

# Cybersecurity Maturity Model Certification (CMMC) Pacific Northwest Event

Kitsap's Federal and Defense  
Economic Impact



James Davis and Elizabeth Court



# Overview

## Overview

- Big Picture
- The Kitsap Factors
- Competitive Advantage
- Kitsap's Federal Gov't and Defense Economy
- Procurement
- Jobs and Spending
- Additional Impacts / Shut Down
- Shipyard Infrastructure Optimization Program (SIOP)
- Discussion and Questions
- References and Citations

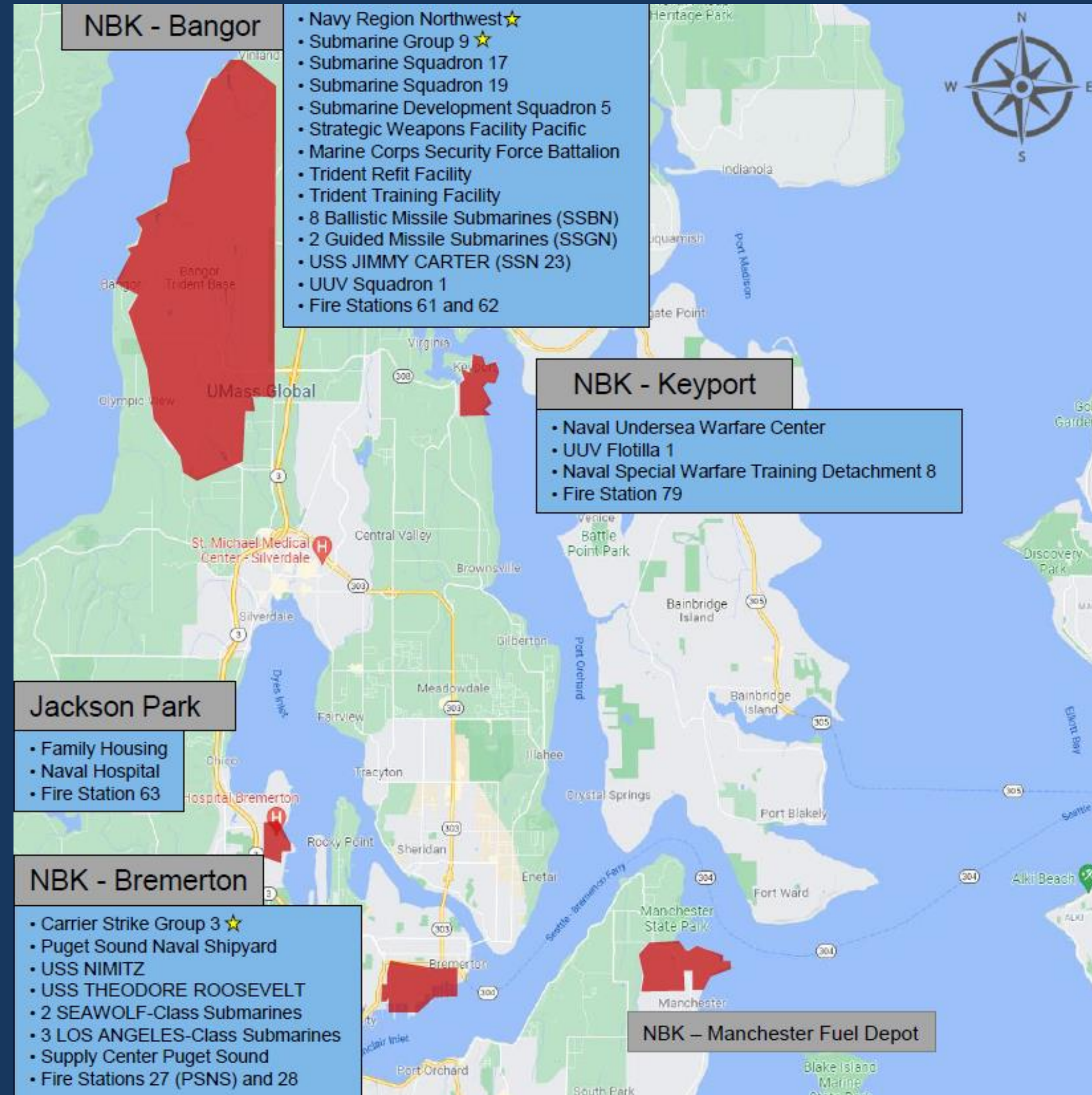
# Big Picture



# Two **Key** Factors in Kitsap's Economy



# Economic Competitive Advantage



## Five Major Local Bases

- Bangor
- Bremerton
- Keyport
- Manchester
- Jackson Park

## Other WA State Locations

- Camp McKean
- Camp Wesley Harris
- Dabob Bay

## Remote Location

- SEAFAC, Ketchikan, AK

# About Kitsap

- Land: 395 square miles (4th smallest)
- Marine Shoreline: 256 Miles (4th largest)
- Population Density: 711 (3rd largest)
- Population: 283,200 residents (7th largest)

Much smaller than other  
Greater Seattle counties

- King (2.3 million)
- Pierce (937,000)



# Kitsap's Economy



## Work Distribution

- 31% Technical / 68% Office
- 34% Government / 66% Private Sector



## Educational Attainment

- 37% have a bachelor's or other professional degree
- 26% have some college but no degree
- 95% have a high school degree or higher



## Gross Domestic Product

- \$11.7B, 8<sup>th</sup> in State

# Kitsap's Government and Defense Economy

- Government and defense spending plays a crucial role in bolstering Washington State and Kitsap County's economies.
- This investment not only supports local businesses and job creation but also stimulates various sectors, leading to substantial economic ripple effects.

\$4.5B

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King County Procurement Spending

\$1.1B

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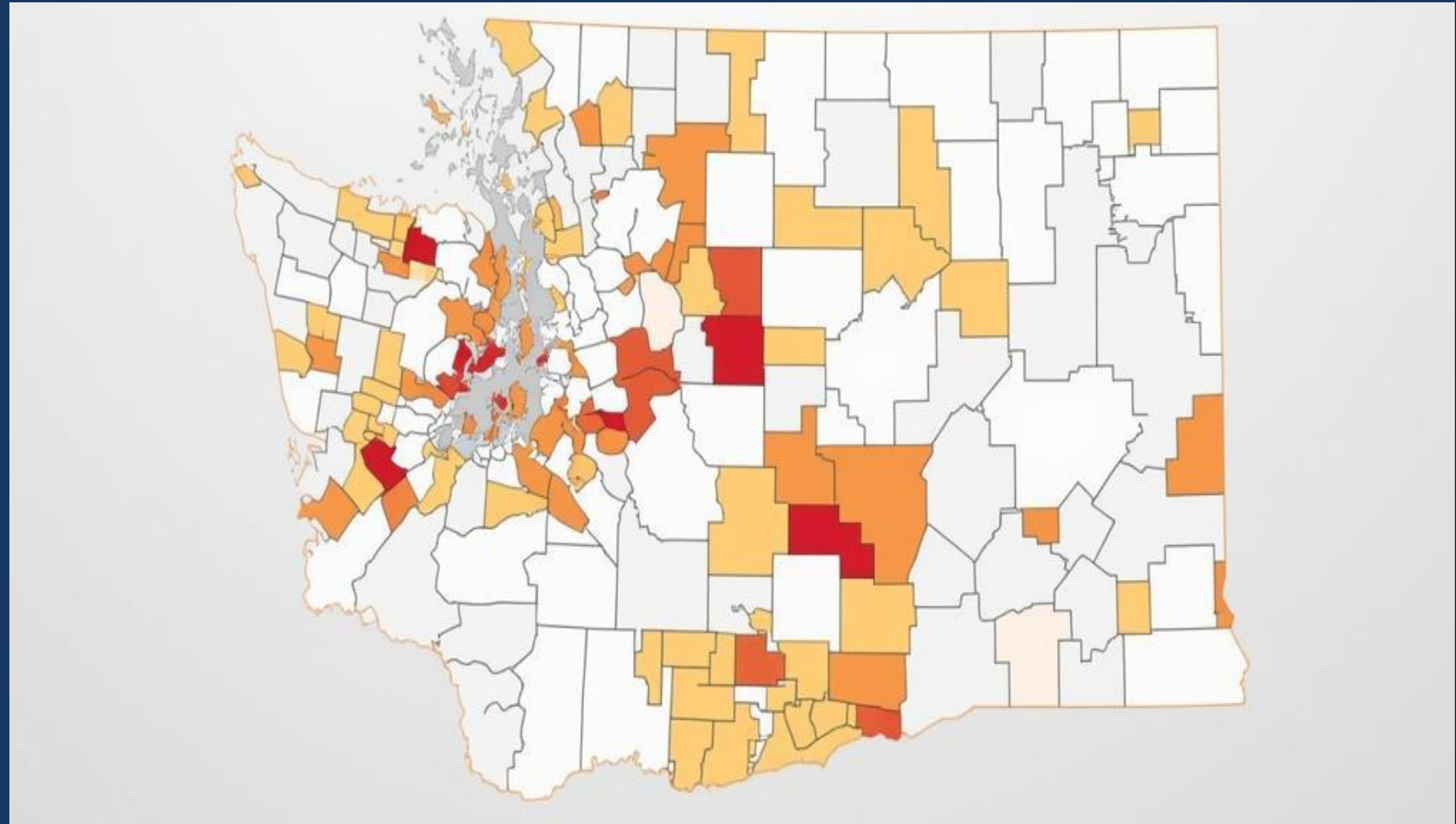
Kitsap County Procurement Spending

\$633M

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Pierce County Procurement Spending

# Washington State Counties by Defense Procurement Amount



# 39,440

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Naval Base Kitsap military and civilian positions.

# 20,000

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It is estimated that approximately 20,000 **jobs** supported by Naval Base Kitsap significantly contribute to the local economy, driving demand for housing, healthcare, and services in the surrounding communities.



# Sectors Impacted by Defense Spending

## Business

Defense contracts drive local business growth.



## Education

Spending supports educational resources and programs.



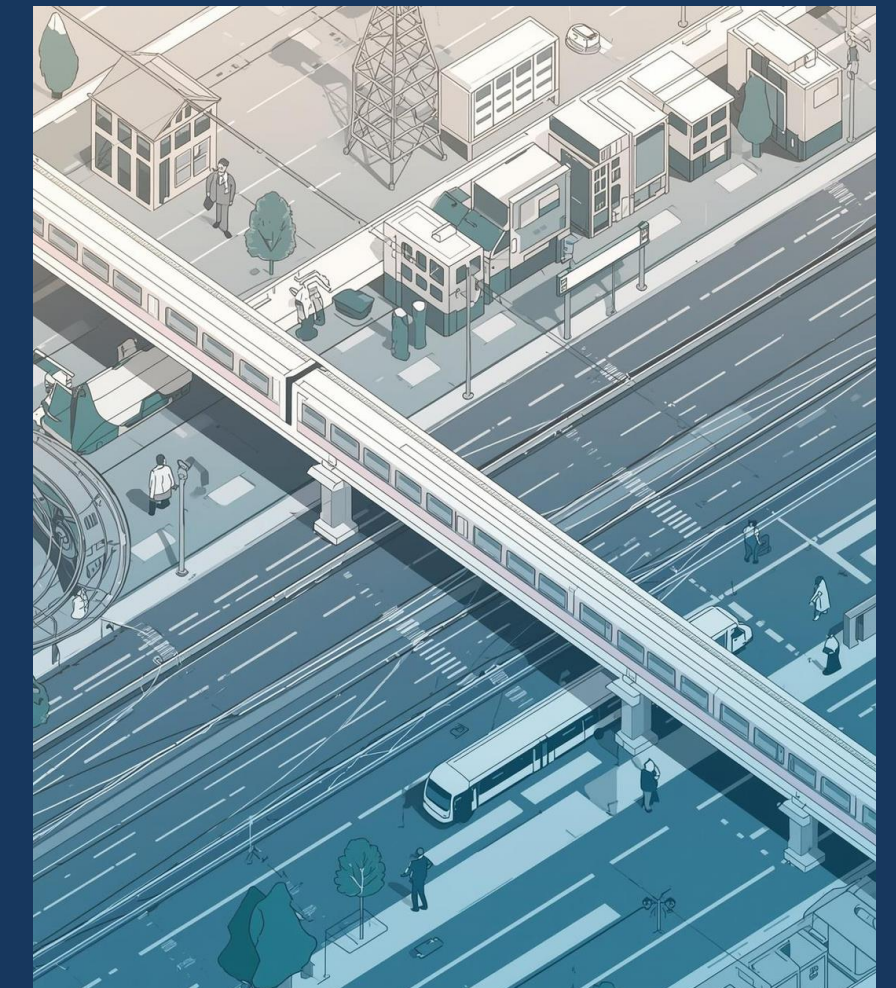
## Healthcare

Increased demand for medical services and jobs.



## Transportation

Infrastructure improvements enhance access and mobility.



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# Current Shut Down Estimated Impacts

Potential for \$7 million per day in lost wages.

# Shipyard Infrastructure Optimization Program (SIOP)

## Total SIOP program costs

- **Original projection (2020):** A 20-year, \$21 billion plan to modernize the infrastructure, facilities, and equipment at the four U.S. public shipyards.
- **Revised estimates (2025):** The Navy now acknowledges the initial price and timeline are not viable and is developing new estimates.
- **Budgeting:** The overall cost is funded through many individual contracts, not a single lump sum.

# Shipyard Infrastructure Optimization Program (SIOP)

## Total SIOP program costs – cont.

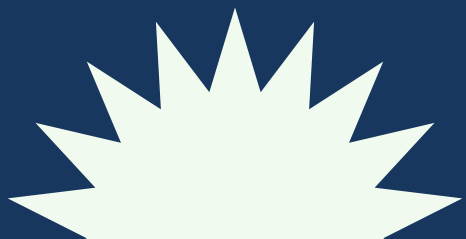
- here are some examples of recent contract awards that contribute to the shipyard's total modernization cost:
- **\$145 million electrical upgrade:** A contract was announced in October 2024 for a major electrical upgrade project at the Puget Sound Naval Shipyard.
- **\$2.2 billion project budget:** In a 2023 report, the Government Accountability Office (GAO) stated that the Navy reported a \$2.2 billion cost to finish a specific shipyard project at Portsmouth Naval Shipyard, which is sometimes used for similar comparisons with PNSN.

# Discussion and Questions

Please contact us.

**James Davis**  
davis@kitsapeda.org

**Elizabeth Court**  
court@kitsapeda.org



# Thank you

## References and Citations

- Center for Business and Economic Research
- US Bureau of Economic Analysis
- US Census Bureau
- US Federal Department of Defense / War
- Washington State Employment Security Department

Note: All data include in this presentation are subject to revision.

