

Department of the Navy
Operation and Maintenance, Navy
1A2A Fleet Air Training
FY 2005 President's Budget Submission
Exhibit OP-5

I. Description of Operations Financed:

Fleet Air Training includes Fleet Readiness Squadrons (FRS) which train replacement aircrews for each Navy and Marine Corps type/model/series in weapons tactics training, weapons delivery qualifications and carrier landing qualifications, and provide services to fleet squadrons to develop and maintain air-to-air combat skills. These FRS are located throughout the country. Student levels are established by authorized TACAIR/ASW force level requirements, aircrew personnel rotation rates, and the student output from the Undergraduate Pilot/NFO Training Program. Specialized schools include the Navy Test Pilot School and the Naval Strike and Air Warfare Center (NSAWC). Fleet Air Training also includes operation and maintenance of training devices and simulators. Management of the acquisition of training devices and simulators is also included.

II. Force Structure Summary:

There are 21 Fleet Readiness Squadrons in FY 2003 through FY 2005.

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III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group Total

	FY 2003	Budget	FY 2004		FY 2005
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Current</u>	<u>Estimate</u>
	1,146,214	1,025,326	1,005,197	1,121,477	1,066,452

B. Reconciliation Summary

	<u>Change</u>	
	<u>FY 2004/2004</u>	<u>FY 2004/2005</u>
Baseline Funding	1,025,326	1,121,477
Congressional Adjustments - Distributed	0	0
Congressional Adjustments - Undistributed	-10,926	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments - General Provisions	-9,203	0
Subtotal Appropriation Amount	1,005,197	0
Across-the-board Reduction (Rescission)	0	0
Emergency Supplemental Carryover	0	0
Program Changes (Current Year to Current Year)	116,280	0
Subtotal Baseline Funding	1,121,477	0
Anticipated Supplemental	0	0
Reprogrammings	0	0
Price Change	0	19,309
Functional Transfers	0	-58,827
Program Changes	0	-15,507
Normalized Current Estimate	1,121,477	0
Current Estimate	0	1,066,452

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C. Reconciliation of Increases and Decreases

1. FY 2004 President Budget Request.	1,025,326
2. Congressional Adjustment (Undistributed).	-10,926
a) Unobligated Balances	-521
b) Southwest Asia Contingency Operations	-10,405
3. Congressional Adjustment (General Provision).	-9,203
a) Sec. 8101: Reduce IT Development Cost Growth	-371
b) Sec. 8094: Management Improvements	-3,406
c) Sec. 8126: Economic Assumptions	-5,426
4. FY 2004 Appropriated Amount.	1,005,197
5. Program Decreases FY 2004 (Technical Adjustments).	-43
a) Programs previously budgeted in mission budget lines determined to fit the definition of the functional areas of the Base Operations model were realigned to Base Operations (BSS1)	-43
6. Program Increases FY 2004 (Emergent Requirements).	151,768
a) Increase in non-flight support requirements such as commercial air services and transportation costs	68,842
b) Increase in consumable and depot level reparable (DLR) demand. Demand is higher than planned mostly due to wear and tear to the aircraft used in support of the Global War on Terrorism (GWOT).	60,750
c) Increase in contract maintenance costs to support F-16 and T-34 aircraft	22,176
7. Program Decreases FY 2004 (Emergent Requirements).	-35,445
a) Transfer of KC-130J Contractor Logistics Support (CLS) to Aircraft Depot Maintenance (1A5A). CLS is more appropriately budgeted in the depot maintenance account vice the flying hour program	-3,184
b) Reduction in hours (-8,406) to accommodate changes in pilot training requirements and FRS student throughput	-32,261
8. Baseline Funding (subtotal).	1,121,477
9. Revised FY 2004 Current Estimate.	1,121,477
10. Normalized Current Estimate for FY 2004.	1,121,477
11. FY 2005 Price Change.	19,309
12. FY 2005 Transfers Out.	-58,827
a) Transfer of Navv/Marine Corps Intranet funding from readiness accounts to O&M.N Combat Support Forces (1C6C - \$23.473K) and	-58,827

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O&M,MC 1A1A/BSS1 (\$35,354K)

13. Program Growth in FY 2005.		11,284
a) Increase in cost per hour primarily due to higher usage of consumables and DLRs in the maintenance of aging aircraft	11,284	
14. Program Decrease in FY 2005.		-26,791
a) Reduction in hours (-6,332) to accommodate changes in training requirements	-26,791	
15. FY 2005 Budget Request.		1,066,452

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IV. Performance Criteria and Evaluation Summary :

Activity: Flying Hour Program

Activity Goal: To operate, to maintain, and to deploy aviation forces that support the National Military Strategy.

Description of Activity: The Flying Hour Program funds the following activities: (1) day to day operational activities or air operations; (2) organizational and intermediate level maintenance; (3) institutional training; unit training and operational training; and (4) engineering and logistical support.

	FY 2003 Budgeted	FY 2003 Actual	FY 2004 Budgeted	FY 2004 Estimate	FY 2005 Estimate
PROGRAM DATA					
Total Aircraft Inventory (TAI) (End of FY) ^{1/}	880	931	836	816	824
Fighter/Attack	405	372	382	387	378
Rotary Wing	244	283	245	232	255
Patrol/Warning	71	102	77	57	62
Other	160	174	132	140	129
Primary Aircraft Authorized (PAA) (End of FY) ^{1/}	495	470	495	484	479
Fighter/Attack	244	225	242	238	231
Rotary Wing	151	145	153	146	158
Patrol/Warning	37	37	37	37	33
Other	63	63	63	63	57
Backup Aircraft Inventory (BAI) (End of FY) ^{2/}	289	437	253	238	256
Fighter/Attack	101	147	104	114	110
Rotary Wing	81	119	71	66	71
Patrol/Warning	34	65	34	17	23
Other	73	106	44	41	52
Attrition Reserve (AR) (End of FY) ^{2/}	96	24	88	94	89
Fighter/Attack	60	0	36	35	37
Rotary Wing	12	19	21	20	26
Patrol/Warning	0	0	6	3	6
Other	24	5	25	36	20

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^{1/} TAI/PAA include only Fleet Air Training Aircraft

^{2/} BAI/AR include all aircraft in these categories

	FY 2003 Budgeted	FY 2003 Actual	FY 2004 Budgeted	FY 2004 Estimate	FY 2005 Estimate
Flying Hours	173,758	156,847	170,369	161,936	155,604
Percent Executed	n/a	90%	n/a	n/a	n/a
Flying Hours (\$000)	\$628,802	\$660,581	\$653,850	\$685,150	\$671,485
Percent Executed	n/a	105%	n/a	n/a	n/a
Number of Naval Strike and Air Warfare Center Students	14000	14000	14000	14000	14000
Number of Navy Test Pilot School Students	54	54	54	54	54

Explanation of Performance Variances:

Prior Year: In FY 2003, Fleet Replacement Squadrons suffered aircraft availability issues in many Type Model Series. As a result, Navy and Marine squadrons were unable to execute 100% of budgeted hours. Conversely, more than 100% of budgeted funding was required due to higher usage of consumables and DLRs.

Current Year: Changes in the student load-plan based on fleet aircrew requirements have cause a reduction in required hours in FY 2004. However, increases in planned usage of consumables and DLRs have driven the funding requirement higher.

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V. Personnel Summary :

End Strength	FY 2003 ES	FY 2004 ES	Change FY 2004 to FY 2005	FY 2005 ES
Direct Hire, U.S.	776	802	-31	771
TOTAL CIVPERS	776	802	-31	771
Active Military				
Officers	1,235	1,424	25	1,449
Enlisted	6,894	6,861	-156	6,705
Reservists on Full-Time Active Duty				
Officers	5	3	0	3
Enlisted	32	12	0	12
Unit Reservists				
Officers	31	26	-4	22
Enlisted	73	38	0	38
TOTAL MILPERS	8,270	8,364	-135	8,229
Workyears	FY 2003 WY	FY 2004 WY	Change FY 2004 to FY 2005	FY 2005 WY
Direct Hire, U.S.	765	789	-31	758
TOTAL CIVPERS	765	789	-31	758
Active Military				
Officers	1,298	1,330	107	1,437
Enlisted	7,000	6,878	-95	6,783

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Reservists on Full-Time Active Duty				
Officers	3	4	0	3
Enlisted	16	22	-20	12
Unit Reservists				
Officers	17	29	-5	24
Enlisted	42	56	-18	38
TOTAL MILPERS	8,736	8,319	-31	8,297

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VI. Summary of Price and Program Growth (OP-32):

	FY-03 Program Total	FY-04 Price Growth	FY-04 Program Growth	FY-04 Program Total	FY-05 Price Growth	FY-05 Program Growth	FY-05 Program Total
1A2A							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	54,528	1,809	1,487	57,824	1,295	-1,935	57,184
0103 Wage Board	1,214	59	164	1,437	21	-235	1,223
0106 Benefits to Former Employees	438	17	-455	0	0	0	0
0107 Civ Voluntary Separation & Incentive Pay	1,050	0	-1,050	0	0	0	0
0110 Unemployment Compensation	9	0	-9	0	0	0	0
TOTAL 01 Civilian Personnel Compensation	57,239	1,885	137	59,261	1,316	-2,170	58,407
03 Travel							
0308 Travel of Persons	12,552	163	1,869	14,584	203	-2,236	12,551
TOTAL 03 Travel	12,552	163	1,869	14,584	203	-2,236	12,551
04 WCF Supplies & Materials Purchases							
0401 DFSC Fuel	100,822	8,210	783	109,815	2,082	-974	110,923
0402 Military Dept WCF Fuel	5,608	-751	-1,223	3,634	198	-172	3,660
0412 Navy Managed Purchases	90,377	6,111	-49,650	46,838	-1,311	-2,175	43,352
0415 DLA Managed Purchases	74,231	-2,152	-8,078	64,001	577	-3,154	61,424
0416 GSA Managed Supplies and Materials	6,738	88	-3,487	3,339	47	-640	2,746
0417 Local Proc DoD Managed Supp & Materials	1,061	14	-622	453	7	-163	297
TOTAL 04 WCF Supplies & Materials Purchases	278,837	11,520	-62,277	228,080	1,600	-7,278	222,402

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	FY-03 Program Total	FY-04 Price Growth	FY-04 Program Growth	FY-04 Program Total	FY-05 Price Growth	FY-05 Program Growth	FY-05 Program Total
05 STOCK FUND EQUIPMENT							
0503 Navy WCF Equipment	351,716	21,022	44,911	417,649	16,288	-17,282	416,655
0506 DLA WCF Equipment	24	-1	-23	0	0	0	0
0507 GSA Managed Equipment	965	13	-834	144	2	-22	124
TOTAL 05 STOCK FUND EQUIPMENT	352,705	21,034	44,054	417,793	16,290	-17,304	416,779
06 Other WCF Purchases (Excl Transportation)							
0610 Naval Air Warfare Center	60,205	-1,385	-9,803	49,017	1,177	-9,594	40,600
0611 Naval Surface Warfare Center	5,667	51	-611	5,107	56	431	5,594
0612 Naval Undersea Warfare Center	8,045	33	-5,096	2,982	80	2,104	5,166
0613 Naval Aviation Depots	191	5	173	369	11	-235	145
0614 Spawar Systems Center	2,687	48	925	3,660	52	16	3,728
0623 Military Sealift Cmd - Special Mission Support	9,294	0	-9,294	0	0	0	0
0630 Naval Research Laboratory	130	1	-131	0	0	0	0
0631 Naval Facilities Engineering Svc Center	31	1	-32	0	0	0	0
0633 Defense Publication & Printing Service	254	-5	-36	213	7	-9	211
0634 Naval Public Works Ctr (Utilities)	5	-1	-4	0	0	0	0
0635 Naval Public Works Ctr (Other)	246	2	-74	174	4	-7	171
0637 Naval Shipyards	406	-14	-209	183	23	-2	204
0647 DISA Information Services	0	0	175	175	1	2	178
0671 Communications Services	175	0	-175	0	0	0	0
TOTAL 06 Other WCF Purchases (Excl Transportation)	87,336	-1,264	-24,192	61,880	1,411	-7,294	55,997

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	FY-03 Program Total	FY-04 Price Growth	FY-04 Program Growth	FY-04 Program Total	FY-05 Price Growth	FY-05 Program Growth	FY-05 Program Total
07 Transportation							
0703 JCS Exercise Program	24,887	-323	-15,171	9,393	-5,861	6,800	10,332
0705 AMC Channel Cargo	19,852	338	4,052	24,242	437	-1,888	22,791
0706 AMC Channel Passenger	0	0	1,000	1,000	18	-18	1,000
0708 MSC Chartered Cargo	794	-339	163	618	-24	-281	313
0716 MSC Surge Sealift (FSS & LMSR)	1,000	-64	-936	0	0	0	0
0719 MTMC Cargo Operations (Port Handling)	1,500	300	-574	1,226	408	-836	798
0771 Commercial Transportation	20,480	267	39,621	60,368	846	1,757	62,971
TOTAL 07 Transportation	68,513	179	28,155	96,847	-4,176	5,534	98,205
09 OTHER PURCHASES							
0913 PURCH UTIL (Non WCF)	480	6	-6	480	7	0	487
0914 Purchased Communications (Non WCF)	241	4	72	317	5	-1	321
0915 Rents	137	2	0	139	2	0	141
0917 Postal Services (USPS)	144	2	20	166	2	-15	153
0920 Supplies & Materials (Non WCF)	7,524	98	-2,909	4,713	65	-316	4,462
0921 Printing and Reproduction	202	3	317	522	7	0	529
0922 Equip Maintenance by Contract	17,034	221	3,045	20,300	285	1,700	22,285
0923 FAC maint by contract	12	1	45	58	1	-1	58
0925 Equipment Purchases	11,523	149	-9,622	2,050	28	-82	1,996
0926 Other Overseas Purchases	0	0	142	142	2	0	144
0932 Mgt & Prof Support Services	794	10	-266	538	8	-70	476
0987 Other Intragovernmental Purchases	30,625	178	41,976	72,779	280	-48,299	24,760
0989 Other Contracts	216,434	2,813	-79,882	139,365	1,952	3,359	144,676

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0998 Other Costs	3,882	51	-2,470	1,463	21	139	1,623
TOTAL 09 OTHER PURCHASES	289,032	3,538	-49,538	243,032	2,665	-43,586	202,111
Total 1A2A Fleet Air Training	1,146,214	37,055	-61,792	1,121,477	19,309	-74,334	1,066,452