

FISCAL YEAR 2015



ECONOMIC IMPACT ANALYSIS

Davis-Monthan Air Force Base



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PREFACE

Commander's Foreword

Davis-Monthan Air Force Base (D-M AFB) is pleased to present its Economic Impact Analysis for Fiscal Year 2015. The Wing's mission is clear: Deploy, employ, support, and sustain attack airpower in support of Combatant Commanders anywhere in the world at a moment's notice; train the finest attack pilots for the Combat Air Forces; provide every member of Team D-M with responsive, tailored, mission-focused base support. The Wing's vision is resolute: A premier Fighter Wing comprised of resilient Airmen, armed with precise tools and training; powered by a culture of leadership and innovation; prepared to provide responsive combat airpower which exceeds Combatant Command expectations for excellence.



Members of D-M AFB live, work, and educate their children in the Tucson area. They take advantage of the vast recreational opportunities and are involved with local charities and organizations. The Economic Impact Analysis is an annual publication designed to inform the reader of the economic impact D-M AFB has on the surrounding communities.

Davis-Monthan Air Force Base could not succeed in its mission without the contributions and support of our local communities. We are proud to be a partner of a community which faithfully and consistently supports our military.

In Fiscal Year 2015, our combined operations and maintenance outlays totaled more than \$199 million. There were approximately 7,541 military and 3,076 civilians employed on the base with a combined payroll of more than \$597 million. There were an estimated 4,598 indirect jobs created with an approximate annual dollar value of \$195.6 million.

Simultaneously, the Tucson metropolitan area counted a total of 19,487 military retirees among its residents. The combined retirement payroll of 9,433 Air Force; 7,095 Army; 2,177 Navy; 665 Marines; and 117 Coast Guard retirees amounted to a yearly salary of over \$522 million.

Using the prescribed parameters provided in this report, the total economic impact of Davis-Monthan Air Force Base in Fiscal Year 2015 amounted to over \$1.5 billion. The Financial Analysis Office of the 355th Comptroller Squadron is responsible for collecting and validating information for this report and can be reached for questions concerning this product at (520) 228-3383 or (520) 228-5815.



JAMES P. MEGER
Colonel, USAF
355th Fighter Wing Commander

The Legacy of Davis-Monthan AFB

Davis-Monthan Air Force Base (D-M AFB), a key Air Combat Command installation, has a colorful history and a long tradition of excellence in service to our country. The base was named in honor of Lieutenants Samuel H. Davis, Jr., and Oscar Monthan, two Tucsonans and World War I-era pilots who died in separate military aircraft accidents after the war ended. D-M AFB was initially established as a military aviation training facility in 1940 and served as a major training base for B-24 *Liberator* and, later, B-29 *Superfortress* aircrews during WW II. The sudden end to the war in August 1945 caused all B-29 training to abruptly end and transformed D-M's flight operations into the unique mission of aircraft storage, a mission that remains until this day. In March 1946 with the Strategic Air Command taking control of D-M, bomber operations and training would remain the primary missions until the early 1960s. During this era, B-29s, B-50s, and B-47s were the primary aircraft assigned to D-M AFB.

The decade of the 1960's brought sweeping changes to D-M AFB. It was during this time the U.S. Air Force's first operational Titan II missile wing, the 390th Strategic Missile Wing, activated. Reconnaissance and Combat Crew Training returned to D-M AFB and turned the base into a three-wing installation, 390 SMW, 4453rd Combat Crew Training Wing, and the 100th Strategic Reconnaissance Wing. The primary aircraft assigned to D-M AFB during this era were the F-4 *Phantom II* and U-2 *Dragon Lady*.

Davis-Monthan's operations tempo during the 1970s was as busy as the three previous decades. On July 1, 1971, the Air Force reactivated the 355th Tactical Fighter Wing (TFW) at D-M with the Vought A-7D *Corsair II* as the primary weapon system. On March 2, 1976, the wing received the first A-10A. In the midst of constant Air Force changes, jurisdiction of D-M was officially transferred from the Strategic Air Command to Tactical Air Command on 30 September 1976.

The decades of the 1980s and 1990s brought several diverse missions to D-M. The 836th Air Division activated 1 January 1981 and took jurisdiction over all assigned base units. The 868th Tactical Missile Training Group, which trained the crews to operate, maintain, and defend the Ground Launch Cruise Missile system, activated. Other units assigned to D-M were the 41st Electronic Combat Squadron, and the 602nd Tactical Air Control Wing. In 1984, the Titan II wing inactivated, while the cruise missile mission terminated in 1990. Resulting treaties between Russia and the U. S. concerning ground launch cruise missiles meant the base was subject to inspection under the INF and START agreements. Additionally, the 355th continued to train A-10 crews for assignments to units in the United States, United Kingdom, and Korea, supported Operation DESERT STORM, completed five Operation SOUTHERN WATCH deployments, and provided Compass Call assets for Operation ALLIED FORCE.

The attacks on September 11, 2001 led to the initiation of Operation ENDURING FREEDOM (OEF) in Afghanistan. Since 9/11, the 355th Fighter Wing (FW) completed six deployments to Afghanistan, and two deployments to support Theater Security Packages in Korea, 2011, and Europe, 2015. Presently, the 355 FW serves as the host unit for D-M AFB and provides support functions for all tenant units to include 12th AF Headquarters, 309th Aerospace Maintenance and Regeneration Group, 55th Electronic Combat Group, 563rd Rescue Group, and the 162nd Arizona Air National Guard alert Detachment. Other federal agencies using the base include the Federal Aviation Administration, U.S. Immigration Customs Enforcement (ICE) air service branch, and U.S. Border Patrol. Over 7,500 military and 3,000 civilian employees work at Davis-Monthan and nearly 19,500 military retirees reside in the Tucson area.

ECONOMIC IMPACT TABLES

Table 1

Executive Summary

Expense Category	Line Amount
<u>Base Employment</u>	
- Active Duty Military	6,794
- Reserve / Air National Guard	747
- Dependents	5,991
- Appropriated Funds Civilians	1,612
- Non-Appropriated Funds Civilians	302
- On-Site Contract Civilians	294
- Other Civilians (DMAG, Base Exchange, Private Businesses)	868
<u>Base Payroll</u>	
- Active Duty Military	\$387.3M
- Reserve / Air National Guard	\$31.8M
- Appropriated Funds Civilians	\$99.2M
- Non-Appropriated Funds, DMAG, & On-Site Contract Civilians	\$78.6M
<u>Expenditures/Estimated Financial Impacts</u>	
- Annual Retiree Payroll	\$521.6M
- Annual Base Expenditures	\$199.0M
- Estimated Dollar Value of Jobs Created	\$195.6M
Total Impact:	\$1.513B

Table 2

Total Base Personnel by Classification and Housing Location

Appropriated Funds Military	Living On-Base	Living Off-Base	Total
Active Duty	1,794	5,000	6,794
Reserve / Air National Guard	-	747	747
Dependents	1,464	4,527	5,991
Total	3,258	10,274	13,532

**Table 3**

Annual Payroll by Classification and Housing Location

Appropriated Funds Military	Living On-Base	Living Off-Base	Total
Active Duty	\$102.3M	\$285M	\$387.3M
Reserve / Air National Guard	-	\$31.7M	\$31.7M
Total	\$102.3M	\$316.7M	\$419M



Table 4

Total Base Civilian Personnel by Appropriated and Non-Appropriated Funds

Appropriated Funds Civilians	Payroll
General Schedule	947
Federal Wage Board	562
Other Appropriated Funds Civilians	103
Total	1,612
Non-Appropriated Funds Civilians	
Civilian Non-Appropriated Funds	302
Civilian Base Exchange	202
Contract Civilians	294
DMAG & Private Businesses	666
Total	1,464

Table 5

Annual Payroll by Appropriated and Non-Appropriated Funds

Appropriated Funds Civilians	Payroll
General Schedule	\$66.1M
Federal Wage Board	\$28.6M
Other Appropriated Funds Civilians	\$4.5M
Total	\$99.2M
Non-Appropriated Funds Civilians	
Civilian Non-Appropriated Funds	\$5.6M
Civilian Base Exchange	\$11.6M
Contract Civilians	\$20.0M
DMAG & Private Businesses	\$41.4M
Total	\$78.6M

Table 6

Expense Report

Expense Category	Amount
Commissary (Inventory)	\$1.9M
Army Air Force Exchange Service (Inventory)	\$2.3M
Education (Impact Aid)	\$2.2M
Government Purchase Card	\$3.4M
Temporary Duty	\$6.6M
Other (Materials, Equipment, Supplies)	\$16.2M
Fuels	\$60.4M
Utilities	\$6.3M
Services Contracts	\$32.1M
Construction (Includes Military Construction, Non-Appropriated Funds and Operation & Maintenance)	\$42.5M
Medical Group	\$25.1M
Total	\$199.0M

Table 7
Indirect Jobs Created

Personnel Type	# of Base Jobs	Jobs Created	New Job Salaries
Active Duty	6,794	2,786	\$118.5M
Reserve / Air National Guard	747	120	\$5.1M
Appropriated Funds Civilians	1,612	887	\$37.7M
Other Civilians	1,464	805	\$34.3M
Total	10,617	4,598	\$195.6M

Table 8
Tucson Retiree Data

Branch	# of Retirees	Payroll
Air Force	9,433	\$263.8M
Army	7,095	\$185.3M
Navy	2,177	\$54.5M
Marines	665	\$17.8M
Coast Guard	117	\$.2M
Total	19,487	\$521.6M

Table 9
Economic Impact Estimate

Expense Category	Amount
Annual Payroll	\$596.9M
Retiree Payroll	\$521.6M
Annual Expenditures	\$199.0M
Annual \$ Value of Jobs Created	\$195.6M
TOTAL	\$1.513B

ECONOMIC IMPACT CHARTS

Chart 1

Annual Economic Impact Estimates (w/o retiree)(\$M)

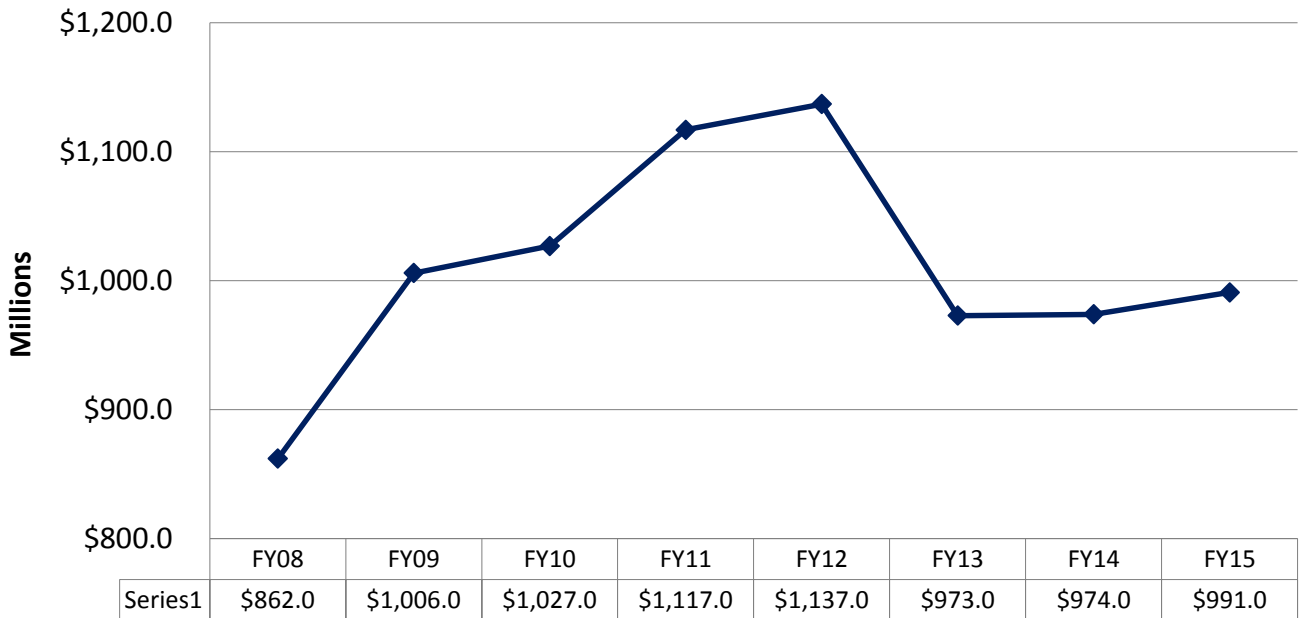


Chart 2

Appropriated Funds Military Payroll (\$M)

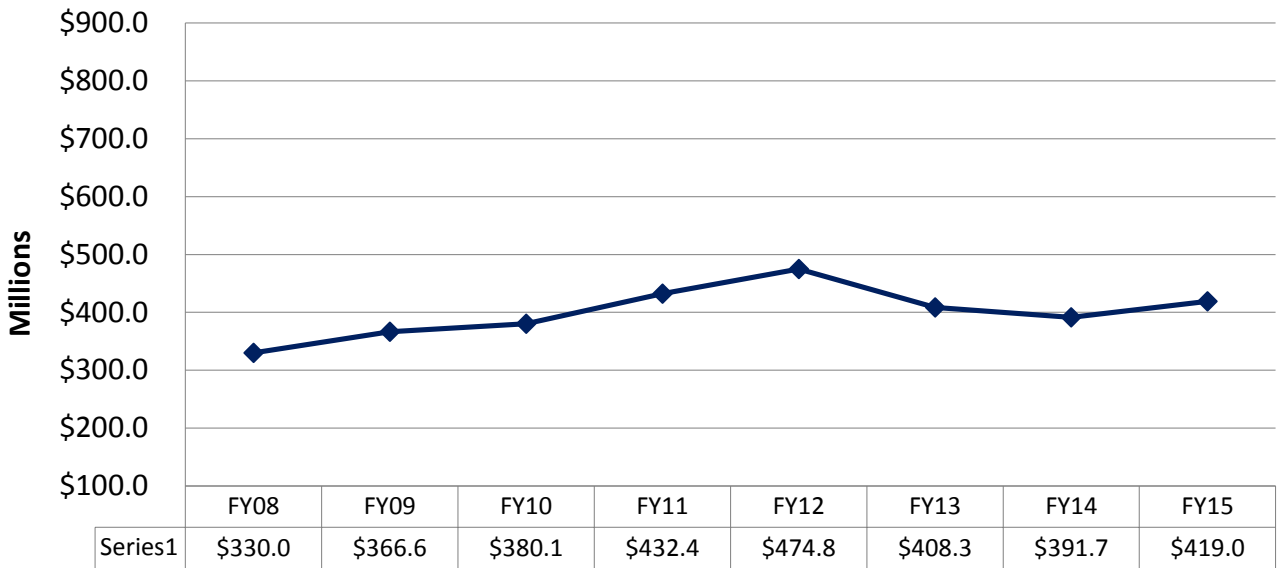


Chart 3

Appropriated Funds Military Assigned

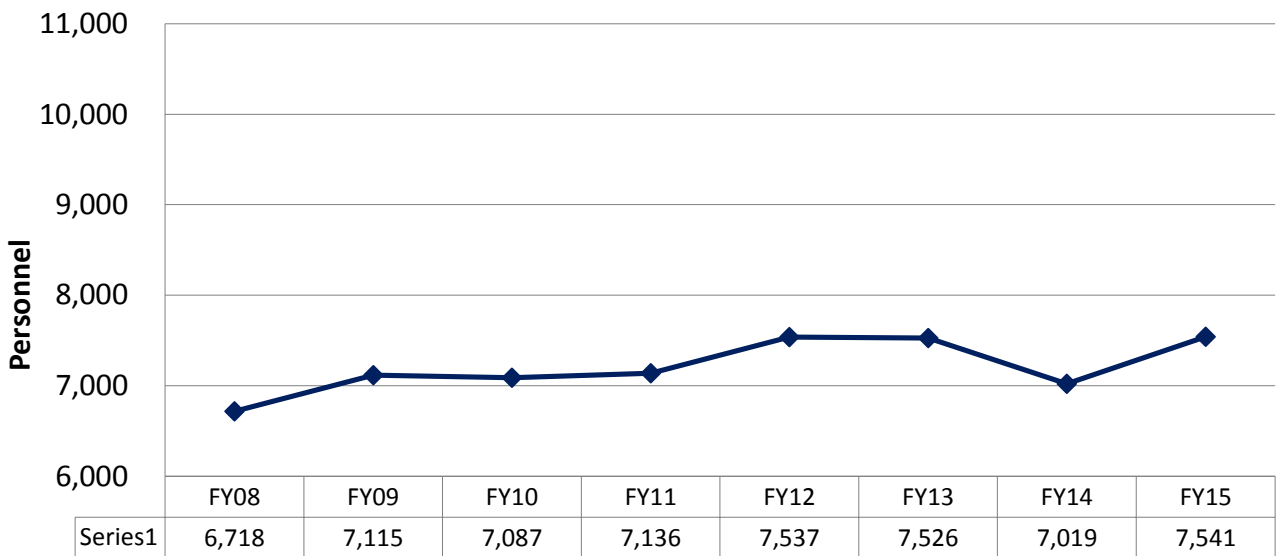


Chart 4

Appropriated Funds Civilian Payroll (\$M)

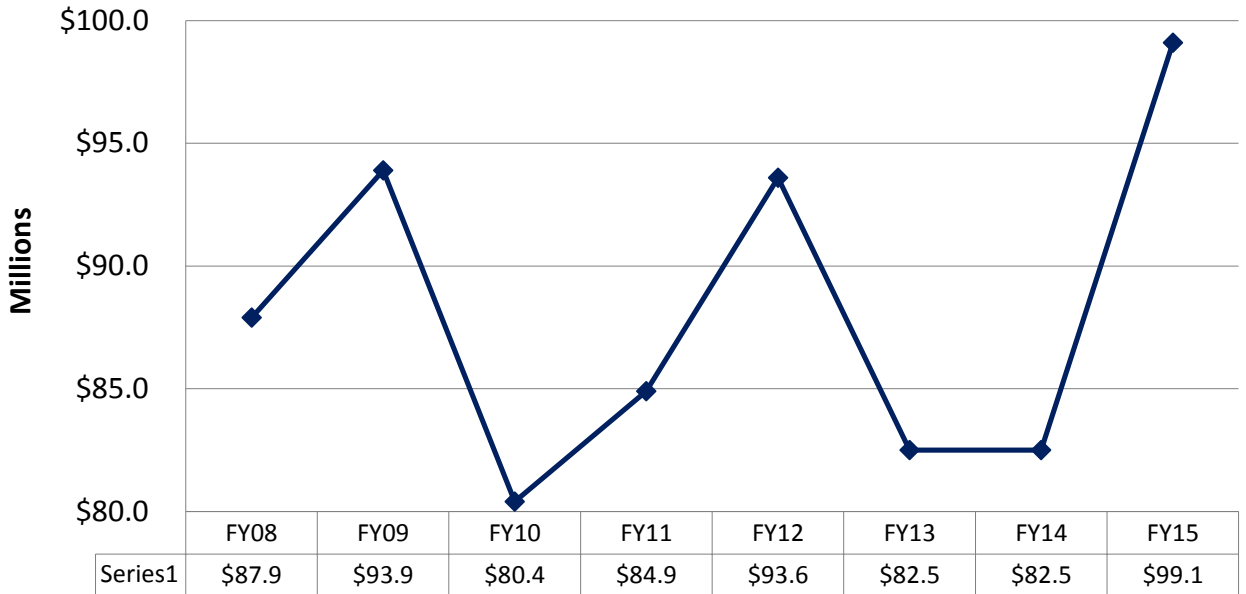


Chart 5

Military Retiree Payments (\$M)

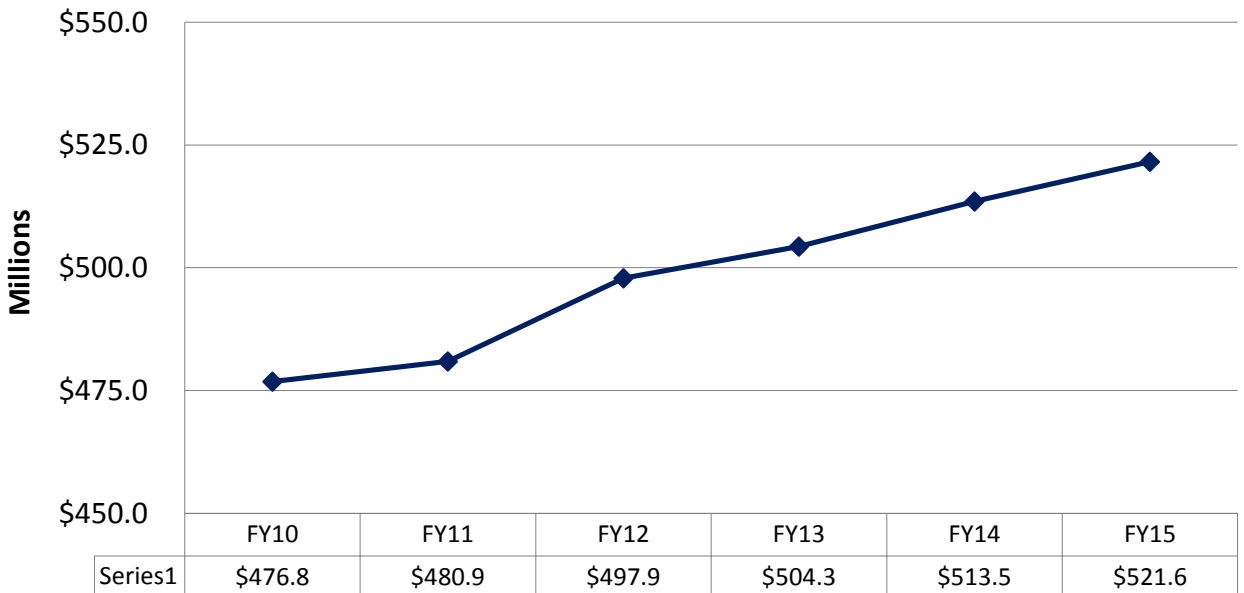


Chart 6

Annual Estimated Jobs Created (\$M)

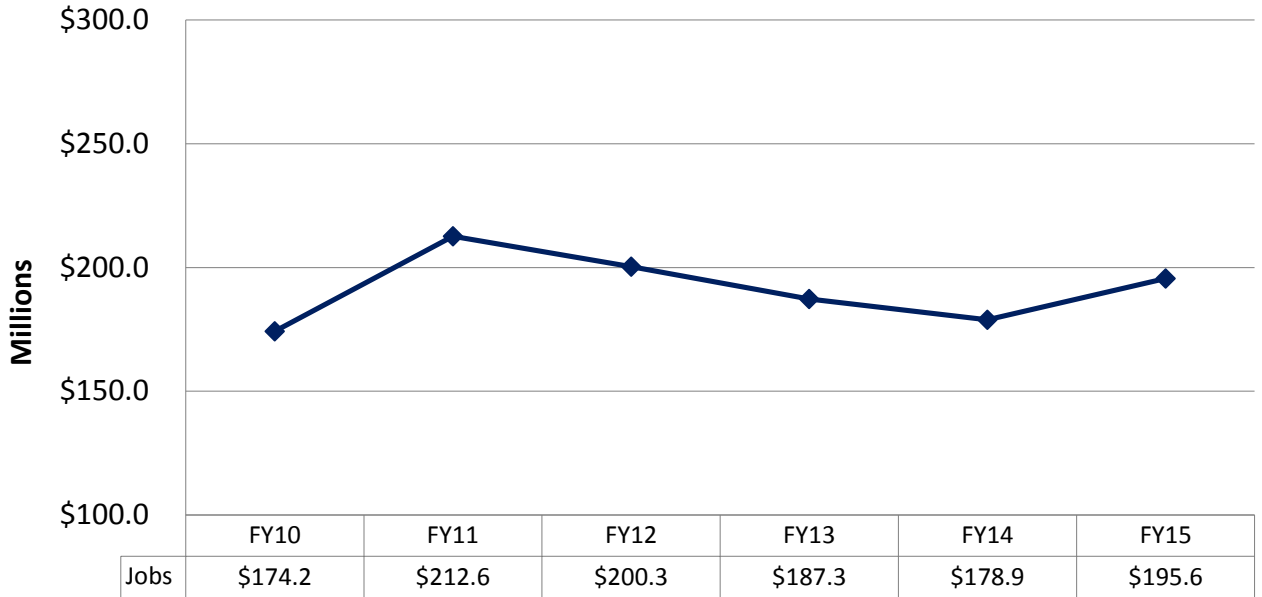
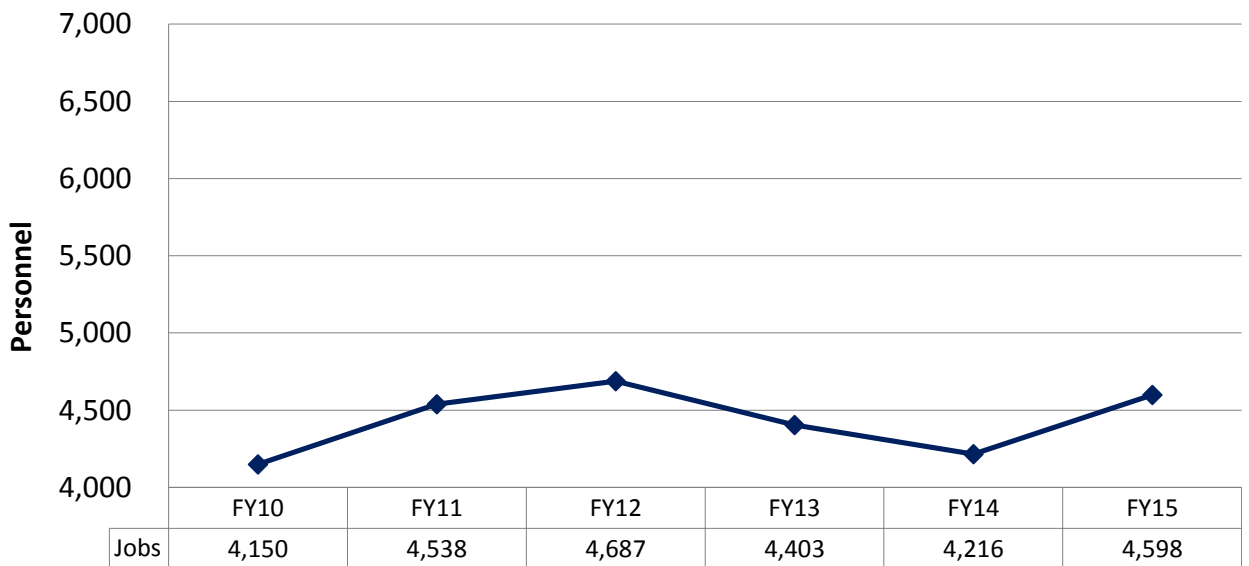


Chart 7

Annual Estimated Jobs Created



A person in military gear, including a helmet and a tan tactical vest with "FARP" written on it, stands on a tarmac. They are looking towards a B-52 bomber aircraft in the background. The aircraft's nose and cockpit are visible, and its cargo bay is open. Other personnel are visible near the aircraft. The scene is set on a clear day with a blue sky.

Economic Impact Analysis

2015

Davis-Monthan Air Force Base