

# Using Socio-Economic Indicators (SEI) to Understand the Implications of Base Realignment and Closure (BRAC)

Regional Economic Models, Inc.

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# About Us

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We are the nation's leader in dynamic local, state and national policy modeling.

From the start, REMI has sought to improve public policy through economic modeling software that informs policies impacting our day-to-day lives.

We were founded in 1980 on a transformative idea: government decision-makers should test the economic effects of their policies before they're implemented.

At REMI, we're inspired by a single goal: *improving public policies.*



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Our models are built for any state, county, or combination of counties in the United States.

## Our Representative Clients

Our model users and consulting clients use REMI software solutions to perform rigorous economic analysis that critically influences policy.



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What does BRAC mean for a regional economy?



## Regional Economic Development

Military bases are hubs of economic activity. BRAC necessitates a new long-term approach to attracting businesses and other commercial activity & building housing.



## Population Shifts

BRAC changes the demographic makeup of a region. Military service members and their dependents may relocate or change their roles in the area. New economic migrants attracted to the changing conditions may move into the area.



## Labor Market Changes

Labor supply and demand find new equilibrium as types of employment change, different skills become desirable, and the labor force makeup shifts.



## Socio-Economic Indicators (SEI)

Broad-based prosperity after BRAC requires carefully examining how these impacts impact different racial, ethnic, gender, and income groups differently.

How can the REMI model be used to understand and plan for the long- and short- term impacts of BRAC? What socio-economic metrics can economic modeling offer?

Data-driven economic impact analysis informs successful planning for BRAC & reveals SEI that must be considered in order to ensure economic prosperity is broad-based.

## Examples of REMI's BRAC & Military Base Studies

- The Economic Impact of Base Closure: Letterkenny Army Depot and Franklin County, Shippensburg University
- The Senate Committee on Veteran Affairs and Military Installations: Report and Recommendations to the 83rd Texas Legislature, Senate Committee
- Understanding the Impact: Closing Naval Air Station Brunswick, Maine State Planning Office
- Economic Impact of the Military on North Carolina, North Carolina General Assembly

BRAC disrupts regional economies in complex, nuanced ways, and the REMI model helps decisionmakers plan for their area's long-term resilience & success.

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Definition	History	Current
<p>Base Realignment and Closure (BRAC) is the congressionally authorized process the Department of Defense (DOD) has used to</p> <ul style="list-style-type: none"><li>• Reorganize its base structure to improve efficiency &amp; efficacy</li><li>• Increase operational readiness</li><li>• Facilitate new ways of doing business</li></ul>	<ul style="list-style-type: none"><li>• More than 350 installations closed in BRAC rounds</li><li>• Past rounds in 1988, 1991, 1995, and 2005</li><li>• Collectively, these rounds have led to a combined savings of \$12 billion annually</li></ul>	<ul style="list-style-type: none"><li>• Between all 50 states, DC, US territories of Guam and Puerto Rico, DOD oversees more than 420 military installations (not including US military bases overseas)</li></ul>

In historical and current contexts, BRAC aims to improve military efficiency without unduly hurting affected regional economies.



## Efficiency Improvements

- Reduce excess military infrastructure
- Close installations operating significantly below capacity

## New Defense Strategies

- Allow military leaders to evaluate installations based on new criteria
- Redefine military value since decades have passed and US goals have changed



## Political Motivations

- New deputy secretary of defense as of February 2021, Dr. Kathleen Hicks
- Advocates for new round of BRAC

## New National Needs

- Reevaluate US military installations
- Understand how economic and policy environments have shifted over time
- Plan to bring new commercial activity to struggling regions



## How does BRAC affect different income and demographic groups differently?

- BRAC causes regional demographic changes
  - Population changes
    - Military and military dependents, K-12 school population, base staff, employment, labor force makeup
  - Availability of resources
    - Housing, food access, healthcare
- BRAC causes economic changes
  - Local government funding & provision of services
  - Military budget adjustments
  - Employment opportunities, access to jobs

## Austin, Texas: Bergstrom Air Force Base

- Closed in September 1993
- Converted into Austin-Bergstrom International Airport
- Through 1970s and 1980s, low-income housing subdivisions were in the flight path of the previous municipal airport; requested civil-military airport at Bergstrom; requests denied but after BRAC the city took over the former base site
- Redevelopment included demolition of base structures and construction of international airport, as well as several other commercial structures

## Myrtle Beach, SC: Air Force Base

- Closed in March 1993 in midst of post-Cold War military cutbacks
- Redevelopment after BRAC includes technical college, parks, recreational facilities, golf course, urban village commercial center, construction of research and development center for electronics manufacturing
- Tourism and building success offset losses from base closure
- Challenges included conflict over redevelopment plan & environmental cleanup

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## Hypothetical New Round of Base Closures & Economic Redevelopment

- Based on Fort Jackson Base in Columbia, SC
- Anxiety in the state before last round of BRAC list was released in 2005
  - At the time, military bases in SC contributed an estimated \$7 billion to the economy and 142,000 jobs
  - Advocacy and lobbying by affected communities, local politicians, and other interested parties were ongoing to keep Fort Jackson open
  - Base was not affected by latest round of BRAC, but what might the economic impacts of a potential restructuring, contraction, or closure be on surrounding regional economies?
- Will simulate a hypothetical closure of Fort Jackson and economic redevelopment efforts
  - Redevelopment efforts informed by past SC closures, like in Myrtle Beach

Economic modeling can reveal critical socio-economic indicators to help decision-makers evaluate and plan for their region's future.

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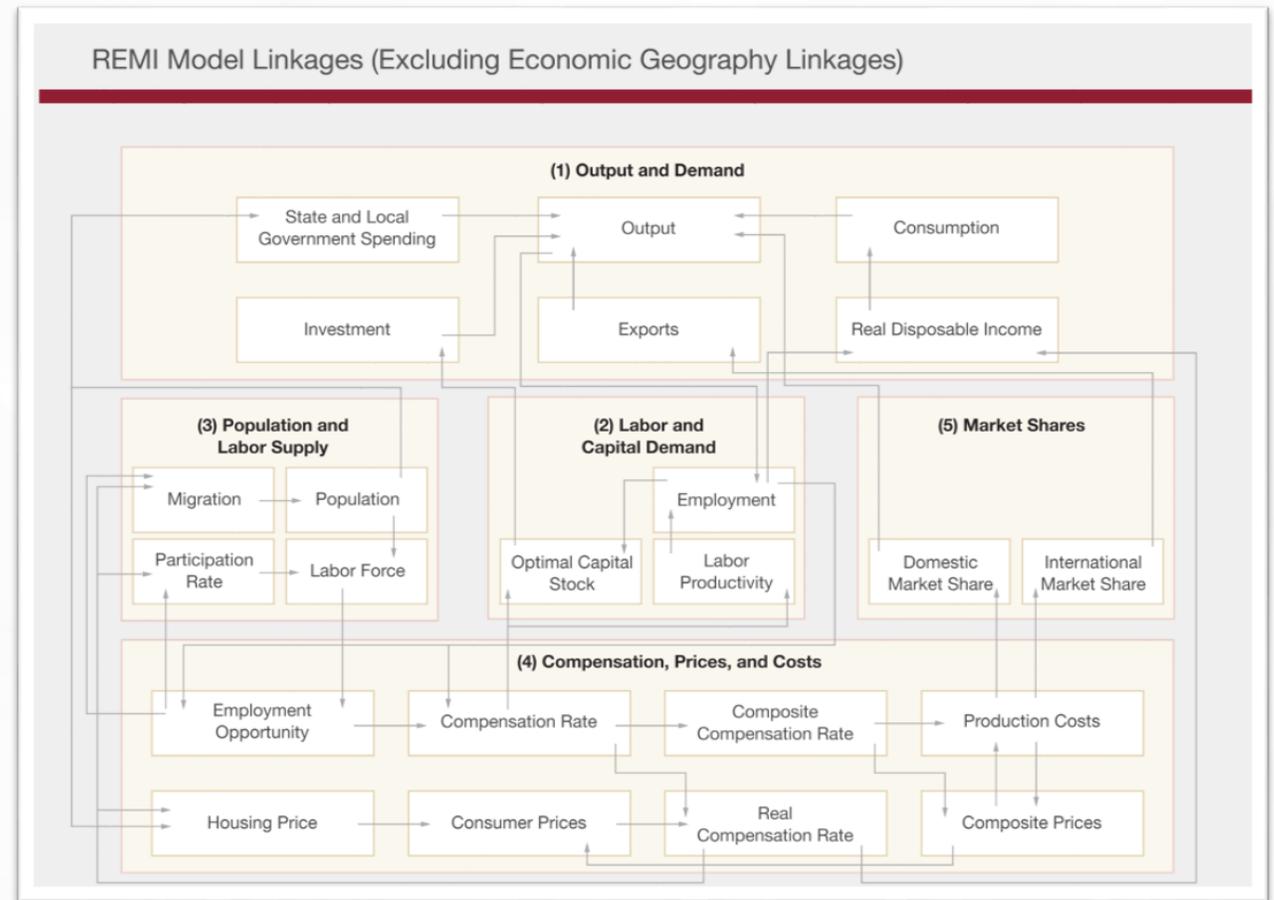
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# Model Simulation: REMI PI<sup>+</sup>



PI<sup>+</sup> is the premier software solution for conducting dynamic macroeconomic impact analysis of public policy.

As our flagship model, PI<sup>+</sup> specializes in generating realistic year-by-year estimates of the total local, state, and national effects of any specific policy initiative.



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# Economic Modeling: Why does it matter?



## Clarify

- Understand economic, fiscal and demographic implications of policies before implementation
- Ensure that public policy serves the broad-based interests of the public



## Predict

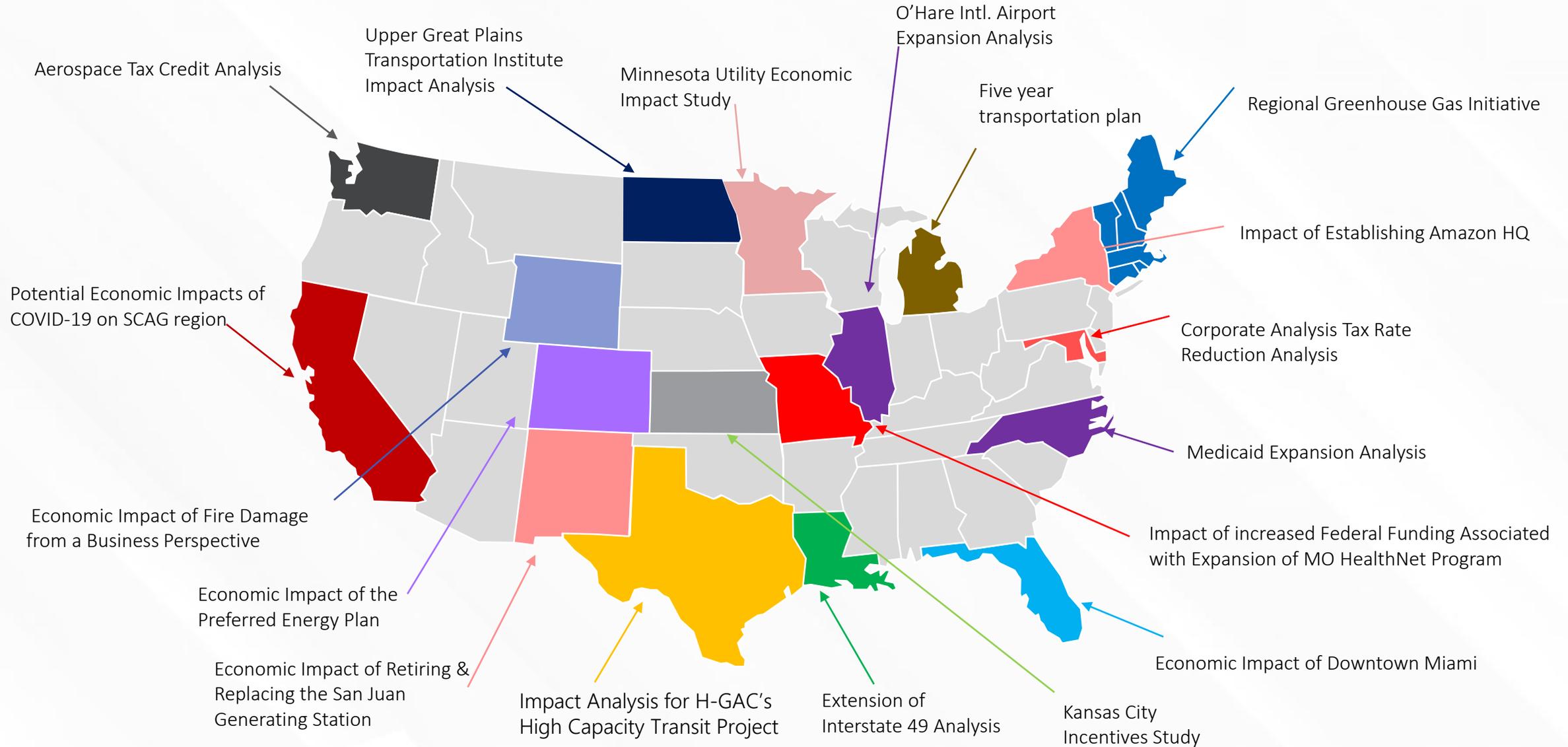
- Make predictions about the effects of policies before implementation
- Avoid unwanted negative impacts
- Make effective use of resources



## Inform

- Inform policy with standard metrics rather than ideology or intention
- Address stakeholders with evidence that communicates how policy benefits or disadvantages their communities broadly

# The REMI Model: Our Studies & Applications



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# Thank you for attending!

For more information, please contact  
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