



Impacts of the Military Bases in Washington

Office of Financial Management

June 16, 2005

Major Military Installations in Washington

| Base County | County |
|--|------------------|
| Ft. Lewis | Pierce |
| McChord Air Force Base | Pierce |
| Naval Base Kitsap (Bangor and Bremerton Naval Stations) | Kitsap |
| Keyport Undersea Warfare Center | Kitsap |
| Northwest Regional Maintenance Center (Puget Sound Naval Shipyard and Bangor Intermediate Maintenance Facility) | Kitsap |
| Naval Station Everett | Snohomish |
| Naval Air Station Whidbey | Island |
| Fairchild Air Force Base | Spokane |
| Yakima Training Center | Yakima |

- There are over 100 military installations in the state



Direct Impacts



- Payroll of uniformed/civilian personnel (\$3.74B)
- Pensions of military retirees (\$1.15B)
- TriCare payments to private providers (\$0.12B)
- Purchases of bases from companies in Washington (\$0.53B)



Data Sources



- ◆ Payroll and pensions – bases have provided data
- ◆ On-base retail purchases will be removed from payroll impact
- ◆ Contracting – Directorate for Information Operations and Reports (DIOR) database for all DoD contract actions

Home and Statewide Sales to DoD Purchasing Offices in WA

| (Millions \$) | Home County | Statewide | % from Home County |
|--|----------------|-----------|-----------------------|
| McChord AFB | 11.2 | 25.3 | 44% |
| Fort Lewis | 7.2 | 18.1 | 40% |
| Madigan Army Medical Ctr. | 1.7 | 5.3 | 32% |
| Fairchild AFB | 14.0 | 26.8 | 52% |
| Navy Fleet & Ind'l. Supply Ctr. | 9.4 | 23.9 | 39% |
| Naval Facilities Engineering | 73.2 | 201.0 | 36% |
| Naval Undersea Warfare | 25.8 | 26.4 | 97% |
| Supervisor— | | | |
| Shipbuilding/Conversion | 96.6 | 100.6 | 96% |

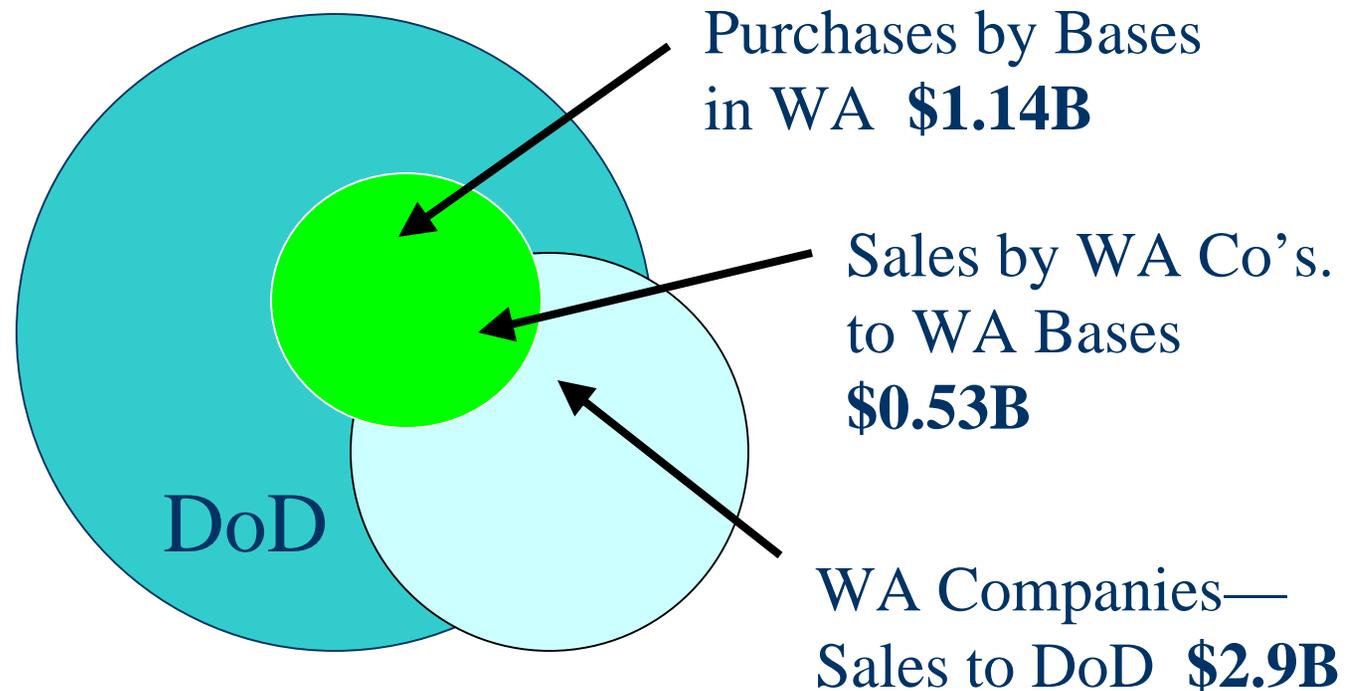
Total State Impact – Labor Earnings

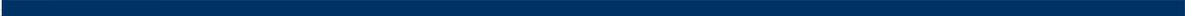
| (millions \$) | Home County | Statewide |
|---------------|----------------|-----------|
| Island | 674 | 775 |
| Kitsap | 1,756 | 2,014 |
| Pierce | 2,867 | 3,370 |
| Snohomish | 431 | 474 |
| Spokane | 570 | 585 |
| Yakima | 19 | 22 |
| Statewide | | 7,240 |
| % of WA Total | | (4.6%) |

Total County Impact – Labor Earnings

| (millions \$) | Home County Labor Earnings Total Impact, 2003 | Wage & Salary Disbursements, 2003 | Military Total Impacts as % of Wage & Salary Disbursements |
|------------------|---|-----------------------------------|--|
| Island | 674 | 762 | 88.5% |
| Kitsap | 1,756 | 3,368 | 52.1% |
| Pierce | 2,867 | 9,975 | 28.7% |
| Snohomish | 431 | 8,915 | 4.8% |
| Spokane | 570 | 6,660 | 8.6% |
| Yakima | 19 | 2,754 | 0.7% |
| Statewide | 6,317 | 114,150 | 5.5% |

Contracts Let by WA Major Bases (FY2003)





Top 10 WA Suppliers to WA Bases



- ◆ TODD PACIFIC SHIPYARDS
- ◆ JOHNSON CONTROLS WORLD SERVICE
- ◆ RAYTHEON COMPANY
- ◆ M KENNEDY CO , INC
- ◆ PEASE CONSTRUCTION, INC
- ◆ ABSHER CONSTRUCTION CO
- ◆ COLVILLE TRIBAL SERVICE CORPOR
- ◆ WADE PERROW CONSTRUCTION, INC
- ◆ TRITON MARINE CNSTR CORP
- ◆ JKT/PCL, TRIBAL 8(A) JT VEN

Contracts from Washington Bases by County

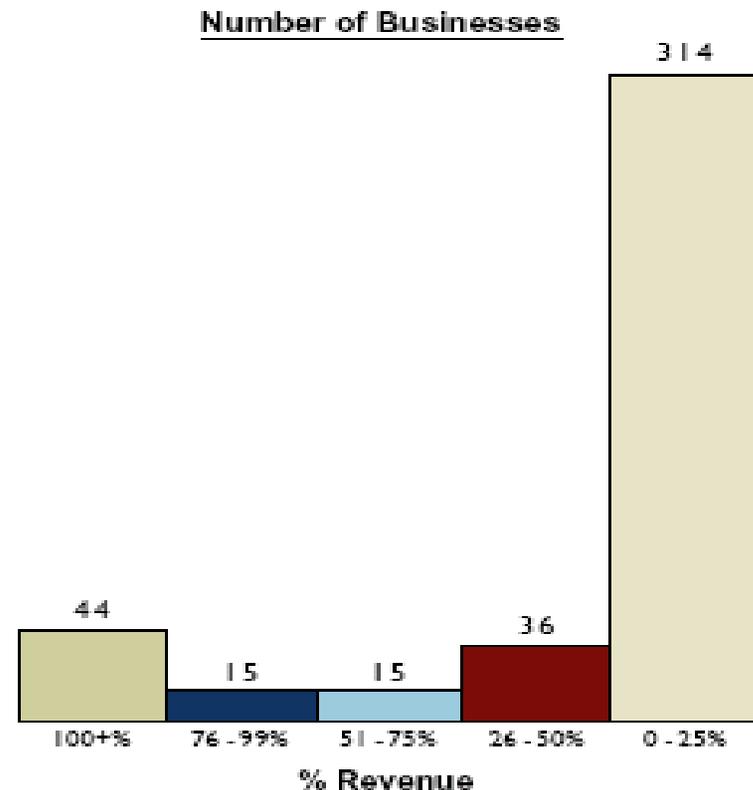
- Over half of Washington's counties have some impact from purchasing practices of bases in the state

- King County has no major bases, but many specialized construction companies wholesale suppliers, and shipyards working on military vessels

| County | Total Contracts | % of Total | Major Bases |
|--------------|-----------------|------------|------------------------------------|
| Benton | 1,525,995 | 0.4% | |
| Clallam | 884,590 | 0.2% | |
| Clark | 315,719 | 0.1% | |
| Cowlitz | 2,046,370 | 0.5% | |
| Franklin | 131,815 | 0.0% | |
| Grant | 492,258 | 0.1% | |
| Grays Harbor | 75,600 | 0.0% | |
| Island | 12,181,297 | 2.9% | NAS Whidbey |
| Jefferson | 5,994,038 | 1.4% | |
| King | 174,654,208 | 42.1% | |
| Kitsap | 115,318,884 | 27.8% | Bremerton NAS, PS Shipyard, Bangor |
| Klickitat | 210,743 | 0.1% | |
| Mason | 40,800 | 0.0% | |
| Okanogan | 18,233,058 | 4.4% | |
| Pierce | 53,354,182 | 12.9% | Ft. Lewis; Camp Murray; |
| Skagit | 711,550 | 0.2% | |
| Snohomish | 5,601,194 | 1.4% | NAS Everett |
| Spokane | 18,582,478 | 4.5% | Fairchild AFB |
| Thurston | 513,856 | 0.1% | |
| Whatcom | 191,407 | 0.0% | |
| Yakima | 3,545,684 | 0.9% | Yakima Training Center |
| | 414,605,726 | | |

Vulnerability- Portion of Gross Receipts from DoD Contracts

- ◆ 44 Firms are completely dependent on DoD (multi-year contracts account for over 100% observations)
- ◆ Another 66 receive between a quarter and 100% of their revenues from DoD contracts
- ◆ 314 firms are well diversified – less than 25% of revenues from DoD



Based-Purchased Products or Services with Low Leakage (FY2004)

| DoD Contracts in Washington Products/Services (\$M) | WA Suppliers | Out-of- State Suppliers | Total Purchase | Leakage |
|--|-----------------|-------------------------------|-------------------|---------|
| Water Transportation | 15.8 | 0.0 | 15.8 | 0% |
| Utilities | 17.1 | 1.6 | 18.7 | 9% |
| Repair and Maintenance | 29.4 | 2.7 | 32.1 | 8% |
| Wholesalers, Nondurable Goods | 52.7 | 0.9 | 53.5 | 2% |
| Computer and Electronic Products | 195.3 | 41.1 | 236.4 | 17% |
| Transportation Equipment | 600.5 | 99.2 | 699.7 | 14% |
| Professional & Scientific Services | 776.1 | 50.5 | 826.6 | 6% |

Based-Purchased Products or Services with High Leakage (FY2004)

| DoD Contracts in Washington Products/Services (\$M) | WA Suppliers | Out-of- State Suppliers | Total Purchase | Leakage |
|--|-----------------|-------------------------------|-------------------|---------|
| Educational Services | 4.6 | 11.0 | 15.6 | 70% |
| Textile Products | 3.0 | 14.2 | 17.2 | 83% |
| Food Services | 2.3 | 20.5 | 22.8 | 90% |
| Wholesalers, Durable Goods | 13.3 | 26.1 | 39.5 | 66% |
| Waste Management Services | 15.9 | 24.6 | 40.6 | 61% |
| Fabricated Metal Products | 19.2 | 29.6 | 48.8 | 61% |
| Civil Engineering Construction | 59.9 | 64.7 | 124.7 | 52% |
| Construction of Buildings | 95.6 | 111.6 | 207.2 | 54% |