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BUD

14 DEC 1987

MEMORANDUM FOR: Chief, Facilities Management Division, OL

FROM: John M. Ray
Director of Logistics

SUBJECT: Fiscal Year 88 Budget Reductions

REFERENCE: Memo fm C/FMD to D/L, dtd 7 Dec 87, Same Subj

1. I appreciate the concerns you expressed in reference and wish to assure you that I would not approve any action which could result in an adverse impact on the image of the Office of Logistics (OL). At the same time, I am certain you are aware of the substantial budget reductions facing the Agency and OL in FY 88. OL is indeed fortunate that the substantial growth of our resources in previous years allows us to absorb these cuts without any serious diminution in the services we provide. Although we have purposely avoided spreading these reductions on a purely mathematical basis, we have been careful to ensure each OL component bears its proportional share of the burden. I can assure you that the reduction to FMD's budget is no greater proportionally than those faced by other OL Divisions. Your recommendation to transfer funding from personal services, although understandable, is prohibited by the Comptroller.

25X1 2. Harry and I have determined that your share of the FY 88 reduction will be [redacted] which should be taken as indicated on the attachment. We believe these reductions can be absorbed without the serious implications cited in reference. We recognize these are substantial reductions but feel that with creative management we can continue to operate without cancelling programs that we have worked so hard to create. Specifically, we expect resources to remain in your budget to cover [redacted]

25X1 25X1 [redacted]
The attached schedule of budget reductions assumes greater reductions in supplies and equipment, greater savings in the utilities accounts and a more significant reduction to

All Portions Secret

[redacted]

[redacted]

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Allied. The Headquarters Facilities Upgrade Initiative still contains [redacted] for Allied O & M. The infusion of these funds with what remains in the [redacted] budget should provide sufficient flexibility to continue operations. I believe you should also consider use of these additional Allied funds to assist with the retro-fit in the New Headquarters Building. We appreciate that this reduction may cause you to significantly reduce Allied overtime and 24-hour service calls.

25X1

3. If you wish to fine tune the attached adjustments to your funding levels, you may do so as long as the fine tuning does not impact on the issues discussed above and a copy is provided to C/B&FB/OL with supporting justification.

[redacted]

John M. Ray

Attachment:
As Stated

25X1

OL/B&FB [redacted] (14 Dec 87)

Distribution:

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