



Established by Congress 1923

American Battle Monuments Commission

Fiscal Year 2016 Appropriation Request

Submitted to the
114th Congress of the United States, Second Session

Senate Committee on Appropriations
Subcommittee on Military Construction, Veterans Affairs, and Related Agencies
and
House Committee on Appropriations
Subcommittee on Military Construction, Veterans Affairs, and Related Agencies

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EXECUTIVE SUMMARY

Total Budget Authority

The American Battle Monuments Commission (ABMC) requests \$77,100,000 in total budget authority and a 409 Full-Time Equivalent (FTE) employment level. This request will support ABMC’s Fiscal Year (FY) 2016 requirements to commemorate the service, achievements, and sacrifice of American armed forces. This request is a \$1,000,000 increase above the Commission’s FY 2015 budget authority. No change is requested in the Commission’s FTE employment level.

The Salaries and Expenses account request is \$75,100,000. This request will fund increases for personnel compensation, payments to the Department of State, and horticulture requirements in the cemeteries. These increases are partially offset by decreases in service contracts, printing, office supplies, equipment, and the Maintenance and Infrastructure Program.

The request for the Foreign Currency Fluctuations Account is \$2,000,000. No increase above the FY 2015 funding level is requested. This funding is required to retain the Commission's buying power against currency losses and may only be used for the difference between the actual Treasury exchange rates and the Commission’s budget rate.

These requests are discussed in greater detail in Part 2.

Funding Request Summary

	(\$ in Millions)			
	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 Request	Change from FY 2015 Appropriation
Salaries & Expenses	63.200	74.100	75.100	1.000
Foreign Currency	14.100	2.000	2.000	0.000
TOTAL Budget Authority	77.300	76.100	77.100	1.000
FTE	400	409	409	0

PART 1: INTRODUCTION

Mission

The Commission's mission statement communicates its essence to stakeholders and the public. We believe it is a full and inspirational expression of our purpose.

The American Battle Monuments Commission – guardian of America's overseas commemorative cemeteries and memorials – honors the competence, courage and sacrifice of United States armed forces.

Vision

Our vision statement originates from the words of our first Chairman, General of the Armies John J. Pershing. These words connect the very beginning of the Commission to our vision of the future.

Fulfill the promise that “time will not dim the glory of their deeds.”

Values

Our values represent the Commission's priorities and culture, and define how our team members act within the organization.

- Excellence – We strive for excellence in everything we do
- Integrity – We do what is right: legally, morally, and ethically
- Stewardship – We are careful and responsible guardians of the sacred mission entrusted to our care
- Commitment – We are dedicated to our mission, each other, and the public we serve
- Respect – We treat others with high regard and one another as valued members of our team

Who We Serve

Since ABMC was founded in 1923, the success of our mission has depended on the engagement of our stakeholders. Over time, our approach to accomplishing our mission has evolved to meet the changing needs of these various individuals. This section outlines the major groups that we have traditionally served and the types of activities we have provided.

- Veterans, Family, and Friends Honored for Their Service or Their Loss – We honor the veterans, family members, and friends of United States military who have served our country or endured the loss of a loved one who served. This group has the closest ties to our sites, and we strive to provide them with the most positive experience possible. For immediate family members who want to visit a family member's burial or memorialization site, we provide

letters authorizing fee-free passports for traveling overseas to visit the memorial site and escort services for family members to grave and memorial sites within the cemetery.

- **Military and Public Officials** – We host a variety of special events and commemorations throughout the year, including Memorial Day and Veterans Day holidays, to honor the freedom preserved and restored and the lives lost. Host country and U.S. government officials, diplomats, and military representatives attend these events with the public. In addition, military units hold ceremonies to honor their fallen comrades, and foreign organizations pay tribute to those who died liberating their regions.
- **Guests and Visitors** – We receive millions of American and foreign visitors of all generations at ABMC cemeteries and memorials, where they can learn and be inspired by the meticulous stewardship of the memorials and interpretation of the stories of our armed forces. We provide a variety of services to these visitors, including direction, advice on modes of transportation, and information on local accommodations.
- **ABMC Partners** – We support and provide information to our partners that help us further our mission, including other government agencies, historians and educators, the travel and tourism industry, and the media. Through these partnerships, we promote our mission, encourage visits to our commemorative sites, and educate and inspire the public.

History and Background

Recognizing the need for a federal agency to be responsible for honoring the fallen members of American armed forces where they had served abroad and for controlling the construction of military monuments and markers on foreign soil, the Congress enacted legislation in 1923 creating the American Battle Monuments Commission.

The Commission is an independent agency of the Executive Branch of the United States (U.S.) federal government. It is responsible for commemorating the service, achievements, and sacrifice of American armed forces in the U.S. and where they have served overseas since April 6, 1917 (the date of U.S. entry into World War I), through the erection of suitable memorial shrines; for designing, constructing, operating, and maintaining permanent American military burial grounds in foreign countries; for controlling the design and construction of U.S. military monuments and markers in foreign countries by other U.S. citizens and organizations, both public and private; and for encouraging the maintenance of such monuments and markers by their sponsors. In performing these functions, the Commission administers, operates and maintains twenty-five permanent American military burial grounds and twenty-three separate memorials, monuments and markers on foreign soil, and three memorials in the United States.

Cemeteries

Aisne-Marne American Cemetery, France	Manila American Cemetery, the Philippines
Ardennes American Cemetery, Belgium	Meuse-Argonne American Cemetery, France
Brittany American Cemetery, France	Mexico City National Cemetery, Mexico
Brookwood American Cemetery, England	Netherlands American Cemetery, the Netherlands
Cambridge American Cemetery, England	Normandy American Cemetery, France
Clark Veterans Cemetery, the Philippines	North Africa American Cemetery, Tunisia
Corozal American Cemetery, Panama	Oise-Aisne American Cemetery, France
Epinal American Cemetery, France	Rhone American Cemetery, France
Flanders Field American Cemetery, Belgium	Saint-Mihiel American Cemetery, France
Florence American Cemetery, Italy	Sicily-Rome American Cemetery, Italy
Henri-Chapelle American Cemetery, Belgium	Somme American Cemetery, France
Lorraine American Cemetery, France	Suresnes American Cemetery, France
Luxembourg American Cemetery, Luxembourg	

Memorials, Monuments and Markers

Audenarde Monument, Belgium	Montfaucon Monument, France
Belleau Wood Marine Monument, France	Montsec Monument, France
Bellicourt Monument, France	Papua Marker, New Guinea
Brest Naval Monument, France	Pointe du Hoc Ranger Monument, France
Cabanatuan Memorial, the Philippines	Saipan Monument, Northern Mariana Islands
Cantigny Monument, France	Santiago Surrender Tree, Cuba
Chateau-Thierry Monument, France	Sommepey Monument, France
Chaumont Marker, France	Souilly Marker, France
East Coast Memorial, New York City	Tours Monument, France
Guadalcanal Memorial, Solomon Islands	Utah Beach Monument, France
Honolulu Memorial, Honolulu	West Coast Memorial, San Francisco
Kemmel Monument, Belgium	Western Naval Task Force Marker, Morocco
Korean War Monument, Republic of Korea	World War I Naval Monument, Gibraltar

As of August 20, 2014, 124,905 U.S. war dead were interred in the Commission's 25 cemeteries: 30,922 of World War I; 93,233 of World War II; and 750 of the Mexican War. Additionally, nearly 15,000 American veterans and others are interred in the Mexico City National Cemetery, Corozal American Cemetery in Panama, and Clark Veterans Cemetery in the Philippines. Commemorated individually on tablets at the World War I and World War II cemeteries and three memorials on U.S. soil are the names of 94,139 U.S. servicemen and women listed as missing in action or lost or buried at sea in their general regions during the World Wars and the Korean and Vietnam Wars.

Each grave site in the permanent American World War I and World War II cemeteries on foreign soil is marked by a headstone of pristine white marble. Annotated on the headstones of the World War I war dead who could not be identified is the phrase, "HERE RESTS IN HONORED GLORY AN AMERICAN SOLDIER KNOWN BUT TO GOD." In the World War II cemeteries, the words "AMERICAN SOLDIER" were replaced with the words "COMRADE IN ARMS."

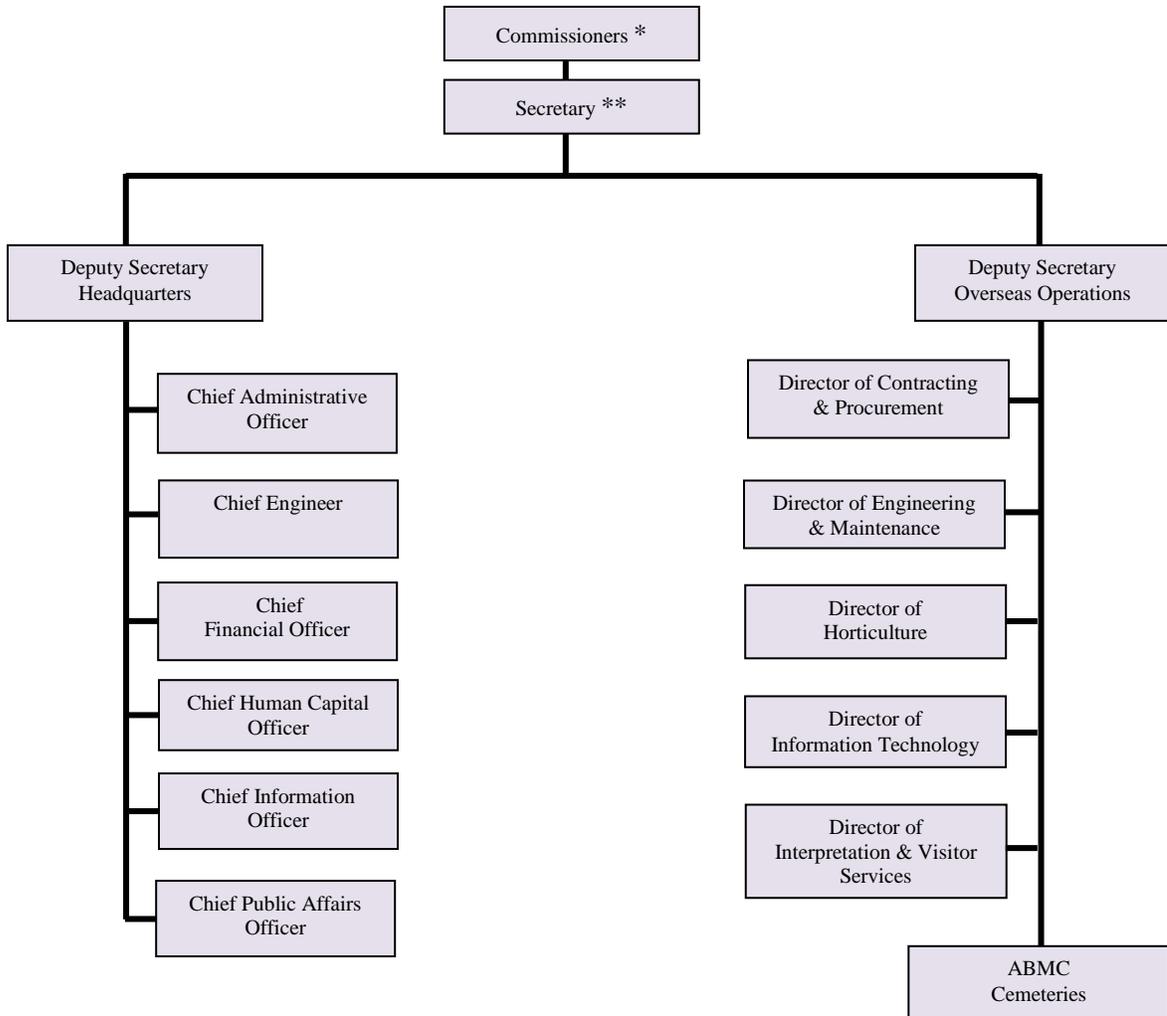
The Commission's World War I, World War II, and Mexico City cemeteries are closed to future burials except for the remains of U.S. war dead found from time to time in the World War I and World War II battle areas. The Corozal American Cemetery outside Panama City, Panama, and Clark Veterans Cemetery in the Philippines are the only active cemeteries the Commission maintains.

Organization

The Board of Commissioners constitutes the policy-making body of the Commission. The President of the United States appoints up to eleven members, who serve for an indefinite term without pay. They meet with the Secretary and professional staff of the Commission at least twice annually. The Commissioners establish policy and ensure proper staff functioning for the Commission to carry out its mission. During inspections, they observe, inquire, comment upon, and make recommendations on any and all aspects of the Commission's operations.

<p style="text-align: center;"><u>Commission</u></p> <p style="text-align: center;">The Honorable Merrill McPeak – Chairman The Honorable Cindy Campbell The Honorable Barbaralee Diamonstein-Spielvogel The Honorable Darrell Dorgan The Honorable Larry Ellis The Honorable John Estrada The Honorable Rolland Kidder The Honorable Richard Klass The Honorable Thomas Lamont The Honorable Constance Morella</p> <p style="text-align: center;">The Honorable Max Cleland – Secretary</p>

The Commission's daily operations are directed by an Executive Level Secretary appointed by the President. The Commission is currently staffed by 409 FTE consisting of both U.S. General Schedule and Foreign Service National civilian employees. The agency headquarters is located in Arlington, Virginia, and a field operations office responsible for all overseas cemeteries and memorials is located in Garches, France, just outside Paris. This organization plan is reflected below:



* Chairman and up to 10 Commissioners appointed by the President
 ** Appointed by the President

The Commission also administers trust funds to (1) build memorials authorized by Congress, but financed primarily from private contributions, commemorative coin proceeds, or investment earnings; (2) decorate grave sites with flowers from private contributions; and (3) maintain and repair nonfederal war memorials with private contributions.

Operations

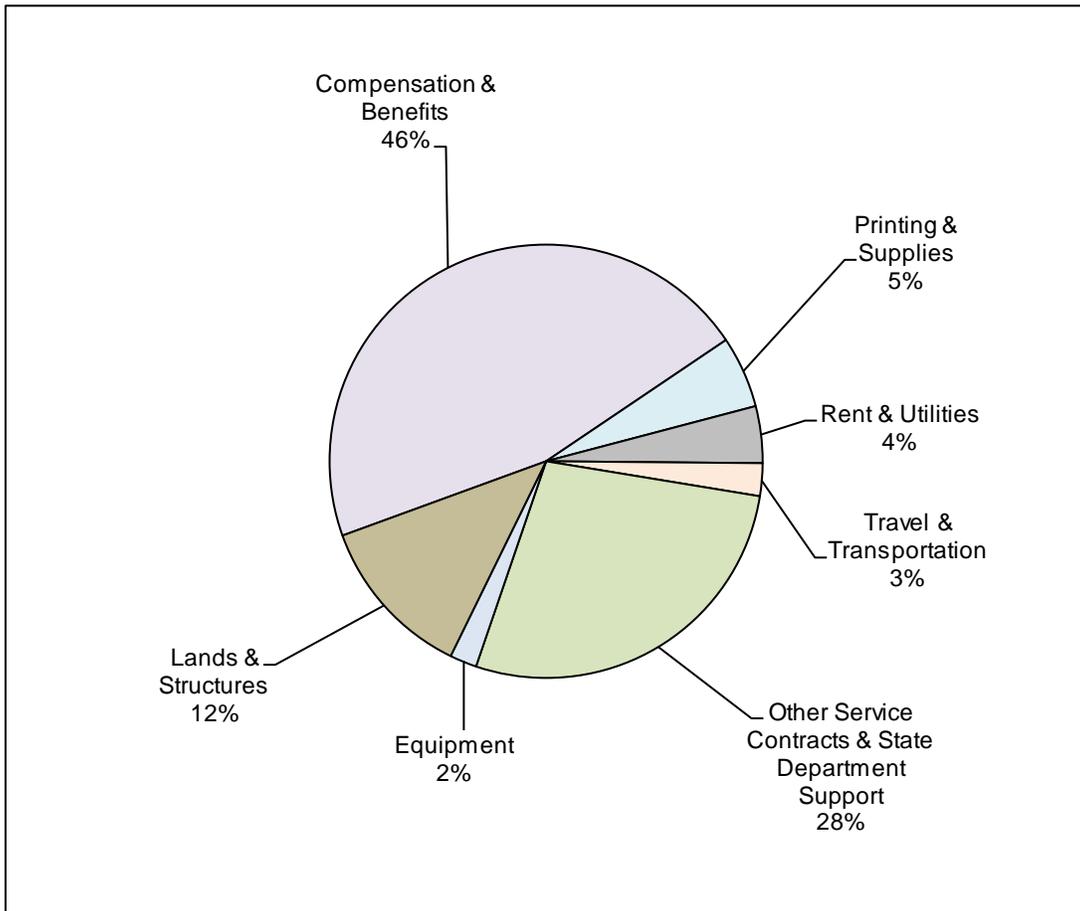
The Commission's FY 2016 funding request focuses on providing the appropriate amount of funding for personnel costs, service fees, scheduled maintenance and repairs, supplies, spare parts, replacement equipment, and capital improvements enabling the Commission to perform its mission.

Most of the Commission's facilities range in age from 50 to 96 years old, with the Mexico City National Cemetery being nearly 160 years old. The permanent structures, grounds and plantings make the Commission's facilities among the most beautiful memorials in the world, yet their age requires increased funding

levels to maintain them. These shrines to America's war dead require a formidable annual program of maintenance and repair of facilities, equipment, and grounds.

The Commission prioritizes the use of its engineering, maintenance and horticulture funds carefully to ensure the most effective and efficient utilization of its available resources. This care includes upkeep of more than 140,000 graves and headstones and 74 memorial structures (within and external to the cemeteries) on approximately 1,680 acres of land. Additionally, the Commission maintains 65 visitor facilities and quarters for assigned personnel; 67 miles of roads and paths; and over 900 acres of ornamental landscaping and fine lawns.

Care and maintenance of these resources requires exceptionally intensive labor at the Commission's cemeteries and memorials. Compensation and benefits consume 46 percent of the Commission's FY 2016 request while the remaining 54 percent supports engineering, maintenance, logistics, services, supplies and other administrative costs critical to its operations.



PART 2: FY 2016 BUDGET REQUEST

Overview of FY 2016 Request

The Commission requests \$77,100,000 in total budget authority and a 409 FTE employment level. This request will support ABMC's FY 2016 requirements to commemorate the service, achievements, and sacrifice of American armed forces. This request is a \$1,000,000 increase above the Commission's FY 2015 budget authority. No change is requested in the Commission's FTE employment level.

The Salaries and Expenses account request is \$75,100,000. This request will fund increases for personnel compensation, payments to the Department of State, and horticulture requirements in the cemeteries. These increases are partially offset by decreases in service contracts, printing, office supplies, equipment, and the Maintenance and Infrastructure Program.

The request for the Foreign Currency Fluctuations Account is \$2,000,000. No increase above the FY 2015 funding level is requested. This funding is required to retain the Commission's buying power against currency losses and may only be used for the difference between the actual Treasury exchange rates and the Commission's budget rate.

Funding Request Summary

	(\$ in Millions)			
	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 Request	Change from FY 2015 Appropriation
Salaries & Expenses	63.200	74.100	75.100	1.000
Foreign Currency	14.100	2.000	2.000	0.000
TOTAL Budget Authority	77.300	76.100	77.100	1.000
FTE	400	409	409	0

Proposed Appropriations Language

Federal Funds:

Salaries and Expenses Treasury Account ID: 74-0100-0

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one-for-one replacement basis only) and hire of passenger motor vehicles; not to exceed \$7,500 for official reception and representation expenses; and insurance of official motor vehicles in foreign countries, when required by law of such countries, [~~\$74,100,000~~]~~\$75,100,000~~, to remain available until expended. (*Consolidated and Further Continuing Appropriations Act, 2015*)

Foreign Currency Fluctuations Account Treasury Account ID: 74-0101-0

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, such sums as may be necessary, to remain available until expended, for purposes authorized by section 2109 of title 36, United States Code.

Fiscal Year 2016 Request – Salaries and Expenses – \$75,100,000

The Commission's FY 2016 budget request for Salaries and Expenses of \$75,100,000 fully supports the agency's mission requirements. It is \$1,000,000 above the funding provided by the *Consolidated and Further Continuing Appropriations Act, 2015* (Public Law 113-235).

The Commission took the opportunity during the FY 2016 budget formulation process to align agency resource requirements and to review priorities in the Maintenance and Infrastructure Program. This funding level will support compensation and benefits, rental of office space, utilities, payments to the Department of State for the International Cooperative Administrative Support Service and for the Capital Security Cost Share Program, routine maintenance contracts, printing and supplies, other service and support contracts, travel and transportation, equipment, and capital improvements at the cemeteries and memorials.

FY 2015 Salaries and Expenses	\$74,100,000
Adjustments:	
Compensation and Benefits	\$602,000
Department of State CSCSP and MSC	\$676,000
Department of State ICASS	\$130,000
Horticulture Rentals, Maintenance, and Supplies	\$194,000
Service Contracts, Printing, Supplies, and Equipment, net decrease	(\$314,000)
Maintenance and Infrastructure Programs, net decrease	(\$288,000)
Subtotal Adjustments	<u>\$1,000,000</u>
FY 2016 Salaries and Expenses	\$75,100,000

Adjustments from the FY 2015 Budget

Compensation and Benefits..... \$602,000
 For FY 2016, the Commission is requesting an increase of \$602,000 for Salaries & Benefits. The Commission operates in an overseas environment where personnel compensation expenses increase annually regardless of Federal pay guidance for personnel benefits for employees worldwide, including health insurance, social security, and other allowances. This increase will fund such annual increases plus an estimated 1.0 percent pay increase for U.S. employees and Foreign National workforce under the Administration's FY 2016 pay assumptions.

Department of State CSCSP and MCS \$676,000
 Payments to Department of State for the Capital Security Cost Sharing (CSCS) and Maintenance Cost Sharing (MCS) programs will increase in FY 2016 to \$1,136,000. In FY 2016, the Department of State will begin billing participating agencies for the MCS program. An increase of \$676,000 is requested.

Department of State ICASS..... \$130,000
 Payments to Department of State for the International Cooperative Administrative Support Service will increase in FY 2016. An increase of \$130,000 is requested.

The Commission expects to incur increased security expenses through ICASS in FY 2016.

Horticulture Rentals, Maintenance, and Supplies..... \$194,000

The Commission is requesting \$194,000 to fund the increases necessary for the annual and recurring horticulture maintenance requirements in the cemeteries and memorials. These expenses consist of equipment rentals, irrigation and other maintenance needs (such as tree trimming, core aeration, treatments, and waste removal), and horticulture supplies (such as grass, seeds, flowers, plants, fertilizers, and pesticides).

Service Contracts, Printing, Supplies, and Equipment, net decrease.... (\$314,000)

A net decrease of \$314,000 is requested in the areas of service contracts, printing, supplies, and equipment. Increases in cemetery security efforts, visitor maintenance requirements, accounting system cross servicing contracts with the Department of the Interior, and routine cemetery maintenance expenses are offset by decreases in non-recurring, one-time FY 2015 efforts in the areas of strategic planning, information technology, payroll servicing, and human resources.

Maintenance and Infrastructure Programs, net decrease..... (\$288,000)

The Commission is requesting a decrease in funding for the Maintenance and Infrastructure Program of \$288,000. The overall FY 2016 Maintenance and Infrastructure Program request level of \$16,936,000 will support the program requirements of ABMC in engineering, horticulture, interpretation, and logistics. This decrease reflects the project requirements in these areas prepared during the budget formulation priority review process for the Maintenance and Infrastructure Programs.

Full-Time Equivalent Employment Level

The Commission's FY 2016 request includes a 409 FTE employment level. In FY 2013, ABMC's FTE level decreased from 409 authorized FTE to 400 based on actual usage. ABMC is funding an FTE level of 409 in FY 2015. Funding for 409 FTE is requested in the Commission's personnel compensation line for FY 2016.

During FY 2014, ABMC dedicated and opened three visitor centers at Sicily-Rome, Florence and Pointe du Hoc. Two additional visitor centers showcasing World War I cemeteries (Meuse-Argonne and Flanders Field) are under construction now and will be dedicated in 2016. ABMC is conducting staffing analysis now and at least one permanent cemetery guide is anticipated for each location, as well as seasonal employees to handle periods of peak visitation. Finally, during FY 2015 ABMC hired two permanent Local National employees for Clark Veterans Cemetery and contracted locally for significant grounds maintenance and other needed services.

Maintenance and Infrastructure Programs

(\$ in thousands)

Program	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 Request
Engineering and Maintenance	11,175	12,035	7,705
Horticulture	441	2,008	2,121
Interpretation	4,810	3,152	7,006
Logistics	1,068	26	104
TOTAL	17,494	17,221	16,936

Engineering and Maintenance Program

The high quality of the commemorative sites maintained by the Commission demonstrates a national commitment to America’s war dead. These cemeteries and memorials are among the most beautiful and meticulously maintained sites in the world. Commission staff are the stewards of these sites, and the condition of the sites reflect the degree to which this organization seeks excellence. Operating, maintaining, and improving ABMC facilities to this standard requires a robust Engineering and Maintenance Program.

Projects the Commission proposes to execute in FY 2016 include:

- restore Clark Veterans Cemetery;
- renovate the main road and storm drainage at the Netherlands American Cemetery;
- replace the walking paths at the Pointe du Hoc Ranger Monument; and
- upgrade the service area and resurface the access road at the Epinal American Cemetery.

Horticulture Program

The Commission’s goal for the Horticulture Program is to ensure that the horticultural elements of cemetery plot areas, fine lawns, meadows and plantings reflect the honor bestowed upon those who served. Program activities include the replacement of irrigation systems and major tree or feature replacements. In FY 2015, the horticulture equipment budget line was transferred from the Logistics Program to the Horticulture Program. The equipment replacement program ensures that cemeteries have the appropriate type and amount of equipment reflecting best industry practices.

The FY 2016 Horticulture Program request will fund plot leveling and drainage at the Florence American Cemetery in addition to scheduled equipment replacement.

Interpretation Program

Meticulously maintaining our cemeteries and memorials is and will remain ABMC's core mission. But that alone is not enough to honor those who served; the Commission must also preserve and communicate their stories of competence, courage, and sacrifice. Telling the story of those who fought and died through the creation of interpretive centers began with the opening of the Normandy Visitor Center in May 2007. The Commission's interpretive program is advancing at multiple sites in Europe, with new visitor centers opened at Cambridge and Sicily-Rome cemeteries and the Pointe du Hoc Ranger Monument. Renovations to develop visitor centers at the Meuse-Argonne American Cemetery and the Flanders Field American Cemetery are underway.

The Commission in FY 2016 will begin to shift the Interpretation Program from the construction of buildings to Telling the Story, interpretive services, and management of ABMC's historic assets.

In order that the Commission appropriately continue to honor America's fallen, ABMC must recognize the changing demographics of our audiences. As we find ourselves further in time from the seminal events we commemorate, the Commission will pursue opportunities at our sites and through education programs and emerging technologies to educate and inform our audiences in a way that evokes a lasting, personal connection. It is critical to provide context for younger generations of Americans who have little understanding of why their fellow Americans rest in the soil of England, France, Belgium, Luxembourg, Italy, or the Philippines.

As such, the Commission is re-invigorating the strategic plan to set forth a path focused on better supporting this essential mission.

The Commission has codified a new set of guiding principles. In addition to the "Telling the Story" facet, these principles are designed to help fill a void in ABMC's historical preservation activities:

- preserve heritage assets by both protecting and maintaining the commemorative sites to their original design intent and to exceptional standards. ABMC sites are completed works of civic art, reflecting the nation's perpetual commitment to the service and sacrifice honored within them, and
- develop ABMC cultural and historical resources by actively collecting and documenting archival, photographic, and dimensional materials that enhance scholarship in and interpretation of our mission and our heritage assets.

These new mission sets bring ABMC into compliance with several Public Laws, including the Antiquities Act of 1906 (Public Law 59-209). Additional staff members will oversee historical collection management, conservation/preservation of historical materials and additional manning requirements for the new visitor center facilities.

The FY 2016 request of \$7,006,000 will fund World War I Centennial commemoration activities, Interpretive Services, Collections Management Plan Services, Historic American Landscapes Surveys, and provide additional funds for a visitor center at the Manila American Cemetery.

Logistics Program

In FY 2015, the horticulture equipment budget line was transferred from the Logistics Program to the Horticulture Program. The purchase of vehicles and trucks will remain under the Logistics Program. The FY 2016 request is \$104,000.

Clark Veterans Cemetery

In January 2013, President Obama signed into law the *Dignified Burial and Other Veterans' Benefits Improvement Act* (Public Law 112-260) directing the Commission to restore, operate and maintain Clark Veterans Cemetery following negotiation of an agreement between the Republic of the Philippines and the United States. A memorandum of understanding was signed on December 16, 2013 providing the authority for Clark Veterans Cemetery to become ABMC's 25th overseas cemetery.

Since assuming authority for the cemetery, the Commission has begun maintaining the grounds and purchasing equipment and supplies. Two Local National hires have been employed by ABMC for Clark Veterans Cemetery and operational maintenance requirements are budgeted within the FY 2016 estimates. ABMC has contracted for a comprehensive condition assessment to determine individual grave condition, current and needed infrastructure, and proposals for future possible structural additions.

Preliminary results of the condition assessment are expected this Spring and will be vetted through the ABMC Board of Commissioners for final recommendations.

The *Dignified Burial and Other Veterans' Benefits Improvement Act* authorized \$5,000,000 for site preparation, design, planning, construction, and associated administrative costs for the restoration. The Commission is allocating \$1,000,000 in unobligated prior year funds plus \$2,000,000 in FY 2015 funds to this project, and is requesting \$2,000,000 in FY 2016 to meet the authorization and to address Engineering and Maintenance and Horticulture infrastructure projects as needed. Any additional restoration requirements based on the condition assessment will not be known until the FY 2017 budget formulation process in mid-2015.

Unobligated Balances

The Commission began FY 2015 with an unobligated balance of \$23,000,000. These funds were allocated for projects that were planned, but not executed, within the originally envisioned fiscal year. Typically, carryover for ABMC during the past three to four years has been \$12,000,000. The Commission has begun to aggressively execute these carryover balances. Currently \$13,300,000 is in

process or obligated. In addition, a number of projects are now estimated to be more costly than originally budgeted, leaving substantial unfinanced requirements. These projects include:

(\$ in thousands)

Project	Funding Year	Original Estimate	Revised Estimate	Status
Meuse-Argonne Visitor Center	2013	\$2,000	\$5,200	Construction/Fabrication to begin May 2015
Flanders Field Visitor Center	2013	\$2,000	\$5,000	Construction/Fabrication to begin July 2016
Honolulu Limestone Replacement	2014	\$1,800	\$15,000	On hold for phased approach
Honolulu Visitor Center	2014	\$3,300	\$15,000	In design, construction on hold
Manila Visitor Center	2015	\$2,000	\$6,000	Design to begin 2015, construction in 2017

The unfinanced requirements for Meuse-Argonne, Flanders Field, and Manila Visitor Centers will be mitigated by delaying construction of the Honolulu Visitor Center and by phasing the Honolulu limestone replacement project.

Foreign Currency Fluctuations Account

The Commission's FY 2016 budget request for the FCFA under "such sums as may be necessary" language is estimated to be \$2,000,000. This is the same level as requested for FY 2015. It reflects the estimate needed to retain the Commission's buying power due to exchange rate imbalances between the U.S. Dollar, the European Euro, and other foreign currencies.

In FY 2015, the Commission addressed concerns expressed in the GAO audit report, GAO-13-641, dated July 19, 2013 regarding the use of the Foreign Currency account. ABMC is using a budget rate of €1 euro = \$1.30 dollar (the equivalent of \$1 dollar = €0.77 euro) in the Salaries and Expenses account. This change in the budget rate allows ABMC to value the exchange rate closer to actual exchange rates and value euro based transactions closer to historical Treasury exchange rates.

The FY 2016 FCFA request level reflects the amount necessary when, on the date of payment at an actual Treasury exchange rate, the Salaries and Expenses funds – using the €1 euro = \$1.30 dollar budget rate – are insufficient to make the payment. The FCFA estimate is based on an estimated actual Treasury exchange rate at the date of payment of €1 euro = \$1.35 (or \$1 dollar = €0.74 euro).

Per section 2109 of title 36, United States Code, which authorizes the use of FCFA funds due to fluctuations in currency exchange rates "after a budget request is submitted to Congress", ABMC is basing the FCFA estimate on the same budget rate (€1 euro = \$1.30 dollar) as the FY 2015 budget rate. The budget formulation process provided the Commission the occasion to revise the budget rate prior to submitting a budget to Congress. Although the recent strengthening of the dollar could indicate a lower FCFA estimate, these funds are used only when required at the date of payment. A date of payment could, for large contracts, be made in the out years when the exchange rate may be €1

euro = \$1.30 dollar or possibly when the dollar is weaker. In addition, unobligated balances may be returned to the FCFA. The Commission believes the FCFA estimate is reasonable at this time.

Foreign Currency Exchange Rate Trend



Statement of Increases and Decreases By Object Classification

FY 2016 Budget Request

(\$ in thousands)

Object Class	FY 2014 Appropriation	FY 2015 Appropriation	FY 2016 Request
Personnel Compensation	18,575	22,313	22,777
Personnel Benefits	9,820	11,195	11,333
Benefits for Former Personnel	75	520	520
Travel & Transportation of Persons	1,302	1,317	1,317
Transportation of Things	609	579	526
Rent/Communications/Utilities	2,872	3,157	3,176
Printing	208	272	282
Other Services	17,276	16,882	20,763
Supplies & Materials	3,439	3,552	3,739
Equipment	1,696	1,548	1,518
Land & Structures	7,328	12,765	9,149
TOTAL	63,200	74,100	75,100

The following narrative describes the differences from the FY 2015 Appropriation and the FY 2016 Request. This budget request will allow the Commission to continue its commemorative mission and to achieve the Administration's government-wide management initiatives within agency operations.

Personnel Compensation - The Commission requests \$22,777,000. This funding will support a 409 FTE employment level, including allowances authorized for the Commission's U.S. employees and Foreign National workforce. An estimated 1.0 percent pay increase is included under the Administration's FY 2016 pay assumptions.

Personnel Benefits - This \$11,333,000 request includes funding benefits for employees worldwide such as health insurance, social security, and other allowances authorized for the Commission's U.S. employees and Foreign National workforce.

Benefits for Former Personnel - No increase is requested for unemployment compensation and severance pay.

Travel and Transportation of Persons – The Commission requests no increase for travel in FY 2016. This line item supports travel and transportation requirements for U.S. and Foreign National workers, U.S. employees and dependents traveling on permanent change of station, U.S. student dependents traveling to or from school, and travel by the Commissioners appointed by the President who are charged with oversight of Commission operations.

Transportation of Things - The Transportation of Things budget request is \$526,000 for the transportation of supplies, materials, spare parts, vehicles and equipment used in the operation, maintenance, and repair of ABMC facilities and for the transportation of household goods in connection with permanent change of station. This request is \$53,000 less than the FY 2015 funding level.

Rent, Communications, and Utilities - The Commission requests \$3,176,000 for rent; water, gas and electricity; horticulture equipment rental; and postal, telephone, and internet services. An increase of \$19,000 is requested.

Printing and Reproduction - The increase of \$10,000 in printing will fund the printing of cemetery booklets, visitor brochures, photographs, general information pamphlets, and reports.

Other Services - The Commission requests \$20,763,000 for other contractual services which consist of engineering and technical services; professional support services; horticulture contracts; operation, maintenance, and repair of equipment; information technology services; interagency service agreements (such as payments to the Department of State for International Cooperative Administrative Support Service and Capital Security Cost Share Program fees); maintenance and repairs of vehicles; and employee training. These funds also support the Commission's Maintenance and Infrastructure Program requirements. This request includes \$7,500 (not to exceed) for official reception and representation expenses.

This funding level will provide increases for payments to the Department of State, higher security efforts, Engineering and Maintenance projects, Interpretation Program projects, external audit services, annual accounting services with the Department of the Interior, horticulture maintenance requirements, and annual maintenance and repair efforts in the cemeteries. Offsetting decreases include nonrecurring line items such as information technology services, strategic planning, payroll servicing, and human resources.

Supplies and Materials - The increase of \$187,000 reflects higher spending on the horticulture parts and supplies, visitor center supplies, and day-to-day supplies for the cemeteries.

Equipment - The Commission requests \$1,518,000, a \$30,000 reduction, that will fund vehicles, office and information technology equipment. The decrease reflects fewer information technology and horticulture equipment purchases.

Land and Structures - The request of \$9,149,000 will fund the mix of Maintenance and Infrastructure program requirements in FY 2016. This decrease in Maintenance and Infrastructure program requirements is offset by increases for Maintenance and Infrastructure program projects under the Other Services budget object class.

Statement of Personnel

The table below presents a profile of ABMC personnel requirements:

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Total Compensable Work Years (FTE) Authorized	400	409	409
Total Compensable Work Years (FTE) Actual/Estimated	400	409	409
Average GS Grade/Step (including Locality Pay)	12/7	12/7	12/7
Average Salary of GS Positions	\$86,657	\$91,247	\$92,342
Average Salary of FSN Positions	\$42,906	\$44,568	\$45,702