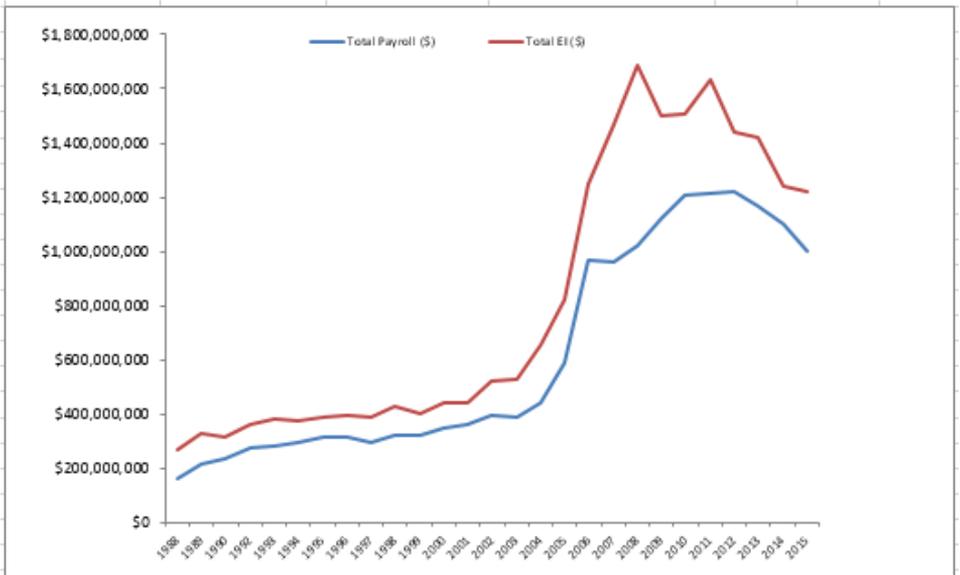


Table 1.0 Total Economic Impact and Payroll

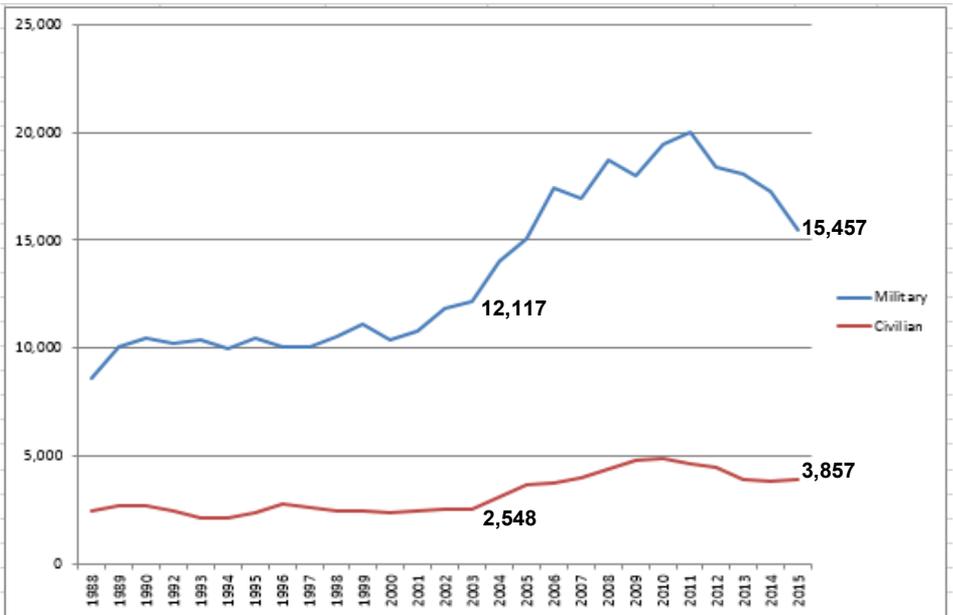


Figure 1.2 Fort Drum Workforce Growth



Fort Drum's

Economic Impact Statement

*Pursuing perfection and attaining
excellence everyday.*

Welcome to the FY15 Fort Drum Economic Impact Statement. Increased fiscal constraints associated with the Budget Control Act of 2011 (Sequestration), continued reduction of military and civilian personnel, and high operational tempo (continued deployments to Afghanistan, Iraq and other worldwide locations) created unique challenges and opportunities for the entire Fort Drum and local community. However, installation personnel continued to provide some of the best mission support in the Army through greater efficiencies, shared best practices, and strong partnerships. Fort Drum's workforce and the surrounding community takes pride in serving the most deployed division in the United States Army—the 10th Mountain Division (LI)—and it shows through our history of superior mission support, customer satisfaction rates, results and outcomes achieved.

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 to our Soldiers, Airmen, Family members, and Civilians!

Enjoy this year's Economic Impact Statement.



**Payrolls
(Military, Civilian, and
Retiree)
\$1 Billion**

Fort Drum is the largest employer in Northern New York with 15,457 Soldiers and 3,857 Civilians (including contractors) working on or near the installation. Military and Civilian payrolls (including

tenants and contractors) totaled \$766,053,860 and \$177,202,219 respectively.

Military pay includes basic pay and allowances, special pay, incentive pay, and bonus pay for all Soldiers 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, June 2015 Statistical Report on the Military Retirement System, there are 2,857 retirees from all branches of service living within the 136XX zip code that receive a total of \$4,893,000 a month, or \$58,680,000 per year, that flows directly into our local economy.

In addition to military retirees, there are 272 retiree survivors in the 136xx zip code that receive a total of \$182,000 per month or \$2,184,000 per year.

Total military, civilian, tenant and contractor, payroll for FY15 was \$1,004,120,079 or approximately 82% of the total economic impact.



**Fort Drum Mountain
Community
Homes (FDMCH)
\$29.7 Million**

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). The Timbers apartment complex includes The Timbers Lodge, an impressive LEED® certified community center for The Timbers with a billiards room, high-tech audio/visual equipment, theater room equipped with cable and satellite, a full-size kitchen and a great room where Soldiers can relax, leasing offices for The Timbers, and meeting rooms available both to staff and residents. Additionally, FDMCH provides Asset, Property, Maintenance, and Development management services for the entire project for the minimum 50 year lease with the Army.



**Non-Appropriated Fund
(NAF) Contracts
\$1.3 Million**

Non-appropriated Fund (NAF) activities spent \$1,253,630 locally in FY15. The NAF activities include, but are not limited to: 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)
\$19.4 Million**

The U.S. Army Corps of Engineers (USACE) awarded construction contracts totaling \$19,408,103 for work at Fort Drum. 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 via the New York District Small Business Multiple Award Task Order Contract or 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
\$21.5 Million**

Fort Drum is a major customer for construction companies and suppliers of goods and services in Northern New York. The **925th CCBn & Mission and Installation Contracting Command**

(MICC) Fort Drum awarded 63 construction contracts valued at \$4,734,099 to tri-county contractors. The MICC at Fort Drum also awarded a total of \$10,548,155 for supply and service contracts to tri-county businesses. Purchases of supplies using government credit cards are limited to transactions under \$3,000 each, yet government purchase card holders spent \$6,187,578 locally.



Top Ten Tri-County Contractors	
Jefferson Rehabilitation Center, Inc.	6,352,162.70
Alutiq Diversified Services	2,967,167.68
LCI SSSC	2,192,645.53
Cornell Cooperative Extension	973,582.61
Land Pro, Inc .	523,290.00
Black Horse Group, LLC	480,199.33
Vetco Contracting Services LLC	408,085.59
Francis Garrett Corp. DBA Overhead Door of	403,560.94
Hi Lite Pavement Markings, Inc.	350,276.76
AllTech Integrations	313,262.95

*Data based on current FY 2015 contract awards.

Fort Drum Medical Services
\$78.0 Million

In accordance with Medical Command's Army Campaign Plan 2020, the **United States Army Medical Department Activity (USA-MEDDAC)** provides a comprehensive managed care program to a beneficiary eligible population of approximately

35,022 Soldiers, their Families and Retirees which are dispersed within a geographical area equal to the size of Rhode Island. Presently, MEDDAC serves as the primary care manager to 27,538 (79%) of the eligible population.

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 of Health which "operationalizes" the Army Medicines 2020 campaign. These systems of health are for: Readiness, Families and Retirees and Combat Casualty Care.

Four clinics provide initial access to care: Guthrie Ambulatory Health Clinic (GAHC), Warrior Transition Battalion (WTB), Connor Troop Medical Clinic (CTMC) and Troop Medical Clinic #2 (TMC2) (Troop Medical Campus). Depending on the nature of the visit, beneficiaries are referred to various specialty care clinics either on post or to a specialty clinic off post.

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, reside several in-house specialties to include: Family Medicine, Pediatrics, Dermatology, Urology, Podiatry, Orthopedics, Physical Therapy, Chiropractic Care, Pain Management, Occupational Therapy, Immunizations, and Radiology. MEDDAC maintains an Obstetrics and Gynecology clinic collocated with Samaritan Medical Center in Watertown and offers OB/GYN care to Soldiers and their Families. The Wilcox Clinic is home to the MEDDAC's Behavioral Health Department and includes Social Work Services and Family Advocacy, and the Traumatic Brain Injury Rehabilitation Program. All Active Duty Service Members receive medical care at CTMC and TMC2.

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

MEDDAC averages a monthly total of 24,901 visits, 10,119 appointment calls, and 8,744 telephone consultations. Daily average consists of 1,072 visits, 505 appointment calls, 318 telephone consultations, 70-90 Radiology visits (X-Rays, MRI and Ultra Sound), processes 715 lab specimens and fills on average 1,200 prescriptions.

MEDDAC staff consists of 873 personnel: military (223), Civilian (609), and contract (41). 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, retired Soldiers, 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 \$22,994,854. The MEDDAC's Civilian payroll for FY15 was \$43,706,237 and is included in the Civilian payroll total for Fort Drum (see page 6).

**Fort Drum Dental Services
\$7.9 Million**

The United States Army Dental Activity (DENTAC) is comprised of three dental clinics and is staffed with 115 dedicated Officers, Enlisted Soldiers, DoD Civilians, contract

personnel, and volunteers who provide comprehensive dental care to authorized beneficiaries.

Marshall Dental Clinic, a 38-chair facility, is scheduled to undergo a \$14.2 Million revitalization project in FY16. 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 while Clark Hall Dental Clinic serves as a Soldier in-processing center. The DENTAC seats an average of 3,407 patients and performs over 13,957 dental procedures each month.

Dental care totaling \$2,425,667 for 2,051 Active Duty Soldiers was outsourced to the local civilian provider network in 2015 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 \$2,614,712 for services provided to Family members, retirees, and Army Reserve/National Guard Soldiers who utilize MetLife and Delta Dental network providers.

In 2015, the DENTAC spent \$2,861,159 for dental supplies, equipment, Contracts and contractors' salaries. The DENTAC's Civilian payroll for FY15 was \$2,855,800 and is included in the Civilian payroll total for Fort Drum (see page 6).

**Fort Drum Tuition Assistance
& Centralized Education
\$1.6 Million**

During this fiscal year, 2,569 Fort Drum Soldiers enrolled in some 6,900 post-secondary courses with a success rate of 80%; of \$4.4M in tuition assistance obligated, \$1.4M was paid to local colleges

and an additional \$230K 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 350 partner schools with up-front tuition assistance, program counseling, enrollment, and payment functions.

**Fort Drum
Federal Impact Aid
\$40.6 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.

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
\$2.26 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 FY15. The two parcels added 1,394 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 FY15 ACUB economic impact for the community is \$2,257,396 of which \$900K was contributed by New York State.

FY15 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. 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 \$1,221,290,398 for FY15.

FY15 Impact by Category	
Payrolls (military, Civilian, contractor, and retiree)	1,004,120,079
Federal Impact Aid	40,619,075
Medical Supplies and Services	78,006,030
FDMCH Local Dollars Expended	29,694,957
Contracts Awarded by MICC, Fort Drum	21,469,832
Army Corp of Engineers	19,408,103
Contracts Centrally Funded By Others*	14,712,990
Dental Supplies and Services	7,901,538
ACUB Dollars	2,257,396
Education (Tuition Assistance/Contracts)	1,663,700
NAF Local Purchases	1,253,630
Army & Air Force Exchange Services (AAFES)/Defense Commissary Agency (DECA) Equipment Service & Maintenance *	183,068
Domestic Lease*	0
Combined Federal Campaign (CFC) Local Contributions*	0
Veterinary Supplies and Services *	0
Total	1,221,290,398

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

Cumulative Financial Impact

Total cumulative financial impact since FY88 is calculated at **\$22,282,532,856**.

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	\$1,221,290,398
Total	\$22,282,532,856

Fort Drum Population Trends

Category	30 September 2011	30 September 2012	30 September 2013	30 September 2014	30 September 2015
Soldiers	19,978	18,416	18,060	17,269	15,457
Family members	19,980	20,000	19,151	18,383	16,085
Total Popu- lation	39,958	38,416	37,211	35,652	31,542

Fort Drum Capital Assets

Roads (Miles)	192
TA Roads (Miles)	249
Airfield Runways, Taxiways, and Aprons (Sq Yards)	1,401,849
Parking (Sq Yards)	4,234,188
Sidewalks (Sq Yards)	578,402
Electric Lines (Linear Feet)	2,503,239
Water Lines (Linear Feet)	1,210,541
Gas Lines (Linear Feet)	439,027
Sanitary Sewer Lines (Linear Feet)	640,017
Storm Sewer (Linear Feet)	449,786
Fencing (Linear Feet)	695,797
Railroad Track (Miles)	10
Communication Lines (Miles)	502
Airfield Lighting (Linear Feet)	197,135
POL Pipelines (Linear Feet)	18,367

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).

Training Buildings	920,112
HQ and Unit Supply	2,370,173
Maintenance	2,163,377
Warehouse	1,399,010
Administration	381,808
Chapels/Religious Education	52,320
Transient Quarters	362,509
Troop Billets	3,416,186
Dining Facilities	133,333
On-Post Family Housing	7,726,206
MWR	595,414
AAFES	273,199
Commissary	90,962
Medical Facilities	364,405
Miscellaneous	620,298
TOTAL	20,869,313

Fort Drum Solid Waste and Recycling

Fort Drum disposed of approximately 5,900 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 FY15.

Economic Forecast

Federal budget constraints will continue to affect Fort Drum's direct economic impact upon the North Country. Army force structure decisions may have an even greater impact upon Fort Drum's total personnel numbers (military and civilian) in the near future. It is reasonable to expect additional decreases in military and civilian personnel will result in a diminished economic impact.

Currently, there are two Military Construction (MILCON) projects scheduled to occur from FY15 through FY16 amounting to approximately \$46 million. These include the Gray Eagle hangar and the NCO Academy. The Army's Facility Investment Strategy has shifted to sustaining and/or repurposing existing facilities to meet mission requirements rather than building new.

Fort Drum will continue to positively and significantly affect the North Country's economy throughout the foreseeable future; Fort Drum Soldiers, Airman, Family members, and Civilians will remain an integral and vital part of the North Country's economic growth and stability.

