



SDMAC
SAN DIEGO MILITARY ADVISORY COUNCIL

2024 MILITARY ECONOMIC
IMPACT REPORT

UC San Diego
RADY SCHOOL OF MANAGEMENT



4	ABOUT
7	CORPORATE SPONSORS
8	EXECUTIVE SUMMARY
10	MILITARY SPENDING AND JOB CREATION
15	SPOTLIGHT - SAN DIEGO'S INNOVATION ECONOMY
17	UNITED STATES NAVY
22	SPOTLIGHT - STRENGTHENING ENERGY EFFICIENCY AND REDUCING ENVIRONMENTAL IMPACT
24	UNITED STATES MARINE CORPS
26	SPOTLIGHT - CONTRIBUTING TO ENVIRONMENTAL RESTORATION AND CONSERVATION
29	UNITED STATES COAST GUARD
30	THE U.S. DEPARTMENT OF VETERANS AFFAIRS
32	CONCLUSION
33	ACKNOWLEDGMENTS
35	FOOTNOTES

ABOUT

SDMAC

The San Diego Military Advisory Council (SDMAC) is a not-for-profit 501(c)(6) organization established in 2004 to advocate on behalf of the military, veterans, and their families living in the San Diego region. SDMAC's advocacy efforts include facilitating the partnership among our military, elected officials, civic leaders, and the business community to improve the understanding of the important contributions made by the military.

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RADY SCHOOL

The Rady School of Management at the University of California San Diego is the region's premier business school, internationally recognized for the intellectual contributions of its faculty and the quality of its academic programs. The Rady School offers a full-time MBA program, Flex and Executive MBA programs for experienced working professionals, a Ph.D. program, a Master of Quantitative Finance program, a Master of Science in Business Analytics program, a Flex Master of Science in Business Analytics program, a Master of Professional Accountancy program, Executive Education, and undergraduate courses. To find out more about the Rady School, visit www.rady.ucsd.edu.

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ABOUT THE MILITARY ECONOMIC IMPACT REPORT



SDMAC's annual Military Economic Impact Report highlights the positive impact of federal defense budgets, veteran benefits, and community involvement by our local military, veterans, and their families on our local economy. Through the partnership formed at the start of 2020, the 2024 MEIR report is a product of the rigorous work of MBA students at the Rady School of Management. Leveraging insights from the frontier of academic research, the team's data analysts applied tools to calculate the impact of military dollars on the San Diego region. The team focused on continued transparency in data collection and presentation, using clear methodology again in this year's report.





SAN DIEGO MILITARY ADVISORY COUNCIL

On behalf of the San Diego Military Advisory Council (SDMAC) Board of Directors, I want to express our sincere gratitude for our sponsors' invaluable support of our annual Military Economic Impact Report. Your unwavering commitment to our organization and the broader military community in the San Diego Region makes this important initiative possible. The Military Economic Impact Report is a cornerstone of our mission to advocate for the military and defense-related industries in the San Diego region. Your generous contribution allows us to gather essential data, conduct comprehensive analysis, and produce a report that not only highlights the significant economic contributions of our military community, but also underscores the critical role it plays in our local economy.

We also want to thank the UC San Diego Rady School of Management for their incredible work on this report. The generous support and engagement by Dean Lisa Ordóñez, Assistant Dean Jon Masciana, and Professor Michael Meyer and his team bring the rigorous analysis to the project that is so important in helping our community understand the numbers. Your support enables us to continue providing policymakers, community leaders, and the public with accurate and up-to-date information that informs decision-making and strengthens our region's ties to the military. As a result, we are better equipped to advocate for the needs and interests of our service members, veterans, and defense-related businesses.

In Memoriam:

Rear Admiral (retired) Mark Balmert, SDMAC former President and CEO. After a distinguished military career, Mark served at SDMAC for more than 6 years with remarkable leadership, vision, and dedication. Under his stewardship, SDMAC strengthened its role as a vital voice in the San Diego region, advocating for the defense community while fostering critical partnerships between military, civilian, and business sectors. Mark played a key role in promoting economic development and support to the region's military bases, service members, and their families. Mark's leadership left an indelible mark on SDMAC, with a legacy of dedication and patriotism that will continue to inspire us all.

Dr. Lynn Reaser, whose remarkable contributions as one of the originating economic experts to our Military Economic Impact Report have significantly improved the understanding of the military impact on our community. As the chief economist at the Fermanian Business Institute, Pt Loma Nazarene University, she was the go-to expert on economic issues and how they shaped our daily lives. She had that unique ability to take economic data and explain it, so it made sense, and made it look understandable. The report that we roll out this year with our partner Rady School of Management, UC San Diego, is a direct result of the tireless efforts of Lynn Reaser.

We move forward on the shoulders of these two giants, a testament to what can be achieved when one's passion and dedication are focused on making a difference. They will be missed but will live on with those whom they taught and mentored. Fair winds and following seas.

With warmest regards,

A handwritten signature in black ink, appearing to read "David M. Boone", with a long horizontal flourish extending to the right.

David M. Boone
President and CEO San Diego Military Advisory Council

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EXECUTIVE SUMMARY



In our 2023 Military Economic Impact Report, we observed local defense spending completing its shift away from the emergency procurements of 2020 through 2022. Resuming their more normal pattern of sustaining existing infrastructure and operations while supporting investment in future-focused technologies and capabilities, San Diego’s defense activities now re-establish their trajectory to secure our nation’s and our region’s competitive advantage.

This trajectory is the result of a delicate balance within programmatic spending composed of two major elements, payroll and contracting, intended to build and maintain over the long term the force required to deter aggression and counter foreseeable threats. As we have seen and discussed in previous reports, in times of crisis, either may surge to meet the current challenge. In times of relative normalcy, balance is struck by adjusting spending in both categories to meet variations in the cost of current operations while continuing to invest in future capabilities.

More than 111,000 active-duty service men and women call San Diego home; they work alongside 6,000 military reservists and 30,000 civilians directly employed in federal defense jobs. Payroll to support these employees rose by 16.0% in FY 2024 to \$15.6 billion, a response to the dual realities of inflationary pressures and recruiting shortfalls.

In contracting, we see a similar though less dramatic rise. For FY 2024, direct contract spend was \$20.6 billion, funding more than 222,000 civilian jobs. This represents an increase of 7.9% from FY 2023.

Exhibit 1.
Defense Spending and Jobs in San Diego Increased in FY 2024

	DIRECT SPENDING	JOBS	GROSS REGIONAL PRODUCT (GRP)
FY 2024 (%Δ from FY 2023)	\$40.5 Billion (+12.2%)	369,600 (+4.3%)	\$63.2 Billion (+12.2%)
% of SD Economy	N/A	24.2%	23.7%

Defense funds flow through the San Diego economy via many different channels: pay and benefits for military personnel and federal employees, defense contracts for more than 2,000 local businesses, retirement and veteran benefits, and spending through government purchase cards, along with a significant multiplier effect as all these people and companies generate additional economic activity living, shopping, and doing business within San Diego. The net effect is total defense contribution to our Gross Regional Product (GRP) of \$63.2 billion, a 12.2% increase from FY 2023 that is responsible for more than 369,000 jobs. With San Diego's GRP growing by 3% through 2024, the fraction that defense spending contributes to total GRP increases to 23.7%.

As we quantify and report on the current economy, our 2024 report also continues our view to the future, exploring in greater detail unique aspects of San Diego that set us up for long-term growth, supporting both established industries and technologies at the early edge of their potential.

One spotlight in this year's report presents a deeper dive into an important aspect of the Defense Innovation Economy: funding small, innovative ventures while providing them the non-financial support critical within the unique ecosystem of



FROM OUR MAYOR TODD GLORIA



"I am thrilled to see the continued growth of San Diego's military and defense industries, which remain a cornerstone of our region's strength and resilience. As a proud military town, our enduring partnership with the Navy, Marine Corps, and Coast Guard not only reinforces our national security but also drives our local economy. I want to thank SDMAC for this annual analysis and for their unwavering support of our military and veteran communities. Together, we will continue to ensure that San Diego remains a beacon of service and opportunity for those who protect our freedom."

Defense procurement. A specialized form of venture capital focused on defense-related start-ups, and a growing practice of targeted investment by prime contractors, represent two different approaches to satisfying the need. In another spotlight, we explore a particularly Californian interpretation of building future capabilities, that of environmental sustainability, and highlight efforts by San Diego area commands to deliver upon that need.

Balancing current and future investments for sustainable competitive advantage; the defense economy is vital to our local economy.

MILITARY SPENDING & JOB CREATION

MILITARY SPENDING



San Diego's economy historically flourishes thanks to several key sectors including tech, travel, tourism, and defense. As our economy settles into its new normal, defense spending also establishes its balance of current and future priorities, tending to change more predictably than the civilian sector due to the military's large investment in personnel and infrastructure and its duty to maintain a constancy of service to the nation.

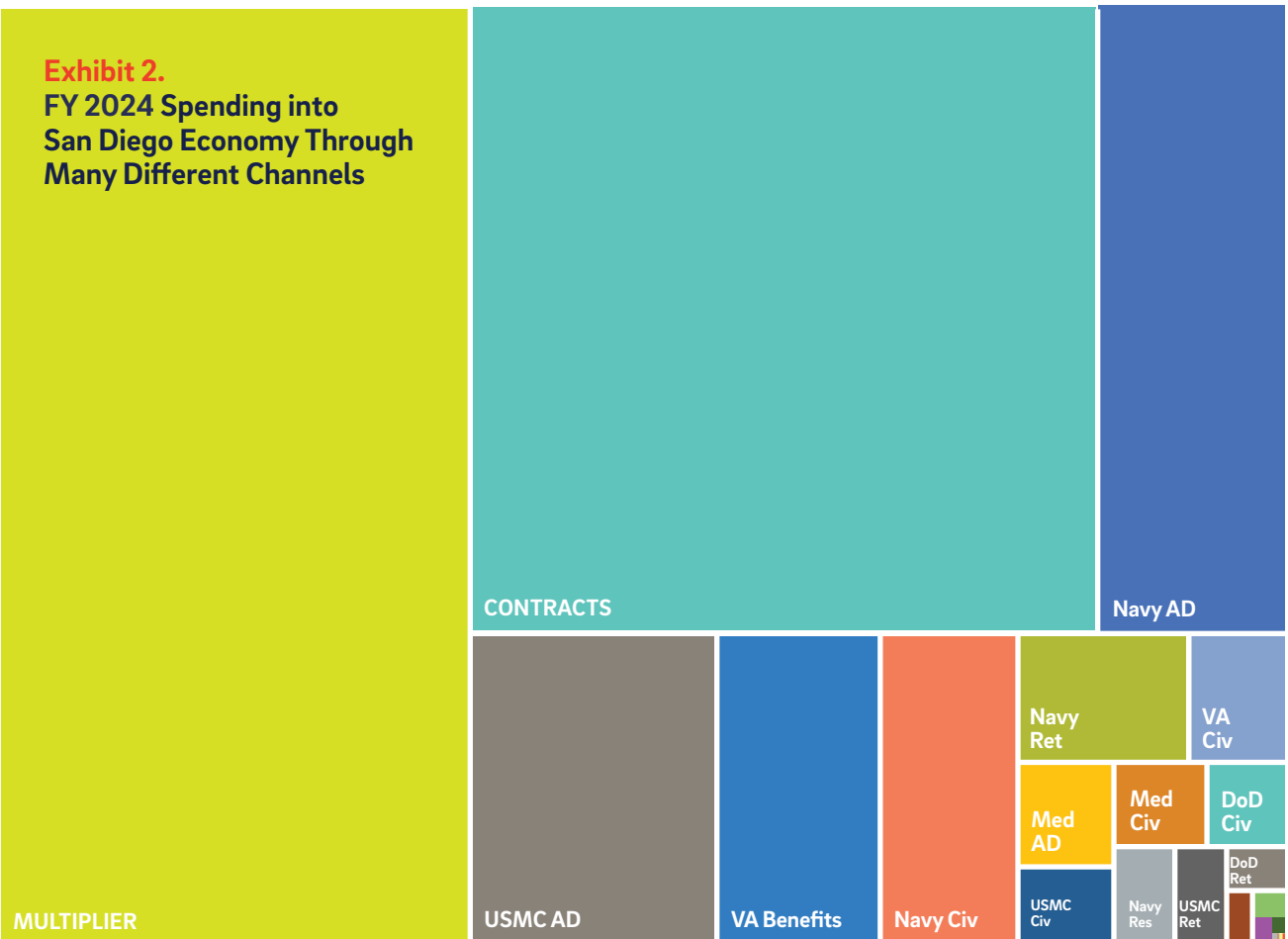
The diverse components of FY 2024 defense spending in our region help strengthen other economic sectors through small business targeted contract awards, spending by active duty and retired military families, and direct purchases of products through government

charge cards. Employee compensation includes the direct wages and benefits provided to active-duty military personnel, federal civilian employees, and military reservists in the region across the U.S. Navy (USN), U.S. Marine Corps (USMC), U.S. Coast Guard (USCG), and other Department of Defense (DoD) organizations. Military branches distribute retirement funds to previous military employees across the entire San Diego County. The Veterans Affairs (VA) office distributes key resources to San Diego veterans, including education benefits and health care. Exhibit 2 depicts the multiple different sources of spending and the relative size of different groupings of funding within each branch's contribution. (Some may be too modest to appear legibly in the charts.) Another major contribution to the local economy is the estimated \$20.6 billion in defense contracting dollars across more than 2,000 different companies in San Diego County during FY 2024. Exhibit 3 depicts the companies in receipt of the greatest percentages of these dollars and Exhibit 4 shows the types of programs these defense contracting dollars are funding in our region (FN1).





Exhibit 2.
FY 2024 Spending into
San Diego Economy Through
Many Different Channels



- Navy Active Duty
- Navy Civilian
- Navy Reserves
- Navy Retired
- Navy Purchase Card
- USMC Active Duty
- USMC Civilian
- USMC Reserves
- USMC Retired
- USMC Purchase Card
- USCG Active Duty
- USCG Civilian
- USCG Reserves
- USCG Retired
- USCG Purchase Card
- Med Active Duty
- Med Civilian
- Med Purchase Card
- VA Civilian
- VA Purchase Card

Exhibit 3.
Funds Obligated in San Diego by Company

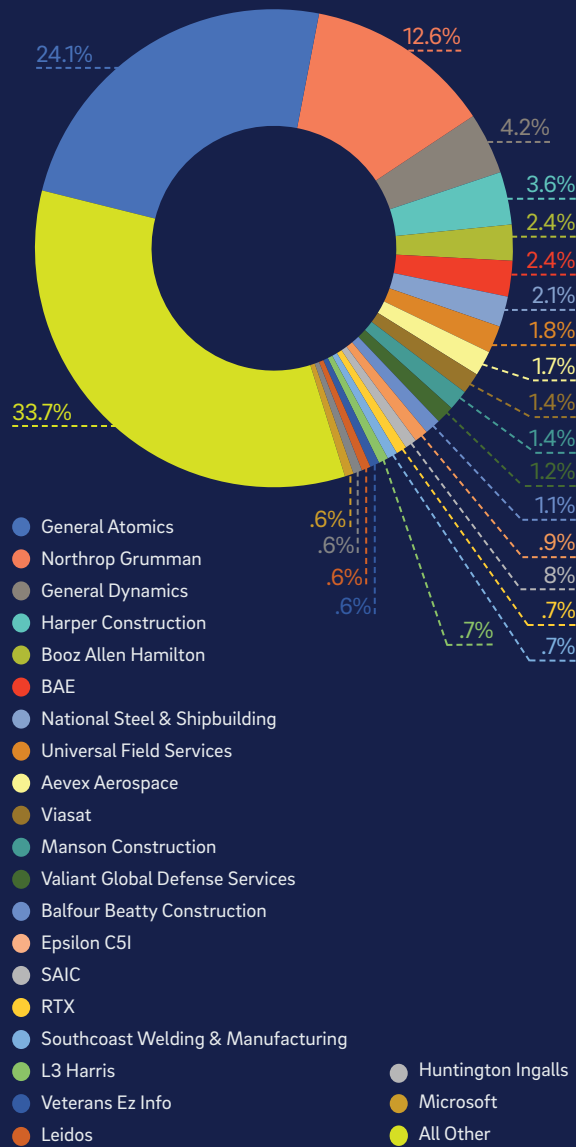
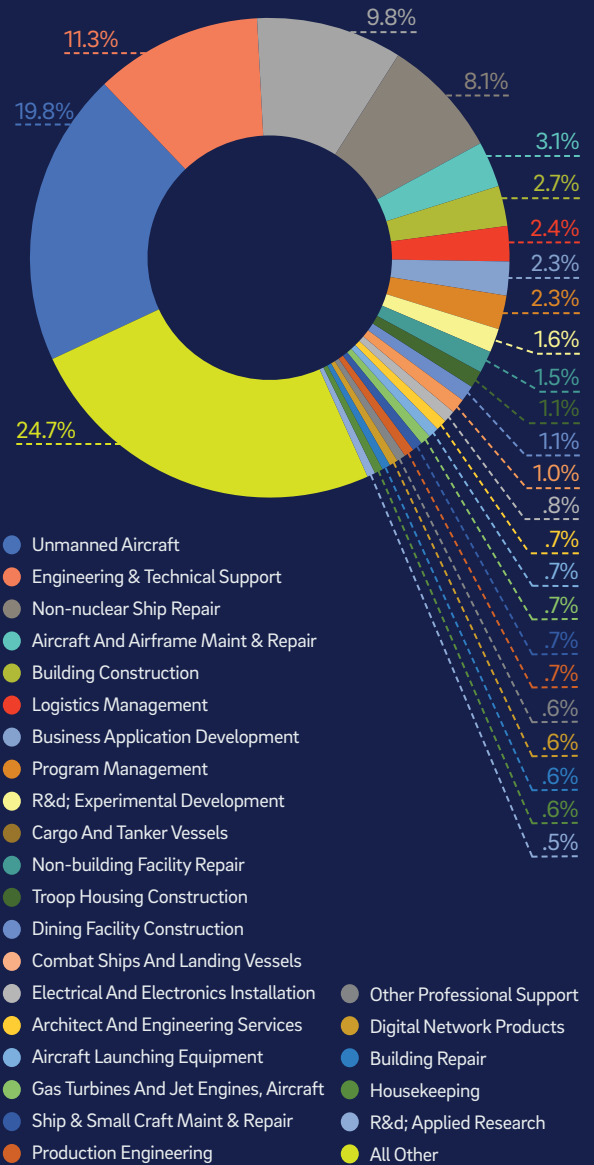


Exhibit 4.
Funds Obligated in San Diego by Program Type



MULTIPLIER EFFECT

In addition to direct spending, defense spending in the San Diego region also has indirect spillover effects on the gross regional product (GRP) and job creation. Defense spending supports development, which can then be leveraged for alternative revenue, creating a multiplier effect. A first-of-its-kind study of local fiscal multipliers found that \$1 of defense spending contributes up to \$1.56 to GRP, and every \$100,000 creates 1.08 jobs per year (FN2). Research also indicates the impact of defense spending is even greater during economic downturns, suggesting a conservative estimate with the application of the Auerbach study results (FN3). As a result of the multiplier effect, the total economic impact of the military in San Diego in 2023 is \$63.0 billion (Exhibit 5). Because of the ongoing inflation through 2024 and the delay inherent in measurements of GRP, we compare the defense contribution to San Diego's GRP to a credible estimate of 2.5% growth in current-year dollars, which shows that the defense contribution rises slightly to 23.7% of total GRP (FN4). Throughout the report, the indirect job impact and GRP multiplier are applied to determine full economic impact.

Exhibit 5.
\$64.2 Billion Impact to San Diego GRP

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	%Δ OVER FY 20
Employee Compensation	\$11,929	\$12,341	\$13,094	\$12,852	\$13,452	\$15,609	16.0%
Retirement & VA Benefits	\$3,577	\$3,688	\$3,568	\$3,507	\$3,482	\$4,292	23.1%
Contracts & Procurement	\$16,194	\$17,474	\$18,594	\$19,338	\$19,050	\$20,561	7.8%
Government Purchase Cards	\$65	\$67	\$85	\$267	\$166	\$23	-53.6%
TOTAL DIRECT	\$31,765	\$33,570	\$35,341	\$35,964	\$36,092	\$40,485	12.2%
Multiplier Impact	\$17,789	\$18,799	\$19,862	\$20,211	\$20,284	\$22,752	12.2%
GRP IMPACT	\$49,554	\$52,369	\$55,203	\$56,176	\$56,375	\$63,237	12.2%



JOB CREATION

The military, through the DoD, Department of Homeland Security (DHS), and the VA, directly employed 147,541 San Diego residents in FY 2024. Approximately 75% of those are active duty (AD) military personnel, 20% civilians (CIV), and 5% reserve military personnel (Exhibit 6). In addition to direct employment, the \$20.6 billion in government contract and procurement dollars generate approximately 222,059 more jobs in San Diego, given estimates that \$100,000 creates 1.08 jobs per year (FN1,4,5). Together the total direct and indirect employment make up 24.2% of the current labor force in San Diego (FN4).



Exhibit 6.
373K Jobs Supported in San Diego

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
USN (AD)	51,850	57,937	59,071	63,747	59,670	62,615
USMC (AD)	46,189	48,240	46,680	46,063	46,453	42,687
USCG (AD)	927	927	916	916	823	898
Medical (AD)	5,391	5,513	4,806	4,439	4,622	4,827
CIV	28,498	30,430	29,699	29,290	26,194	30,279
Reserve	5,352	5,831	2,950	2,745	7,181	6,235
VA	4,175	4,193	4,177	4,142	3,761	3,919
TOTAL DIRECT	142,382	153,071	148,299	151,342	148,704	151,460
Indirect (Result of DoD contracts)	175,617	189,426	200,813	208,858	205,735	222,059
TOTAL JOBS	317,999	342,497	349,112	360,200	354,439	373,519

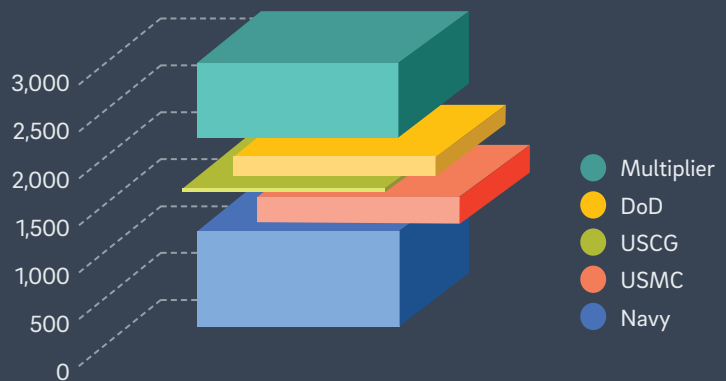


RETIREES

San Diego remains home to many long after their orders are complete. FY 2024 sees 40,566 retired military personnel deciding to stay for the long term (FN1). The net effect of these men and women choosing to make America’s Finest City their long-term home is a bolstering \$1.6 billion dollar impact on San Diego’s economy from direct retirement dollars alone (Exhibit 7).

Exhibit 7.
Military Retirement Adds \$2.5 Billion to Our Local Economy

(\$ in millions)



SPOTLIGHT

SAN DIEGO'S INNOVATION ECONOMY

San Diego sits at the intersection of military presence, transformative technologies, top universities, and startup capital. One sixth of the USN is based in San Diego County with 1st Marine Expeditionary Force nearby, creating opportunities for defense start-ups to interact directly with the end users of defense innovation. Start-ups benefit from the experience, connections, and security clearances of former military personnel and reservists in the area, as well as the disruptive thinking of graduates of local universities.

Venture Funding

San Diego is well known for its cutting-edge biotech startup ecosystem, but lately, has also seen defense related technology start-ups take root and grow. Contributions to the local economy have been strengthened by funding from U.S. Government agencies as well as private Venture Capital (VC) funding from both institutional and angel investors.

Connect, a not-for-profit organization supporting local tech start-ups, documented \$23.7 billion of VC investments into the regional economy in their 2023 impact report, funneled through startups from 2020-2023. This included a range of sectors, including healthcare, biotech, software, consumer tech, finance and defense. VC funding is an integral part of a start-up company's journey, providing financial support for initial development and growth to scale.

While VC funding is unevenly distributed across the U.S., California consistently ranks as a top destination for investments (FN8). In 2023 alone, California secured \$81 billion in VC funding (FN8), with the greater San Diego County area receiving roughly \$4 billion (FN6). Despite this massive influx, in 2023 only 7% could be traced to the local Defense Innovation Economy (DIE). In the first half of 2024, San Diego raised \$2.6 billion in VC funding, yet only \$4.5 million (FN6) was readily identified as allocated to the DIE. This may represent a true investment gap in defense-related startups relative to the broader innovation economy, or it may be a blind spot in our ability to properly identify and track this investment. In either case, it is important to identify the cause and to propose a cure.

In the defense sector, a few companies have captured most of the VC funding. These startups have had large impact due to their contribution to the growth of dual-

use AI and drone technologies, as well as their share of overall dollar contribution to the San Diego innovation economy. The top 10 defense related startups have drawn a total of \$1.2 billion of VC funding to the regional economy in the last 4 years (FN6). Most of this funding supported a single company (Shield AI) working on AI-driven pilot technologies. The U.S. Innovative Tech fund (USIT) and other private venture funding partners such as Viz.ai, Riot Ventures, ARK Investment, Disruptive Ventures, and Snowpoint Ventures provided this support. Their latest round of funding in Q4 2023 was \$300 million (FN6). Other defense tech startup contributors include SkySafe, who obtained \$54.9 million in funding for an air space security system focused on drones, and Firestorm labs, who received \$4.5 million in series B funding in Q1 2024 (FN7) for modular drone and 3D printing technology.

Given the breadth of San Diego's innovation economy and presence of defense-related startups and investors, there is clearly either a strong untapped potential for defense technology funding or a compelling opportunity to identify existing but less-visible funding. We will continue research into this theme, to elucidate the cause of this inconsistency and to highlight opportunities for policy makers and business leaders to foster broader participation and benefit in the DIE.

DoD Support

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs were established to strengthen the role of innovative small business R&D for the DoD, including encouraging participation by socially or economically disadvantaged small businesses to meet DoD research and development needs. In 2023 and 2024 alone, 58 San Diego small businesses received \$32.4 million through these programs, helping small and start-up defense firms to penetrate the market and thrive (FN9). UCSD programs such as Incubator and StartR Accelerator help start-ups to navigate the complex waters of SBIR, STTR, and similar programs.

With the software and hardware industry technology base and presence of one of the leading military base complexes in the country, there is ample room for continued growth and development for defense-related technology startups in the San Diego area.



UNITED STATES NAVY

San Diego Harbor, designated a National Strategic Port by the Department of Defense because of its location, transportation hubs, and cargo handling capacity, is vital for our Nation's military readiness. San Diego has grown past previous projections to become the homeport for 70 of the Navy's ships (Exhibit #8), including Aircraft Carriers (CVN), Amphibious Ships (LHA, LHD, LPD, and LSD), Cruisers (CG), Destroyers (DDG and DDG-1000), Littoral Combat Ships (LCS), Mine Countermeasure Ships (MCM), and Fast Attack Submarines (SSN). Additionally, several classes of ships owned by Military Sealift Command and manned by Civilian Mariners are homeported in San Diego. The count of vessels, termed "laydown," does fluctuate and can be attributed to modified ship maintenance schedules, forward deployed vessels (abroad), change of homeporting, and decommissioning of vessels based on repositioning decisions made by higher authority.

San Diego is also home for one of every six Sailors in the Navy and the home-base for numerous operational and administrative commands, including Naval Special Warfare Command (responsible for manning, training and equipping SEALs), the Navy's Third Fleet (operational control of all Navy activities in the Eastern Pacific Ocean), Naval Surface Force (responsible for manning, training, and equipping all surface ships), Naval Air Forces (responsible for manning, training, and equipping all aircraft and aircraft carriers in the Navy), Navy Region Southwest (oversight of Base Operating

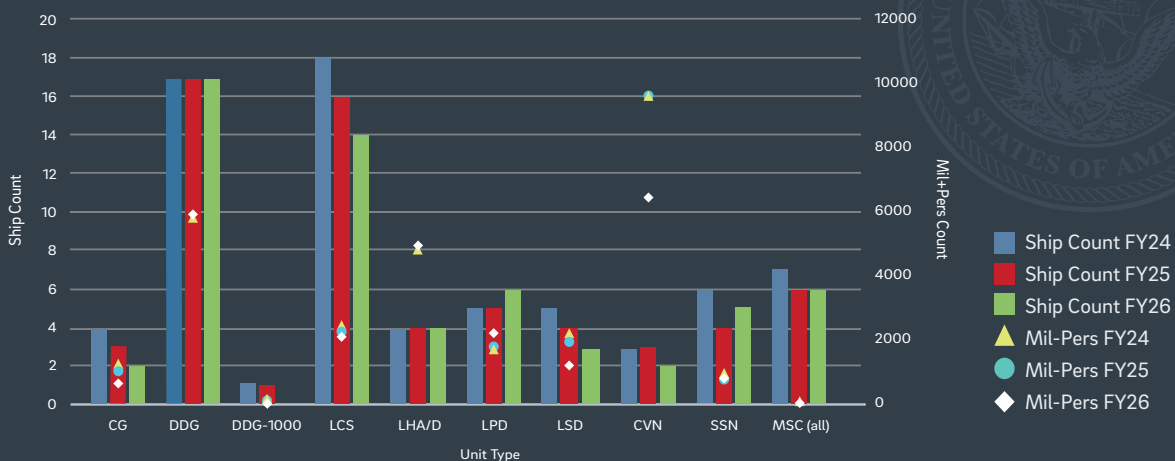
Shore Support for 10 Naval installations across six states), Naval Information Warfare Systems Command (headquarters for the development and production of all Naval command and control systems), Naval Medical



Forces Pacific (oversight of Navy Medicine's Western U.S. and Pacific operational medical capability within hospitals and Navy Medicine's medical research and development laboratories), and Naval Surface and Mine Warfare Development Command (training and doctrine headquarters). San Diego is also the operational home to Carrier Strike Group headquarters and Expeditionary Strike Group, each led by an Admiral.

The Navy organizes activities under operational or administrative commands, and locates these commands at several Navy bases in our Region, with the bases under the oversight of a Navy Regional Commander.

Exhibit 8.
San Diego Currently Homeport to 70 Ships



NAVY REGION SOUTHWEST

Navy Region Southwest (NRSW) headquarters (HQ) is located in Downtown San Diego across from the Broadway Pier, and is responsible for the oversight of 10 Navy shore installations and various special areas within the six southwest states. The installations under the NRSW Area of Responsibility (AOR) include Naval Base San Diego (NBSD); Naval Base Point Loma (NBPL); Naval Base Coronado; Naval Air Facility El Centro (NAFEC); Naval Air Station Lemoore (NASL); Naval Air Weapons Station China Lake (NAWSCL); Naval Base Ventura County (NBVC); Naval Air Station, Fallon (NASF), Naval Support Activity Monterey (NSAM) and Naval Weapons Station Seal Beach (NWSSB).

NRSW is the naval shore installation management headquarters and provides base operating support (BOS) for the fleet and family throughout the region. NRSW continuously seeks innovation efforts, new technologies, and business practices to optimize service costs while continuing to meet the Fleet's demand. Services include providing administrative and operational force tenants with family services, housing, bachelor quarters, security, port services, air services, supply, maintenance, logistics, and environmental support. These services are provided for hundreds of tenant commands that occupy the installations and for thousands of active duty, reserve and retired military members and their families. Additionally, NRSW ensures environmental compliance actions with local, state and federal regulatory agencies, and provides oversight for Department of the Navy response to civil emergencies.

NAVAL BASE CORONADO

Naval Base Coronado (NBC) is the Navy's West Coast Quarterdeck, employing more than 38,000 military and civilian personnel encompassing nearly 60,000 land acres with multiple runways, piers, and training facilities. NBC is a consortium of nine installations: Naval Air Station North Island (NASNI); Naval Amphibious Base Coronado (NAB); Navy Outlying Landing Field Imperial Beach (NOLF IB); Navy Auxiliary Landing Field San Clemente Island (NALF SCI); Silver Strand Training Complex (SSTC); Remote Training Site Warner Springs (RTSWS); Camp Michael Monsoor; Camp Morena; and Naval Training Site Otay Mesa.

NBC provides shore-based support for 15 rotary wing helicopter squadrons, including two FRS squadrons, four tilt-rotary wing squadrons, three nuclear-powered aircraft carriers, four SEAL Teams, and other ashore and afloat expeditionary

commands. NBC strives to increase combat readiness while simultaneously delivering exceptional quality of life and wellness services for NBC's Sailors and their families, with 24/7 fitness centers, the Sea 'N Air Golf Course, the award-winning Navy Lodge, and the number one Morale, Welfare, and Recreation program in the Department of Defense.

NAVAL BASE SAN DIEGO

Homeport to the Pacific Fleet Surface Navy with 59 U.S. Navy ships and two auxiliary vessels, Naval Base San Diego is also home to more than 250 tenant commands, each having specific and specialized fleet support purposes. The base is comprised of over 1,700 land acres and 326 acres of water along the San Diego Bay and is divided into the wet-side, dry-side, and the Fleet and Family Complex. Other areas of responsibility include Commander, Navy Region Southwest and Naval Facilities Engineering Systems Command Southwest headquarters, Naval Medical Center San Diego, and Admiral Baker Golf Course. The base is a workplace for more than 55,000 military, government civilian, and contract personnel. Additionally, the base has rooms to house more than 4,000 men and women in modern apartment-like barracks.

NAVAL BASE POINT LOMA

Located in the Point Loma neighborhood of San Diego, Naval Base Point Loma (NBPL) includes three main areas; the Peninsula, Harbor Drive Annex and the Old Town Campus. The installation supports operational forces, research and development, and training for surface and submarine Sailors. NBPL is the home for five Los Angeles Class Submarines, a floating dry dock, the largest Defense Fuel Support Point on the west coast, two U.S. Coast Guard patrol boats, and other research vessels. The base supports over 50 tenant commands including U.S. 3rd Fleet, Naval Information Warfare Center (NIWC) Pacific, Naval Information Warfare Systems Command (NAVWAR), Surface Combat Systems Training Command, Tactical Training Group Pacific, and a detachment from the Portsmouth Naval Shipyard. NBPL is the workplace for more than 19,000 military, government civilian and contract personnel.

NAVAL INFORMATION WARFARE SYSTEMS COMMAND

Naval Information Warfare Systems Command (NAVWAR) is one of five major Department of Navy

acquisition commands. While other Navy acquisition commands, like Naval Air Systems Command (NAVAIR) and Naval Sea Systems Command (NAVSEA), focus on specific platforms, NAVWAR focuses on secure and effective communications and networks across all warfighting domains, from seabed to space.

NAWWAR provides research and development, systems engineering, testing and evaluation, and support services to its three affiliated acquisition program executive offices (PEOs) throughout all phases of a program's lifecycle. The PEO for Command, Control, Communications, Computers, and Intelligence (PEO C4I), headquartered at NAVWAR's Old Town Campus in San Diego, oversees eleven program offices responsible for acquiring, fielding, and supporting C4I systems across Navy, joint, and coalition platforms. The PEO for Digital and Enterprise Services (PEO Digital), headquartered in the Washington, D.C. area, delivers modern, secure, and effective information technology and business systems and services. PEO for Manpower, Logistics and Business (PEO MLB), also headquartered in the Washington, D.C. area, provides the tools and systems that enable daily operations in staffing, training, organizing, and equipping Navy and Marine Corps forces worldwide.

NIWC Atlantic is located in Charleston, SC, while NIWC Pacific is located in San Diego, and includes facilities in Japan, Guam, and Hawaii. The NIWCs conduct research, development, prototyping, engineering, test and evaluation, installation, and sustainment of integrated information warfare capabilities and services afloat and ashore to drive innovation and give warfighters an information advantage.

CNRSW is leading the revitalization of the Old Town Campus (OTC) at Naval Base Point Loma. OTC Revitalization is a Department of the Navy real estate project aimed at replacing 80-year-old obsolete World War II B-24 bomber factories with secure, safe, modern, state-of-the-art facilities, utilities and infrastructure to meet NAVWAR's information technology, artificial intelligence, and cyber warfare operational needs on the approximately 70.3-acre Naval Base Point Loma OTC. The project requires approximately 1.7 million gross square feet of office, lab, and warehouse space for approximately 5,000 Federal and contractor personnel. Revitalization could include commercial mixed-use development (housing, retail, commercial).

In January 2024, the Navy began negotiations with

its selected exclusive negotiating partner to develop all aspects of the public and private development of OTC. The Navy will produce site-specific details for the project that will inform environmental analyses reports before the Navy makes a decision to move forward. This complex and meticulous process is expected to take a couple of years and will involve extensive engagement with all stakeholders to include City, County, State and Federal agencies and elected officials, community members, commercial industry, local businesses, civic groups and DoD partners. For more information: <https://navwar-revitalization.com/>



NAVAL SPECIAL WARFARE COMMAND

Located in NAB Coronado's "wet side," Naval Special Warfare (NSW) Command leads the Navy's maritime special operations force and is the Navy component of the U.S. Special Operations Command, headquartered in Tampa, FL.

NSW provides maritime SOF capability to enable Joint Force lethality and survivability inside denied and contested areas. NSW specializes in a broad range of tactical areas, including unconventional warfare, direct action, counterterrorism, special reconnaissance, and personnel recovery. NSW is organized primarily around eight Navy SEAL teams, three Special Boat Teams, and various supporting commands, totaling approximately 10,000 personnel. Units can operate independently, as part of navy carrier battle groups and amphibious ready groups or integrated with other U.S. special operations forces. By utilizing the United States Navy's ships, submarines, and overseas facilities, NSW forces can be deployed rapidly around the world.



NAVAL MEDICAL FORCES PACIFIC

Navy Medicine plays a critical role in the San Diego region, with Naval Medical Forces Pacific (NMFP) serving as the regional command, headquartered at Naval Base San Diego. In a partnership with the Defense Health Agency (DHA), which oversees the delivery of health care in Military Treatment Facilities (MTF), NMFP provides command and oversight of all subordinate Navy Medicine Readiness and Training Commands (NMRTC), Navy Medicine Readiness and Training Units (NMRTU), and assigned operational platforms in the Western U.S. and Pacific regions. Additionally, NMFP oversees eight Navy Medicine Research and Development Commands around the globe, including the Naval Health Research Center (NHRC) in Point Loma.

In the San Diego Region, NMFP and Defense Health Network Pacific Rim (DHNPR) oversee NMRTC San Diego/Naval Medical Center San Diego (NMCS) and NMRTC Camp Pendleton/Naval Hospital Camp Pendleton (NHCP), along with their network of 24-branch medical and 11 dental clinics. Together with DoD's TRICARE health insurance program, these facilities support 357,000 eligible beneficiaries in the San Diego area. Military medicine employs over 7,000 in San Diego, including nearly 5,000 active-duty service members.

NMRTC San Diego/NMCS, with more than 5,000 active-duty military personnel, civilians, contractors, and volunteers, is the premier site for medical force generation providing exceptional quality care and ensuring readiness to the Fleet and Marines. There are

approximately 234,000 people eligible to receive care at the Naval Medical Center and branch health clinics. NMRTC San Diego has multiple Expeditionary Medical Platforms (EXMEDS) which train and deploy to support specific military operational requirements. A leader in the medical field, the center is also a major teaching and research center. NMCS is affiliated with the University of California San Diego, Rady Children's Hospital, Scripps Clinic and Research Foundation La Jolla, Johns Hopkins, and many other prestigious institutions throughout the United States where Navy trainees perform rotations for integral areas of their residency. Hailed for its innovative and highly transformative "Jaw-In-A-Day" surgical procedure that was introduced to University of California San Diego Health in 2023, NMCS takes pride in elevating the collective medical capabilities beyond its confines. With this procedure, NMCS is on its way to being designated the first Maxillofacial Restoration Center of Excellence for DoD.

For NMRTC Camp Pendleton/NHCP, while delivering health care services for our warfighters, the Naval hospital also contributes to the local economy in various ways. Total salary compensation for the uniformed and civilian employees of the hospital sums to approximately \$170 million. Additionally, service members collectively receive around \$39.6 million in housing allowance and more than \$4.4 million in sustenance allowance. Together, these institutions bolster San Diego's economy while ensuring the health and readiness of military personnel and their families.

Navy Medicine is also at the forefront of research and development in San Diego, particularly through NHRC. Comprising a diverse team of active-duty service members, federal civil service employees, and contractors, NHRC focuses on operationally relevant research. Areas of expertise span physiology, microbiology, biomedical engineering, psychology, epidemiology, and software engineering. The research conducted—ranging from physical readiness to joint medical planning to wounded warrior recovery and behavioral health—meets the critical health and readiness needs of our Nation's warfighters and their families. NHRC's primary research divisions include Operational Readiness, Military Population Health, and Operational Infectious Diseases. NHRC is a civilian-heavy command, with 90% of its workforce consisting of high-paying civil service and professional contract positions, significantly contributing to San Diego's economy through job creation.



SPOTLIGHT

STRENGTHENING ENERGY RESILIENCY AND REDUCING ENVIRONMENTAL IMPACT

THE USN TAPS INTO CALIFORNIA'S LOW CARBON FUEL STANDARD MARKET

In 2022, Navy Region Southwest (NRSW) and the Port of San Diego (Port) signed an unprecedented Joint Memorandum of Understanding (MOU), forming a partnership that allows the U.S. Navy to participate in California's Low Carbon Fuel Standard (LCFS) market. This collaboration enables the Navy to generate LCFS credits when using shore power for its ships



at Naval Base San Diego (NBSD), as opposed to when generating power through traditional, carbon-intensive fuels, and marks the DoD's first involvement in such a carbon reduction effort. The initiative brings significant environmental and public health benefits to the region and state, including lower greenhouse gas (GHG) emissions and improved air quality around San Diego Bay. Using generic U.S. Environmental Protection Agency kWh to CO₂ conversion, the GHG calculated to have been avoided by plugging in ships in FY 2022 was 152,000 tons, assuming that the ships would otherwise have been running diesel engines. In April 2023, NRSW expanded its agreement with the Port to allow the Port to register and generate LCFS credits for Naval Base Coronado (NBC) and Naval Base Point Loma (NBPL) ships (FN11).

Each LCFS credit represents a reduction of one metric ton of CO₂. These credits are monetized through the services of a qualified broker, Anew EV, LLC (formerly Bluesource). The Port handles the registration, generation, and sale of the credits from

Navy shore power and uses the proceeds to fund energy and utility improvement projects at the naval bases. As of December 2023, NBSD had generated 366,845 total LCFS credits, with the sale of 309,322 credits generating \$17,101,758 in revenue (FN13). The remaining 57,523 credits are to be sold for NBSD, while NBC had 45,649 and NBPL had 146 awaiting authorizations to sell as of May 2024. Should market prices remain as predicted, it is estimated that an additional \$11 million per year in net revenue will be generated for NBSD installation projects without any change to current operations (FN12, FN13).

Two significant projects are already in the planning stages to upgrade the electrical infrastructure at NBSD, promising further emission reductions. One is a \$5 million underground primary feeder replacement for energy resilience and increased capacity to the piers, and another is a \$6 million project to replace aboveground and below deck utilities on a pier and add additional capacity for high powered ships. Completion of such projects puts the Navy in a much better position to decarbonize in the future. This collaboration is expected to generate millions of dollars for further electrification at NBSD and the Port, enhancing local communities' health and resilience.

These modernization projects also enhance the local economy by creating opportunities for local companies to bid on projects and by generating jobs. Additionally, a portion of the Navy's LCFS revenue is retained by the





Port to cover costs for managing the project design and construction at NBSD and within Port operations, benefiting nearby communities like Barrio Logan, Logan Heights, Sherman Heights, and West National City.

This Navy and Port partnership is currently a pilot program running through 2030. If successful, it has the potential to generate up to \$20 million annually in in-kind contributions. The success of this partnership will be foundational in duplicating this model between other Navy bases and their surrounding communities. This partnership demonstrates the Navy's capacity to significantly impact San Diego's economy while simultaneously reducing its environmental footprint and enhancing public health.

THE USMC ADOPTS INNOVATIVE TECHNOLOGIES AND STRATEGIC PARTNERSHIPS TO IMPROVE ENERGY INFRASTRUCTURE

DoD energy priorities are to increase reliability, resilience and efficiency. To this end, Marine Corps Base (MCB) Camp Pendleton recently upgraded 46 electric vehicle charging stations to extend service support to charging personally owned vehicles in addition to government vehicles. In the first 3 months of utilization, over 1500 personal vehicle charging sessions were completed.

These chargers can support alternative power sources such as battery, solar, wind turbine, and on-

site generation, providing potential for even greater environmental impact as the base increases their use of renewable energy sources. The EV chargers are not for profit. All funds accrued through EV charging are used to supplement the upkeep and maintenance of the systems. Marine Corps Air Station (MCAS) Miramar is planning to purchase 26 new EV kiosks to replace existing kiosks to allow personal vehicle charging as well (FN14).

Along with pursuing innovation, the Marine Corps is also looking toward partnerships with the City of San Diego and other entities to help achieve sustainability goals. MCAS Miramar has a tap from the City's recycled water line that enables the base to use reclaimed water for construction and street sweeping, and 75% of irrigation on base uses non potable water. MCAS Miramar also has a partnership with the City of San Diego to utilize methane gas from the Miramar Landfill to power electrical generators that feed the base. This brown energy source supplements their power energy portfolio to improve their energy resiliency. MCAS Miramar also has its own microgrid with backup generators. To further enhance the base's energy resiliency, MCAS Miramar is working with UCSD to install a 3 MW battery storage system on base. This project is being funded by a grant from the California Energy Commission, and the research conducted will lead to further energy resiliency insights.

UNITED STATES MARINE CORPS



The San Diego region hosts the largest concentration of Marine Corps operational and support commands in the United States. With access to the interconnected sea, land, and air ranges, our terrain and climate create ideal conditions to prepare Marines for deployed operations, including combat. One of every four Marines is stationed in the San Diego Region, and even more significantly, 95% of all Marines train in the Southwest (predominantly Southern California) before deploying.



Nearly 150,000 acres of San Diego County are part of the Marine Corps' most important installations, including Marine Corps Base Camp Pendleton, Marine Corps Air Station Camp Pendleton, Marine Corps Air Station Miramar, and Marine Corps Recruit Depot San Diego. San Diego's active-duty Marines total over 43,000 service men and women, and local Marines are active partners with the San Diego community through school volunteer programs while also training alongside and supplementing the San Diego Fire Departments during wildfire and rescue operations.

MARINE CORPS BASE CAMP PENDLETON

Encompassing 125,000 acres, Marine Corps Base (MCB) Camp Pendleton is home to the I Marine Expeditionary Force (I MEF), 1st Marine Division, 1st Marine Logistics Group, and major tenant commands including Marine Corps Installations West, Marine Corps Air Station Camp Pendleton, School of Infantry (SOI) West, Naval Hospital Camp Pendleton, and



the Marine Corps Tactical System Support Activity. MCB Camp Pendleton's vast acreage, varied terrain, and 17 miles of coastline provide the Marines superb pre-deployment training including combined arms, amphibious operations, and direct air support by rotary and fixed-wing aircraft. MCB Camp Pendleton has more than 30,000 Marines and nearly 3,000 civilian government workers.

MARINE CORPS AIR STATION CAMP PENDLETON

Marine Corps Air Station (MCAS) Camp Pendleton is a critical ship-to-shore training facility covering over 450 acres. The nearly 4,500 Marines assigned operate the air station and aircraft support equipment during all-weather operations that replicate forward-deployed amphibious and combat operations. MCAS Camp Pendleton is also home to Marine Aircraft Group 39 composed of AH-1Z Cobra and UH-1Y Venom light attack helicopter squadrons and two MV-22 Osprey squadrons that are under the 3rd Marine Aircraft (MAW) command. The aircraft based here provide combat-ready naval expeditionary capabilities for combat aviation support, aviation ground support, and aviation logistics. They also operate UC-12Ws to provide transport capability critical for direct support to I MEF and 3rd MAW equipment, parts, and personnel movements.

MARINE CORPS AIR STATION MIRAMAR

With over 23,000 acres, Marine Corps Air Station (MCAS) Miramar, located about 14 miles north of downtown San Diego, is home to the 3rd Marine Aircraft Wing (MAW), the aviation element of the I Marine Expeditionary Force. 3rd MAW is comprised of F-35 Lightning II B and C variants, F/A-18C/D Hornet, and KC-130J Hercules fixed wing aircraft; and CH-53E Super Stallion and MV-22B Osprey rotary wing aircraft. MCAS Miramar is also home to Marine Air Control Group 38, which provides command and control for the Air Wing. The nearly 10,000 Marines stationed here base and support aircraft conducting training operations over water and at the inland ranges, including air-to-air and air-to-ground operations.

MARINE CORPS RECRUIT DEPOT SAN DIEGO

Marine Corps Recruit Depot (MCRD) San Diego is located in the Point Loma area of San Diego and is home to the Recruit Training and Western Recruiting Region Headquarters. One of two MCRDs in the United States, MCRD San Diego is responsible for recruiting and providing basic training for 18,000 young men and women recruits who come from states west of the Mississippi River and the Western Pacific. Despite an exceedingly difficult military recruiting climate, nearly 1500 recruiters spread across 24 recruiting stations and 653 substations in 24 states continue to meet their assigned fiscal year recruiting mission. Post shipping, thirteen weeks of Recruit training transitions young men and women from civilians to United States Marines and includes the development of mental, moral, and physical strength, along with self-discipline, initiative, and decision-making skills. It includes rigorous training in marksmanship, field skills, martial arts, physical fitness, and simulated combat operations.



SPOTLIGHT

CONTRIBUTING TO ENVIRONMENTAL RESTORATION AND CONSERVATION

EXPANDING EELGRASS HABITATS IN THE SAN DIEGO BAY

Navy Region Southwest (NRSW) is embarking on an ambitious initiative to expand eelgrass habitats in San Diego Bay (FN11). Eelgrass serves as a crucial habitat and nursery for various marine species, including fish and invertebrates, while improving water quality and stabilizing sediment. This environmental project aims to enhance the ecological health of the bay while supporting naval operations. The Navy, together with the Port of San Diego (Port), manages all natural resources within the San Diego Bay. The Navy implements specific mitigation projects and utilizes credits from the Navy Eelgrass Mitigation Bank to offset any unavoidable impacts. NRSW San Diego Bay Eelgrass Mitigation Bank consists of seven total eelgrass banks throughout the channel. Expanding eelgrass habitats will contribute additional credits to the mitigation bank and enhance the overall health of the San Diego Bay marine ecosystem.

Like other seagrasses, eelgrass is known for its ability to sequester CO₂ from the atmosphere, which plays a critical role in mitigating climate change. Eelgrass restoration and conservation efforts in San Diego also aim to enhance biodiversity and protect coastal areas from erosion. The goals of this ongoing initiative are ecological restoration, meeting environmental regulations, and ensuring naval operating activities are carried out in a responsible manner. The initiative is currently geared towards expanding the original eelgrass banks in addition to creating new banks within the San Diego Channel. The map to the right depicts sites in green that were proposed in July 2023 for eelgrass habitat expansion and are undergoing environmental impact analysis. Collaborations between the many Federal and State agencies make the initiative possible, highlighting community engagement and scientific research as pivotal to its success.

The economic impact of eelgrass in San Diego extends across various dimensions, including ecosystem services, fisheries, tourism, and coastal

protection. Healthy eelgrass beds support robust fish populations, which directly boosts the local economy. The root systems of eelgrass stabilize sediments and reduce erosion, which help protect coastal properties and infrastructure. This can lead to cost savings in coastal defense measures and property maintenance. By dampening wave energy, eelgrass beds reduce the impact of storm surges, potentially lowering the economic costs associated with flood damage.

In an attempt to mitigate erosion, San Diego Association of Governments (SANDAG) completed two significant projects to replenish sand along the shrinking coastline, totaling \$44 million (FN13). Both projects yielded immediate results, however, the benefits were short-lived. Eelgrass plays a vital role in combating coastal erosion and improving water quality. These combined effects provide erosion protection, promoting more sustainable shorelines while avoiding costly efforts to fight erosion.

CONSERVATION EFFORTS ON MILITARY BASES

San Clemente Island, the southernmost of the Channel Islands, is owned and operated by the USN and administered by Naval Base (NB) Coronado. The island is home to several endangered species. Although a portion of the island is used for Naval operations, the majority is dedicated to conservation efforts. Four species of plants and one species of bird on San Clemente Island have been removed from the endangered species list due to resurgence of populations on the island, a testament to the Navy's stewardship. One example is the island fox, which was considered an U.S. Endangered Species and then in August 2016 removed from the Endangered Species List.

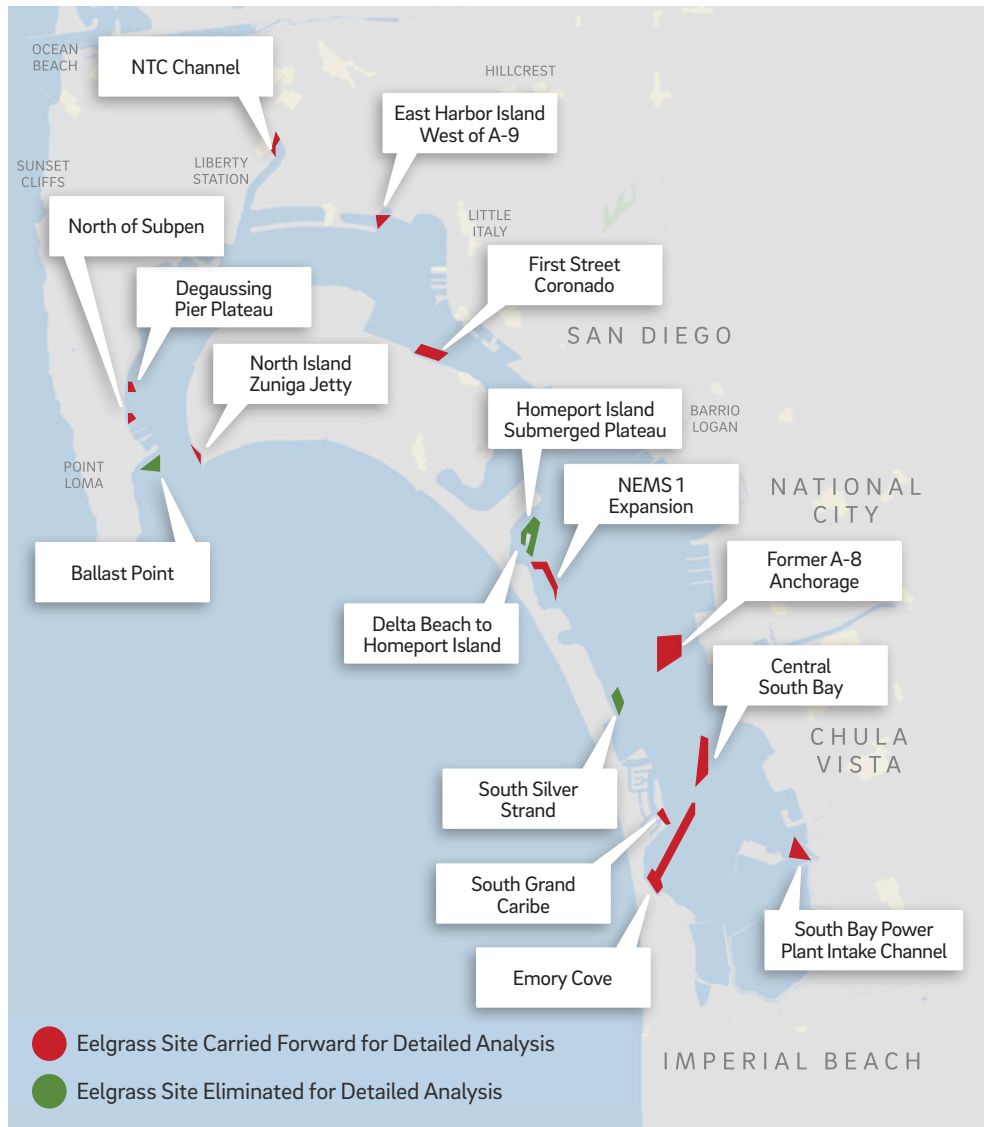
Camp Pendleton is both a training ground and a sanctuary for endangered species. After 20 years of no reports of the existence of the Pacific Pocket Mouse, a population of this species was reported in coastal Orange County. Subsequently, an additional population was found within Camp Pendleton. In May 2024, the San Diego Zoo Wildlife Alliance, in partnership with the California Department of Fish

and Wildlife and the U.S. Fish and Wildlife Service, reintroduced a group of endangered pocket mice outside of active training areas at Camp Pendleton. Arroyo toads, classified as a threatened species, also make their home at Camp Pendleton. This is the only surviving species of coastal arroyo toads since many of their river habitats have dried up. The Santa Margarita River that flows through Camp Pendleton has maintained good flow that provides a habitat for the local toad population (FN15).

Substantial effort has also been devoted to preserving vernal pools, small isolated freshwater ecosystems found at both Camp Pendleton and Miramar. These pools are an ephemeral oasis of biodiversity, as each pool has its own unique combination of plants and animals. Plants that thrive in vernal pools when water is present are

dormant in the dry season. San Diego fairy shrimp, an endangered species, also thrive in the pools and are a critical food source for the spadefoot toad. Miramar started a project over six years ago to create new vernal pools to compensate for unavoidable impacts to existing pools from base projects to support F-35s, which is now nearing completion. This >\$1 million project has successfully replaced vernal pools in areas where long term conservation is more compatible with base operations, creating 45 acres of new micro watershed areas (FN14, FN16).

Erosion is an ongoing environmental issue for seaside



communities as coastal development, harbors, and jetties contribute to loss of natural sand. The beaches on Camp Pendleton are some of the only areas in San Diego with a net gain of sand, such that sand replenishment projects have not been needed. Numerous bird species live and nest on the shore, including the least tern. The population of least terns in Camp Pendleton was in rapid decline in 2008 due to heavy predation by coyotes and raptors. Predators have either been relocated or lethally removed from the area. Training at Camp Pendleton has also been lessened in the breeding season to help restore the population of these shore birds. The base has also enacted measures to protect the western snowy plover by marking breeding areas and limiting foot traffic and recreational vehicles in the area. This bird species breeds three times in a season, so vigilant attention to their breeding habitat is critical.



6003

SAN DIEGO

RESCUE

6003

RESCUE

RESCUE

RESCUE

UNITED STATES COAST GUARD

The U.S. Coast Guard operates under the U.S. Department of Homeland Security during peacetime. During times of war, it can be transferred in whole or in part to the U.S. Department of the Navy under the Department of Defense by order of the U.S. President or by act of Congress. As a branch of the U.S. Armed Forces, a law enforcement organization, a regulatory agency, a member of the U.S. Intelligence Community, and a first responder, the Coast Guard employs a unique mix of authorities, broad jurisdiction, flexible operational capabilities, and a network of partnerships. The Coast Guard is the principal Federal agency responsible for maritime safety, security, and environmental stewardship in U.S. ports and inland waterways.

COAST GUARD SECTOR SAN DIEGO

Coast Guard Sector San Diego provides marine safety, security, and environmental protection to our major seaport and throughout the region. The Sector's Area of Responsibility encompasses more than 150,000 square miles, including 60 linear miles of international boundary with Mexico and 114 coastal border miles along the Pacific Ocean. The Coast Guard Sector provides for rapid, coordinated response to emergencies, whether natural or man-made, along with integrated daily operations to enforce regulations governing marine safety, security, and environmental protection. Sector San Diego is responsible for all Coast Guard missions, including Search and Rescue, Ports Waterways and Coastal Security, Waterways Management, Maritime

Homeland Security, Marine Science Activities, Aids to Navigation, and Command and Logistical Support.

San Diego is one of few locations that integrate aviation into a Coast Guard sector, operating several MH-60T Jayhawk helicopters. The Sector also houses several patrol boats, utility boats, and



special-purpose crafts for law enforcement, search and rescue, and aids to navigation. Its prime location gives these "Guardians of the Southwest" immediate access to guard and protect the Southwest Maritime border. In addition, the Coast Guard's Joint Harbor Operations Center includes personnel from the Department of Homeland Security, the Navy, the Harbor Police, and occasionally the California National Guard. This unique arrangement strengthens partnerships and allows for rapid coordination that ensures effective emergency response services (FN17).

EACH YEAR, COAST GUARD SECTOR SAN DIEGO:

- » Performs safety inspections on 620 domestic vessels
- » Oversees the safety of ~1.2M commercial maritime passengers
- » Maintains 97 aids to navigation
- » Participates in approximately 250 Search and Rescue cases
- » Saves approximately 150 lives
- » Seizes over \$2.5 million worth of illegal narcotics
- » Assists approximately 250 mariners in distress
- » Apprehends approximately 1,200 illegal aliens
- » Responds to and investigates over 230 pollution cases

U.S. DEPARTMENT OF VETERANS AFFAIRS

The Department of Veterans Affairs runs programs benefiting Veterans, their families, their caregivers, and their survivors. It offers education opportunities and rehabilitation services and provides compensation payments for disabilities or death related to military service, as well as home loan guaranties, pensions, burials, and health care that includes the services of nursing homes, clinics, and medical centers. In the San Diego Region, there are more than 198,000 veterans, about 14% of our local population (FN5).



VETERANS BENEFITS ADMINISTRATION SAN DIEGO REGIONAL OFFICE

The San Diego Veterans Affairs Regional Office (VARO) administers a wide array of benefits to Veterans living in San Diego. These Veterans have served the nation in various conflicts, dating back to World War II. The Veteran's Benefits Administration, part of the VA, aids service members in their transition from active duty to civilian life and supports them and their families through education benefits, home loans, life insurance, and much more.

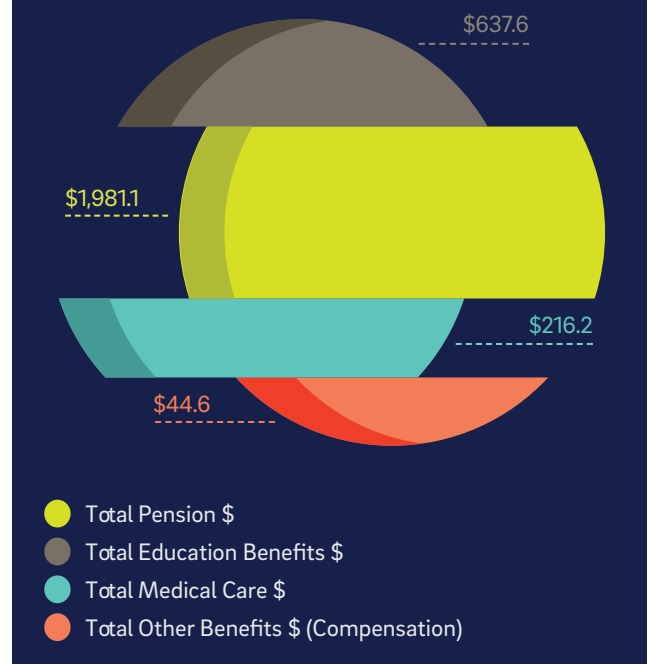
During FY 2024, the San Diego VA Regional Office administered approximately \$45 million in non-service-connected pension benefits for Veterans and survivors based on wartime service, \$638 million in total education benefits, \$216 million in total medical care in San Diego County alone, and \$1.9 billion in VA Compensation benefits (Exhibit 9). The San Diego VA Regional Office's approximate \$2.9 billion spending in FY 2024 has increased 33.5% over the previous three years.

VETERANS HEALTH ADMINISTRATION SAN DIEGO

Rated as a Centers for Medicare and Medicaid Services 5-star facility for the second year in a row, VA San Diego Healthcare System provides comprehensive medical inpatient and outpatient

services through the Jennifer Moreno VA Medical Center in La Jolla and outpatient services in six different clinics across the county. As part of the nation's largest integrated healthcare network, VA San Diego employed over 3,900 people in FY 2024.

Exhibit 9.
Est. \$2.9 Billion VA Benefit Spending FY 2024
(\$ in millions)





CONCLUSION



This year, San Diego's defense-related economy is perhaps best characterized as having a focus on normalcy – the fundamentals of good leadership and good stewardship needed to preserve and extend our military's ability to carry out its mission. We see this in the data: increases in pay for our service members facing rising costs of living, promotions and bonuses to address the difficulties of recruiting and retaining vital personnel, and increases in contract spending beyond the rate of inflation to support our industrial base, all of which benefits the region at large. This focus on normalcy also brings

with it the need
to strike an
effective



balance between supporting current operations and building future capabilities.

In upcoming reports, we will continue our exploration of our region's Defense Innovation Economy, one of the elements that helps to provide that balance while also contributing directly to the future of the larger San Diego Innovation Economy. We will examine and seek to separate new acquisition from operations and maintenance, to bring visibility to sustaining our existing infrastructure. And lastly, we will explore under-appreciated elements of the Defense-related ecosystem whose impact is not well-captured in traditional quantitative studies - organizations such as the USO and the Armed Services YMCA, who would not exist if the need to

support the people, families,
and business who support
our military did not exist,
but who do not participate in the
direct spending or contracting chains.

In this way, we hope to foster a well-rounded understanding to inform the decisions and policies that provide the balance to secure our nation's and our region's competitive advantage.

ACKNOWLEDGMENTS

SDMAC and the UC San Diego Rady School of Management would like to thank our local Marine Corps, Navy, Coast Guard, and VA and San Diego community for their enormous support in making this report possible. In particular, members of the following organizations provided data used in this report: Commander Navy Region Southwest, Commander Marine Corps Installation West, Commander Naval Medical Forces Pacific, Sector Commander Coast Guard Sector San Diego, Marine

Corps Air Station Miramar, Marine Corps Base Camp Pendleton, Marine Corps Recruit Depot San Diego, the San Diego Department of Veterans Affairs Regional Office (VARO), the VA San Diego Healthcare System (VASDHS), Blue Star Families, and the San Diego Association of Governments (SANDAG).





FOOTNOTES

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FN7 : Top Investor (Defense and Aerospace tech); Source PitchBook – <https://pitchbook.com/news/articles/defense-tech-aerospace-top-vc-investors-soma-capital>

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FN14: Rady School of Management Team Interview; 07/26/2024 Miramar/Camp Pendleton POCs

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FN17: Coast Guard Sector San Diego – <https://www.pacificarea.uscg.mil/Our-Organization/District-11/District-Units/Sector-San-Diego/>

IMAGE CREDITS

Page 2: Mass Communications Specialist First Class Sara Eshleman

Page 4: Lance Cpl. Janell Alvarez

Page 5: Seaman Apprentice Melanie Perez

Page 8: Seaman Apprentice Joseph Sitter

Page 9: Seaman Ryan Freiburghaus

Page 10 (bottom): Mass Communication Specialist 2nd Class Tristan Cookson

Page 13 (top): Lance Cpl. Mhecaela Watts

Page 13 (bottom): PO 1st Class Sara Eshleman

Page 14 (left): PO 1st Class Claire DuBois

Page 14 (right): Eloise A. Johnson

Page 19: PO 2nd Class Keenan Daniels

Page 24 (left): Lance Cpl. Mhecaela Watts

Page 24 (right): Cpl Elliott Flood-Johnson

Page 25 (left): Sgt. Yvonne Guyette

Page 25 (right): Sgt. Sean Potter

Page 28: PO 2nd Class Taylor Bacon

Page 29: PO 3rd Class Alexander Gray

Page 31: Lance Cpl. Jacob Hutchinson

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Page 33: Cpl. Brayden Daniel

Page 34: Lance Cpl. Mhecaela J. Watts



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