



# *BRAC and Related Jobs Summary*

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**MARYLAND OF OPPORTUNITY.**<sup>®</sup>

Department of Business & Economic Development

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## BRAC and Related Job Growth Summary

### Executive Summary

- The 2005 BRAC decisions brought new military commands, new responsibilities in homeland security and defense, and 19,090 direct Department of Defense (DoD) positions (uniformed and civilian) to Maryland by September 15, 2011.
- To prepare for implementation of the 2005 BRAC decisions in Maryland, DBED's Office of Military and Federal Affairs undertook a comprehensive study – **2005 BRAC State of Maryland Impact Analysis: 2006-2020**. Task 1 of the study assessed the movement of commands and personnel to and from Maryland's military installations, as well as indirect and induced jobs, and conservatively estimated that BRAC would bring just over 45,000 jobs to Maryland through 2020<sup>1</sup>.
- This initial BRAC Study estimated that BRAC would bring 15,273 direct BRAC jobs to Maryland.
- Maryland's BRAC reporting included certain non-BRAC federal jobs (e.g., NSA, Joint Base Andrews) since, regardless of the origin, the influx of new jobs and new residents would impact infrastructure.
- The recession, federal budget cuts, sequestration, and the stand-down of two wars changed priorities for defense organizations and slowed the growth of indirect and induced jobs.
- Still, subsequent DoD decisions consolidated certain operations, such as those of Air Force District Washington at Joint Base Andrews. These decisions increased the number of direct BRAC jobs to 19,090 <sup>2</sup>. As of April 2014, we estimate that more than 49,000 direct, indirect and induced jobs are attributed to BRAC in Maryland.
- The initial BRAC study projected indirect and induced jobs out to 2020. Given the time period of this projection, we anticipate reaching or surpassing 60,000 BRAC-attributed jobs in the next four years, which would necessitate Maryland gaining an additional 11,000 indirect and induced jobs between 2014 and 2020.
- U.S. Cyber Command
  - While not included in initial BRAC studies, the U.S. Cyber Command was stood up in 2010 and has added an estimated 1,800 jobs since then. Approximately 700-900 of the Command's initial jobs were filled by personnel transferred from other intelligence agencies.
  - On March 28, 2014, Defense Secretary Chuck Hagel announced plans to triple U.S. Cyber Command staffing – from the current 1,800 employees to 6,000 – in the next two years.<sup>3</sup> Fort Meade is expected to gain approximately 3,000 of those jobs.

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<sup>1</sup> RESI

<sup>2</sup> BRAC Stat

<sup>3</sup> [Janes.com](http://Janes.com)

## **BRAC in Maryland**

The most recent BRAC process, which was authorized by Congress and signed into law in November 2005, focused on transforming the U.S. military into a more efficient, more effective and more adaptable operation. As a result of the 2005 BRAC decisions, Maryland gained new military commands, new responsibilities in homeland security and defense, and 19,090 direct Department of Defense (DoD) positions (uniformed and civilian). These direct jobs were in place in Maryland by September 15, 2011.

## **Initial BRAC Employment Projections, 2005**

To assess both the potential and the impact of the 2005 BRAC decisions, DBED's Office of Military and Federal Affairs undertook a comprehensive study – ***2005 BRAC State of Maryland Impact Analysis: 2006-2020*** – with funding from the U.S. Department of Labor and input from SAIC, the Maryland Department of Planning, the Baltimore Metropolitan Council, and Towson University's RESI. Task 1 of this four-part study assessed the movement of commands and personnel to and from Maryland's military installations, as well as indirect and induced jobs, and conservatively estimated that BRAC would bring just over 45,000 jobs to Maryland through 2020<sup>4</sup>.

### **Job Growth Projected by 2006 BRAC Study**

<b>Direct (DoD &amp; embedded contractors)</b>	<b>Indirect (non- embedded contractors)</b>	<b>Indirect (all others)</b>	<b>Induced</b>	<b>Total</b>
<b>15,273</b>	<b>8,000</b>	<b>14,722</b>	<b>7,237</b>	<b>45,232</b>

## **Additional Non-BRAC Employment Projections**

The Department of Labor mandated that the DOL-funded study consider only official BRAC jobs. However, from the onset of BRAC preparation and throughout implementation, Maryland's reporting included ***all*** of the federal job growth on Maryland's military installations, whether BRAC-related or non-BRAC. Regardless of the origin, it was believed that the increased jobs and new residents would have an impact on the infrastructure of the state and counties for which Maryland needed to prepare. The inclusion of non-BRAC growth – for example, jobs being added at the National Security Agency and Joint Base Andrews – brought the ***total*** jobs estimate to approximately 60,000. These assessments projected that indirect and induced jobs would continue to grow through 2020.

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<sup>4</sup> RESI

### Additional Non-BRAC Projected Job Growth

	Direct (DoD & embedded contractors)	Indirect	Induced	Total
Original Estimate	15,273	22,722	7,237	45,232
Additional BRAC + Non-BRAC	3,817	5,726 <sup>5</sup>	1,909 <sup>6</sup>	11,452
New Estimate	19,090	28,448	9,146	56,684

### BRAC Employment Growth Monitoring, 2006-2011

To monitor the ongoing job growth, direct BRAC jobs were reported by the federal agencies, indirect jobs were assessed through reporting by the counties and modeling, and induced (or tertiary) jobs were determined through modeling. These figures were reported through BRAC STAT, which ended with the September 15, 2011, deadline for implementation of the direct BRAC jobs. At that time it was estimated that there were 38,777 BRAC-related jobs in Maryland.

### Final BRAC Stat Job Figures, July 2011<sup>7</sup>

Direct (DoD & embedded contractors)	Indirect	Induced	Total
19,090	13,224	6,463	38,777

### Current BRAC Status

A current accounting of BRAC jobs – compiled using various sources including direct reporting (DoD and other federal jobs); the March 2006 SAIC report; the final BRAC Stat report; and county reporting as well as recent outreach to the counties – conservatively estimates that approximately 49,000 direct, indirect and induced jobs have already relocated to or been created in Maryland as a result of BRAC<sup>89</sup>. (Figures are rounded.)

<sup>5</sup> Calculated by DBED's research team using RESI's original calculations for projecting induced jobs. Assumes 1.5 Indirect Jobs per Direct Job.

<sup>6</sup> Calculated by DBED's research team using RESI's original calculations for projecting induced jobs. Assumes 0.2 Induced jobs per Indirect+Direct job.

<sup>7</sup> BRAC Stat 2011 Data

<sup>8</sup> Anne Arundel County and Harford County have each reported more than 6,000 indirect jobs. Howard County reported 1,081 indirect jobs.

<sup>9</sup> These figures do not include either military construction (MILCON) jobs or those construction jobs occurring off base that in 2010 and 2011 averaged around 3,400.

### Estimated Job Growth as of April 2014

Direct BRAC	Additional Direct <sup>10</sup>	Indirect <sup>11</sup>	Induced <sup>12</sup>	Total
19,000	14,000	13,000	3,000	49,000

- Around Fort Meade, more than 25 new defense contractors opened offices in Anne Arundel County or neighboring counties, and more than 50 other defense contractors expanded their presence in and around Fort Meade<sup>13</sup>. Examples include<sup>14</sup>:
  - Booz Allen Hamilton added 360 new jobs in Annapolis Junction;
  - Praemittias Group, based in Denver, opened its first Maryland office in Hanover, Md., with 30 employees; and
  - Sotera Defense Solutions, headquartered in Herndon, Va., opened an office in Annapolis Junction, Md., with 25 employees.
- Around Aberdeen Proving Ground, 128 defense contractors moved into Harford County<sup>15</sup>. Examples include<sup>16</sup>:
  - L-3 Communications expanded and added 400 new jobs in Aberdeen;
  - Mitre expanded and added 150 new jobs in Aberdeen;
  - CACI expanded and added 38 new jobs in Aberdeen; and
  - Avenge brought 11 new jobs to Aberdeen.

### **Post-BRAC Changes and Sequestration Effects**

The original study estimated direct BRAC jobs at 15,273. In fact, that number increased to 19,090 direct BRAC jobs due to subsequent decisions of the Department of Defense to consolidate certain operations such as those of Air Force District Washington at Joint Base Andrews.

The study also projected indirect and induced job growth through 2020. However, federal and DoD budget cuts, sequestration, and the stand-down of the wars in Iraq and Afghanistan – coupled with the recession – changed the priorities of defense organizations and slowed the influx of indirect and induced jobs.

<sup>10</sup> Derived primarily by subtracting pure BRAC growth figures from known installation growth over time; primarily Ft Meade reported a pre-BRAC installation workforce of just over 30,000 and now reports in excess of 49,000 with only just under 6,000 as pure BRAC related. Much smaller differences at other installations.

<sup>11</sup> Anne Arundel County and Harford County have each reported more than 6,000 indirect jobs. Howard County reported 1,081 indirect jobs.

<sup>12</sup> Estimate based on information from counties

<sup>13</sup> West County Chamber of Commerce

<sup>14</sup> DBED's research team

<sup>15</sup> [Baltimore Sun](#)

<sup>16</sup> DBED's research team

- As an example, the 2005 BRAC decisions mandated that CECOM move from Fort Monmouth, N.J., to Aberdeen Proving Ground (APG). CECOM arrived in Maryland with annual procurement of \$20-\$22 billion. Because at least some of the agency's contracts spanned two to three years, these contracts continued to impact defense contractors in New Jersey even after the move to APG. With the wars in Iraq and Afghanistan ending, CECOM saw its annual procurement reduced to approximately \$13 billion, which has further delayed the agency's contracting activities and scaled back the plans of Maryland contractors.

Still, using the same modeling practices to project additional indirect and induced jobs related to BRAC – and considering the ongoing addition of intelligence positions at Fort Meade – BRAC and non-BRAC federal jobs growth may approach and perhaps even surpass 60,000 by 2020.

### Projected Job Growth through 2020

Direct BRAC	Additional Direct <sup>17</sup>	Indirect Jobs <sup>18</sup>	Induced Jobs <sup>19</sup>	Total BRAC-attributed jobs <sup>20</sup>	Additional Indirect & Induced <sup>21</sup>	Projected Total (2020)
19,000	14,000	13,000	3,000	49,000	11,000	60,000

As the DoD and Congress determine future budgets and budget priorities, defense contractors may continue to be cautious and jobs – both direct and indirect – may continue to be impacted.

### U.S. Cyber Command

Maryland has historically held a prominent position in protecting the nation's security and, more recently, information and systems security. The National Security Agency (NSA) has been in operation at Fort Meade for nearly 60 years. The arrival of the Defense Information Systems Agency (DISA), which moved to Fort Meade due to the 2005 BRAC initiative, further enhanced Maryland's capabilities in intelligence and cybersecurity.

Following the June 2009 directive of the Secretary of Defense to establish the U.S. Cyber Command, the Department of Defense opted to leverage existing synergies at Fort Meade by establishing the Command at Meade. The U.S. Cyber Command was stood up at Fort Meade in May 2010 and achieved full operations in October 2010.

<sup>17</sup> Derived primarily by subtracting pure BRAC growth figures from known installation growth over time; primarily Ft Meade reported a pre-BRAC installation workforce of just over 30,000 and now reports in excess of 49,000 with only just under 6,000 as pure BRAC related. Much smaller differences at other installations.

<sup>18</sup> Anne Arundel County and Harford County have each reported more than 6,000 indirect jobs. Howard County reported 1,081 indirect jobs.

<sup>19</sup> Estimate based on information from counties

<sup>20</sup> As of April 2014

<sup>21</sup> Projected through 2020

The majority of the Command's initial 700-900 employees were transfers or reassignments from other intelligence agencies in the region. Neither these existing jobs nor the Command's future job growth were included in BRAC study projections.

Since its inception, the U.S. Cyber Command has grown to an estimated 1,800 jobs at Fort Meade. On March 28, 2013, Defense Secretary Chuck Hagel announced plans to grow the agency to 6,000 jobs in the next two years. Fort Meade expects to gain approximately 3,000 of those jobs<sup>22</sup>. Adding these jobs to the previous estimates of BRAC and related federal job growth, Maryland may surpass the 60,000 job total prior to the 2020 target (for induced and indirect jobs).

### Projected Job Growth with U.S. Cyber Command

Direct BRAC	Additional Direct <sup>23</sup>	Indirect <sup>24</sup>	Induced <sup>25</sup>	Total BRAC-attributed <sup>26</sup>	US Cyber Command <sup>27</sup>	Additional Indirect & Induced <sup>28</sup>	Projected Total (2020)
19,000	14,000	13,000	3,000	49,000	3,000	11,000	63,000

### Definitions

- **Direct Jobs:** Those federally funded positions associated with an organization's core functions and comprised essentially of uniformed military, General Services (GS) employees and embedded contractors.
- **Indirect Jobs:** Those non-governmental positions directly associated with supporting a military organization's mission, predominantly but not exclusively defense contractors.
- **Tertiary Jobs:** Those jobs created in correlation with a combination of increased individual spending power as well as increased population base.

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<sup>22</sup> Fort Meade

<sup>23</sup> Derived primarily by subtracting pure BRAC growth figures from known installation growth over time; primarily Ft Meade reported a pre-BRAC installation workforce of just over 30,000 and now reports in excess of 49,000 with only just under 6,000 as pure BRAC related. Much smaller differences at other installations.

<sup>24</sup> Anne Arundel County and Harford County have each reported more than 6,000 indirect jobs. Howard County reported 1,081 indirect jobs.

<sup>25</sup> Estimate based on information from counties

<sup>26</sup> As of April 2014

<sup>27</sup> Fort Meade

<sup>28</sup> Projected through 2020