



DEPARTMENT OF DEFENSE
EDUCATION ACTIVITY
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350 - 1400

JAN 14 2013

MEMORANDUM FOR DEPARTMENT OF DEFENSE EDUCATION ACTIVITY
HEADQUARTERS EMPLOYEES

SUBJECT: Handling Budgetary Uncertainty in Fiscal Year 2013

Attached is guidance from the Deputy Secretary of Defense regarding potential actions that may be required because of the budget uncertainties. As the memorandum explains, there are two sources of budget uncertainties:

- The Continuing Resolution (CR), which will remain in effect until at least March 27, 2013. The CR holds us to FY 12 spending levels and permits no new program starts this year. Since we were expecting our budget to increase in FY 13, funds will run short at the current rate of expenditure if the CR continues through the end of the FY 13.
- Potential Sequestration, The American Taxpayer Relief Act (ATRA) of 2012, signed into law on January 2, 2013, deferred sequestration until March 1, 2013. The act averted much of what has become known as the "fiscal cliff." Although the bill mostly deals with automatic changes scheduled to take effect for tax rates and programs such as Medicare and unemployment insurance, it also makes several important changes to sequestration that affect the Department of Defense. Specifically, it delays sequestration by two months. This creates significant additional uncertainties for managing our operations.

Notwithstanding these uncertainties, schools will remain open. We will continue to teach school and provide our children a first-rate educational program. All critical functions that support the operation, health, safety and security of school operations will continue, e.g., transportation, athletic and co-curricular activities, safety attendants, bus security attendants.

The Deputy Secretary's memorandum calls for DoDEA to submit a plan by February 1, 2013, outlining how we might handle a budget shortfall in FY 13 because of CR and potential sequestration budget uncertainties. We are awaiting further guidance from our leadership about how to proceed with such a plan. It is important to note that planning does not assume that any of these unfortunate events will occur, only that we must be ready. As we plan, we are mindful that the possibility of sequestration would occur as late as March, and we must create savings within a very narrow window of opportunity – March 1 through September 30, 2013. There are limited areas in our budget from which to generate any savings in the last six months of a budget cycle. Thus, we must operate in a strict culture a savings now.

As we prepare our plan, we will take all possible steps to mitigate harmful effects associated with this budget uncertainty and to maintain a strong and viable school system. The attached memorandum identifies the types of actions that the Department will consider. You will note on page 2, civilian workforce costs (subject to mission-critical exemptions) must be considered for reduction. This would include consideration of a furlough of up to 30 calendar days or 22 discontinuous workdays along with other actions such as imposing hiring freezes and

releasing temporary employees. However, we have been advised NOT to take any action at this time to prepare furlough notifications. We will wait until we receive further guidance to implement any such actions.

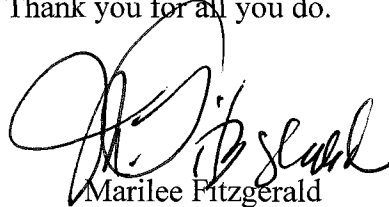
That said, to be prudent, there are some actions which we will implement immediately to slow down spending. They are:

1. Cease all travel unless it is mission critical. This is a very high-bar standard, meaning that an event requires a personal presence and is critical to the mission.
2. Cease all training and conferences, unless they are mission essential. This is also a very high-bar standard, meaning that training is necessary to perform a job (e.g., critical job required certification).

I am the approval authority for above school level exceptions to both prohibitions.

I will meet with each headquarters division this week to answer any questions you have and to explain anything further. The budget uncertainties have been, and I am afraid may continue to be, stressful for you and your families for a while longer. I encourage anyone who is struggling to contact our Employee Assistance Program (EAP) Manager. The EAP provides 24 hour a day, 365-day assistance from a licensed professional counselor to all employees and their immediate families through the Federal Occupational Health organization. Immediate assistance is available by calling 1-800-222-0364. EAP can provide help with emotional, relationship, family, alcohol, financial, legal, and job concerns. A licensed, professional counselor is also on site in the Mark Center. For more information or to schedule an appointment call 571-372-5617. Immediate family members out of the area, such as college students, can be referred to counselors in their area. This assistance is available at no cost to the employee and no charge to leave for initial appointments. Consultations are confidential.
<http://www.dthc.capmed.mil/EAP/SitePages/Home.aspx>

Do not interpret these actions as a disregard for the work you do. The contributions you make are incredible. You are valued and greatly appreciated. I encourage you to stay focused on our mission – supporting our children, educators, families and communities as we provide a quality education for the children of our nation's heroes. We have a noble mission. You are an essential part of meeting our mission. Thank you for all you do.



Marilee Fitzgerald
Director

Attachment:
As stated