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Regional Economic Strategy: Military Cluster



Prosperity
PARTNERSHIP

Introduction.....	1
Military Cluster Strategy Development Process	2
Issues, Challenges, and Opportunities	5
Initiatives.....	7
Initiative I. Understand and Support the Military Mission in Washington State and at Individual Bases.....	8
Initiative II. Enhance Employment Opportunities for Military Spouses and Veterans.....	13
Initiative III. Improve Education Opportunities for Military Personnel, Spouses, and Children.....	18
Initiative IV. Use Business Attraction, Retention, and Expansion Strategies to Expand the Region's Defense Contracting Industry	21
Appendix: Supporting Data and Analysis.....	A 1

INTRODUCTION

In early 2008, the Prosperity Partnership convened a 38 member Working Group with representation by each branch of the military with major operations in the Puget Sound; regional economic development entities; federal, state, and local governments; the private sector; and members of the workforce development, research, and environmental communities that make important contributions to the Puget Sound's Military cluster. This diverse group of agency staff, elected officials, business owners, educators, economic development practitioners, and others collaborated to analyze the strengths, challenges, and opportunities within this broad sector, and to develop major initiatives and strategies to facilitate economic growth in the industry.

The state of Washington ranks seventh in the nation for the number of military personnel claiming residence in the state. With the majority of those personnel located at installations in the Puget Sound region, it is clear that the military plays a significant role in the region's economy. When defining the military cluster as the combined impact of the military installations, as well as the network of contractors and subcontractors that support the military and work on Department of Defense contracts, the significance of that role increases. This regional strategy is designed to proactively ensure the ongoing health of the region's military cluster, including the bases themselves and the private sector enterprises that support them and play a role in national defense contracting.

Economic Contributions

The military presence in the Puget Sound region includes major bases for the Army (Fort Lewis), Navy (Naval Base Kitsap and Naval Station Everett), and Air Force (McChord Air Force Base), as well as installations for the Washington National Guard and Coast Guard. Collectively, these installations directly support nearly 94,000 jobs in the region (more than 60,000 of which are held by non-military personnel) and provide more than \$3.1 billion annually in total payroll.

In addition to economic activity generated by the operation of these bases, a wide range of Department of Defense contracts support many private sector contractors and subcontractors in the region. In 2006, defense contracting activity in the Puget Sound region (both base- and non-base-related) totaled \$3.7 billion.

The region's bases and defense contractors also have significant workforce impacts by attracting skilled employees to the region and providing specialized training opportunities that can later be applied in industries not necessarily related to the military.

Community Contributions

In addition to direct economic impacts generated by the armed forces, communities throughout the region benefit from the contributions of military personnel, their families, and veterans. There are more than 45,000 active military personnel stationed in the region, and over 65,000 military dependents, including working spouses and schoolchildren. There are also more than 640,000 veterans who have settled throughout the state of Washington. The smooth and productive integration of current and retired military members and their families in our region is critical to strengthening the health of military families and the communities where they live, work, go to school, and volunteer.

MILITARY CLUSTER STRATEGY DEVELOPMENT PROCESS

The Prosperity Partnership's Military Cluster Working Group met four times between July and September 2008. Over the course of these meetings and subsequent dialogue, the Working Group identified and evaluated key issues related to the military in the region. Members reviewed analytic materials and developed an actionable Strategy to enhance the health of the region's military presence and maximize the cluster's economic contributions.

Working Group membership included a wide range of stakeholders, including representatives of each branch of the military with operations in the Puget Sound area; regional economic development entities; federal, state, and local governments; the private sector; and members of the workforce development, research, and environmental communities. A roster is presented on page four. The group was led by co-chairs Carol Evanoff, the Resident Director of Lockheed Martin's Strategic Weapons Facility Pacific for the Fleet Ballistic Missile Program, and Rear Admiral James Symonds, Commander of the Navy Region Northwest. Staff of the Puget Sound Regional Council and Berk & Associates contributed analytic materials, meeting facilitation, and strategy development support.

Operating Principles

As the Working Group began to tackle the wide range of challenges and opportunities associated with the region's military cluster, the following operating principles were agreed upon to focus discussion and strategy development.

Geographic Scope. The Working Group's charge through the Prosperity Partnership framework was to focus on military activity in the four-county central Puget Sound region, consisting of King,

Kitsap, Pierce, and Snohomish counties. As a result, the majority of supporting materials, data analysis, and base research focuses on this area. However, it quickly became clear that relationships and inter-connections within the military cluster extend beyond the Puget Sound region to installations, businesses, and organizations throughout the state. The Working Group agreed that the final Military Cluster Strategy would adopt a statewide perspective and that collaboration with interested stakeholders and decision-makers from outside the region would be solicited. This operating principle is reflected in several Cluster Initiatives, particularly Initiative I, which establishes a Permanent Military Working Group with statewide membership.

Mission Support. The Working Group determined that as an overarching goal, the Military Cluster Strategy must provide mission support for the military presence in the region. Mission support includes any activity that makes it easier for the military to achieve strategic national defense objectives and for individual bases to play their expected roles.

A key component of mission support is strengthening the relationship between military installations and their host communities. The importance of community relations is a distinguishing characteristic of the military cluster not found in other economic clusters. On one level, the quality of base-community relationships affects local policy decisions that impact current military operations, as well as future base location and investment decisions. The health of base-community relationships also has a direct impact on the quality of life of military personnel and their families, and ultimately impacts retention rates for military personnel. A repeated theme, reflected in the strong focus of this Strategy on providing support to military personnel and their families, is that individual retention decisions get made “at the kitchen table.” Enhancing the well-being of military families is key to retaining the region’s bases and the contributions they make to our economy and overall community health.

Base Realignment and Closure (BRAC).

The Working Group chose not to directly address BRAC issues. Military personnel are restricted from

Additional Acknowledgements

We wish to recognize the contributions of the following individuals who, in addition to the members of the Working Group, participated in meetings, provided data, reviewed documents, and made other contributions to the planning effort:

Navdeep Anila, *Office of United States Senator Maria Cantwell*

Tom Danaher, *Public Affairs Officer, Naval Base Kitsap*

Linda Danforth, *District Director, Office of Congressman Adam Smith*

Captain T. J. Dargan, *Chief of Staff, Naval Base Kitsap*

Nick Demerice, *Managing Director, Community and Financial Assistance, Community Trade and Economic Development*

Commander Tom Hinman (Ret.), *Military Advisory Board, Hire America's Heroes*

Ralph Ibarra, *Special Projects Coordinator, WA State Department of Veterans Affairs*

Bud McKay, *Public Affairs Officer, McChord Air Force base*

J.C. Matthews, *Public Affairs Officer, Fort Lewis*

John Norgren, *Legislative Liaison and Community Relations, Fort Lewis*

Erin Nielsen, *Program Manager, Washington State Procurement Technical Assistance Center*

James Pennwell, *Knowledge Management and Metric Specialist, 13th Coast Guard District*

Amy Persell, *Program Manager, Workforce Development Council of Snohomish County*

Roel van der Lugt, *Senior Field Representative, Office of Congressman Adam Smith*

Commander Christopher Woodley, *Chief, External Affairs, 13th Coast Guard District*

Military Cluster Working Group Roster

Co-Chair — Carol Evanoff, *Resident Director, Lockheed Martin, Strategic Weapons Facility Pacific for the Fleet Ballistic Missile Program*

Co-Chair — Rear Admiral James Symonds, *Commander, Navy Region Northwest*

Kim Abel, *former Mayor, City of Port Orchard*

Alfie Alvarado-Ramos, *Deputy Director, WA State Department of Veterans Affairs*

Sheila Babb, *Deputy State Director, Office of Senator Patty Murray*

Brice Barrett, *Executive Director, Pacific Northwest Defense Coalition*

Gary Brackett, *Manager, Business and Trade Development, Tacoma-Pierce County Chamber of Commerce*

Ryan Dumm, *District Representative, Office of Norm Dicks*

Chris Elwell, *Executive Secretary, Seattle/King County Building and Construction Trades Council, AFL-CIO*

Jan Marie Ferrell, *Deputy Director, WA State Community, Trade, and Economic Development*

Lloyd Hara, *Commissioner, Port of Seattle*

Colonel Shane Hershman, *Joint Base Director, McChord Air Force Base*

Sally Hintz, *Northwest Washington Director, Office of Senator Maria Cantwell*

Richard Huling, *Public Affairs Officer, Naval Station Everett*

Captain Robert Klapproth, *United State Coast Guard*

Thomas Knight, *Deputy Garrison Commander, Fort Lewis*

Donald Leingang, *Executive Director, USO Puget Sound*

Dr. Ellen Lettvin, *Assistant Director, University of Washington Applied Physics Lab*

RDML John Lockwood (Ret.), *Director, Marketing and Business Development, Todd Shipyards*

Pat McClain, *Government Affairs, City of Everett*

Bill McMeekin, *Executive Vice President, Extended Learning, Pierce College District*

Wendy Miles, *Director of Military and Continuing Education, Olympic College*

Commander Louis Mueller, *Acting Executive Officer, Naval Station Everett*

Dick Muri, *Councilmember, Pierce County*

Jim Nall, *Executive Director, Paladin*

Colonel Rick Patterson (Ret.), *Deputy Chief of Staff, WA State Military Department*

Commander Christopher Philips, *Commanding Officer, Navy Recruiting District Seattle*

Michelle Power, *VA Puget Sound*

Troy Quick, *LMMS Program Manager, Lockheed Martin*

Paul Roberts, *Councilmember, City of Everett*

Jay Rodne, *State Representative, Washington State Legislature*

Caldie Rogers, *President/CEO, Marysville-Tulalip Chamber of Commerce*

Mark San Souci, *Regional Liaison for Military Families Northwest, Defense-State Liaison Office*

Lenny Simpson, *Manager of Service Delivery-Adult, Workforce Development Council Snohomish County*

Louise Stanton-Masten, *President/CEO, Everett Area Chamber of Commerce*

Bill Stewart, *Executive Director, Kitsap Economic Development Alliance*

Dwight Thompson, *Mayor Pro Tempore, City of Lake Forest Park*

Chris Townsend, *Special Assistant to the Director, Puget Sound Partnership*

discussing the topic. The civilian Working Group members noted that the best way to prepare for future BRAC rounds would be to focus on collaborative efforts to ensure ongoing support of the military cluster in our region. The group noted that many of the specific strategies proposed in this document will help proactively prepare the region for any future BRAC deliberations

ISSUES, CHALLENGES, AND OPPORTUNITIES

The Strategy Map on page 6 illustrates how dollars and workforce flow through the military cluster and identifies related issues that affect these economic interactions. Background research and analysis (presented in the appendix of this report), together with discussion by the Working Group and with other key stakeholders, helped the Working Group to better understand the challenges and opportunities faced by the region, and to translate these issues into the four action-oriented Initiatives presented beginning on page 7.

Issues, Challenges, and Opportunities Related to the Puget Sound Community

General Awareness of Military Cluster Benefits and Challenges. In initial meetings, Working Group members enumerated a broad range of economic and community benefits the military cluster brings to the Puget Sound region, along with a host of challenges the military faces in the region. There was general agreement that many communities and stakeholders not in the room are not as aware of military-related benefits, issues, and challenges. To address this challenge, outreach and communications strategies were developed to increase general awareness of military issues in the community.

Encroachment. The encroachment of non-military development into areas surrounding military installations is a major challenge for military operations in the region. Encroachment often impacts the ability of military installations to continue efficient operations and meet long-term strategic objectives. This is an issue that will be ongoing as long as the region's population and economy continue to grow. The Working Group prioritized strategies that proactively address encroachment and other factors that infringe on the ability of individual bases to fulfill their missions.

Employment and Education Opportunities for Military Personnel and Their Families.

When military families locate in a new community, they frequently encounter challenges in transitioning spouses into new jobs and children into local schools. The Working Group identified strategies to better facilitate the transfer of professional certifications and education requirements between states, better allowing for families of military members to quickly integrate into their new community.

Professional and educational success will enhance these families' quality of life and support the retention of personnel in the region's military. Similarly, legislation is called for that addresses employment challenges for Reservists and Guard members, and for veterans seeking to transfer military skills and experience into the civilian work world.

A key strategy involves building on the Military Family Friendly Employment Partnership, which has been active in Snohomish County since September 2007. The Partnership helps military family members find employment and helps local employers tap into a well-qualified workforce pool.

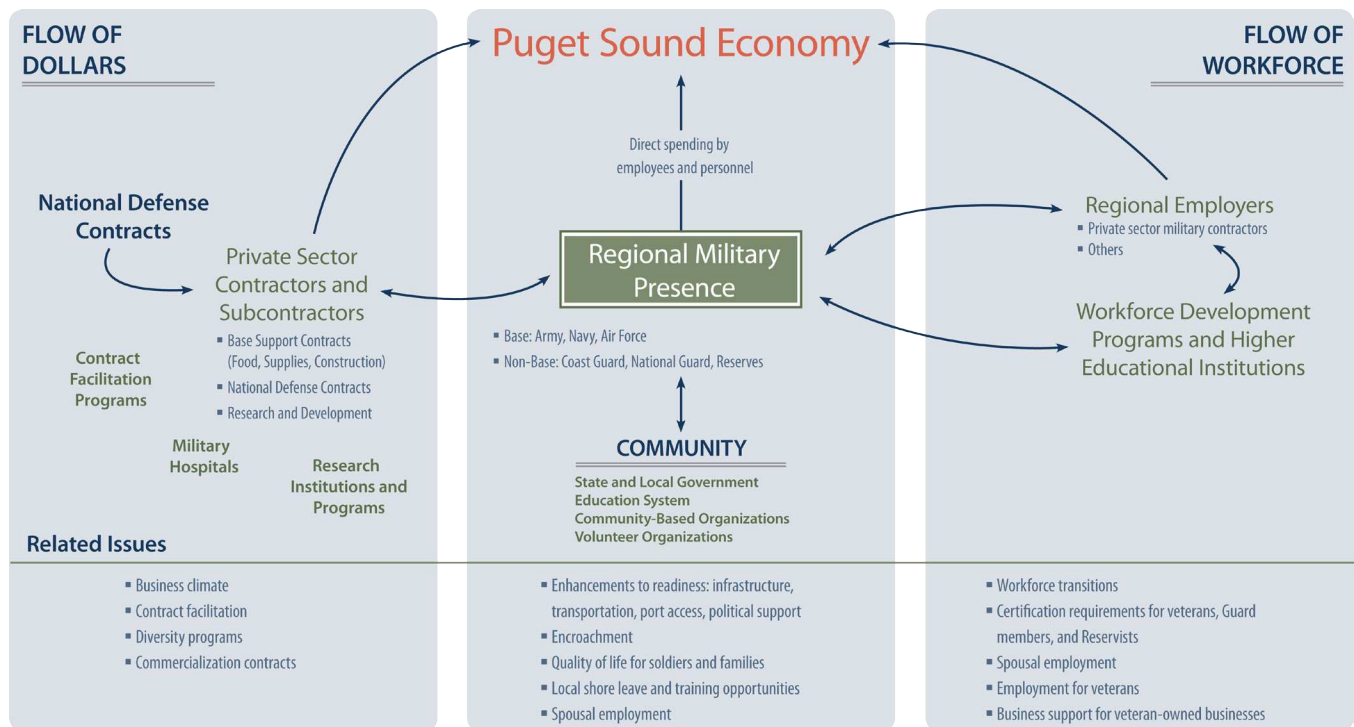
Issues, Challenges, and Opportunities Related to the Puget Sound Economy

Opportunities to Increase Contracting Activity. According to 2005 data, Washington state ranked 7th in the nation in terms of the number of military personnel. However, in terms of overall Department of Defense (DoD) procurement, Washington state ranked 19th nationwide in FY 2006.

This difference in ranking indicates that the state's firms are not capturing a proportionate share of non-base-related national defense contracts. This may constitute a growth opportunity for Washington state's economy.

Complex Defense Contracting System. The procurement process for Department of Defense contracts is extremely complex, particularly for smaller businesses and subcontractors without the resources to dedicate in-house staff for contract applications. In addition, the network of support organizations that provide technical assistance for procurement activities is dispersed and stretched thin. As a result of these challenges, many businesses do not pursue defense contracts and many are not aware of the business opportunities available. The Working Group developed strategies to better coordinate support organizations, including the region's Procurement Technology Assistance Centers and economic development and workforce development entities. Strategies also include expanding awareness of contracting opportunities, providing more technical assistance and training in procurement processes, and creating more centralized points of contact for defense contracting activity in the region.

Mapping the Military Cluster's Contributions to the Puget Sound Economy



BERK & ASSOCIATES

INITIATIVES

The following pages present four Initiatives developed by the Working Group to enhance the workings of the Puget Sound's military cluster. The Initiatives are:

1. Understand and Support the Military Mission in Washington State and at Individual Bases
2. Enhance Employment Opportunities for Military Spouses and Veterans
3. Improve Education Opportunities for Military Personnel, Spouses, and Children
4. Use Business Attraction, Retention, and Expansion Strategies to Expand the Region's Defense Contracting Industry

Each Initiative identifies a Champion or Co-Champions who will serve as the point person(s) for the effort. The Permanent Statewide Military Working Group formed in Initiative I will function as the primary coordinating body overseeing efforts organized under the four Initiatives.

Each Initiative consists of multiple supporting strategies that are designed to be action- and results-oriented. Each has identified leads, timelines for completion, and resource requirements. Many strategies or groups of related strategies incorporate reporting requirements to the Permanent Working Group to maintain coordination across the region and assure accountability for accomplishing these tasks as agreed upon.

About the Initiative: Champions, Supporting Organizations and Strategic Outcomes

INITIATIVE I. UNDERSTAND AND SUPPORT THE MILITARY MISSION IN WASHINGTON STATE AND AT INDIVIDUAL BASES	
Champions	Puget Sound Regional Council and regional economic development groups
PSRC Contacts	Chris Strow and Olivia Robinson
Initiative Description and Rationale	<p>The purpose of this Initiative is to understand and facilitate solutions to support the military presence and mission in Washington state, including support for installations and the units based here, as well as armed forces members and their families, retirees, and veterans.</p> <p>The formation of a statewide Permanent Military Working Group (Strategy A) will provide a center to these efforts, many of which have been ongoing, in a less coordinated fashion, for considerable time. The Permanent Working Group will serve as the primary implementer for all of the strategies listed in Initiative I, and as a coordinating body overseeing efforts organized in other military cluster Initiatives. Regular reports on these efforts to the Permanent Working Group will enhance accountability and coordination across the state and throughout the cluster.</p> <p>Key priorities for the Permanent Working Group include generating and promoting an annual legislative agenda (Strategy B), addressing encroachment in a comprehensive and base-specific manner (Strategy C), and raising awareness about the benefits provided by the state's military presence through a coordinated communications strategy (Strategy D).</p> <p>The Permanent Working Group is also tasked with advancing several short-term items, including incorporating base needs in regional transportation and affordable housing planning efforts (Strategy E).</p>
Strategic Outcomes	<ul style="list-style-type: none"> • The Department of Defense leadership will consider Washington a quality and supportive home for bases and people • Washington bases will be well-positioned for the next BRAC round • The mission of Washington's bases will be expanded in strategic areas • Military personnel, families, retirees, and veterans will consider Washington an "outstanding location" • Military units at Washington installations will be ready for tasking • Greater understanding of and support for the military's presence in the region, including the creation of a more recruiting-friendly environment over the long-term

Initiative Development Team

- Brice Barrett, Executive Director, Pacific Northwest Defense Coalition
- Gary Brackett, Manager, Business and Trade Development, Tacoma-Pierce County Chamber of Commerce
- Ryan Dumm, District Representative, Office of Norm Dicks
- Richard Huling, Public Affairs Officer, Naval Station Everett
- Thomas Knight, Deputy Garrison Commander, Fort Lewis
- Jan Marie Ferrell, Deputy Director, WA State Community, Trade, and Economic Development
- Commander Tom Hinman (Ret.), Military Advisory Board, Hire America's Heroes
- Commander Christopher Philips, Commanding Officer, Navy Recruiting District Seattle
- Michelle Power, Staff Assistant at the VA Puget Sound Health Care System
- Captain Robert Klapproth, United State Coast Guard
- Mark San Souci, Regional Liaison for Military Families Northwest, Defense-State Liaison Office
- Rear Admiral James Symonds, Commander, Navy Region Northwest

Potential Permanent Working Group Members

Military: representation by all branches and bases, including active-duty, reserve and guard elements

Non-profit sector: National Guard Association, Navy League Reserve Officers Association, Puget Sound Naval Bases Association, retiree/veterans organizations, and the USO

Public sector: Governor's office; Democratic and Republican legislative representation by members of the House and Senate, WA State Community, Trade, and Economic Development, WA Department of Veterans Affairs, and former members of the Military Communities Committee

Economic development entities: PSRC, EDCs, other entities such as chambers of commerce

Private sector: National defense contractors/sub-contractors and regional base support firms

Medical sector: George Cargill (TriWest), PacMed, VA hospital representation

Environmental groups: Puget Sound Partnership and others

Educational organizations: Higher Education Coordinating Board of Washington, Washington Education Association, Washington Office of Superintendent of Public Instruction

Actions and Milestones

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
A. Establish a Permanent Statewide Military Working Group comprised of military and non-military members				
1. Formalize the structure and mission of the Permanent Working Group <ul style="list-style-type: none"> Consider the establishment of a Leadership Council and ad hoc or standing committees 	By January 2009	PSRC		
2. Announce the creation of the Permanent Working Group and recruit membership <ul style="list-style-type: none"> Encourage broad legislative & agency participation Encourage participation by leadership of private and non-profit organizations that are currently working on military and BRAC issues Consider beginning with participation by the four-county region plus Island County, then encourage participation by Eastern Washington participants 	By January 2009	Working Group Chair	Support by PSRC	Report establishment of the Permanent Working Group at Economic Development District Board Meeting in early 2009
3. Establish a meeting schedule and schedule upcoming reports and updates as indicated in the reporting column for the military cluster's four Initiatives	By January 2009	Working Group Chair	Support by PSRC	
B. Develop a proactive strategy and prioritized state and federal legislative agendas to preserve and enhance the mission of the region's military				
1. Develop a timely, one-year legislative agenda organized in high-, medium-, and low-priority tiers	Annually, by December, beginning in 2009	Permanent Working Group Leadership Council	Input by the Joint Regional Flag Officers	
2. Communicate these priorities to regional stakeholders, with supporting materials and suggestions about how individuals and organizations can contribute to advancing the identified priorities	Annually, by December, beginning in 2009	Permanent Working Group Leadership Council		Report to the Economic Development District (EDD) Board
C. Take proactive and coordinated approach to addressing encroachment or other factors impacting military training, missions, and installations				
1. Find, compile, and review materials and processes from past BRAC rounds	To be determined	Determine at first Permanent Working Group meeting		
2. Establish a process to create a comprehensive land and air use plan that will inform regional and local planning	Short-term, to be determined	To be determined in initial Permanent Working Group meetings	Support from PSRC	Report findings & recommendations to the Permanent Working Group & the PSRC EDD Board

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
<p>This plan will map as-is uses and protect airspace and landing zones, environmental resources, and resources needed by bases to conduct trainings and other key functions.</p> <ul style="list-style-type: none"> Evaluate comparable models employed in other states such as California's Joint Land Use Studies Solicit input from decision makers and key stakeholder groups such as the Governor's office, PSRC, CTED, the Aviation Planning Council, the Puget Sound Partnership, cities that are located adjacent to bases, and others Develop a strategy and timeline to implement this model in the Puget Sound region or across the State 				
3. Share best practices across the region	Ongoing	Permanent Working Group membership		Include annual accomplishments in Prosperity Partnership annual report
4. Facilitate the solution of base-specific encroachment concerns or other factors bearing on base operations by engaging diverse stakeholder groups and providing relevant best practice information	Ongoing, as needed	Permanent Working Group membership		

D. Establish a communications strategy to convey benefits the region and localities receive from the military in terms of jobs, spending, taxes, and other factors

1. Promote awareness of the Prosperity Partnership's military cluster economic development efforts				Report to Permanent Working Group by April 2009
<ul style="list-style-type: none"> Draft an op-ed piece 	By January 2009	RDML Symonds and Carol Evanoff	Support by PSRC staff	
<ul style="list-style-type: none"> Create and distribute summary material describing the military cluster strategy 	By February 2009	PSRC staff		
2. Compile and share data describing the military presence in the region and its contributions to the local and regional economies, building off the initial information developed in the creation of the Military Cluster strategy				
<ul style="list-style-type: none"> Create a central repository that can be used to capture data updates on an ongoing basis 	By September 2009	CTED		
<ul style="list-style-type: none"> Request individual bases to update their information annually 	Annually, by December	CTED	Contributions by individual bases	

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
<ul style="list-style-type: none"> Synthesize this information in a concise and readable format 	Annually, by December	CTED		Include in the Prosperity Partnership annual report
<ul style="list-style-type: none"> Post this information to the CTED website and distribute to stakeholders throughout the State 	Annually, by December	CTED		Annual update to the Permanent Working Group
<p>3. Develop key messages and outreach strategies to promote the benefits provided by the State's military among key regional partners</p> <p>Key messages may include mention of the following benefits provided by the region's military presence:</p> <ul style="list-style-type: none"> Local employment opportunities and economic activity, drawing from the data collected in Strategy D.2 Environmental benefits through direct conservation efforts and partnerships with environmental organizations Volunteer service contributions to local communities made by military personnel and their families, as well as retirees and veterans Protection of trans-pacific trade Support for local emergency management functions <p>Audiences may include:</p> <ul style="list-style-type: none"> State political leadership Civic leadership Business organizations Educators 	By December 2009	Permanent Military Working Group	<p>Key partners in communicating these benefits may include:</p> <ul style="list-style-type: none"> PSRC membership Association of Washington Business Washington Roundtable 	Report to Permanent Working Group and the EDD Board by December 2009

E. Ensure identified short-term items are completed

1. Integrate base needs in regional transportation planning	Spring 2009	PSRC staff		
2. Establish military participation on the Affordable Housing Working Group and encourage the provision of affordable housing near bases	Spring 2009	PSRC staff		Include annual accomplishments in Prosperity Partnership annual report

About the Initiative: Champions, Supporting Organizations and Strategic Outcomes

INITIATIVE II.	ENHANCE EMPLOYMENT OPPORTUNITIES FOR MILITARY SPOUSES AND VETERANS
Champions	Caldie Rogers, President/CEO, Marysville-Tulalip Chamber of Commerce
Co-Champions	<p>Mark San Souci, Regional Liaison for Military Families Northwest, Defense–State Liaison Office</p> <p>Wendy Miles, Director of Military & Continuing Education, Olympic College</p>
PSRC Contact	Olivia Robinson
Initiative Description and Rationale	<p>The Pentagon has found that married military personnel are leaving the service because they cannot rely on military wages alone and spouses cannot find employment. More than 75% of military spouses want or need jobs, yet today's military spouses face an unemployment rate three times that of their civilian counterparts. Veterans represent a highly skilled workforce, but also face difficulties in finding appropriate employment when leaving the military.</p> <p>This employer bias is based on the outdated perception that military family members' job duration will be less than their civilian counterparts. However, Department of Labor statistics cite that today's civilian workforce will have 32 different jobs in seven different career paths during their lifetimes with job durations of two to four years per job. In the meantime, military tours now often last four to six years, which is much longer than the previous 18 month tours. Yet the bias remains and military family members continue to face discrimination when applying for employment.</p> <p>It is clear that employment opportunities for military family members are critical to today's military forces. The three Strategies contained in this Initiative enhance employment opportunities for military spouses and veterans, better enabling these individuals to support their families, increasing the stability of our region's bases, and contributing to the region's economy.</p> <p>The Military Family Friendly Employment Partnership has been active in Snohomish County since September 2007. The partnership addresses issues both on the supply side, helping military family members find employment, and on the demand side, helping local employers tap into a well-qualified workforce pool. The focus of Strategy A is to replicate this successful model across the four-county region, focusing first on Pierce and Kitsap counties.</p> <p>The Initiative establishes an action plan for supporting the adoption of specific supportive legislation (Strategy B) that will assist military family members in finding employment. Some legislation is aimed at increasing certification reciprocity for teachers, nurses, and other certified professionals, ensuring that military spouses do not encounter barriers to finding work when relocating to our state. Other legislative aims include tax credits to employers of military personnel.</p>

	<p>The Initiative also seeks to strengthen the ability of the Helmets to Hardhats program, which helps veterans transition into civilian careers in the construction industry (Strategy C).</p>
Strategic Outcomes	<ul style="list-style-type: none"> • Establishment of Pierce and Kitsap County Military Family Friendly Employment Partnerships, with strong local champions • Annual increases in the number of jobs advertised on WorkSource that are filled by military spouses and veterans • The adoption of specific legislation that strengthens opportunities for military spouses and veterans to find suitable employment • Military survey results showing that Washington’s military families are more financially secure
Initiative Development Team	<ul style="list-style-type: none"> • Gary Brackett, Manager, Business and Trade Development, Tacoma-Pierce County Chamber of Commerce • Caldie Rogers, President/CEO, Marysville-Tulalip Chamber of Commerce • Mark San Souci, Regional Liaison for Military Families Northwest, Defense-State Liaison Office • Wendy Miles, Director of Military & Continuing Education, Olympic College
Potential Community Partners	<ul style="list-style-type: none"> • Association of Washington Business • Hire America’s Heroes • Tim Loney, Naval Station Everett • Military Family Support Officials from each branch of the military • Dee Anne Osorio, Army OneSource • John Patterson, Employer Support of the Guard and Reserve • Puget Sound Naval Bases Association • Lenny Simpson, Workforce Development Council Snohomish County • WA Building Trades • Chambers of commerce • Economic development councils • Human resource associations • Local community colleges • Major corporations across the state • State labor councils • Workforce development organizations

Actions and Milestones

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
A. Replicate the Military Family Friendly Employment Partnership in Pierce, Kitsap, and King Counties				
1. Draft sample government resolutions	November 2008	Pierce/Kitsap County leads with assistance by Caldie Rogers		
2. Encourage Washington Employment Security Department to include "Military Family Friendly Employer" as a keyword in WorkSource listings and State search engines	November 2008	Caldie Rogers		
3. Establish a national Military Family Friendly Employer website	December 2008	Caldie Rogers		Ongoing communication with Initiative Champion and PSRC Contact
4. Secure college interns to 1) assist in developing content, 2) establish a listing of registered military family friendly employers by region, 3) and research and activate links to all military spouse and veteran support websites	By February 2009	Caldie Rogers		
5. Secure funding support for 1) two full-time positions for the Military Family Friendly website covering communications (newsletter and website) and database management and reporting; and 2) printing and reimbursement expenses for committee members required to travel for Initiative purposes	To be determined	Caldie Rogers		
6. Make a presentation to the Pierce County Economic Development Corporation	By April 2009	Caldie Rogers	Support by Pierce and/or Kitsap County leads	
7. Make a presentation to the Kitsap County Economic Development Alliance, Olympic College, and the Bremerton Area Chamber of Commerce	By March/April 2009	Caldie Rogers	Support by Pierce and/or Kitsap County leads	
8. Report progress to the Permanent Working Group		Caldie Rogers	Support by Pierce and/or Kitsap County leads	By April or May 2009
9. Engage in direct outreach to cities, tribes, and special purpose districts, asking for adoption of the sample resolution and encouraging cities to promote the Partnership to employers through their business licensing and renewal processes	May/June 2009	Pierce/Kitsap County leads with assistance by Caldie Rogers		Ongoing communication with Initiative Champion and PSRC Contact
10. Use a mailing and other means to encourage employers to support the Partnership	By December 2009	Pierce/Kitsap Co. leads with assist. by Caldie Rogers		

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
11. Find funding partners if needed and launch a Public Service Announcement campaign in support of the Partnership linked with Military One Source	By December 2009	Pierce/Kitsap County leads with assistance by Caldie Rogers		
12. Research options, gain permission through JAG if needed, and develop military reporting protocols to collect key data from each branch and their installations for use in promoting the program and monitoring progress: military personnel housing location trends per military installation, number of spouses seeking employment, number of jobs posted, number of spouses hired	By December 2009	Caldie Rogers		Include reporting in Prosperity Partnership annual report

B. Adopt supportive legislation

1. Hold meetings with education and military leaders to advance strategies for advancing legislation supportive of education and employment opportunities for military personnel and their families	By June 2009, following presentations to community partners in II-A-6 and II-A-7	Mark San Souci	Support by PSRC staff	Include annual accomplishments in Prosperity Partnership annual report
2. Under the guidance of the Permanent Working Group, work to support passage of legislation supportive of the American Board of Certification for Teacher Excellence	Prefile bill by December 2008	Mark San Souci		
3. Under the guidance of the Permanent Working Group, work to support passage of the Nursing Licensure Compact	Prefile bill by December 2008	Mark San Souci		
4. Under the guidance of the Permanent Working Group, work to support passage of legislation providing a grace period on all license and certificate expirations held by Washington State National Guard and Reserve personnel for the period of their active-duty service plus six months	2009	Mark San Souci		
5. Under the guidance of the Permanent Working Group, work to support passage of legislation that facilitates the provision of professional and/or educational accreditation for military training and certification	2009	Gary Brackett		
6. Explore possible legislation providing tax credits to employers of military personnel	2010	Caldie Rogers and Mark San Souci	Support by PSRC staff	

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
7. Explore possible legislation to broaden the federal hiring process to allow points for military spouses, using the Snohomish County Military Family Friendly Employment Partnership initiative as a model	2010	Caldie Rogers and Mark San Souci	Support by PSRC staff	
8. Explore possible legislation to support the Spouses to Teachers initiative	2010	Caldie Rogers and Mark San Souci	Support by PSRC staff	

C. Support and expand the Helmets to Hardhats program

1. Provide support for filling a full-time position for the program	March 2009	WA Building Trades		
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About the Initiative: Champions, Supporting Organizations and Strategic Outcomes

INITIATIVE III. IMPROVE EDUCATION OPPORTUNITIES FOR MILITARY PERSONNEL, SPOUSES, AND CHILDREN	
Champions	Mark San Souci, Regional Liaison for Military Families Northwest, Defense-State Liaison Office
Co-Champions	Caldie Rogers, President/CEO, Marysville-Tulalip Chamber of Commerce Wendy Miles, Director of Military & Continuing Education, Olympic College
PSRC Contact	Olivia Robinson
Initiative Description and Rationale	<p>Improving education opportunities for military families will enhance their quality of life and support the retention of personnel in the military. This has been identified as a challenge for the region's military and an important factor in supporting the long-term strength of the sector.</p> <p>Adoption of the Interstate Compact on Educational Opportunity for Military Children (Strategy A) will better position Washington state to serve the children of military families by addressing academic and procedural issues that might otherwise hamper the smooth transition of military families moving to our state, such as the release of school records, immunizations, and grade placement. Additional efforts seek to provide greater access to post-secondary education opportunities (Strategy B) and improve the quality of primary school education for military children (Strategy C). These efforts are based on the understanding that the spouses of military personnel are often important decision-makers in military families; their satisfaction with schools and school officials when military children transfer into or out of our state are important considerations in maintaining the health of Washington's military presence.</p> <p>The Initiative also works towards the creation of a state-registered apprenticeship program to support vocational training in our state, drawing on best practices found here in Washington and elsewhere across the nation (Strategy D).</p> <p>Setting and achieving our strategic goals to enhance education opportunities for military families will help make our state a prime choice for relocation and assignment.</p>
Strategic Outcomes	<ul style="list-style-type: none"> • Enactment of the Interstate Compact on Educational Opportunity for Military Children, allowing Washington to serve as a voting member state in the Compact • Increased state and federal funding to support voluntary education for military personnel and their families • Enhanced post-secondary education opportunities available to military personnel and their families

**Initiative
Development
Team**

- Carol Evanoff, Resident Director, Lockheed Martin, Strategic Weapons Facility Pacific for the Fleet Ballistic Missile Program
- Wendy Miles, Director of Military and Continuing Education, Olympic College
- Commander Christopher Phillips, Commanding Officer, Navy Recruiting District Seattle

**Potential
Community
Partners**

Legislators

- Task Force per Senate Bill 6426
- Select legislators and other policy makers

Education Community

- Alliance for Education
- Donna Foxley, US Department of Education
- Higher Education Coordinating Board of Washington State
- Washington Education Association
- Washington State Board of Education
- Washington Office of Superintendent of Public Instruction
- School superintendents
- Two- and four-year higher education institutions

Military

- Gwen Hershman
- Junior ROTC
- Navy Recruiting District Seattle
- Navy/Army/Coast Guard College Offices on base
- School Liaison Officers, including Navy SLO Jennifer McKee, Air Force SLO, and McChord SLO Todd Goldsmith

Actions and Milestones

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
A. Enact the Interstate Compact on Educational Opportunity for Military Children				
1. Participate in meetings of the legislatively mandated Task Force charged with reviewing and making recommendations regarding the Compact <ul style="list-style-type: none">• Discuss the Compact with select legislators and committees• Prefile bill	December 2008	Mark San Souci		Ongoing communication with PSRC Contact
2. Monitor legislative review and potential passage of bill	January to May 2009	Mark San Souci		Report to Permanent Working Group in January and May 2009
B. Provide greater access to post-secondary education opportunities				
1. Include cost of textbooks in tuition assistance funding	Discuss by January 2009	Wendy Miles	Congressional support	Ongoing communication with Initiative Champion and PSRC Contact
2. Support development of University Centers or something similar in Kitsap and Snohomish Counties <ul style="list-style-type: none">• Show support for these investments to the legislature	2009	Wendy Miles	Congressional and state support	
C. Improve the quality of primary school education for military children				
1. Promote awareness of impact aid availability and application process	By September 2009	Donna Foxley, US Department of Education		Ongoing communication with Initiative Champion and PSRC Contact
2. Explore options to improve schools serving military children	Medium-term, to be determined	Mark San Souci		
D. Establish a state-registered apprenticeship program				
1. Draft a white paper on Olympic College's apprenticeship program	By November 2008	Wendy Miles	Support by WA Building Trades and Helmets to Hardhats	Report findings to the Permanent Working Group by March 2009
2. Research existence of apprenticeship programs in the region and across the state	By January 2009	Olivia Robinson	Support by WA Building Trades and Helmets to Hardhats	

About the Initiative: Champions, Supporting Organizations and Strategic Outcomes

INITIATIVE IV.	USE BUSINESS ATTRACTION, RETENTION, AND EXPANSION STRATEGIES TO EXPAND THE REGION'S DEFENSE CONTRACTING INDUSTRY
Champions	Bill Stewart, Executive Director, Kitsap Economic Development Alliance
Co-Champions	Brice Barrett, Executive Director, Pacific Northwest Defense Coalition
PSRC Contact	Chris Strow
Initiative Description and Rationale	<p>The defense contracting industry plays an important role in the Puget Sound economy by providing family wage jobs in both large and small businesses, attracting a highly trained workforce to the region, generating new business startups as spin-offs from large contractors, and providing economic stability during periods of fluctuating market conditions. While Washington is ranked 7th in the nation in terms of the number of military personnel, in terms of overall Department of Defense procurement, the state ranked 19th, indicating that the our state's firms are not capturing a proportionate share of national defense contracts. This constitutes a growth prospect for Washington state's economy and the Strategies included in this Initiative support efforts to attract, maintain, and expand defense contracting opportunities in the Puget Sound region. A range of industry needs are addressed, including regional coordination, legislative efforts, marketing and technical assistance, and targeted outreach to decision-makers.</p> <p>Recognizing that much good work is already underway, Strategy A seeks to convene regional economic development organizations with the goal of communicating best practices, sharing contracting contact databases, fostering partnerships, and distributing marketing and educational materials in support of defense contracting.</p> <p>The Initiative team will also work with the Aerospace Futures Alliance and others to gather and communicate support for broadening Washington state aerospace tax incentives to include certain defense contracting activities (Strategy B). This improvement to the state's business climate, which is already underway through the King, Kitsap, Pierce, and Snohomish EDCs, is an important factor in expanding the industry in Washington state.</p> <p>Strategy C produces targeted marketing materials and information packets that can be used to expand awareness of defense contracting opportunities among Washington businesses and ways in which economic development organizations can support this type of activity. Strategy D seeks to increase the success with which Washington businesses compete for national defense opportunities through the provision of training, coaching, technical assistance, and mentoring. Finally, Strategy E seeks to attract more defense contracting opportunities to Washington by promoting the state's businesses and deepening relationships with contracting decision makers. Efforts include organizing a regional defense contracting trade show and investing in researched and targeted outreach to enhance awareness of contracting options in Washington state among procurement decision makers.</p>

Strategic Outcomes

- Improved coordination between stakeholders in the public, private, and military sectors, which will result in increased awareness, innovation, and contracting activity
- Expansion of Washington State aerospace tax incentives to include certain defense contracting activities
- Development of a broader and more diverse pool of contractors that are aware of the defense contracting opportunities available and are more capable of competing for these awards
- A more robust support system of organizations and resources to assist local businesses in pursuing defense contracts
- Increased awareness among procurement decision makers of contracting options in the Puget Sound

Initial Development Team

- Brice Barrett, Executive Director, Pacific Northwest Defense Coalition (PNDC)
- Nick Demerice, Managing Director, Community and Financial Assistance, CTED
- Carol Evanoff, Resident Director, Lockheed Martin
- Lloyd Hara, Commissioner, Port of Seattle
- Ralph Ibarra, Special Projects Coordinator, WA State Department of Veterans Affairs
- Troy Quick, LMMS Program Manager, Lockheed Martin
- Louise Stanton-Masten, President/CEO, Everett Area Chamber of Commerce
- Bill Stewart, Executive Director, Kitsap EDA

Potential Community Partners

- Chambers of Commerce, Economic Development Councils, Workforce Development Councils, and local partners
- Community, Trade and Economic Development
- Office of Economic Adjustment
- Pacific Northwest Defense Coalition
- Procurement Technical Assistance Centers
- Small Business Administration and Small Business Development Centers
- Two- and four-year higher education institutions
- WA State Department of Veterans Affairs
- Washington Technology Center

Actions and Milestones

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
A. Coordinate efforts by regional economic development organizations				
1. Convene regional economic development organizations to better coordinate resources around military contracting support. Activities should include: <ul style="list-style-type: none"> • Facilitation of partnerships • Sharing of contracting contact databases • Sharing of best practices on how to support contracting activity • Distribution of materials developed under Strategies D and E 	Two meetings in 2009	Brice Barrett (PNDC), and Erin Nielsen, Washington State PTAC	PSRC meeting space and staff support	Ongoing communication with Initiative Champion and PSRC Contact Include annual accomplishments in Prosperity Partnership annual report
B. Expand Washington State tax incentives to include other sectors in addition to airplane manufacturing				
1. Gather and communicate support for broadening state aerospace tax incentives <ul style="list-style-type: none"> • Coordinate with Aerospace Futures Alliance • Explore options to incorporate public benefits requirements in incentive packages • Conduct outreach and build support 	Began in April 2008, to continue until legislation is adopted	Bill Stewart	Support by the PNDC and key partners, including chambers of commerce, EDCs, legislative coalitions, and the Association of Washington Business	Regular updates to Permanent Working Group
2. Incorporate this item in the PSRC Economic Development District legislative agenda	December 2009	Bill Stewart		
C. Expand awareness of military contracting opportunities among Washington businesses				
1. Create 2-3 audience-specific packets of materials and a "road show" to raise awareness of military contracting opportunities among EDCs, chambers of commerce, Small Business Development Centers, cities, and other organizations such as Rotary <ul style="list-style-type: none"> • Use "road show" information packets to promote the role of existing resources like PTACs, EDCs, DoD small business specialists, and small business support programs 	By March 2009	Ralph Ibarra	PSRC assistance in gathering relevant information PNDC support, drawing on materials created for the online contractor toolkit	Ongoing communication with Initiative Champion and PSRC Contact; once products are complete, test them with a broad set of audiences

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
<p>2. Explore opportunities to simplify the interface and process for businesses contracting with the region's military</p> <p>Ideas to consider include:</p> <ul style="list-style-type: none"> • Create a single point of contact for potential contractors seeking assistance with the PNDC functioning as a "Resource Aggregator" • Organize and coordinate contacts with various military branches and contracting agents 	Ongoing	Brice Barrett	Support of PTACs	As the PNDC becomes more firmly established in Washington, get message out to the PSRC, EDCs, the Permanent Working Group, Washington Chamber of Commerce Executives, Washington Economic Development Association
3. Research and provide lists of contracting opportunities	May 2009	Brice Barrett	Support from PTACs, EDCs, and others already doing data mining	Same as #2
4. Develop a statewide database of defense contractors	June 2009	Brice Barrett	Support from PTACs, EDCs, and others already doing data mining	Same as #2

D. Provide training and resources to support successful defense contracting applications by Washington businesses

<p>1. Conduct outreach to SBDCs and other economic development organizations to encourage them to focus on training companies on how to pursue military contracting opportunities</p> <p>This effort would be complementary to work done by the PTACs, which have limited resources.</p>	By December 2009	Ralph Ibarra	Cooperation with the PNDC, PTACs and local EDCs.	Report to Permanent Working Group by December 2009
2. Create an online, "always on" contracting toolkit and collaborative portal for contracts to discuss opportunities and best practices	May 2009	Brice Barrett	Cooperation with PTACs	Report to Permanent Working Group
3. Explore needs and opportunities to provide ongoing coaching to support companies pursuing military contracting opportunities	Ongoing	Brice Barrett	Cooperation with PTACs	
4. Promote and support mentorship partnerships between prime defense contractors and subcontractors	Ongoing	Erin Nielsen, Washington State PTAC	Support from the PNDC	Report to Permanent Working Group

Actions and Milestones	Timeline (year/quarter)	Lead	Resources Required	Reporting
E. Attract more defense contracting opportunities to Washington by promoting the state's businesses and deepening relationships with contracting decision makers				
1. Hold a first regional trade show dedicated to bringing decision makers to our region	March 2009	Brice Barrett	Cooperation with PTACs	Report to Permanent Working Group by April 2009
2. Continue to expand on this effort, creating an annual trade show that is national in scope	Ongoing	Brice Barrett	Cooperation with PTACs	
3. Establish strategies to attract or expand military functions and military contracts that correspond to regional economic strengths such as life sciences and medical technologies, information technology, and research and development Leads could come from cross-sector economic development entities or from specific industries. Ideally leads also understand military contracting. Potential activities include: <ul style="list-style-type: none"> • Researching the specific capabilities and qualifications required for different contracting opportunities, identifying Puget Sound industries and firms that are likely to be competitive nationally • Developing marketing materials that communicate the strengths of particular Puget Sound industries for use in outreach activities and contracting applications • Conducting outreach to well-positioned industries and firms to raise awareness of potential military contracting opportunities they could pursue 	Establish overall and sector-specific leads in January 2010	Initiative IV Champion and Co-Champion	Cooperation with other cluster efforts including life sciences and information technology	Report leads and strategies to the Permanent Working Group by March 2010
4. Conduct outreach to contracting decision makers and arrange Washington visits to improve relationships and awareness of contracting options in the state	Ongoing, beginning in 2010	Initiative IV Champion and Co-Champion to recruit appropriate Lead for this action	Support by PTACs and the PNDC	Report to Permanent Working Group

APPENDIX: Supporting Data and Analysis

This Appendix compiles background research and analysis that informed the Working Group’s development of the Puget Sound Military Cluster Strategy. Part I presents a brief summary of the overall missions of the Navy, Army, Air Force, and Coast Guard, followed by description of the Puget Sound’s military installations. Part II presents information on specific issues, including support for military personnel and their families and opportunities related to contracting and commercialization of military technology.

Part I. Overview of the Military Presence in the Puget Sound Region	A 2
Overview of National Military Strategy and Branch Missions.....	A 2
Navy.....	A 2
Army	A 3
Air Force	A 4
Coast Guard	A 6
Summary of the Military Presence in the Puget Sound	A 6
Summary Profiles of Puget Sound Bases	A 9
Naval Station Everett.....	A 9
Naval Base Kitsap.....	A 10
Fort Lewis	A 12
McChord Air Force Base	A 13
Washington Military Department.....	A 14
U.S. Coast Guard	A 15
Part II. Issue Specific Background Information	A 16
Military Personnel and Their Families.....	A 16
Total Department of Defense Personnel.....	A 16
Veteran and Military Retiree Population	A 16
Employment for Veterans	A 21
Spousal Employment.....	A 21
Education Opportunities for Military Children	A 23
Guard and Reservists.....	A 24
Summary of Department of Defense 10 Key Issues	A 25
Contracting and Commercialization.....	A 27
Department of Defense Contracting	A 27
Programs to Support Contracting and Commercialization	A 30

PART I. OVERVIEW OF THE MILITARY PRESENCE IN THE PUGET SOUND REGION

OVERVIEW OF NATIONAL MILITARY STRATEGY AND BRANCH MISSIONS

United States military strategy is articulated in the following three documents which inform the mission of each armed service branch.

The **National Security Strategy** is prepared by the President, identifying major national security concerns and high-level strategies to address them. The focus is on addressing threats of terrorism and promoting democracy.

The **National Defense Strategy** is produced by the Secretary of Defense and builds upon the National Security Strategy. The document establishes the following strategic objectives: 1) secure the United States from direct attack, 2) secure strategic access and retain global freedom of action, 3) strengthen alliances and partnerships, and 4) establish favorable security conditions.

The **National Military Strategy** is delivered to the Secretary of Defense by the Chairman of the Joint Chiefs of Staff, building on both the National Security Strategy and the National Defense Strategy and providing a description of the strategy goals of the armed services. The most current available version of this document was published in 2004, though a more recent version was adopted by the Secretary in 2008.

The 2004 document supports the National Defense Strategy by focusing on three military objectives: 1) protecting the United States against external attacks and aggression, 2) preventing conflict and surprise attack, and 3) prevailing against adversaries. In describing the approach to meeting these objectives, two critical themes are articulated:

- **Operation as a joint force.** Given the complexity of today's military environment, with a wider range of adversaries, a more complex and distributed battlespace, and technology diffusion and access, the U.S. forces must have "flexible, modular and deployable joint forces with the ability to combine the strengths of individual services, combatant commands, other government agencies and multinational partners."
- **Transformation "in stride."** Transformation of the military includes technology, intellect, and cultural adjustments – all of which must be made while troops are actively deployed during a time of war.

The missions and some of the current challenges faced by specific branches are summarized on the following pages. **Common themes** include: the challenges of today's military environment, requiring changes to practices of engagement as well as dispersed leadership and greater cultural and linguistic competency, the need for the armed forces to operate as a "joint force", the need to improve quality of life and sustainability for soldiers and their families, and the need to "transform" the military "in stride," instituting changes in training, equipment, and culture while troops are actively engaged in the field.

Navy

The mission of the Navy is to maintain, train and equip combat-ready naval forces capable of winning wars, deterring aggression and maintaining freedom of the seas.

Naval Maritime Strategy. This document, titled *A Cooperative Strategy for 21st Century Seapower*, was presented by the Chief of Naval Operations and the Commandants of the U.S. Marine Corps and U.S. Coast Guard with the intention of establishing a unified maritime strategy. The document outlines six key tasks or "Strategic Imperatives" grouped under two themes.

I. Regionally Concentrated, Credible Combat Power

(Concentrated combat power in the Western Pacific and the Arabian Gulf/Indian Ocean)

1. Limit regional conflict with forward-deployed, decisive maritime power (Maintain a power fleet, persistently present and combat-ready)
2. Deter major power war (Pursue a credible and scalable ability to retaliate against aggressors as a deterrent)
3. Win our nation's wars (In times of war, impose local sea control and be able to establish and maintain shore personnel)

II. Globally Distributed, Mission-Tailored Maritime Forces

(A global presence supporting humanitarian operations, counter-terrorism, and irregular warfare — in particular in Africa and the Western Hemisphere)

4. Contribute to homeland defense in depth (Identify and neutralize threats far from our shores and support civil authorities during an event)
5. Foster and sustain cooperative relationships with more international partners (Build trust, cooperation, relationships, and partnerships; all require cultural, historic, and linguistic expertise)
6. Prevent or contain local disruptions before they impact the global system (Address terrorists and extremists, weapons of mass destruction, pirates, traffickers, and other criminals)

To implement this strategy, the following six core capabilities must be expanded

1. Forward presence (Support familiarity, rapid response, and counterterrorism measures far from home)
2. Deterrence (Use forward-based & forward-deployed forces, space-based assets, and sea-based deterrence)
3. Sea control (Be able to impose local sea control, especially by neutralizing the threats of submarines)
4. Power projection (Ability to put resources on shore through properly-sized forces, technology, strategy, and sealift capability, including a strong commercial maritime transportation industry)
5. Maritime security (Address irregular and transnational threats: piracy, terrorism, trafficking, etc.)
6. Humanitarian assistance and disaster response (Help others and build relationships)

Three areas are called out to receive priority attention in support of this strategy:

1. Improve integration and interoperability (Navy, Marines, Coast Guard and international partners)
2. Enhance awareness (Maritime domain awareness and intelligences, surveillance, and reconnaissance)
3. Prepare our people (Training for more varied and dispersed operations)

Army

The mission of the Army is to provide ready forces and land force capabilities to the Combatant Commanders in support of the National Security Strategy, the National Defense Strategy and the National Military Strategy.

The **2008 Army Posture Statement** describes “an Army out of balance,” with demands in Iraq and Afghanistan exceeding the ability of the branch to sustain its ability to meet its mission elsewhere. Demands on soldiers and families are also described as unsustainable. Two overarching challenges and related strategies are identified:

1. Restoring Balance

By 2011, the following four imperatives will help restore balance and preserve the Army's all-volunteer force:

Sustain — enhance quality of life for soldiers and their families through incentives; the Army Family Covenant and other programs; care for wounded soldiers; and support for families with losses

Prepare — maintain a high level of readiness by enhancing training, equipment, partnerships with private industry, and the preparation of trained, ready, and cohesive units

Reset — prepare soldiers, units, and equipment for future deployments and other contingencies by developing an equipment repair and replacement program, retraining soldiers for the full spectrum of possible missions, and revitalizing soldiers and their families

Transform — continuously improve our ability to meet the needs of the Combatant Commanders in a changing security environment by balancing and increasing the capacity of Army forces, upgrading and modernizing, organizational changes, improving business systems and controls, transitioning the Reserve Corps to an operational reserve, increasing readiness, improving efficiency, and improving quality of life for soldiers, families, and civilians, and developing agile and adaptive leaders

2. Funding Challenges

The second major theme addressed in the Posture Statement describes the funding required to implement the above imperatives, with additional budget required for military personnel (for growth of the force, as well as pay, benefits, and other personnel costs), operations and maintenance; procurement of weapons systems, research, development, test, and evaluation, and construction, base realignment and closure (BRAC), and Army family housing.



Source: 2008 Army Posture Statement

Air Force

The mission of the United States Air Force is to deliver sovereign options for the defense of the United States of America and its global interests — to fly and fight in air, space, and cyberspace. The **Air Force Strategic Plan** describes three priorities, each with supporting objectives which are abbreviated here.

1. Winning the war on terror... while preparing for the next war

- Develop and implement an effective communications program
- Develop and deploy next generation operational concepts that leverage legacy and emerging capabilities
- Develop and implement a plan for developing cyberspace as an Air Force core competency

- Develop doctrine and tactics, techniques and procedures for information operations/cyber-space missions
- Strengthen our ability to share information within the Air Force and with our external partners
- Play a lead role in the Joint roadmap for C4ISR and knowledge-enabled warfighting capabilities
- Equip Airmen to produce, fuse and leverage knowledge-based, time-critical, decision quality information
- Align Air Force organizations and training to integrate with Joint, interagency and coalition partners
- Increase participation of Joint, interagency, and coalition partners in Air Force planning, capability development, and training in core and emerging missions
- Provide access to sufficient ARC forces without reliance on involuntary mobilization

2. Developing and caring for Airmen and their families... *to maintain our competitive advantage*

- Strengthen Air Force core values to better reflect the warrior spirit
- Reshape recruiting, force development and force management
- Increase and expand opportunities to integrate personnel of all five Total Force components
- Ensure a stable and equitable career progression path within every career field in the Air Force
- Increase the diversity, effectiveness, and utility of education and training available to every Airman
- Create proactive force health protection options from accession through separation

3. Recapitalizing and modernizing our aircraft, satellites and equipment... *to optimize the military utility of our systems and to better meet 21st Century challenges*

- Develop and execute a fiscally constrained, integrated recapitalization and modernization strategy
- Focus and protect RandD investments in areas critical to continued dominance of air, space, and cyberspace
- Establish and enforce standards for transparency in acquisition and other business processes
- Produce accurate, reliable, timely, lifecycle financial data throughout the Planning, Programming and Budget Execution system
- Improve ability to conduct servicewide cost management
- Develop and institutionalize a comprehensive, servicewide, strategic-level continuous process improvement approach
- Identify missions, systems, programs, and activities to divest or re-role
- Streamline infrastructure and other operational assets while optimizing operational capability

- Revitalize acquisition and related processes to improve cost and schedule control and performance assurance
- Incorporate flexible risk management in technology transfer, information sharing and interoperability

Coast Guard

The United States Coast Guard is a military, multi-mission, maritime service within the Department of Homeland Security and one of the nation's five armed services. The Coast Guard has five fundamental roles:

Maritime Safety: Eliminate deaths, injuries, and property damage associated with maritime transportation, fishing, and recreational boating.

Maritime Security: Protect America's maritime borders from all intrusions by: (a) halting the flow of illegal drugs, aliens, and contraband into the United States through maritime routes, (b) preventing illegal fishing, and (c) suppressing violations of federal law in the maritime arena.

Maritime Mobility: Facilitate maritime commerce and eliminate interruptions and impediments to the efficient and economical movement of goods and people, while maximizing recreational access to and enjoyment of the water.

National Defense: Defend the nation as one of the five U.S. armed services. Enhance regional stability in support of the National Security Strategy, utilizing the Coast Guard's unique and relevant maritime capabilities.

Protection of Natural Resources: Eliminate environmental damage and the degradation of natural resources associated with maritime transportation, fishing, and recreational boating.

SUMMARY OF THE MILITARY PRESENCE IN THE PUGET SOUND

Exhibit 1 displays the location of following Puget Sound military installations in King, Snohomish, Pierce and Kitsap counties

- Naval Station Everett
- Naval Base Kitsap
 - Naval Base Kitsap Bremerton
 - Puget Sound Naval Shipyard and Intermediate Maintenance Facility
 - Naval Base Kitsap Bangor
 - Naval Base Kitsap Keyport
 - Naval Undersea Warfare Center-Keyport
- Fort Lewis and McChord Air Force Base
(As a result of the 2005 BRAC process Fort Lewis and McChord Air force Base have been directed to merge, forming the Lewis-McChord Joint Base by 2010.)
- Washington Military Department

Exhibit 2 presents a summary of basic data for each base and summary profiles of each Puget Sound installation are then provided.

Exhibit 1. Puget Sound Region Military Facilities

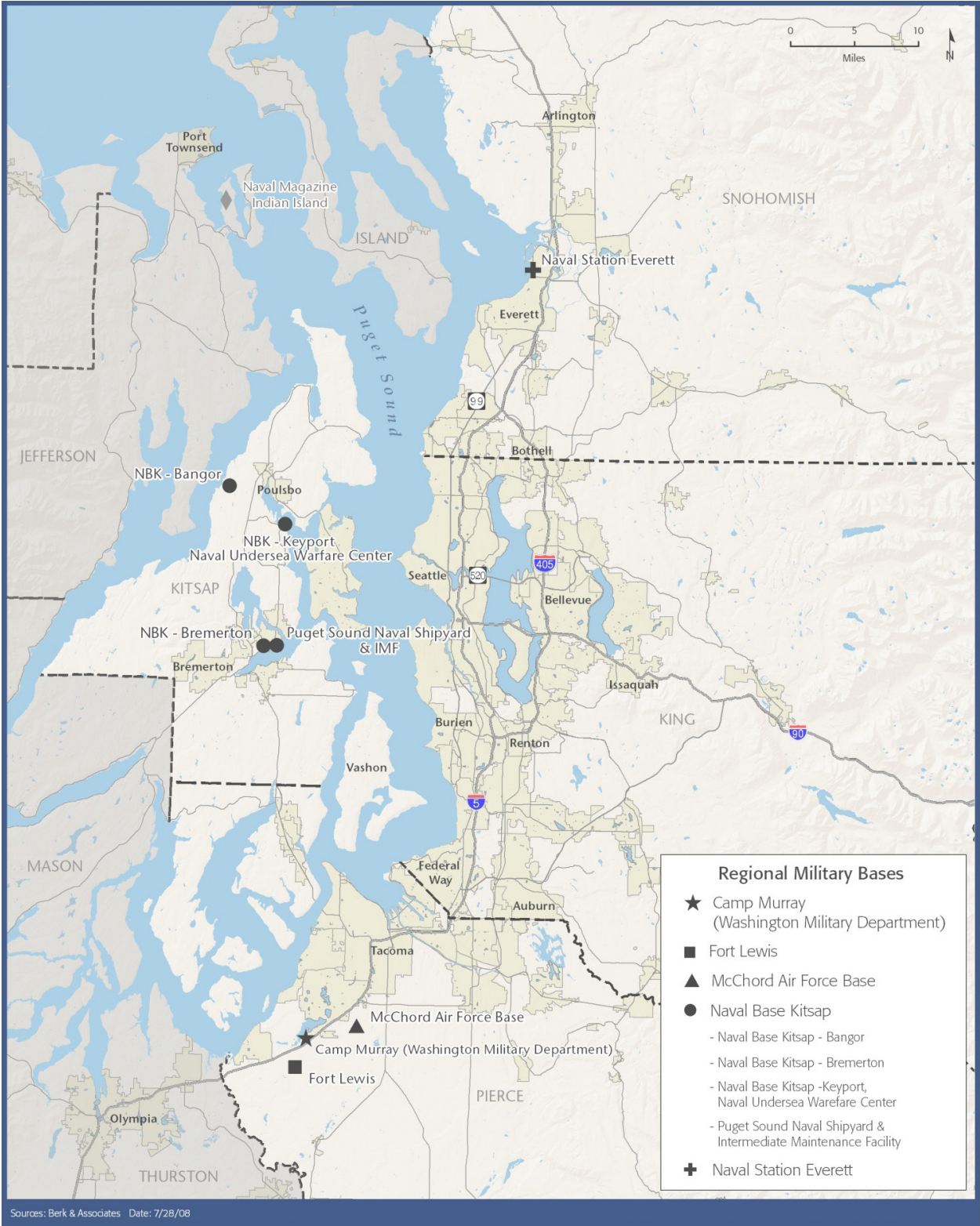


Exhibit 2. Summary Data for Puget Sound Installations

	FORT LEWIS	MCCORD AIR FORCE BASE	NAVAL BASE EVERETT	NAVAL BASE KITSAP	WASHINGTON MILITARY DEPT.	COAST GUARD 13TH DISTRICT
Employed	40,355	10,443	6,150	33,656	1,205	1,965
Military	28,924	6,129	5,500	10,558	983	1,965
Active Duty	28,924	3,750	NA	NA	0	1,501
Guard/Reserve	0	2,379	NA	NA	983	464
Civilian	7,503	1,797	650	13,661	222	0
Contractors	3,928	2,517	0	9,437	0	0
No. Living on Base	23,366	3,165	NA	7,306	0	NA
Military	8,677	1,318	NA	3,643	0	NA
Active Duty	NA	1,318	NA	NA	0	NA
Guard/Reserve	NA	0	NA	NA	0	NA
Dependents	14,689	1,847	NA	3,663	0	NA
No. Living Off Base	54,522	8,483	NA	15,527	1,205	NA
Military	20,247	4,811	NA	6,915	1,205	NA
Active Duty	NA	2,432	NA	NA	—	NA
Guard/Reserve	NA	2,379	NA	NA	1,205	NA
Dependents	34,275	3,672	NA	8,612	NA	NA
Total Payroll	\$1,151,719,417	\$368,713,937	\$205,000,000	\$1,200,000,000	\$78,300,000	\$98,300,000
Military	\$833,938,917	\$283,227,582	\$185,000,000	NA	\$63,800,000	\$98,300,000
Active Duty	\$833,938,917	\$255,622,450	NA	NA	NA	\$90,800,000
Guard/Reserve	NA	\$27,605,132	NA	NA	NA	\$7,500,000
Civilian	\$317,780,500	\$85,486,355	\$20,000,000	NA	\$14,500,000	NA
Average Wage						
Military	\$28,832	\$46,211	\$33,636	NA	NA	\$50,025
Active Duty	\$28,832	\$68,166	NA	NA	NA	\$60,493
Guard/Reserve	NA	\$11,604	NA	NA	NA	\$16,164
Civilian	\$42,354	\$47,572	\$30,769	NA	NA	NA

Regional Totals

Employed	93,774
Military	54,059
Civilian	23,833
Contractors	15,882
Total Payroll	\$3,102,033,354

NOTES

- NA = Not Available
- All figures for all bases are approximations as deployments are continually changing
- Ft. Lewis figures for personnel living on and off base are estimates based on the percentages provided
- McChord employment numbers include active duty and reserve military personnel
- McChord numbers for personnel living on and off base are for active duty personnel only and so do not equal the total military employment for the base
- Figures for Naval Base Kitsap include installations in Bremerton, Bangor, and Keyport
- Washington Military Department figures are for the four-county region only
- Salary figures for the Washington Military Department include benefits
- Figures for the 13th Coast Guard District are for the four-county region only

SOURCES

- Ft. Lewis figures provided by the Ft. Lewis Public Affairs Office
- McChord Air Force Base figures provided by the McChord Air Force Base Public Affairs Office
- Naval Station Everett figures provided by the Naval Station Everett Public Affairs Office
- Naval Base Kitsap figures provided by the Naval Base Kitsap Public Affairs Office
- Washington Military Department figures provided by the WMD Public Affairs Office
- Coast Guard figures provided by External Affairs, 13th Coast Guard District

SUMMARY PROFILES OF PUGET SOUND BASES

Naval Station Everett (Navy)

Naval Station Everett is one of the Navy's most modern facilities and is home to two destroyers, three frigates, and an aircraft carrier. The station's mission is, "to maintain and operate facilities and provide essential maintenance, quality of life services and operational and material support to tenant activities and U. S. Navy operating forces."



Naval Station Everett is the homeport for:

- USS Abraham Lincoln
- USS Ford
- USS Ingraham
- USS Momsen
- USS Rodney M Davis
- USS Shoup
- USCG Henry Blake
- USCG Blueshark

Naval Station Everett

Employed	6,150	
Military	5,500	89%
Active Duty	Not Available	—
Guard/Reserve	Not Available	—
Civilian	650	11%
Contractors	—	0%
Number Living on Base	Not Available	
Military	Not Available	—
Active Duty	Not Available	—
Guard/Reserve	Not Available	—
Dependents	Not Available	—
Number Living Off Base	Not Available	
Military	Not Available	—
Active Duty	Not Available	—
Guard/Reserve	Not Available	—
Dependents	Not Available	—
Total Payroll	\$205,000,000	
Military	\$185,000,000	90%
Active Duty	—	—
Guard/Reserve	—	—
Civilian	\$20,000,000	10%
Average Wage		
Military	\$33,636	
Active Duty	—	
Guard/Reserve	—	
Civilian	\$30,769	

Naval Base Kitsap (Navy)

Kitsap Naval Base was created in 2004 by the merging of Naval Submarine Base Bangor and Naval Station Bremerton. The mission of the base is, "To serve as the host command for the Navy's fleet throughout West Puget Sound" and "provide base operating services, including support for both surface ships and submarines home ported at Bremerton and Bangor."



Naval Base Kitsap is composed of the following installations:

- Naval Base Kitsap Bremerton
- Puget Sound Naval Shipyard and Intermediate Maintenance Facility
- Naval Base Kitsap Bangor
- Naval Base Kitsap Keyport
- Naval Undersea Warfare Center-Keyport

Naval Base Kitsap serves as the homeport for:

Bangor

- USS Alabama
- USS Henry M. Jackson
- USS Jimmy Carter
- USS Kentucky
- USS Louisiana
- USS Maine
- USS Michigan
- USS Nebraska
- USS Nevada
- USS Ohio
- USS Pennsylvania

Bremerton

- USS Connecticut
- USS John C. Stennis
- USS San Francisco
- USS Seawolf

	NAVAL BASE KITSAP	INSTALLATIONS			PERCENT OF NAVAL BASE KITSAP		
		BANGOR	BREMERTON	KEYPORT	BANGOR	BREMERTON	KEYPORT
Employed	33,656	10,109	21,510	2,037	30%	64%	6%
Military	10,558	6,164	4,360	34	58%	41%	0%
Active Duty	NA	0	0	0	0%	0%	0%
Guard/Reserve	NA	0	0	0	0%	0%	0%
Civilian	13,661	2,600	9,650	1,411	19%	71%	10%
Contractors	9,437	1,345	7,500	592	14%	79%	6%
No. Living on Base	7,306	5,130	2,096	80	70%	29%	1%
Military	3,643	2,404	1,209	30	66%	33%	1%
Active Duty	NA	0	0	0	0%	0%	0%
Guard/Reserve	NA	0	0	0	0%	0%	0%
Dependents	3,663	2,726	887	50	74%	24%	1%
No. Living Off Base	15,527	9,027	6,494	6	58%	42%	0%
Military	6,915	3,760	3,151	4	54%	46%	0%
Active Duty	NA	0	0	0	0%	0%	0%
Guard/Reserve	NA	0	0	0	0%	0%	0%
Dependents	8,612	5,267	3,343	2	61%	39%	0%
Total Payroll	1,200,000,000	NA	NA	NA	NA	NA	NA
Military	NA	NA	NA	NA	NA	NA	NA
Active Duty	NA	NA	NA	NA	NA	NA	NA
Guard/Reserve	NA	NA	NA	NA	NA	NA	NA
Civilian	NA	NA	NA	NA	NA	NA	NA
Average Wage	NA	NA	NA	NA	NA	NA	NA
Military	NA	NA	NA	NA	NA	NA	NA
Active Duty	NA	NA	NA	NA	NA	NA	NA
Guard/Reserve	NA	NA	NA	NA	NA	NA	NA
Civilian NA	NA	NA	NA	NA	NA	NA	NA

Note: NA = Not Available

Puget Sound Naval Shipyard and Intermediate Maintenance Facility (PSNS-IMF)

PSNS-IMF was created by merging the Puget Sound Naval Shipyard with the Intermediate Maintenance Facility, Bangor during the same ceremony that joined Naval Submarine Base Bangor and Naval Station Bremerton. PSNS-IMF is one of the few facilities that provides maintenance for every class of Navy vessel and is “focused on providing customers with quality, timely and cost efficient maintenance, modernization, and technical and logistics support.”



Naval Undersea Warfare Center-Keyport

The Keyport Naval Undersea Warfare Center’s mission is “to keep America’s Navy #1 in the world.” To do so, the research station “provides test and evaluation; in-service engineering, maintenance, and repair; fleet readiness, and industrial-base support for undersea warfare systems, countermeasures, and sonar systems.” It also functions as the Center for Integrated Undersea Warfare Systems, Undersea Warfare, and Undersea Vehicle Maintenance and Engineering.



Fort Lewis (Army)

Fort Lewis functions as a personnel transfer and training center, as well as a part of Forces Command. At more than 86,000 acres in size, Fort Lewis is one of the largest and most modern military reservations in the United States. Fort Lewis is the largest employer in Pierce County and is ranked as the fourth largest employer in Washington state.

Fort Lewis has been home of I Corps since 1981, which has the Pacific Rim as its primary focus. The principal Fort Lewis maneuver units are three Stryker Brigade Combat teams: 3rd Brigade, 2nd Infantry Division; 4th Brigade, 2nd Infantry Division; and 5th Brigade, 2nd Infantry Division.

In addition, Fort Lewis also is home to the 593rd Sustainment Brigade, the 555th Engineer Brigade, the 42nd Military Police Brigade, the 62nd Medical Brigade, the 17th Fire Brigade, Headquarters, Western Region Cadet Command, the 1st Special Forces Group (Airborne), and the 2nd Battalion, 75th Ranger Regiment Infantry.

Fort Lewis also is home to Madigan Army Medical Center, which provides general medical center type care, inpatient and outpatient services, veterinary care, and environmental health services for authorized members of the Armed Forces (primary Fort Lewis and McChord Air Force Base), retired personnel, and their family members. The hospital sees 130 inpatient visits per day, with a bed capacity of 202; outpatient clinic visits per year number more than 800,000.

Fort Lewis

Employed	40,355	
Military	28,924	
Active Duty	28,924	72%
Guard/Reserve	—	0%
Civilian	7,503	19%
Contractors	3,928	10%
Number Living on Base	23,366	
Military	8,677	37%
Active Duty	Not Available	—
Guard/Reserve	Not Available	—
Dependents	14,689	63%
Number Living Off Base	54,522	
Military	20,247	37%
Active Duty	Not Available	—
Guard/Reserve	Not Available	—
Dependents	34,275	63%
Total Payroll	\$1,151,719,417	
Military	\$833,938,917	72%
Active Duty	\$833,938,917	72%
Guard/Reserve	Not Available	
Civilian	\$317,780,500	
Average Wage		
Military	\$28,832	
Active Duty	\$28,832	



McChord Air Force Base (Air Force)

McChord AFB primarily is an airlift base, flying large transport aircraft that are used in international U.S. military operations. McChord is home to a wide variety of units and missions, including the host-wing 62nd Airlift Wing, as well as its Air Force Reserve partner, the 446th Airlift Wing. Together, the two wings fly 43 C-17 Globemaster III aircraft to provide combat airlift around the globe. McChord also hosts the Washington Air National Guard Western Air Defense Sector, the 22nd Special Tactics Squadron, the 361st Recruiting Squadron, and a number of other units.



The base's responsibilities range from supplying humanitarian airlift relief to victims of disasters to airdropping troops and equipment into hostile areas.

McChord Air Force Base

Employed	10,443	
Military	6,129	
Active Duty	3,750	36%
Guard/Reserve	2,379	23%
Civilian	1,797	17%
Contractors	2,517	24%
Number Living on Base	3,165	
Military	1,318	42%
Active Duty	1,318	42%
Guard/Reserve	—	0%
Dependents	1,847	58%
Number Living Off Base	8,483	
Military	4,811	
Active Duty	2,432	29%
Guard/Reserve	2,379	28%
Dependents	3,672	43%
Total Payroll	\$368,713,937	
Military	\$283,227,582	
Active Duty	\$255,622,450	69%
Guard/Reserve	\$27,605,132	7%
Civilian	\$85,486,355	23%
Average Wage		
Military	\$46,211	
Active Duty	\$68,166	
Guard/Reserve	\$11,604	
Civilian	\$47,572	



Washington Military Department

The Washington Military Department (WMD) is composed of the Joint Force Headquarters, the Washington Army and Air National Guard, the Washington Emergency Management Division, and WMD State Services. The department's mission is safeguarding the citizens, property, environment, and economy of our state and region and defending American interests through the execution of the National Military Strategy and the National Strategy for Homeland Security. Camp Murray, located south of Tacoma and adjacent to Fort Lewis, is home to the Washington Military Department, Department State Services, Headquarters Joint Force — Washington, the Washington Army and Air National Guard, the Washington State Guard, and the Emergency Management Division.



The **Washington Army National Guard** operates Readiness Centers at Camp Murray, as well as in Olympia, Poulsbo, Puyallup, Port Orchard, Tacoma, Buckley, Kent, Bremerton, Seattle, Everett, Snohomish, and Redmond, and on Fort Lewis, with additional Readiness Centers statewide. Approximately 6,200 professional citizen-soldiers make up the Washington Army National Guard.

The **Washington Air National Guard** operates unit facilities in the four-county region in Seattle, Everett and Tacoma, as well as on McChord Air Force Base. Washington's Air Guard flying unit, the 141st Air Refueling Wing, is located at Fairchild Air Force Base in Spokane. The Washington Air National Guard is comprised of approximately 2,250 professional citizen-airmen.

The **Washington State Guard**, consisting of approximately 80 members, is an all-volunteer state defense force under the direct command of the Washington Military Department. The Washington State Guard is available to the Governor for "State Active Duty" for training assistance teams and to serve as a county disaster liaison during state emergency relief efforts.

The **Emergency Management Division** coordinates disaster response and recovery statewide. Through the State Emergency Operations Center at Camp Murray, EMD staff and surge staff from other state agencies coordinate emergency response for search and rescue operations, wildfire mobilization, environmental responses, and other emergencies. The Center operates with approximately 70 staff during day-to-day operations and can surge to over 225 during a significant catastrophe. Combined with State Services, which provides administrative, financial and human resource support to the Military Department, the EMD employs approximately 250 personnel statewide.

Washington Military Department

Employed	1,205	
AGR/Technician	983	82%
Civilian	222	18%
Number Living on Base	0	
AGR/Technician	—	0%
Civilian	—	0%
Number Living Off Base	1,205	
Guard AGR/Technician	983	82%
Civilian	222	18%
Total Payroll	\$78,300,000	
AGR/Technician	\$63,800,000	
Civilian	\$14,500,000	

U.S. Coast Guard

While the main objective of the Seattle Sector of the U.S. Coast Guard is Homeland Security, another significant role is related to waterway management and safety. This includes the operation of the Vessel Traffic Service (VTS), which is based out of the Vessel Traffic Center Seattle (Seattle Traffic) on Pier 36 in Seattle. Seattle Traffic is the largest vessel traffic service in the country, and works cooperatively with Canadian vessel traffic centers to manage Puget Sound maritime traffic, preventing collisions and groundings and the resulting release of contaminants into Pacific Northwest waterways. Seattle Traffic also coordinates with the Washington State Ferry system to ensure passenger safety on ferries crossing the Puget Sound.



Additionally, the Coast Guard provides and manages Aids to Navigation in Puget Sound. This includes four short-range units, two long-range Aids to Navigation stations, and three ships in the Pacific Northwest. District 13 also operates 25 lighthouses along the Washington and Oregon coasts.

Coast Guard, 13th District (Puget Sound Region)

Employed	1,965	
Military	1,965	
Active Duty	1,501	76%
Guard/Reserve	464	24%
Civilian	—	
Contractors	—	
Number Living on Base	Not Available	
Military	Not Available	—
Active Duty	Not Available	—
Guard/Reserve	Not Available	—
Dependents	Not Available	—
Number Living Off Base	Not available	
Military	Not Available	—
Active Duty	Not Available	—
Guard/Reserve	Not Available	—
Dependents	Not Available	—
Total Payroll	\$98,300,000	
Military	\$98,300,000	
Active Duty	\$90,800,000	92%
Guard/Reserve	\$7,500,000	8%
Civilian	Not Available	
Average Wage		
Military	\$50,025	
Active Duty	\$60,493	
Guard/Reserve	\$16,164	
Civilian	Not Available	

PART II. ISSUE-SPECIFIC BACKGROUND INFORMATION

MILITARY PERSONNEL AND THEIR FAMILIES

This section provides summary data describing the number of veterans, retirees, military spouses, and military children living in Washington state. Thumbnail descriptions of efforts to provide educational and employment opportunities for these populations are also provided.

Total Department of Defense Personnel

As shown in **Exhibit 3**, Washington has the 7th largest number of Department of Defense personnel in the country.

Veteran and Military Retiree Population

Please note the following definitions:

- **Military retirees** are individuals who have left the military after 20 or more years of service. Retirees typically are given their choice of where the military will move them when they retire
- **Veterans** include anyone who has served in the military, regardless of length of service. Retirees are a subset of veterans.

As shown in **Exhibit 4**, Washington has the 7th largest retiree population in the nation, with nearly 70,000 retired military personnel living in the state. The state's population of approximately 640,000 former military personnel ranks it 12th in the nation for veteran population as shown in **Exhibit 5**.

Exhibit 6 shows that the majority of Washington veterans live in King, Pierce, Snohomish, Spokane, and Kitsap counties. Approximately 54% of the state's veteran population lives in the four-county Puget Sound region.

Note: The total veteran populations for Washington state shown in Exhibit 5 (640,419) and Exhibit 6 (670,628) are different because the data come from different sources and years. The Washington State Department of Veterans Affairs believes that the 670,000 figure is more accurate and expects that this larger population will be confirmed in the next Census.

Exhibit 3. Department of Defense Personnel by State, 2005

RANK	STATE	TOTAL DOD PERSONNEL	% OF TOTAL
1	California	151,945	13%
2	Virginia	126,205	11%
3	Texas	109,489	10%
4	North Carolina	101,935	9%
5	Georgia	70,137	6%
6	Florida	58,850	5%
7	Washington	47,155	4%
8	Hawaii	42,253	4%
9	Kentucky	38,596	%
10	South Carolina	36,846	3%
11	Colorado	32,483	3%
12	Maryland	29,961	3%
13	Illinois	27,036	2%
14	New York	24,658	2%
15	Oklahoma	22,568	2%
16	Arizona	22,485	2%
17	Alaska	18,169	2%
18	Missouri	16,189	1%
19	Louisiana	15,953	1%
20	Kansas	14,865	1%
21	DC	13,633	1%
22	Mississippi	11,208	1%
23	New Mexico	10,965	1%
24	Alabama	9,738	1%
25	Nevada	9,106	1%
26	North Dakota	7,284	1%
27	Connecticut	7,133	1%
28	Nebraska	7,070	1%
29	Ohio	7,014	1%
30	New Jersey	6,552	1%
31	Utah	5,304	0%
32	Arkansas	5,078	0%
33	Idaho	4,230	0%
34	Montana	3,700	0%
35	Delaware	3,559	0%
36	Wyoming	3,273	0%
37	South Dakota	3,194	0%
38	Pennsylvania	2,790	0%
39	Tennessee	2,492	0%
40	Rhode Island	2,489	0%
41	Massachusetts	2,243	0%
42	Maine	1,949	0%
43	Michigan	1,140	0%
44	Indiana	994	0%
45	Oregon	647	0%
46	Minnesota	633	0%
47	New Hampshire	613	0%
48	West Virginia	535	0%
49	Wisconsin	513	0%
50	Iowa	373	0%
51	Vermont	73	0%
Total		1,143,303	100%

Source: Department of Defense, Defense Manpower Data Center, Statistical Information Analysis Division

Exhibit 4. Retiree Population by State, 2008

RANK	STATE	RETIREES	% OFFICERS	% ENLISTED	% 65+
1	Florida	187,397	28%	72%	46%
2	Texas	177,713	27%	73%	44%
3	California	177,464	28%	72%	52%
4	Virginia	137,134	41%	59%	33%
5	Georgia	83,438	22%	78%	37%
6	North Carolina	77,860	22%	78%	39%
7	Washington	68,732	27%	73%	42%
8	Arizona	52,553	28%	72%	47%
9	South Carolina	51,540	22%	78%	44%
10	Alabama	51,462	26%	74%	44%
11	Maryland	48,940	32%	68%	35%
12	Tennessee	46,973	22%	78%	43%
13	Colorado	46,594	34%	66%	40%
14	Pennsylvania	46,556	27%	73%	47%
15	Ohio	42,191	25%	75%	41%
16	New York	35,862	25%	75%	46%
17	Missouri	34,795	21%	79%	43%
18	Illinois	33,554	25%	75%	38%
19	Oklahoma	33,245	21%	79%	45%
20	Nevada	27,244	22%	78%	42%
21	Michigan	26,542	21%	79%	40%
22	Louisiana	25,944	21%	79%	48%
23	Mississippi	25,623	19%	81%	48%
24	Kentucky	24,910	20%	80%	40%
25	Arkansas	24,807	21%	79%	51%
26	Indiana	22,332	21%	79%	40%
27	Oregon	21,224	29%	71%	53%
28	New Mexico	20,743	29%	71%	43%
29	New Jersey	20,672	28%	72%	52%
30	Kansas	19,752	28%	72%	42%
31	Massachusetts	19,365	32%	68%	57%
32	Wisconsin	17,881	25%	75%	45%
33	Minnesota	16,249	27%	73%	46%
34	Hawaii	15,252	28%	72%	44%
35	Utah	13,246	33%	67%	44%
36	Nebraska	13,009	27%	73%	37%
37	Idaho	11,775	25%	75%	44%
38	Maine	11,731	22%	78%	45%
39	Iowa	10,797	23%	77%	45%
40	Connecticut	10,637	31%	69%	48%
41	West Virginia	10,233	18%	82%	48%
42	Puerto Rico	9,416	11%	89%	58%
43	New Hampshire	9,336	34%	66%	51%
44	Alaska	8,877	20%	80%	27%
45	Montana	7,827	25%	75%	42%
46	Delaware	7,594	20%	80%	42%
47	South Dakota	6,307	22%	78%	39%
48	Rhode Island	5,523	33%	67%	54%
49	Wyoming	4,597	22%	78%	39%
50	North Dakota	4,266	15%	85%	32%
51	Vermont	3,456	29%	71%	52%
52	D.C.	3,094	30%	70%	62%
53	Guam	1,811	9%	91%	27%
54	Virgin Islands	343	24%	76%	37%
Total		1,916,418	27%	73%	43%

Source: Defense Finance and Accounting Service

Exhibit 5. Estimated Veteran Population by State, FY07

RANK	STATE	<20 YEARS OLD	20-64 YEARS OLD	65+ YEARS OLD	TOTAL
1	California	963	1,235,826	841,479	2,078,267
2	Florida	470	955,658	758,986	1,715,114
3	Texas	832	1,121,853	582,626	1,705,311
4	New York	433	544,639	481,217	1,026,289
5	Pennsylvania	356	557,636	467,779	1,025,770
6	Ohio	380	559,214	375,846	935,440
7	Illinois	446	482,780	338,878	822,104
8	Virginia	451	571,009	242,517	813,977
9	North Carolina	286	504,699	267,279	772,264
10	Georgia	288	533,229	236,050	769,567
11	Michigan	216	436,719	305,286	742,221
12	Washington	237	413,034	227,148	640,419
13	Arizona	185	326,847	237,764	564,796
14	Missouri	217	318,787	203,794	522,798
15	Indiana	263	314,729	194,321	509,313
16	Tennessee	178	319,829	187,143	507,150
17	New Jersey	121	244,453	240,175	484,750
18	Maryland	214	313,290	166,715	480,218
19	Wisconsin	134	256,111	180,713	436,958
20	Colorado	117	281,369	144,675	426,162
21	Massachusetts	135	219,677	204,953	424,765
22	Alabama	148	262,525	150,907	413,579
23	South Carolina	246	260,639	148,763	409,648
24	Minnesota	164	230,463	168,869	399,496
25	Oregon	103	204,017	141,753	345,873
26	Kentucky	161	218,856	124,541	343,558
27	Oklahoma	172	207,201	126,504	333,877
28	Louisiana	208	199,510	119,206	318,924
29	Arkansas	125	159,717	100,232	260,074
30	Iowa	101	141,831	103,913	245,845
31	Connecticut	93	131,253	114,296	245,643
32	Nevada	94	155,059	90,455	245,608
33	Kansas	103	144,505	88,260	232,868
34	Mississippi	144	132,362	80,002	212,508
35	New Mexico	85	112,574	65,422	178,082
36	West Virginia	83	102,767	71,314	174,163
37	Utah	79	91,546	64,483	156,107
38	Nebraska	52	89,978	60,363	150,394
39	Maine	56	87,192	55,068	142,316
40	Idaho	88	83,850	53,264	137,203
41	New Hampshire	36	77,804	53,188	131,027
42	Puerto Rico	38	62,544	56,714	119,296
43	Hawaii	55	75,333	42,630	118,017
44	Island Areas & Foreign	66	65,298	43,157	108,521
45	Montana	73	62,511	41,145	103,730
46	Delaware	29	47,516	32,371	79,916
47	Rhode Island	17	42,746	33,963	76,726
48	Alaska	43	58,722	16,832	75,597
49	South Dakota	45	44,782	28,677	73,504
50	North Dakota	35	35,613	22,055	57,703
51	Wyoming	38	36,417	19,685	56,141
52	Vermont	13	31,481	22,811	54,306
53	D.C.	11	23,454	15,124	38,589
Total		9,726	14,191,452	9,241,311	23,442,489

Source: VetPop2007 (<http://www1.va.gov/vetdata/page.cfm?pg=15>), table 1L. This is VA's latest official estimate and projection of the veteran population and their characteristics from 4/1/2000 to 9/30/2036, projected as of 9/30/2006.

Exhibit 6. Washington State Veteran Population by County, 2000

RANK	COUNTY	18-65 YEARS OLD	65+ YEARS OLD	TOTAL	PERCENT OF TOTAL ADULT POPULATION	PERCENT OF WA VETERAN POPULATION
1	King County	111,118	52,697	163,815	12%	24%
2	Pierce County	73,245	23,468	96,713	20%	14%
3	Snohomish County	49,306	16,652	65,958	15%	10%
4	Spokane County	35,935	16,217	52,152	17%	8%
5	Kitsap County	29,615	8,277	37,892	24%	6%
6	Clark County	27,043	10,389	37,432	15%	6%
7	Thurston County	20,661	7,771	28,432	19%	4%
8	Yakima County	11,946	6,590	18,536	12%	3%
9	Whatcom County	11,108	5,678	16,786	13%	3%
10	Benton County	10,471	4,480	14,951	15%	2%
11	Skagit County	8,281	4,793	13,074	17%	2%
12	Island County	7,887	3,834	11,721	25%	2%
13	Cowlitz County	7,448	3,780	11,228	17%	2%
14	Clallam County	5,646	4,883	10,529	21%	2%
15	Lewis County	5,694	3,245	8,939	18%	1%
16	Grays Harbor County	5,062	3,385	8,447	17%	1%
17	Mason County	5,370	2,904	8,274	22%	1%
18	Chelan County	4,070	2,936	7,006	15%	1%
19	Grant County	4,286	2,550	6,836	13%	1%
20	Stevens County	3,893	1,677	5,570	20%	1%
21	Walla Walla County	3,190	2,266	5,456	13%	1%
22	Okanogan County	2,933	1,724	4,657	16%	1%
23	Jefferson County	2,514	1,890	4,404	21%	1%
24	Franklin County	2,369	1,155	3,524	11%	1%
25	Pacific County	1,881	1,627	3,508	21%	1%
26	Kittitas County	2,190	1,201	3,391	13%	1%
27	Douglas County	2,096	1,186	3,282	14%	0%
28	Whitman County	2,001	1,022	3,023	9%	0%
29	Asotin County	1,563	934	2,497	16%	0%
30	Klickitat County	1,560	737	2,297	16%	0%
31	San Juan County	1,161	971	2,132	19%	0%
32	Pend Oreille County	1,179	700	1,879	22%	0%
33	Lincoln County	925	571	1,496	20%	0%
34	Skamania County	934	382	1,316	18%	0%
35	Ferry County	761	338	1,099	21%	0%
36	Adams County	649	428	1,077	10%	0%
37	Wahkiakum County	314	231	545	19%	0%
38	Columbia County	298	189	487	16%	0%
39	Garfield County	133	134	267	15%	0%
Washington State		466,736	203,892	670,628	15%	100%
Puget Sound region's share of Washington veteran population.....		.54%				

Source: Washington Department of Veterans Affairs, U.S. Census

Employment for Veterans

- Snohomish County's **Military Family Friendly Employer Partnership's** mission is to serve as an employment resource linking local employers to the workforce represented by the families of the Puget Sound military forces who have or will be relocating to Snohomish County. The Partnership was set up to address 1) the bias against hiring family member of military forces and 2) a workforce shortage faced by Snohomish County employers.
- **Hire America's Heroes** was established in 2007 to promote best practices and success strategies by which America's military service members can find opportunities in the corporate workforce upon their exit from active duty. Hire America's Heroes does not work directly with individuals but with corporations and their recruiting teams as well as military transition coordinators at military bases to insure that they can network together. Specific benefits for individual service members include access to information regarding otherwise "hidden" job opportunities, a network to help them find great civilian careers, and enhanced corporate appreciation for the value which veterans bring to the corporate world. The first chapter was established in Seattle with plans to add more chapters in major metropolitan areas across the U.S.
- **Helmets to Hardhats** is a national program established in 2003 that connects National Guard, Reserve and transitioning active-duty military members with career training and employment opportunities within the construction industry. The program is administered by the Center for Military Recruitment, Assessment, and Veterans Employment. Candidates can access information about careers and apprenticeships via the Internet and develop a profile to help them communicate to hiring managers the transferable skills they acquired during their military service.
- Through the **Environmental Certificate Training Program** which is managed by the Washington Department of Veterans Affairs, returning military veterans can pursue a career in environmental restoration or conservation, receive a monthly stipend of \$1,000, and use other education benefits such as their GI bill and Washington's veteran tuition waivers.
- The Washington Department of Veterans Affairs also manages the **Veterans Innovations Program** which includes a **Competitive Grant** component that was created to assist veterans beyond initial emergency assistance. The grant focuses on activities that will help veterans and their families obtain sustainable family-wage employment. Grants could be used to supplement wages for on-the-job training or apprenticeship programs, make tuition payments for education or certification programs, or pay for supportive services such as transportation assistance, housing, child care, or other needs-related payments necessary to enable an individual to resolve crisis situations, enter training or employment, and/or retain employment.

Spousal Employment

The 2006 Survey of Active Duty Spouses by the Department of Defense's Defense Manpower Data Center describes the conditions of spouses of military personnel based on the input of 36,000 spouses of active duty members in all branches:

- 74% of active duty spouses reported having children/dependents; the average reported number of children at home was 2.0
- 73% reported having moved because of their spouse being "PCsed" (experiencing a Permanent Change of Station); spouses reported an average of 3.3 moves
- 97% have a high school diploma or higher, with 51% having some college education
- 20% are enrolled in school; 51% would like to be in school but are not

- Of those who would like to be in school, the top two reasons for not attending school were cost of education (74%) and family responsibilities (71%)
- The average reported monthly average household income (spouse and member) was \$7,700; 28% of active duty spouses reported experiencing at least one financial problem in the past 12 months
- 59% of spouses reported being currently in the labor force and 12% of those in the labor force reported being unemployed
- Of those employed, 42% said they are overqualified for their work; 56% stated their qualifications are appropriate for their work; and 2% said they are underqualified
- Of those who worked part-time (less than 35 hours a week):
 - 47% reported their reason for working part-time was child care responsibilities
 - 47% said they do not want to work 35 hours or more
 - 46% said they need flexibility when spouse is deployed
 - 41% had other family/personal obligations
 - 28% reported they could find only part-time work
 - 22% said they need schooling, training, or certification
 - 20% are in school

A number of programs and legislative efforts exist to help spouses of military personnel to find appropriate employment.

- 23 states have adopted the **Nurse Licensure Compact** or made a similar provision for transferring nurses.
- 7 states have adopted the **American Board for Certification of Teacher Excellence**, an alternative certification that is portable from state to state and allows certified spouses to teach without a break in service.
- Other states have adopted legislation creating easier paths to employment for **cosmetologists, dentists, dental assistants, and teaching assistants**.
- **Spouses to Teachers** is a Department of Defense project designed to assist spouses of active duty and reserve military members to become public school teachers. The project was expanded from a test phase in a few states to a nationwide program available in all 50 states in early 2008. Through the program, spouses can receive counseling on state teacher requirements, routes to certification, and an employment outlook. Along with counseling, spouses will be informed of financial aid resources, scholarship availability, starting or completing a degree and state certification reciprocity agreements. Spouses seeking teacher certification will be eligible to receive reimbursement up to \$600 for teacher certification examinations.
- **The Military Spouse Career Advancement Account Program (MSCAAP)** is an effort to help military spouses get the training and education they need for careers they can continue during multiple relocations. MSCAAPs are self managed accounts of up to \$6,000 that spouses can use to pay for expenses related to education, training, credentialing, and licensing fees. The program began as a limited pilot project known as the Career Advancement Account (CAA) Demonstration Program, managed jointly by the Department of Labor (DOL) and the Department of Defense (DoD). McChord AFB, Fort Lewis, and Naval Base Kitsap all participated in this pilot. As of January 2009, the program has been renamed, is managed solely by DoD, and has been expanded to be available for all military spouses.

The CAA program focused on “portable careers,” defined as those with a credential recognized in multiple states and job opportunities across the country. The CAA program targeted careers in high growth industries (financial services, education, health care, information technology, and construction) and those that are in demand (human resources, hospitality, homeland security, and business administration). MSCAAP will likely retain a similar focus.

Exhibit 7. Military Spouses and Eligibility for the Military Spouse Career Advancement Account Program, 2007

MILITARY BASES	SPOUSES OF ACTIVE DUTY PERSONNEL ¹	AVERAGE AGE	MSCAAP ELIGIBLE ²	MAY NEED CERTIFICATION/ LICENSING ASSISTANCE ³
Fort Lewis*	12,114	30	9,388	2,727
Naval Station Bremerton*	3,077	31	2,747	312
Bangor Naval Sub Base	2,725	30	2,423	266
Naval Station Everett	2,216	30	2,035	161
McChord Air Force Base*	1,875	31	1,740	464
Naval Hospital Bremerton*	459	34	344	144
Subtotal Puget Sound Region	22,466	31	18,677	4,074
Installations outside of Puget Sound	6,624	32	5,867	1,191
Washington State	29,090	31	24,544	5,265

* Installation was a participant in the Career Account Demonstration Program

¹ Approximately 10,000 spouses of reservists are estimated to live in Washington State (Sponsors & Eligible Dependents by Base Report, 2007). They are not eligible for the MSCAAP and are not included here.

² Have a high school diploma or some post-secondary education

³ Have a Bachelor's Degree or higher

Source: Defense Management Data Center, Department of Defense

Education Opportunities for Military Children

The **Interstate Compact on Educational Opportunity for Military Children** was drafted by the Council of State Governments in cooperation with the Department of Defense Office of Personnel and Readiness to address the educational transition issues of children of military families. The compact addresses the key issues encountered by military families, including eligibility, enrollment, placement, and graduation.

The Compact applies to the children of

- Active duty members of the uniformed services, including members of the National Guard and Reserve on active duty orders
- Members or veterans of the uniformed services who are severely injured and medically discharged or retired for a period of one year after medical discharge or retirement
- Members of the uniformed services who die on active duty or as a result of injuries sustained on active duty for a period of one year after death

The compact is essentially a contract between participating states to address problems that transcend state borders, even though the laws may differ. The compact addresses academic and procedural issues such as the release of school records, immunizations, and grade placement.

Exhibit 8. Military Children in Washington State, 2007

BASE	AGES 0-4 (PRE-SCHOOL)	AGES 5-13 (GRADE K-8)	AGES 14-18 (GRADES 9-12)	AGES 19+ (SECONDARY EDUCATION)	TOTAL
Fort Lewis	9,760	12,784	4,162	1,198	27,904
McChord Air Force Base	1,604	2,642	1,184	482	5,912
Naval Station Bremerton	1,643	2,468	963	293	5,367
Naval Hospital Bremerton	1,622	1,688	560	109	3,979
Naval Station Everett	1,221	1,636	588	148	3,593
Fort Lawton	136	323	196	104	759
Bangor Naval Sub Base	250	337	114	35	736
Paine Air Guard Station	9	32	26	20	87
Seattle Air Guard Base	7	29	24	7	67
Subtotal Puget Sound Region	16,252	21,939	7,817	2,396	48,404
Other Washington State	4,417	7,266	3,040	1,124	3,487
Washington State	20,669	29,205	10,857	3,520	51,891

Source: Sponsors & Eligible Dependents by Base Report

Guard and Reservists

As mandated in the 2008 Operating Supplemental Budget, the Department of Licensing and the Department of Health have been reviewing opportunities to **hold requirements for professional licenses and certificates in abeyance** for up to six months following active duty. The agencies were required to report on these topics by December 1, 2008.

These same agencies, plus the Higher Education Coordinating Board, also were mandated to review **“barriers and opportunities for increasing the extent to which veterans... are able to apply skill sets and education required while in service to certification, licensure, and degree requirements,”** facilitating the transition from the military to civilian employment. A report was due December 1, 2008.

Summary of Department of Defense 10 Key Issues

Exhibit 9 presents a summary of each state's status on ten priority issues identified by the DoD and the National Governors Association as having impact on military families at the state level.

Exhibit 9. Status on DoD's Priority State Level Issues Affecting Military Families, 2008

Care of Guard and Reserve

The National Governors Association has identified the following 6 possible support categories: state employee support; educational benefits; tax and financial benefits; family support programs; licensing, registration and fees; and protections, recognition and employment support.

Cover 5–6 support categories	Cover 3–4 support categories	Cover 1–2 support categories
46 states: AL, AK, AR, AZ, CA, CO, CT, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, MI, MN, MO, MS, MT, NC, ND, NE, NJ, NV, NY, OH, OK, OR, PA, RI, SD, TN, TX, UT, VA, VT, WA , WI, WV, WY	3 states: ME, NM, SC,	1 state: NH

Support to the Severely Injured

State team working together	State team organizing	No movement
34 states: AL, AR, AZ, CA, CO, CT, DE, FL, GA, ID, IL, KS, LA, MA, ME, MD, MI, MN, MO, MS, MT, NE, NH, NJ, NY, OK, RI, TX, UT, VA, VT, WA , WV, WY	7 states: IN, KY, NC, NM, OH, PA, WI	9 states: AK, HI, IA, ND, NV, OR, SC, SD, TN

In-State Tuition

(pending federal legislation will likely mandate all states to provide in-state tuition for children of military personnel, even after a family moves outside of the state)

While residing in state and after member PCSs	While residing in state	Only home of record
36 states: AL, AK, AZ, CA, CO, CT, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, MI, NC, ND, NJ, NM, NV, OH, OK, OR, SC, SD, TN, TX, UT, VA, WA , WV, WY	13 states: AR, DE, ME, MN, MO, MS, MT, NE, NH, NY, PA, RI, WI	1 state: VT

Interstate Compact on Education Opportunities for Military Children

(currently not rated, evaluation below reflects current tracking process during 2008 legislative session, data is from July 2009)

States that have enacted the compact	States considering the compact	States without compact legislation
25 states: AL, AK, AZ, CO, CT, DE, FL, HI, IN, IA, KS, KY, LA, ME, MD, MI, MS, MO, NV, NC, OH, OK, TX, VA, WA	8 states: IL, NE, ND, NJ, PA, SC, SD, TN	16 states: AR, GA, ID, MA, MN, MT, NH, NM, NY, OR, RI, UT, VT, WV, WI, WY

Spouse Employment Licensure and Certification

Provide alternatives for teaching and nursing	Provide alternatives for one	No provisions
13 states: CO, FL, HI, ID, MS, NC, NE, NH, NM, SC, TX, UT, VA	18 states: AR, AZ, CA, DE, GA, IA, KS, LA, MD, ME, MO, ND, NV, OK, PA, SD, TN, WI	19 states: AK, AL, CT, IL, IN, KY, MA, MI, MN, MT, NJ, NY, OH, OR, RI, VT, WA , WV, WY

Spouse Unemployment Compensation

Allow spouses leaving the state	Allow on case-by-case basis or with delay	Do not allow
24 states: AR, AZ, CA, CO, CT, FL, GA, HI, IL, IN, KS, ME, MT, NC, NE, NJ, NM, NV, OK, PA, RI, SC, TX, WA	20 states: AK, AL, DE, IA, ID, KY, LA, MA, MD, MI, MN, MO, MS, NH, NY, OR, TN, WV, WI, WY	6 states: ND, OH, SD, UT, VA, VT

Predatory Lending

Can enforce DoD predatory lending regulation	May be able to enforce the regulation/do not allow covered loans in state	No ability to enforce regulation
22 states: AL, CA, CO, FL, GA, HI, ID, KS, MA, ME, MI, MT, NC, NE, NM, NV, NY, OK, RI, SD, TN, WA	19 states: AZ, CT, IA, IL, KY, LA, MD, MN, MO, NH, NJ, OH, PA, SC, TX, UT, VA, VT, WV	9 states: AK, AR, DE, IN, MS, ND, OR, WI, WY

Voter Assistance

Provide 7–9 of desired protections/benefits	Provide 4–6 of desired protections/benefits	Provide 1–3 of desired protections/benefits
14 states: AZ, CO, DE, FL, IA, IN, ND, NE, OK, RI, SC, TX, VA, WI	28 states: AK, CA, CT, GA, HI, ID, IL, KS, LA, MA, MD, ME, MI, MN, MO, MT, NC, NH, NJ, NM, NV, OH, OR, PA, TN, UT, WA , WV	8 states: AL, AR, KY, MS, NY, SD, VT, WY

Foreign Language Support (currently not rated)

Established a statewide strategic plan	Working on a statewide strategic plan	No activity
3 states: OH, OR, TX (prototypes)		All other states

Access to Support by Military Families

Established process to coordinate support within the state	Limited coordination of support within the state	No coordination of support
24 states: AL, CA, FL, HI, ID, IL, IN, KS, KY, ME, MI, MN, MO, NH, NV, OH, OK, OR, RI, TX, VA, WA , WV, WI	20 states: AR, CO, CT, DE, GA, IA, LA, MA, MD, MS, MT, NC, ND, NE, NJ, NM, SC, SD, UT, WY	6 states: AK, AZ, NY, PA, TN, VT

Source: Office of the Deputy Under Secretary of Defense (Military Community and Family Policy)

Contracting and Commercialization

This section presents analysis of Department of Defense contracting as well as summary description of programs designed to support contracting and commercialization.

Department of Defense Contracting

This section draws on the Statistical Information Analysis Division (SIAD) database, which provides information on all Department of Defense contracts nationwide for FY2006, the last year available. This database supports analysis of contracts by contracting office, principal place of performance, and contractor. These contracts include both base support (food, supplies, construction, and the like) and national defense contracting.

Key Findings

- Of the \$4.8 billion in contracts issued in Washington, \$3.7 billion (77.6%) was for contracts in the four-county Puget Sound region. King County alone received \$2.3 billion in contracts, approximately 50% of the state total. **(Exhibit 10)**
- Among the various military branches and agencies, Navy contracts comprised the largest share of Puget Sound procurement activity (41%), followed by the Air Force (30%) and Army (15%). **(Exhibit 11)**
- Within Pierce County, the majority of procurement activity was through Army contracts. In Snohomish and Kitsap counties, Navy contracts comprised the majority of procurement. These concentrations correlate to base locations. In King County, without any significant base presence, Navy and Air Force contracts each comprised about 40% of procurement. **(Exhibit 11)**
- The industry categories with the largest amount of contracting activity in the Puget Sound region are Aircraft Manufacturing (\$1.3 billion) and Engineering Services (\$480 million). It was not possible to determine what share of these contracts are directly related to base operations, but it is likely that certain industries in the top 10 such as Building Construction (\$190 million) and Multifamily Housing Construction (\$93 million) are composed primarily of base-related contracts. **(Exhibit 12)**
- The Boeing Company is the contractor with the largest amount of procurement in the Puget Sound region (\$1.9 billion). The remaining top 10 contractors are a mix of defense contractors, construction companies, medical services, and other base support services. Collectively, the top 10 contractors comprise about 66% of the total procurement activity in the Puget Sound region. **(Exhibit 13)**
- According to Census 2000 data, Washington state ranked 7th in the nation in terms of the number of military personnel **(Exhibit 3)**. However, in terms of overall DoD procurement, Washington State ranked 19th nationwide in FY 2006. While it is important to maintain the state's share of contracting that is related to base support, this difference in ranking indicates that the state's firms are not capturing a proportionate share of national defense contracts. This may constitute a growth opportunity for Washington state's economy.

Exhibit 10 shows all DoD contracting for which Washington counties were listed as the "principal place of performance."

Exhibit 10. FY 2006 DoD Procurement by County, FY06

RANK	COUNTY	PROCUREMENT (FY 2006)	% OF TOTAL
1	King	\$2,336,773,984	49.0%
2	Pierce	\$752,668,774	15.8%
3	Whatcom	\$608,311,348	12.8%
4	Kitsap	\$501,931,671	10.5%
5	Spokane	\$127,870,402	2.7%
6	Snohomish	\$105,957,127	2.2%
7	Yakima	\$68,407,403	1.4%
8	Island	\$48,944,645	1.0%
9	Franklin	\$31,290,523	0.7%
10	Skagit	\$31,031,369	0.7%
11	Thurston	\$23,014,383	0.5%
12	Clark	\$18,537,493	0.4%
13	Benton	\$16,296,701	0.3%
14	Douglas	\$15,772,702	0.3%
15	Skamania	\$13,430,384	0.3%
16	Jefferson	\$11,694,317	0.2%
17	Klickitat	\$10,834,009	0.2%
18	Cowlitz	\$10,307,290	0.2%
19	Walla Walla	\$9,867,175	0.2%
20	Asotin	\$5,720,205	0.1%
21	Grays Harbor	\$4,747,160	0.1%
22	Garfield	\$3,186,939	0.1%
23	Grant	\$2,812,276	0.1%
24	Whitman	\$1,938,386	0.0%
25	Columbia	\$1,531,853	0.0%
26	Chelan	\$517,329	0.0%
27	Okanogan	\$422,559	0.0%
28	Clallam	\$414,050	0.0%
29	Pacific	\$404,364	0.0%
30	Lincoln	\$238,537	0.0%
31	Lewis	\$222,190	0.0%
32	Kittitas	\$160,527	0.0%
33	Stevens	\$148,768	0.0%
34	San Juan	\$115,273	0.0%
35	Pend Oreille	\$93,437	0.0%
36	Mason	\$81,784	0.0%
37	Ferry	\$47,138	0.0%
38	Adams	\$0	0.0%
39	Wahkiakum	\$0	0.0%
Total		\$4,765,744,475	100.0%
Puget Sound Region		\$3,697,331,556	77.6%

Source: SIAD – <http://siadapp.dmdc.osd.m>

Exhibit 11 shows DoD contracts by military service or agency based on their principal place of performance. For example, Air Force contracts in Pierce County (\$102 million) include both support materials (food, supplies, construction, and other purchase) for McChord Air Force base, but also Air Force national defense contracts that were performed in Pierce County by Boeing or other contractors.

Exhibit 11. Washington State DoD Procurement by Military Service / Agency

COUNTY	ARMY	NAVY	AIR FORCE	OTHER*	TOTAL PROCUREMENT (FY 2006)
King	\$63,242,275	\$965,890,597	\$984,253,627	\$323,387,485	\$2,336,773,984
% of King County Total	3%	41%	42%	14%	
Kitsap	\$8,848,123	\$464,879,403	\$3,671,041	\$24,533,104	\$501,931,671
% of Kitsap County Total	2%	93%	1%	5%	
Pierce	\$449,211,814	\$10,483,222	\$101,607,230	\$191,366,508	\$752,668,774
% of Pierce County Total	60%	1%	13%	25%	
Snohomish	\$22,733,307	\$64,771,786	\$9,065,907	\$9,386,127	\$105,957,127
% of Snohomish County Total	21%	61%	9%	9%	
Subtotal Puget Sound Region	\$544,035,520	\$1,506,025,009	\$1,098,597,806	\$548,673,221	\$3,697,331,556
% of Puget Sound Region Total	15%	41%	30%	15%	
All Other Counties	\$77,848,713	\$74,953,588	\$91,253,987	\$824,356,631	\$1,068,412,919
% of All Other Counties Total	7%	7%	9%	77%	
WA Total DoD Procurement	\$621,884,233	\$1,580,978,597	\$1,189,851,793	\$1,373,029,852	\$4,765,744,475
% of WA Total DoD Procurement	13%	33%	25%	29%	

* Includes Defense Logistics, Corps of Engineers, and Other Defense Agencies

Source: SIAD – <http://siadapp.dmdc.osd.mil/>

Exhibit 12. Top 10 NAICS Categories for DoD Contracts in Puget Sound Region

NAICS CATEGORIES	PROCUREMENT (FY 2006)
Aircraft Manufacturing	\$1,254,604,207
Engineering Services	\$480,692,969
Commercial and Institutional Building Construction	\$190,625,788
Other Aircraft Parts and Auxiliary Equipment Manufacturing	\$182,147,116
Research and Development in the Physical, Engine	\$113,072,388
HMO Medical Centers	\$107,282,145
Petroleum Refineries	\$100,325,119
Hardware Manufacturing	\$93,693,713
New Multifamily Housing Construction	\$93,437,298
Petroleum and Petroleum Products Merchant Wholesale	\$89,561,624

Source: SIAD – <http://siadapp.dmdc.osd.mil/>

Exhibit 13. Top 10 Contractors in Puget Sound Region

CONTRACTORS	PUGET SOUND REGIONAL PROCUREMENT (FY 2006)	ADDITIONAL WA PROCUREMENT (FY 2006)
The Boeing Company	\$1,854,567,502	\$0
Pacific Medical Center Clinic	\$107,209,188	\$0
Raytheon Company	\$103,295,829	\$0
U S Oil & Refining Co	\$100,295,622	\$0
Absher Construction Co	\$92,325,135	\$0
Lear Siegler Services, Inc	\$50,242,365	\$0
Skookum Educational Programs	\$46,246,861	\$3,206,751
EJB Facilities Services	\$34,501,844	\$484,991
Pease Construction, Inc	\$33,749,026	\$0
Todd Shipyards Corporation	\$31,274,918	\$0
Top 10 Contractors Total		\$2,453,708,290
Total Puget Sound Regional Procurement		\$3,697,331,556
Percent Top 10 of Puget Sound Region		66%

Source: SIAD – <http://siadapp.dmdc.osd.mil/>

- **The Boeing Company** — Aerospace.
- **Pacific Medical Center Clinic** — Hospital, Medical Services.
- **Raytheon Company** — Missile defense, intelligence, surveillance and reconnaissance, precision strike, homeland security and technical services.
- **U.S. Oil & Refining Co** — Production and supply of high quality motor, aviation and marine fuels and asphalt in the Puget Sound market.
- **Absher Construction Co** — Preconstruction services.
- **Lear Siegler Services, Inc** — Major provider of operations, maintenance, modification, overhaul, systems integration, logistics support and training services to government agencies, part of URS.
- **Skookum Educational Programs** — Delivers critical logistics, facilities maintenance and public works services to customers so that they in turn can focus on their customers. Skookum is a Prime Contractor for complete hospital housekeeping and custodial services, janitorial, facility, and grounds maintenance.
- **EJB Facilities Services** — EJB is a joint venture consisting of EMCOR Facilities Services, J&J Maintenance and BMAR & Associates and provides base operations support to facilities in the western Puget Sound area of Washington state.
- **Pease Construction, Inc** — Military, commercial, industrial, renovation and design-build work.
- **Todd Shipyards Corporation** — Commercial and military vessel construction, repair, and maintenance facility located on Harbor Island.

Programs to Support Contracting and Commercialization

- The **Washington State Procurement Technical Assistance Center** (PTAC) program helps companies find and successfully achieve contracts for work with local, state and federal governments.

PTACs work to provide the best value goods and services to America's Armed Forces and other government agencies by 1) providing businesses nationwide with an understanding of the requirements of government contracting and the marketing know-how they need to obtain and successfully perform federal, state, and local government contracts and 2) supporting government agencies in reaching and working with the suppliers they need. PTACs are the bridge between buyer and supplier.

There are several centers across Washington state assisting small businesses with marketing to the government. The Washington PTAC is funded by the Defense Logistics Agency (DLA) and the non-profit organizations that house centers. The Snohomish County EDC houses the contract for Washington state, and the outreach centers meet DLA requirements for providing service to small businesses and match DLA funds. Nationally, there are 92 PTACs with over 250 local offices.

- Department of Defense **Small Business Specialists** located at each procurement and contract management office to assist small businesses, including veteran-owned, service-disabled veteran-owned, HUBZone, small disadvantaged, and women-owned small business concerns in marketing their products and services with the DoD. Among other services, these specialists provide information and guidance on 1) defense procurement procedures, 2) how to be placed on the solicitation mailing lists, and 3) how to identify prime contract and subcontract opportunities.
- The **Defense Advanced Research Projects Agency (DARPA)** is the central research and devel-

opment organization for the Department of Defense (DoD). It manages and directs selected basic and applied research and development (R&D) projects for DoD, and pursues research and technology where risk and payoff are very high and where success may provide dramatic advances for traditional military roles and missions. DARPA's strategy to accomplish its mission is to provide a forum for the evaluation of competing scientific and technological ideas. DARPA welcomes new technical ideas at any time from all public and private entities. The following DARPA offices solicit R&D proposals: Defense Sciences, Information Processing Techniques, Microsystems Technology, Strategic Technology, Tactical Technology, and the Small Business Support Center.

- The **Small Business Support Center** manages the Small Business Administration's **Small Business Innovation Research (SBIR) Program** and the **Small Business Technology Transfer (STTR) Program**.
 - The SBIR Program was created by Congress in 1982 to help small businesses more actively participate in federal R&D. All federal agencies with an annual extramural R&D budget exceeding \$100M are required to participate in the SBIR Program.
 - The Small Business Technology Transfer (STTR) Program was established when Congress reauthorized the SBIR Program in 1992. The STTR program was reauthorized in September 2001 and will continue through FY2009. Under this program, DARPA funds cooperative R&D projects involving a small business and a university, an approved, contractor-operated, Federally Funded Research and Development Center, or a nonprofit Research Institution. STTR requires researchers at research institutions to play a significant role in each STTR project, while allowing them to remain primarily employed at the research institution.
- Legislated by the Federal Technology Transfer Act of 1986, a **Cooperative Research and Development Agreement (CRADA)** is a written agreement between a private company and a government agency to work together on a project that is consistent with the agency's mission. CRADA vehicles provide incentives that can help speed the commercialization of federally-developed technology.

By entering into a CRADA, the federal government and non-federal partners can optimize their resources by sharing the costs. The partner agrees to provide funds, personnel, services, facilities, equipment or other resources needed to conduct a specific research or development effort while the federal government agrees to provide similar resources (but not funds) directly to the partner.

CRADA proposals are subject to four primary funding selection criteria: (1) The private sector will benefit, (2) the federal program will benefit, (3) financial debt, if any, is indicated, and (4) milestones for the CRADA are listed.

- The **Washington State Department of Veterans Affairs** offers several programs in support of businesses owned by servicemembers or veterans.
 - The **Washington State Veteran/Servicemember-Owned Business Registry** was established by SB 5253 during the 2007 Legislative Session as a way of promoting veteran or servicemember owned businesses and products statewide. In addition to being on a comprehensive list, those businesses receive a window cling decal specially designed for this program.
 - The **Washington State Veteran Linked Deposit Program** improves access to capital for certified Veteran and Servicemember-owned Business enterprises by decreasing interest rates on small business loans up to 2%. Any firm currently certified by the Washington State Department of Veterans Affairs as a Veteran or Servicemember-owned Business is entitled to the Linked Deposit benefit.

