



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

JAN 15 2013

MEMORANDUM FOR DODEA AREA DIRECTORS

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 Fiscal Year (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, and bus security attendants. School programs such as chaperoning/coaching student athletic and co-curricular events are considered essential elements of providing a quality education for our children. Therefore, travel for such student-centered activities will continue uninterrupted.

The Deputy Secretary's memorandum calls for the Department of Defense Education Activity (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 of 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 from above school level positions. However, we have been advised NOT to take any action at this time. We will wait until we receive further guidance to implement any such actions. Because schools will remain in operation, our proposed plan exempts school-level personnel and any mission-critical above school-level personnel from any possible furlough action. If a furlough becomes necessary, I will provide further guidance.

That said, to be prudent, there are some actions which the Department directed me to implement immediately to slow down spending. They are:

1. Cease all non-mission critical travel. This is a very high-bar standard, meaning that an event requires a personal presence and is critical to the mission. School-level travel associated with the conduct of athletic, co-curricular or other student events is exempt from this requirement and requires no prior approval to continue with normal program operations.
2. Suspend the Department of Defense Dependents Schools (DoDDS) Transfer Program for School Year 2013-2014, except as may be necessary to place excess employees. We will make every effort to place excess educators, as we do every year. Should there be any change in the fiscal situation, we will decide if there is sufficient time and resources to conduct a modified transfer program. To be ready for such a contingency, we will open the transfer program database and accept applications for all transfer groups as usual.
3. Suspend the Administrator Rotation Program for School Year 2013-2014. All efforts will be made to ensure all excess employees are placed. Should there be any change in the fiscal situation, we will decide if there are sufficient time and resources to conduct a modified Administrator Rotation Program.
4. 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).

Until additional guidance is received, the following applies:

School-Level. I will review and approve mission-essential school-level travel and training, except as noted in 1 above. I will determine whether higher level approval is required for any other mission-essential travel/training based on guidance that we anticipate receiving shortly. It is possible that the Principal Deputy Assistant Secretary of Defense (Readiness and Force Management), Performing the Duties of the Assistant Secretary of Defense for Readiness and Force Management may have to approve such mission-essential exceptions. Travel and

training requests must be related to activities that support school-level operations e.g., training in a special education compliance requirement.

Above School-Level. The Principal Deputy Assistant Secretary of Defense (Readiness and Force Management), Performing the Duties of the Assistant Secretary of Defense for Readiness and Force Management will review and approve all mission-essential requests for travel and training of above school-level personnel. Please submit your justified requests through the Area Director to me at [Travel.Request@hq.dodea.edu](mailto:Travel.Request@hq.dodea.edu), and I will forward them if they meet the mission-essential criteria.

I will provide additional guidance on mission-essential criteria and the format for such requests when I receive it. Until then, please submit a memorandum to me with your justification for the mission-essential travel and training. I realize the high-level approval requirement may be burdensome. I am seeking clarification to streamline the requests, and I will advise you of any changes immediately.

The budget uncertainties have been, and I am afraid may continue to be, stressful for our employees and families for a while longer. I encourage you to provide detailed information to your employees on assistance available through local host facilities to provide help with emotional, relationship, family, alcohol, financial, legal, and job concerns.

Please do not interpret these actions as a disregard for the work you do. The contributions you make are invaluable. I value and greatly appreciate you. 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