



DEPARTMENT OF THE NAVY
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IN REPLY REFER TO:
7670
Ser 021/069
30 Mar 2004

From: Commander, Naval Surface Warfare Center
Subj: GUIDANCE FOR FY 2006/2007 NAVY WORKING CAPITAL FUND BUDGET SUBMISSION
Encl: (1) Required Exhibits for Submission to NSWC
(2) Budget Estimate BIN Files
(3) FY 04 NOR Estimate
(4) DON Price/Inflation/Escalation Annual Rates
(5) Civilian Personnel Budget Guidance
(6) SRM Budget Guidance
(7) NSWC Environmental Budget Guidance
(8) Combating Terrorism Activities
(9) Assessments
(10) Wedge Savings

1. This letter provides guidance for preparation of the FY 2006/2007 Navy Working Capital Fund (NWCF) Budget Submission. There is a new NWCF POM process this year that should determine FY 06 and FY 07 composite rates for NSWC. This new top down approach will enable us streamline our budget process with most of the exhibits being prepared here at headquarters.

2. Schedule and Exhibits. Please provide all budget exhibits by 1 May 2004. This will support a budget submission date to FMB of 1 June 2004.

Enclosure (1) provides a modified list of required exhibits to be submitted to NSWC Headquarters.

3. Budget Estimates. Enclosure (2) provides budget estimates based on the FY 05 President's Budget adjusted for inflation only in FY 06 and FY 07. Please review the data to see if any adjustments are necessary; provide detail justification for any adjustments above the controls. Reductions resulting from Intelligent Target initiatives will be incorporated later.

4. FY 04 NOR Estimate. Enclosure (3) provides a FY 04 NOR estimate by Division. Please review your Division's NOR estimate and provide a revised NOR estimate by 9 April 2004.

5. Escalation. Tables for general inflation, pay raise assumptions, fuel prices, and revolving fund rates are provided in enclosure (4). The general inflation rates for FY 2004, FY 2005, FY 2006 and FY 2007 are 1.3%, 1.3%, 1.5% and 1.7%, respectively.

6. Manpower. Detailed guidance for the required civilian personnel budget exhibits is included in enclosure (5).

7. CPP Budget. The CPP exhibits will be prepared when the Warfare Center Investment Board process is complete.

8. Sustainment, Restoration, and Modernization. Enclosure (6) provides specific guidance on Sustainment, Restoration, and

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Modernization (SRM) budget requirements. The Schedule 2 listing of SRM expenditures displays the SRM budget information by Investment Category (IC) to provide correlation of NWCF SRM data with the infrastructure portion of Integrated Warfare Architecture (IWAR). The FUND 17 exhibit will be compiled from data submitted in your Schedules 1-2. Submission of a Division level FUND 17 exhibit is not required. As a reminder, janitorial services and grounds keeping should not be reported under the SRM category.

9. Environmental. The environmental exhibit has been revised; detailed guidance for submission of the environmental exhibits is provided in enclosure (7).

10. Combating Terrorism. The Combating terrorism exhibits has a new format that should reflect budgeted costs, full time equivalents by job series, contractors and military end strength supporting Antiterrorism and Force Protection (ATFP) efforts. The budget submission should include all ATFP efforts regardless of fund source (O&MN, OPN, DERE, & NWCF). Both the CbT-1 exhibit and the CbT-2 (Combating Terrorism Narrative Description) exhibit will be required.

For fiscal year 2004, budgets should reflect actual execution to date & known fiscal year requirements. For fiscal years 2005, FY 2006 and 2007, budgets should reflect fiscal year requirements previously submitted and any additional requirements as identified in the POM-06 input, or as attributable to Independent Vulnerability Assessments (IVA's) and risk assessments conducted since the last budget submission. Supplemental guidance and format for these exhibits are provided in enclosure (8).

11. Assessments. Enclosure (9) provides the assessments for this budget submission.

12. Phasing Plans. Final phasing plan requirements are as follows: Manpower: Activities are to submit monthly phasing plans for FY 2004, FY 2005, FY 2006 and FY 2007 for end strength. Workyears should be phased only for FY 04 and FY 05. Revenue/Cost/Cash: Activities should phase FY 2004 and FY 2005 revenue/cost/cash on a monthly basis. Use FY 04 actuals through March and your best estimate for the remainder of the year. Phased plans are due no later than 1 May 2004.

13. Military Fill Rates. Please provide the average military fill rates by grade for FY 01, FY 02 and FY 03.

14. ICC Transfer. Please provide any adjustments that need to be made to your budget for functions that either transferred or should have transferred to CNI or PWC. For example if FECA needs to be adjusted for the CNI/PWC transfer please provide the amount.

15. Wedge Savings. Enclosure (10) provides wedge savings by division.

16. NSWC Budget Web Site. Budget guidance and templates will be made available 5 April 2004 on the NSWC Budget web site at the following address: www.nswcdc.navy.mil/nswc_budget. Accordingly,

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hard copy of the tasking letter, enclosures and templates will be sent by email. This site will be maintained with the latest information. Budget Officers will be notified of changes by email.

17. Questions. General questions regarding budget issues may be addressed to:

General	Darrell Skipper	Skipperdr@navsea.navy.mil
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