

Department of the Navy
Operation and Maintenance, Navy
3C1L Recruiting and Advertising
FY 2005 President's Budget Submission
Exhibit OP-5

I. Description of Operations Financed:

Recruiting and Advertising activities provide for the operation and maintenance costs necessary to recruit men and women for enlisted, officer candidate and officer status in the regular and active duty reserve components of the Navy. The Navy's advertising for recruiting is built around a national advertising plan which is complemented by local advertising and an active public service campaign. The Flight Demonstration Team (the Blue Angels) provides for the conduct of flight demonstrations and public appearances.

II. Force Structure Summary:

The Recruiting program supports the operation of nearly 1,500 recruiting facilities with 5,000 authorized production recruiters located in all 50 states and in Guam, Puerto Rico, Great Britain, and Germany. The advertising program supports the Navy's recruiting goals for officer and enlisted personnel through a media mix which includes television and radio campaigns, printed advertising in magazines and newspapers, direct mailings, and recruiting booklets/pamphlets. Advertising also supports Web-based recruiting including the Navy's Web site and banner advertising as well as informational videos. The Navy Flight Demonstration Team conducts 68 shows annually in support of Navy recruiting efforts.

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III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group Total

			FY 2004		
	FY 2003	Budget		Current	FY 2005
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
	254,530	251,507	251,196	230,563	282,526

B. Reconciliation Summary

	<u>Change</u>	<u>Change</u>
	<u>FY 2004/2004</u>	<u>FY 2004/2005</u>
Baseline Funding	251,507	230,563
Congressional Adjustments - Distributed	1,000	0
Congressional Adjustments - Undistributed	0	0
Adjustments to Meet Congressional Intent	1,500	0
Congressional Adjustments - General Provisions	-2,811	0
Subtotal Appropriation Amount	251,196	0
Emergency Supplemental Carryover	0	0
Program Changes (Current Year to Current Year)	-20,633	0
Subtotal Baseline Funding	230,563	0
Reprogrammings	0	0
Price Change	0	8,011
Functional Transfers	0	28,424
Program Changes	0	15,528
Normalized Current Estimate	230,563	0
Current Estimate	0	282,526

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C. Reconciliation of Increases and Decreases

1. FY 2004 President Budget Request.		251,507
2. Congressional Adjustment (Distributed).		1,000
a) Virtual Learning Recruitment/Retention Screening	1,000	
3. Adjustment to meet Congressional Intent.		1,500
a) Naval Sea Cadet Corps	1,500	
4. Congressional Adjustment (General Provision).		-2,811
a) Sec. 8094: Management Improvements	-747	
b) Sec. 8101: Reduce IT Development Cost Growth	-874	
c) Sec. 8126: Efficiencies/Revised Economic Assumptions	-1,190	
5. FY 2004 Appropriated Amount.		251,196
6. Program Decreases FY 2004 (Technical Adjustments).		-58
a) Decrease in contract support associated with reduced flight hours.	-58	
7. Program Decreases FY 2004 (Emergent Requirements).		-20,575
a) Reflects reduced flying hours and associated costs based on FY 2003 execution experience.	-1,175	
b) Reflects realignment of funding from Recruiting & Advertising to Off-Duty & Voluntary Education (3C3L) for the Tuition Assistance program. The result is decreased recruiter usage of GSA vehicles and associated transportation costs related to recruiting initiatives.	-19,400	
8. Baseline Funding (subtotal).		230,563
9. Revised FY 2004 Current Estimate.		230,563
10. Normalized Current Estimate for FY 2004.		230,563
11. FY 2005 Price Change.		8,011
12. FY 2005 Transfers In.		28,424
a) Reflects the transfer of Naval Reserve Recruiting (O&MN,R) to Navy Active Recruiting (OMN),integrating the two under a single appropriation, in an effort to achieve vital manpower and administrative efficiencies in funding recruiter initiatives.	28,424	
13. Program Growth in FY 2005.		15,528
a) Reflects full-year resumption of vehicle and transportation costs, which are a primary and critical recruiting tool, associated with Navy's recruiting initiatives that facilitate conversion of applicant-to-recruit objectives in achieving maximum readiness levels.	15,528	
14. FY 2005 Budget Request.		282,526

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IV. Performance Criteria and Evaluation Summary :

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>Recruiting</u>			
Enlisted Contracts			
Non Prior Service Males	36.7	29.8	34.6
Non Prior Service Females	4.2	7.2	9.0
Total Non Prior Service	40.9	37.0	43.6
Prior Service	0.7	1.0	8.4
Total Enlisted Contracts	41.6	38.0	52.0
Enlisted Accessions			
Non-Prior Service (NPS)			
USN			
NPS USN Males	33.2	31.5	30.8
NPS USN Females	6.8	7.3	7.8
Total NPS USN	40.0	38.8	38.6
NPS USNR 2/3x6 Males (MPN Program)	0.1	0.1	0.1
NPS USNR 2/3x6 Females (MPN Program)	0.0	0.0	0.0
Total NPS USNR 2/3x6 (MPN Program)	0.1	0.1	0.1
NPS TAR Enlisted Males (RPN Program)	0.8	0.6	0.6
NPS TAR Enlisted Females (RPN Program)	0.3	0.2	0.2
Total NPS TAR Enlisted (RPN Program)	1.1	0.8	0.8
Prior Service	1.1	1.5	1.5
Total Enlisted Accessions	41.7	41.2	41.0

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End of Fiscal Year Delayed Entry Program	24.7	23.2	23.2
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Upper Mental Group (I-III A) Accessions			
Non-Prior Service Males	21.5	21.1	21.1
Non-Prior Service Females	4.7	4.9	5.4
Total	26.2	26.0	26.5
High School Diploma Graduate (HSDG) Accessions			
Non-Prior Service Males	34.0	30.6	29.9
Non-Prior Service Females	4.4	7.1	7.6
Total	38.4	37.7	37.5
Officer Recruiting Goals/Objectives	2.1	2.0	4.4
Population (in Millions)			
17-21 Year-old Males	9.9	9.9	10.0
17-21 Year-old Females	9.9	9.9	9.9
Unemployment (% assumed)	5.7	5.6	5.2
USN Production Recruiters			
Authorized	4,500	4,370	5,039
Average Strength	4,500	4,370	5,039

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<u>Advertising/1</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Magazines			
Number of Insertions	60	60	360
Impressions/2	78,000	78,000	96,000
Newspapers			
Number of Insertions	32,000	25,200	25,700
Impressions/2	83,756	68,400	95,750
Direct Mail			
Number of Mailings	1,719	1,719	1,759
Impressions/2	44,000	44,000	45,000
Radio			
Impressions/4	361,500	358,250	360,100
Television			
Impressions/4	318,000	319,000	320,500
Collateral Sales Material			
Number of Booklets	57	54	54
Impressions/2	54,500	52,000	52,000
Video Sales Material			
Number of Videos/CD/DVD	12/24/8	12/24/12	12/25/12
Impressions/2	2,680	2,700	2,725
Impressions (Hits) /5			150,000
Unique Visitors/3	1,560	1,650	1,770
Contracts/4	130	135	139
Leads/4	9.3	9.6	10.0

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1. The figures represent performance criteria for Navy Media Placement dollars and collateral sales material (booklets) on both a National/local basis. In addition, to the media listed, advertising dollars also fund certain support requirements such as public service Advertising production, agency ad production costs, promotional items, and market research.
2. Impressions, reflected in thousands, relate to the number of times the advertising is seen by 18-24 year old males and females as determined by the circulation of magazines or newspapers, quantity of direct mailings of collateral sales materials and videos, etc.
3. Internet website: Figures in FY-03 reflect actual unique visitors, a more accurate indicator of web traffic. This increase is reasonable given the rate at which internet access is increasing.
4. Reflected in thousands.
5. Internet website: Figures in FY-05 include Reserve-recruiting efforts, now displayed as a combined initiative for Active and Reserve recruiting (see 2/).

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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.	545	549	0	549
TOTAL CIVPERS	545	549	0	549
Active Military				
Officers	351	359	0	359
Enlisted	6,362	5,905	-165	5,740
Reservists on Full-Time Active Duty				
Officers	1	1	0	1
Enlisted	2	2	0	2
TOTAL MILPERS	6,716	6,267	-165	6,102
Workyears	FY 2003 WY	FY 2004 WY	Change FY 2004 to FY 2005	FY 2005 WY
Direct Hire, U.S.	531	549	-1	548
TOTAL CIVPERS	531	549	-1	548
Active Military				
Officers	352	355	4	359
Enlisted	6,144	6,133	-311	5,822
Reservists on Full-Time Active Duty				
Officers	1	1	0	1
Enlisted	2	2	0	2
TOTAL MILPERS	6,499	6,491	-307	6,184

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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
3C1L							
01 Civilian Personnel Compensation							
0101 Exec Gen & Spec Schedules	29,895	1,136	948	31,979	666	1,003	33,648
0111 Disability Compensation	58	0	0	58	0	0	58
TOTAL 01 Civilian Personnel Compensation	29,953	1,136	948	32,037	666	1,003	33,706
03 Travel							
0308 Travel of Persons	36,294	472	-23,211	13,555	190	22,715	36,460
TOTAL 03 Travel	36,294	472	-23,211	13,555	190	22,715	36,460
04 WCF Supplies & Materials Purchases							
0401 DFSC Fuel	3,260	267	-97	3,430	76	0	3,506
0412 Navy Managed Purchases	3,756	283	-119	3,920	-117	-2	3,801
0415 DLA Managed Purchases	626	-18	-24	584	5	0	589
0416 GSA Managed Supplies and Materials	1,498	19	0	1,517	21	0	1,538
TOTAL 04 WCF Supplies & Materials Purchases	9,140	551	-240	9,451	-15	-2	9,434
05 STOCK FUND EQUIPMENT							
0503 Navy WCF Equipment	9,341	560	-25	9,876	385	0	10,261
0507 GSA Managed Equipment	150	2	0	152	2	0	154
TOTAL 05 STOCK FUND EQUIPMENT	9,491	562	-25	10,028	387	0	10,415

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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
06 Other WCF Purchases (Excl Transportation)							
0633 Defense Publication & Printing Service	9,001	-180	5,046	13,867	444	-250	14,061
TOTAL 06 Other WCF Purchases (Excl Transportation)	9,001	-180	5,046	13,867	444	-250	14,061
07 Transportation							
0771 Commercial Transportation	116	2	-35	83	1	360	444
TOTAL 07 Transportation	116	2	-35	83	1	360	444
09 OTHER PURCHASES							
0913 PURCH UTIL (Non WCF)	190	2	0	192	3	66	261
0914 Purchased Communications (Non WCF)	13,063	170	-2,781	10,452	146	2,503	13,101
0915 Rents	2,181	28	390	2,599	36	1,898	4,533
0917 Postal Services (USPS)	10,382	135	-1,965	8,552	120	457	9,129
0920 Supplies & Materials (Non WCF)	4,671	61	1,635	6,367	89	1,653	8,109
0921 Printing and Reproduction	86,825	6,077	-16,329	76,573	5,681	14,058	96,312
0922 Equip Maintenance by Contract	3,190	42	-264	2,968	41	123	3,132
0925 Equipment Purchases	10,176	133	-8,778	1,531	21	415	1,967
0987 Other Intragovernmental Purchases	27,384	216	13,225	40,825	180	-195	40,810
0989 Other Contracts	2,473	32	-1,022	1,483	21	-1,064	440
0998 Other Costs	0	0	0	0	0	212	212
TOTAL 09 OTHER PURCHASES	160,535	6,896	-15,889	151,542	6,338	20,126	178,006
Total 3C1L Recruiting and Advertising	254,530	9,439	-33,406	230,563	8,011	43,952	282,526