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PERSONNEL COST AND ADMINISTRATION

RISE IN PERSONNEL COST FROM FY 1967 TO FY 1968 OF $1,336,000.00 IS DUE TO

- INCREASE IN 91 AVERAGE MAN-YEARS
- PSI'S
- PROMOTIONS

PHASEDOWN OF GEMINI PROGRAM OFFICE PERSONNEL

FIGURE 2A

creases and promotions, is estimated at $1,336,000 (fig. 3). The budget provides for only two cost increases in areas other than personal services: $1 million is the estimated increase in MSC's share of the operating cost of Ellington Air Force Base, brought about by the proposed transfer of this base from the Air Force to the Texas Air National Guard; and $568,000 is the estimated increase for maintenance and operation costs at White Sands. The latter number does not represent an increase in White Sands costs, which are actually declining, but rather is a result of a funding peculiarity. In fiscal year 1966, 16 months of operating costs were funded, and in fiscal year 1967 only 8 months were funded. The requirement for fiscal year 1968, of course, reflects a full 12 months' operation. These two increases are offset by $257,000 of minor decreases.

A certain amount of arbitrariness is probably necessary in any budgetary process. However, the budget process for fiscal year 1968 reflected a degree of arbitrariness which is of great concern to us at MSC. I have described what the budget reflects; however, this budget does not meet our minimum requirements. For example, with new facilities coming on the line for part of fiscal year 1967 and in fiscal year 1968, our minimum utilities costs will increase by $700,000. Yet, the budget reflects a reduction of $50,000. Similarly, this budget does not reflect the cost of the recent Civil Service Commission adjustments in engineering salaries which will cost an estimated $500,000 in fiscal year 1968.

As I am sure you are aware, the AO budget covers many support activities other than civil service salaries (fig. 4). In our case at MSC, many activities, such as maintenance and operation of facilities