



Fiscal Year 2019 Fort Drum Economic Impact Statement



October 1, 2018—September 30, 2019



Fort Drum Fiscal Year 2019 Economic Impact



Plans, Analysis, and Integration Office
Building P-10,000
10th Mountain Division (LI) Drive
Fort Drum, NY13602

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Fort Drum ~ Home of America's Light Infantry Division

Fort Drum's positive direct economic impact upon its surrounding community exceeded \$1.3 billion for Fiscal Year 19 (FY19). A 8.4% decrease from FY18. This decrease is primarily due to last years one time build of the Candlewood Suites (\$23.6M) a reduction of FDMCH construction (\$32.6M) and a reduction of contracted service and construction (31.6M). Fort Drum has over 32,000 Soldiers and Family members. In addition, there are 3,994 Civilians working on the installation in support of 10th Mountain Division (LI) Soldiers and Families. Finally, there are over 16,064 military retirees and their dependents living within the North Country.



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 \$27 billion.

Table 1.0 Total Economic Impact and Payroll

Fort Drum ~ Home of America's Light Infantry Division

Fort Drum's total military (Soldier) and civilian workforce population has increased 42% since 1988; the economic impact on the surrounding community has increased by over 62% during the same time frame going from \$529 million to over \$1.3 billion based on data collected. Fort Drum's growth has positively contributed to the development of new businesses, industries and markets. Indirect or induced impacts are not calculated in this model. Additionally, this growth has stimulated the local economy and enriched the lives of many in the local area.

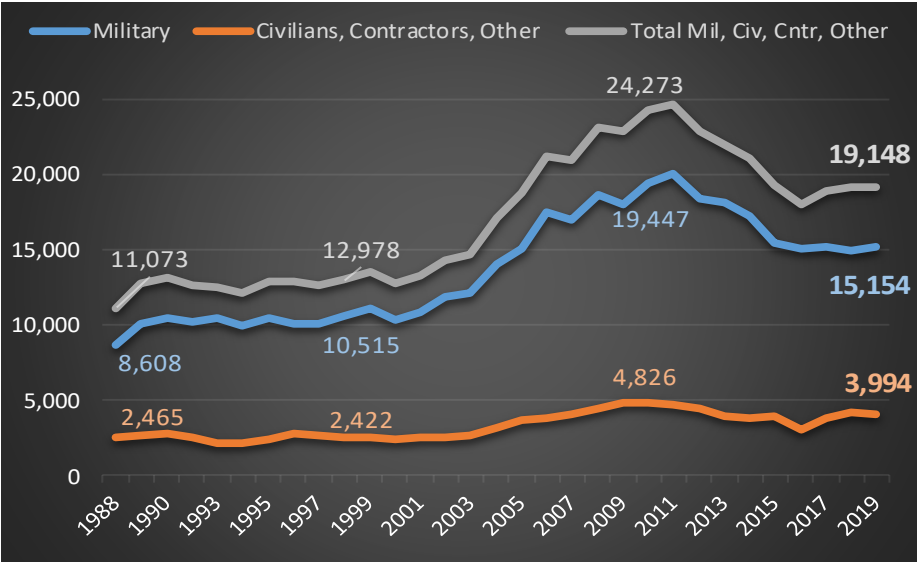


Figure 1.2 Fort Drum Population Growth

Fort Drum's Economic Impact Statement

Welcome to the FY19 Fort Drum Economic Impact Statement. The Fort Drum garrison continued to excel at providing installation management performance excellence in building a quality environment with outstanding facilities and superior services. The installation workforce is proud to serve the most deployed division in the United States Army—the 10th Mountain Division (LI)—and it shows through our history of excellence in individual innovation, dedication to efficiency, effectiveness, and customer care.

Fort Drum is proud to be a part of what makes the North Country a great place to live and work and is fortunate to receive phenomenal support from its North Country neighbors. A 2019 Great American Defense Community, our state, county, town and local civic leaders and organizations provide exceptional community support to the installation, Soldiers and their Families.

Enjoy this year's Economic Impact Statement.



FY19 Total Economic Impact \$1,358,268,758

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 \$1,358,268,758 for FY19.

| Financial Category | FY2019 |
|---|------------------------|
| Payrolls (military, civilian, contractor, and retiree) | \$1,165,351,269 |
| Contract Construction, Supplies, and Service (not including MEDDAC, DENTAC, TRICARE) | \$26,349,299 |
| Medical, Dental, and TRICARE (Supplies, Services, not including payroll) | \$68,051,737 |
| DoD Impact Aid (Federal funding for Military connected | \$44,251,738 |
| U.S. Army Corps of Engineers (USACE) Contract(s) | \$24,500,000 |
| Utilities (payable in NYS) | \$15,687,725 |
| Fort Drum Mountain Community Homes (FDMCH) | \$8,677,370 |
| Other Education (Tuition Assistance) | \$4,100,000 |
| Other On-Post Retail (Off the Beatin' Path, Thrift Store, AAFES , etc.) | \$951,620 |
| Army Compatible Use Buffer Program (ACUB) | \$348,000 |
| Total | \$1,358,268,758 |

Payrolls
(Military, Civilian, and
Retiree)
\$1.16 Billion

Fort Drum is the largest employer in Northern New York with 15,154 Soldiers and 3,994 Civilians (including contractors) working on or near the installation. Military and Civilian payrolls (including tenants and contractors) totaled \$1,165,351,269.

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, May 2019 Statistical Report on the Military Retirement System, there are 3,340 retirees from all branches of service living within the 136XX zip code that receive a total of \$5,700,000. a month, or \$68,400,000. per year, that flows directly into our local economy.

In addition to military retirees, there are 280 retiree survivors in the 136XX zip code that receive a total of \$198,000 per month or \$2,376,000 per year.

Total military, Civilian, contractor, and retiree payroll for FY19 was \$1,165,351,269.

Contract Construction, Supplies and
Service (Tri-County) \$20.5 Million,
Total \$26.3 Million

Fort Drum is a major customer for construction companies and suppliers of goods and services in New York. Mission and Installation Contracting Command (MICC) Fort Drum awarded construction contracts worth \$226,101 and supply and

service contracts worth \$17,038,476 to companies located in the tri-county area. Purchases of supplies using government credit cards are limited to transactions under \$3,000 each. Government purchase card holders made purchases totaling \$3,331,670. Contracts not processed through Corps of Engineers or MICC are centrally funded by other organizations and totaled \$5,753,052 during the FY.

Fort Drum Medical
Services, Dental Services
and Tricare \$68 Million

The Fort Drum Healthcare Model meets the DoD and National readiness objectives, serves as the basis for healthcare and overall quality of life for many residing within Fort Drum's

immediate region. Through collaboration, effective communication in partnership efforts, the model ensures each teammate and patient feels like part of our family. This unique ecosystem is recognized as the first choice for one's health readiness.

Fort Drum MEDDAC provided comprehensive managed care program(s) to a beneficiary eligible population of approximately **39,081** Soldiers, Families, and Retirees within a geographical area equal to the size of Rhode Island. In 2019, as the primary care manager to 75% of the eligible population, MEDDAC served 15,365 Soldiers, 9,051 Active Duty Family members, 907 Retirees, and 1,652 Retiree Family Members. In order to meet the demand, MEDDAC maintained 30 facilities and a workforce of 769 personnel.

Four on-post clinics provided access to care for patient centered, specialty, or ancillary needs: Guthrie Ambulatory Healthcare Clinic (GAHC), Warrior Transition Battalion (WTB) and the Troop Medical Campus; Connor Troop Medical Clinic (CTMC), and Bowe Troop Medical Clinic (BTMC). In 2017, \$4M construction project began for the Falcon Troop Medical Clinic that will enable sustained readiness for Combat Aviation Brigade (CAB) Soldiers located on the airfield. For our Families and Retirees' Health Readiness needs. Guthrie Clinic houses our patient centered medical home along with the WTB Clinic that provides Combat Casualty Care to our enrolled Wounded Warriors.

Several in-house specialties reside within Guthrie to include: Family Medicine, Pediatrics, Dermatology, Podiatry, Orthopedics, Physical Therapy, Chiropractic Care, Pain Management, Immunizations, Radiology and the Soldier Specialty Care Clinic (SSCC), which houses the Traumatic Brain Injury (TBI) clinic and Occupational Therapy (OT) department. In 2019, GAHC provided service for 286,642 patient visits, 105,463 appointment calls, and 101,172 telephone consultations. Daily averages equal 1,137 visits, 419 appointment calls, 401 telephone consultations, 121 Radiology visits (X-Rays, MRI and Ultra Sound), processes 514 lab specimens and processes on average 931 prescriptions.

MEDDAC maintains an Obstetrics and Gynecology (OB/GYN) clinic co-located with Samaritan Medical Center in Watertown and offers care to Soldiers and Family Members. The OB/GYN clinic underwent a Centering Pregnancy (CP) certification in October 2015, a program that combines traditional prenatal care (includes routine health check-ups and supplementary support) with a support group-setting.

Fort Drum MEDDAC is one of six CP certified sites within Army Medicine. Wilcox Behavioral Health Clinic is home to the MEDDAC's Behavioral Health Department and includes Social Work Services, Family Advocacy Program and Army Substance Abuse Disorder Care Clinic.

Throughout 2019, the Managed Care Support Contractor-Health Net, in concert with MTFs External Resource Sharing Agreements, enabled local hospitals (Carthage, Samaritan, Lewis, River) to contract with DoD and provide necessary inpatient care needs for MTFs as well as strengthen the North Country health care system. TRICARE paid out roughly \$41,875,699 to various community partners.



The United States Army Dental Activity (DENTAC) is comprised of two dental clinics and an in and out processing center. The DENTAC is staffed by 107 dedicated officers, Soldiers, DA Civilians, contract personnel, and Red Cross volunteers who provide comprehensive dental care to authorized beneficiaries.

Marshall Dental Clinic (31-chair specialty Clinic) provides General Dentistry, Comprehensive Dentistry, Endodontics, Prosthodontics, Periodontics, Oral Surgery, and Dental Laboratory. Stone Dental Clinic (36-chair facility) provides General Dentistry and Comprehensive Dentistry.

Clark Hall in and out processing center provides in-process administration and dental education for all incoming Soldiers. In FY19, the DENTAC seated over **43,739** patients, and performed over **109,000** dental procedures.

Out-sourcing utilizes the Active Duty Dental Program (ADDP). In FY19, 3,637 Active Duty Soldiers were out-sourced to local civilian provider networks for a total of 22,064 procedures, equating to over **\$1.7M** in dental care (FY18 out-sourced dental care was \$554,374).

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. These plans paid \$2.4M to network providers in the surrounding communities.

In FY19, DENTAC spent **\$2.2M** for dental supplies, equipment, contracts, and contractor's salaries. The DENTAC Civilian payroll for FY19 was over **\$3M** and is included in the Civilian payroll total for Fort Drum.

**DoD Impact Aid
\$44.2 Million**

Many local school districts across the U.S. include within their boundaries parcels of land that the Federal Government owns or removed from the tax rolls. These school districts face

special challenges. They must provide a quality education to children living on Federal lands and meet the requirements of the Every Student Succeeds Act. Federal property is exempt from local property taxes resulting in schools operating with less local revenue than is available to other school districts.

In 1950, Congress approved Impact Aid to assist local school districts that lost property tax revenue due to the presence of tax-exempt Federal property, or have experienced increased expenditures due to the enrollment of federally connected children. The Impact Aid law provides

| County | Percent of Impact Aid | Amount of Impact Aid |
|--------------|-----------------------|----------------------|
| Jefferson | 99.88% | \$44,198,079 |
| Lewis | 0.10% | \$45,578 |
| St. Lawrence | 0.02% | \$8,081 |

assistance to local school districts with concentrations of children residing on military bases or other Federal properties. Impact Aid also assists school districts that service dependent children of uniformed and federal works residing off the installation.

The tri-county school districts received over \$44 Million in DoD Impact Aid as a direct result of Fort Drum Military connected students.

**U.S. Army Corps of Engineers (USACE)
\$24.5 Million**

The U.S. Army Corps of Engineers (USACE) awarded construction contracts totaling \$24,500,000 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.

Utilities \$15.68 Million

Utility costs paid by Fort Drum to local utility companies within NYS. These companies include the Development Authority of the North Country (DANC) (water & sewer), National Grid (electric &

natural gas), Direct Energy (natural gas) and Re Energy (electric).

Fort Drum Mountain
Community Homes
(FDMCH) \$8.6 Million

Established in 2005, **Fort Drum Mountain Community Homes (FDMCH)** is proud to support the families of the 10th Mountain Division as Fort Drum's premier housing community. Comprised of nearly

3,800 two, three, four, and five-bedroom homes; four state-of-the-art community centers; and a variety of amenities including playgrounds, walking trails, pet splash and bark parks. The FDMCH vision is to provide outstanding communities where military families live, work, and thrive.

In addition to its family housing, FDMCH is home to Fort Drum's first single and unaccompanied soldier's (Staff Sergeant and above) apartment complex (The Timbers), one of five communities of its type Army-wide. The Timbers is a 192-unit, Energy Star® certified complex made up of one- and two-bedroom suites. The Timbers has a modern community center (The Lodge) that boasts a variety of unique features including billiards, a theater room, basketball court, pavilion with an outdoor wood burning fireplace, grilling area, and more.

With residents at the heart of everything we do, FDMCH's award-winning property has been recognized on both national and local levels for efforts in supporting sustainability, safety, and providing the utmost in customer service to soldiers and families.

Fort Drum Mountain Community Homes is a privatized military housing community formed through a partnership between Lendlease and the U.S. Army. To learn more about FDMCH visit www.fortdrummch.com.



**Army Continuing
Education System (ACES)
\$4.1 Million**

In FY2019, Fort Drum ACES assisted over 6,500 Soldiers in enrolling in a wide range of services including post-secondary education, basic skills education, and Army Personnel Testing. Approximately

2,500 of those Soldiers used \$4.1M of Army Tuition Assistance (TA) to enroll in more than 19,000 semester hours of College courses; 17,000 of those hours were on-line courses.

Of the total monies spent in Army TA, Soldiers invested \$1.6M with our on-post College Partners. There is additional economic payroll impact as a result of college memoranda of agreement partnerships.

Fort Drum accounted for \$485K in payroll for contracts that supported both the Education Center and portions of the Soldier for Life-Transition Assistance Program.

**On Post Retail
\$951,620**

In FY19 there were three retail sales areas that operated on Fort Drum using consignment sales: The Army & Airforce Exchange Service (AFFES) \$839,111; the Fort Drum Thrift Shop \$59,613; and the

Off the Beatin Path Gift Shop \$19,405.

**Army Compatible Use
Buffer (ACUB) Program
\$348,000**

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; the program helps to avoid costly workarounds and prevent negative impacts to training. Title 10, Section 2684a of the United States Code authorizes the DoD to partner with non-federal governments or private organizations to establish buffers around installations. The Army implements this authority through the ACUB program, which is managed jointly at Army Headquarters level by the offices of the Assistant Chief of Staff for Installation Management and the Director of Training.

Fort Drum and it's local partners secured one parcel under conservation easement during FY19. 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, community, and environment. The total FY19 ACUB economic impact for the community is \$348,000.

Recycling and Resource Stewardship Strategies

Fort Drum is a conscientious steward of the environment. In FY2019, Fort Drum recycled over 2,470 tons of municipal solid waste, and 45,568 tons of construction and demolition debris. The installation

maintains a robust composting operation, resulting in 527 tons of wood waste and food scraps were processed and diverted away from the landfill. These steward strategies continually save the installation costs associated with tipping/hauling fees, conserves vital landfill space, and provides the installation with a valuable product that is used by Public Works for soil amendment and site stabilization.



Cumulative Financial Impact \$27,530,688,054

| Cumulative Financial Impact | |
|-----------------------------|-------------------------|
| 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 | \$1,220,582,138 |
| 2016 | \$1,185,191,930 |
| 2017 | \$1,222,191,919 |
| 2018 | \$1,483,210,851 |
| 2019 | \$1,358,268,758 |
| Total | \$27,530,688,054 |

Fort Drum Population

| Type of Personnel | Amount |
|---|---------------|
| Active Duty (AD) Military (4Q19 post population report) | 15,154 |
| Dependents of AD Military within 40 miles (FY2018 DEERS data from DMIS) | 17,171 |
| Transient and Rotational Military (4Q19 post population report) | 23,288 |
| Government Civilians (4Q19 post population report) | 2,897 |
| Contractor Personnel (4Q19 post population report) | 820 |
| Other Civilian Organization Personnel (4Q19 post population report) | 277 |
| Retirees in 136XX Zip Code (Office of the Actuary, FY18 Statistical Report, dtd MAY19) | 3,340 |
| Dependents of Retirees within 40 miles (FY2018 DEERS data from DMIS) | 12,724 |
| Other Military, Civilian Dependents within 40 miles (FY18 DEERS) | 673 |
| Survivors in 136xx Zip Code (Office of the Actuary, FY18 Statistical Report, dtd MAY19) | 279 |
| Total | 76,623 |

Fort Drum Capital Assets

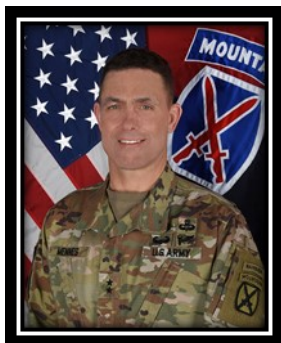
| | |
|--|---------------|
| Road (Miles) | 194.449 |
| TA Roads (Miles) | 250.450 |
| Airfield Runways, Taxiways, Aprons (Sq. Yds.) | 1,918,847.820 |
| Parking (Sq. Yds.) | 4,269,866.190 |
| Sidewalks (Sq. Yds.) | 634,167.460 |
| Electric Lines (Linear Feet) | 2,533,405.100 |
| Water Lines (Linear Feet) | 1,236,396.500 |
| Gas LINES (Linear Feet) | 480,833.500 |
| Sanitary Sewer Lines (Linear Feet) | 657,255.840 |
| Storm Sewer (Linear Feet) | 471,002.200 |
| Fencing (Linear Feet) | 768,492.480 |
| Railroad Track (Miles) | 10.929 |
| Communication Lines (Miles) | 534.558 |
| Airfield Lighting (Linear Feet) | 196,835.200 |
| POL Pipelines (Linear Feet) | 18,294.000 |

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).

| BUILDING TYPE | SQUARE FEET |
|-----------------------------|-----------------------|
| Training Buildings | 1,051,083.500 |
| HQ & Unit Supply | 2,656,744.210 |
| Maintenance | 2,252,675.500 |
| Warehouse | 1,378,431.600 |
| Administration | 507,917.600 |
| Chapels/Religious Education | 59,561.000 |
| Transient Quarters | 317,255.000 |
| Troop Bilets | 3,522,404.000 |
| Dining Facilities | 113,588.000 |
| On-Post Family Housing | 7,783,235.000 |
| MWR | 595,906.775 |
| AAFES | 263,747.000 |
| Commissary | 88,336.000 |
| Medical Facilities | 388,056.000 |
| Miscellaneous | 553,119.200 |
| TOTAL | 21,532,060.385 |

10th Mountain Division and Fort Drum Leadership



MG Brian J. Mennes

Commanding General

10th MTN DIV (LI)



CSM Samuel J. Roark

Command Sergeant Major

10th MTN DIV (LI)



COL Jeffery P. Lucas

Fort Drum Garrison

Commander



Mr. Eric Wagenaar

Deputy Garrison

Commander



CSM Roberto Munoz

Fort Drum Garrison

Command Sergeant Major

Fort Drum Tenant Organizations

| Tactical | Support | Civilian |
|---|--|--|
| 10 th Mountain Division | Army & Air Force Exchange Service (AAFES) | American Red Cross |
| 18 th Weather Squadron | Army Field Support Battalion-Drum (AFSBN-DRUM) | AmeriCu Credit Union |
| 20 th Air Support Operations Squadron | Civilian Personnel Advisory Center (CPAC) | Fort Drum Thrift Shop |
| 62 nd Military Police Detachment (CID) | Defense Commissary (DeCA) | New York State Department of Labor (NYS DOL) |
| 91 st Military Police Battalion | Defense Finance and Accounting Service (DFAS) | NYS Department of Veteran Affairs (VA) |
| 174 th Attack Wing | Dental Activity (DENTAC) | United States Postal Service (USPS) |
| 308th Military Intelligence Battalion | Defense Logistics Agency (DLA) | United Services Organization (USO) |
| 754 th Ordnance Company | Medical Activity (MEDDAC) | Fort Drum Mountain Community Homes (FDMCH) |
| 925th Contracting Battalion | Missile Defense Agency (MDA) | |
| | NCO Academy | |



Economic Forecast

Fort Drum continues to be **Ready Now** as demonstrated by the deployment of over 8,000 10th Mountain Division Soldiers in seven countries in support of Combatant Commanders and three named operations. In 2019, 10th Mountain Division Soldiers had a presence in Asia, Europe, and Africa. Fort Drum's current permanent force structure is anticipated to remain relatively stable.

Fort Drum continues to be the **largest single site employer** in the North Country. It is imperative that Fort Drum remain nested with local communities for common understanding, efficiencies, and shared services when possible. Fort Drum will continue to grow partnerships that increase training capacity, enhance readiness, modernize support services, create efficiencies, and significantly enrich community relations. We continue to strive to increase our contemporary military value within the community, while focusing on ensuring future installation relevancy to our national defense needs.

