

CHANGES IN THE COST OF OPERATIONS
SUB-ACTIVITY GROUP: SPAWAR/SPAWAR SYSTEMS CENTERS (SSC'S)
FY2005 BUDGET ESTIMATES
February 2004
(Dollars in Millions)

	<u>EXPENSES</u>
FY 2003	2,212.8
FY 2004 Estimate in the FY 2004 President's Budget:	1,884.2
<u>Pricing Adjustments:</u>	
Civilian Personnel	14.8
General Purchase Inflation	-2.9
<u>Productivity Initiatives and Other Efficiencies:</u>	
Reduced Strategic Sourcing savings will result from delaying transition costs from FY 2003 to FY 2004	1.3
Capital Purchases Program (CPP) savings reduced as a result of reprogramming	0.2
<u>Program Changes:</u>	
Additional Workload from Increased Direct Labor Hours	24.5
Reimbursable (non-stabilized) workload	240.1
<u>Other Changes:</u>	
Depreciation decrease	-1.1
FY 2004 Current Estimate	2,161.1

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	<u>EXPENSES</u>
FY 2004 Current Estimate	2,161.1
<u>Price Changes:</u>	
Annualization of Prior Year Pay Raises	6.1
FY 2005 Pay Raise	
Civilian Personnel	4.0
Military Personnel	0.2
Fund Price Changes	2.6
General Purchase Inflation	15.0
Other Price Changes	4.3
<u>Productivity Initiatives and Other Efficiencies:</u>	
Strategic Sourcing and Other Initiatives	-1.5
Capital Purchases Program savings increase (excluding ERP)	-1.3
ERP Savings increase	-0.3
<u>Program Changes:</u>	
Additional Workload from Increased Direct Labor Hours	2.4
Reimbursable (non-stabilized) workload decrease	-63.6
Other	2.2
<u>Other Changes:</u>	
Depreciation increase	0.4
FY 2005 Current Estimate	2,131.6