

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FY 2002

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SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000	ESTIMATE FY 2001	ESTIMATE FY 2002
DIRECT PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$6,065,540	\$6,175,464	\$6,531,304
PAY AND ALLOWANCES FOR ENLISTED.....	13,052,913	13,488,926	14,537,069
PAY AND ALLOWANCES FOR CADETS.....	39,646	41,697	46,889
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,297,287	1,213,501	1,304,026
PERMANENT CHANGE OF STATION TRAVEL.....	1,089,115	1,114,512	1,079,577
OTHER MILITARY PERSONNEL COSTS.....	134,240	128,177	127,819
TOTAL DIRECT PROGRAM.....	\$21,678,741	\$22,162,277	\$23,626,684
REIMBURSABLE PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$85,794	\$73,728	\$76,603
PAY AND ALLOWANCES FOR ENLISTED.....	74,914	59,579	61,873
SUBSISTENCE OF ENLISTED PERSONNEL.....	43,746	11,596	12,148
PERMANENT CHANGE OF STATION.....	8,000	8,032	8,345
OTHER MILITARY PERSONNEL COSTS.....	125	126	130
TOTAL REIMBURSABLE PROGRAM.....	\$212,579	\$153,061	\$159,099
TOTAL PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$6,151,334	\$6,249,192	\$6,607,907
PAY AND ALLOWANCES FOR ENLISTED.....	13,127,827	13,548,505	14,598,942
PAY AND ALLOWANCES FOR CADETS.....	39,646	41,697	46,889
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,341,033	1,225,097	1,316,174
PERMANENT CHANGE OF STATION TRAVEL.....	1,097,115	1,122,544	1,087,922
OTHER MILITARY PERSONNEL COSTS.....	134,365	128,303	127,949
TOTAL PROGRAM.....	\$21,891,320	\$22,315,338	\$23,785,783

LEGISLATIVE PROPOSALS:

The following legislative proposals are included in the above estimate and submitted for FY 2002 consideration:

	(\$000)
Dislocation Allowance for First Termers	10,000
Cadet Pay Raise	5,200
Total	15,200

Section 2

Introduction

The Military Personnel, Army (MPA) appropriation provides resources to compensate active military personnel required to man the approved force structure. In addition to personnel in the force structure, the appropriation also provides compensation for personnel in the individual accounts: students, trainees, transients, cadets, and holdees (holdees include patients and others). The manning goal is to provide, in a timely manner, the right number of high quality people in the appropriate grades and skills to satisfy force structure authorizations. Accomplishment of this goal will ensure a high degree of personnel readiness and combat readiness in units.

Management Characteristics of MPA

MPA is a centrally managed, single-year, open allotment appropriation. Entitlements are set by statute with the biggest cost driver being the average number of personnel on active duty. There are other factors, such as overseas strength, marital content, and personnel policy, which also impact heavily on requirements in this appropriation.

Most of the factors that dictate costs cannot be changed quickly. For example, the savings accrued from a decision to reduce strength may not be fully realized for several years. There are a number of reasons for this. On the dollar side, one-time costs for severance pay, separation pay, and lump-sum-terminal-leave pay offset pay and allowances savings during the implementation year. In terms of manpower (i.e., manyears, grade structure, time-in-service), costs will vary greatly depending on when personnel are separated during the year, how they are separated, and the size of the population separated. Of course the inverse is also true: the full impact of an increase in strength will not be felt for several years as well.

The Army has very little near term control over the rates of pay soldiers receive. The predominance of pay rates are fixed by Congress. Other factors, such as inflation and foreign currency exchange rates, also impact some rates and are outside the Army's control.

Active Army Program Execution (FY00/01):

The total actual end strength for FY00 was 482,081 (excluding contingency operations). Projected end strength for FY01 is 481,000. The FY01 MPA Program estimates an average annual strength of 480,649.

Active Army Program Estimates (FY02/03):

The FY02 estimate is based on a 477,657 manyear programs, respectively. Recruiting and retention programs will continue at high levels. The FY 2000 NDAA also provides for a one-time lump-sum bonus for members who elect to remain under the REDUX retirement plan (40% retirement benefit at 20 years of service, with partial COLA). Members who entered service after July 31, 1986 will be given a choice of retirement plans at their 15th year of service. The total authorized end strength remains at a steady state level of 480,000.

Key Budget Assumptions Used to Develop These Estimates Include:

- Beginning in FY02 foreign currency exchange rates of the European Economic and Monetary Union (EU) member countries (Belgium, France, Germany, Greece, Italy, Netherlands, Portugal, and Spain) are expressed in the Euro. The Euro replaces EU national currencies on 1 January 2002.
- Estimates for overseas station allowances are based on exchange rates of 2.4048 DM/\$US (COLA index = 104) in FY01, and .9982 Euro/\$US (COLA index = 112) in FY02.
- The FY02 pay raises (with weighted increases of 5-10%, including the 4.6% pay raise) are budgeted with 1 January effective dates.
- The normal cost percentages used to calculate payments to the military retired pay trust fund are 30.3% in FY02. These rates are set by the DoD Board of Actuaries and integrate the new retirement option authorized by Congress in FY00.
- Contingency costs are not included in the estimates beginning in FY01.
- Estimates for BAH assume the soldier's absorption cost for housing will be reduced from the current level of 11.0% in FY02 to 7.5% by the end of FY03. The absorption cost will be reduced to 0.0% by the end of FY05.
- Estimates for High-Deployment Per Diem Allowance are not included in this submission.

The following amounts to support the Army's Transformation Initiative are included in the FY01 and FY02 estimates: (\$M)

	<u>FY01</u>	<u>FY02</u>
Overseas Station Allowance	20.0	20.0
Permanent Change of Station Costs	5.0	17.1
TOTAL COST	25.0	37.1

SECTION 3
SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 2000 ACTUAL		FY 2001 PLANNED		FY 2002 PLANNED	
	AVERAGE STRENGTH	END STRENGTH 30 SEP 2000	AVERAGE STRENGTH	END STRENGTH 30 SEP 2001	AVERAGE STRENGTH	END STRENGTH 30 SEP 2002
DIRECT PROGRAM						
OFFICERS.....	77,288	76,278	75,682	75,741	75,349	75,384
ENLISTED.....	395,497	400,706	399,415	400,195	396,776	399,613
ACADEMY CADETS.....	4,023	4,089	3,971	4,000	4,000	4,000
TOTAL DIRECT PROGRAM.....	476,808	481,073	479,068	479,936	476,125	478,997
REIMBURSABLE PROGRAM						
OFFICERS.....	720	389	693	373	653	349
ENLISTED.....	943	708	888	691	879	654
TOTAL REIMBURSABLE PROGRAM.....	1,663	1,097	1,581	1,064	1,532	1,003
TOTAL PROGRAM						
OFFICERS.....	78,008	76,667	76,375	76,114	76,002	75,733
ENLISTED.....	396,440	401,414	400,303	400,886	397,655	400,267
ACADEMY CADETS.....	4,023	4,089	3,971	4,000	4,000	4,000
TOTAL.....	478,471	482,170	480,649	481,000	477,657	480,000

1)

1) INCLUDES CONTINGENCY OPERATIONS

Addendum Change 1, Updated on 30 Jul 01

SECTION 3
END STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2000		ESTIMATE FY 2001		ESTIMATE FY 2002	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
GEN.....	10	0	9	0	10	0
LTG.....	43	2	40	2	43	2
MG.....	98	2	97	2	103	2
BG.....	149	4	148	4	157	4
COL.....	3,468	68	3,474	63	3,722	62
LTC.....	8,506	121	8,462	115	9,047	110
MAJ.....	14,252	109	14,021	110	13,991	96
CPT.....	21,605	59	21,767	53	23,551	50
1LT.....	8,826	4	8,118	4	6,530	4
2LT.....	8,227	1	8,532	1	7,121	1
TOTAL COMMISSIONED OFFICERS.....	65,184	370	64,668	354	64,275	331
WARRANT OFFICERS						
CW5.....	398	1	384	1	390	1
CW4.....	1,381	5	1,421	5	1,535	5
CW3.....	2,901	4	3,015	4	2,830	3
CW2.....	4,960	9	4,646	9	4,629	9
WO1.....	1,843	0	1,980	0	2,074	0
TOTAL WARRANT OFFICERS.....	11,483	19	11,446	19	11,458	18
TOTAL OFFICER PERSONNEL.....	76,667	389	76,114	373	75,733	349
ENLISTED PERSONNEL						
SGM.....	3,141	28	3,075	30	3,152	27
1SG/MSG.....	10,650	34	10,859	32	10,869	32
PSG/SFC.....	36,929	106	37,038	102	37,020	98
SSG.....	55,369	94	56,595	86	57,180	85
SGT.....	70,334	186	72,873	185	72,855	162
CPL/SFC.....	101,468	157	109,035	154	110,421	154
PFC.....	55,067	103	51,594	102	52,967	96
PV2.....	40,809	0	36,144	0	29,803	0
PV1.....	27,647	0	23,673	0	26,000	0
TOTAL ENLISTED PERSONNEL.....	401,414	708	400,886	691	400,267	654
TOTAL OFF & ENL PERSONNEL.....	478,081	1,097	477,000	1,064	476,000	1,003
CADETS.....	4,089	0	4,000	0	4,000	0
TOTAL END STRENGTH.....	482,170	1,097	481,000	1,064	480,000	1,003

Addendum Change 1, Updated on 30 Jul 01

SECTION 3
AVERAGE STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2000		ESTIMATE FY 2001		ESTIMATE FY 2002	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
GEN.....	10	0	10	0	10	0
LTG.....	45	0	42	0	43	0
MG.....	93	2	99	2	103	2
BG.....	148	4	150	4	157	4
COL.....	3,503	29	3,501	28	3,710	26
LTC.....	8,849	78	8,710	77	9,019	73
MAJ.....	15,554	155	14,527	148	14,254	139
CPT.....	20,935	315	21,997	300	23,465	282
1LT.....	10,147	117	8,542	114	7,195	107
2LT.....	7,165	2	7,347	2	6,574	2
TOTAL COMMISSIONED OFFICERS.....	66,449	702	64,925	675	64,530	635
WARRANT OFFICERS						
CW5.....	379	1	404	1	390	1
CW4.....	1,449	4	1,387	4	1,533	4
CW3.....	2,935	6	2,974	6	2,841	6
CW2.....	4,917	6	4,825	6	4,635	6
WO1.....	1,879	1	1,860	1	2,073	1
TOTAL WARRANT OFFICERS.....	11,559	18	11,450	18	11,472	18
TOTAL OFFICER PERSONNEL.....	78,008	720	76,375	693	76,002	653
ENLISTED PERSONNEL						
SGM.....	3,224	24	3,146	21	3,150	22
1SG/MSG.....	10,710	47	10,646	43	10,732	44
PSG/SFC.....	36,885	165	36,747	160	36,838	153
SSG.....	57,389	203	56,061	196	57,208	189
SGT.....	69,983	207	71,810	189	72,676	194
CPL/SFC.....	105,557	165	105,519	151	110,996	153
PFC.....	51,180	115	53,171	111	52,688	107
PV2.....	37,037	14	39,043	14	32,878	14
PV1.....	24,475	3	24,160	3	20,489	3
TOTAL ENLISTED PERSONNEL.....	396,440	943	400,303	888	397,655	879
TOTAL OFF & ENL PERSONNEL.....	474,448	1,663	476,678	1,581	473,657	1,532
CADETS.....	4,023	0	3,971	0	4,000	0
TOTAL AVERAGE STRENGTH.....	478,471	1,663	480,649	1,581	477,657	1,532

SECTION 3
SECTION 3 ACTIVE DUTY STRENGTHS BY MONTH
(IN THOUSANDS)

	ACTUAL FY 2000				ESTIMATE FY 2001 ¹⁾				ESTIMATE FY 2002			
	OFF	ENL	CAD	TOTAL	OFF	ENL	CAD	TOTAL	OFF	ENL	CAD	TOTAL
SEPTEMBER.....	77.152	398.138	4.136	479.426	76.667	401.414	4.089	482.170	76.114	400.886	4.000	481.000
OCTOBER.....	76.769	394.011	4.123	474.903	76.441	401.148	4.081	481.670	75.843	400.961	4.000	480.804
NOVEMBER.....	76.548	394.226	4.117	474.891	76.004	401.519	4.072	481.595	75.620	398.843	4.008	478.471
DECEMBER.....	76.391	390.716	4.096	471.203	75.890	396.539	4.059	476.488	75.465	394.473	4.003	473.941
JANUARY.....	76.594	393.522	4.089	474.205	76.180	399.314	4.049	479.543	75.598	395.599	3.981	475.178
FEBRUARY.....	76.362	393.780	4.077	474.219	75.876	400.070	4.041	479.987	75.360	396.118	3.966	475.444
MARCH.....	76.169	393.251	4.061	473.481	75.700	398.938	4.020	478.658	75.193	395.692	3.960	474.845
APRIL.....	76.052	391.925	4.049	472.026	75.429	397.805	4.020	477.254	74.933	395.570	3.948	474.451
MAY.....	77.455	391.194	3.078	471.727	76.019	398.240	3.970	478.229	75.542	396.216	3.903	475.661
JUNE.....	77.472	394.121	4.208	475.801	77.243	399.698	2.970	479.911	76.796	396.170	4.176	477.142
JULY.....	77.097	396.464	4.159	477.720	76.746	401.906	4.210	482.862	76.315	396.676	4.051	477.042
AUGUST.....	76.691	401.861	4.110	482.662	76.619	405.066	4.110	485.795	76.206	397.719	4.000	477.925
SEPTEMBER.....	76.667	401.414	4.089	482.170	76.114	400.886	4.000	481.000	75.733	400.267	4.000	480.000
AVERAGE STRENGTH...	76.709	394.571	4.023	475.303	76.211	400.232	3.971	480.414	75.733	397.167	4.000	476.900
(TTAD MANYRS INCL)	0.164	0.071		0.874	0.164	0.071		0.235	0.164	0.121		0.285
TTAD \$M.....				\$ 15.900				\$ 15.900				\$ 16.500
(CONTINGENCY MANYRS INCLUDED).....	1.135	1.798		2.933	0.000	0.000		0.000	0.105	0.367		0.472
CONTINGENCY \$M.....				\$ 249.900				\$ 0.000				\$ 63.200

1) ACTUAL DATA THROUGH MAY 2000

Addendum Change 1, Updated on 30 Jul 01

SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

OFFICERS	ACTUAL FY 2000	ESTIMATE FY 2001	ESTIMATE FY 2002
BEGINNING STRENGTH.....	77,152	76,667	76,114
GAINS (BY SOURCE)			
SERVICE ACADEMIES.....	959	933	933
ROTC.....	3,065	2,503	2,758
OFFICER CANDIDATE SCHOOL.....	662	1,000	1,000
VOLUNTARY ACTIVE DUTY.....	138	120	120
DIRECT APPOINTMENTS.....	1,203	1,342	1,242
WARRANT OFFICER PROGRAMS.....	984	1,022	1,100
OTHER.....	0	115	0
TOTAL GAINS.....	7,011	7,035	7,153
LOSSES (BY TYPE)			
EXPIRATION OF CONTRACT.....	970	976	969
RETIREMENT	2,806	2,824	2,804
DISABILITY.....	(131)	(132)	(131)
NON-DISABILITY.....	(2,675)	(2,692)	(2,673)
15 YEAR RETIREMENT.....	0	0	0
VOLUNTARY SEPARATION - VSI.....	0	0	0
VOLUNTARY SEPARATION - SSB.....	0	0	0
INVOLUNTARY SEP OF RESERVE.....	148	156	156
INVOLUNTARY SEP OF REGULAR.....	100	79	79
REDUCTION-IN-FORCE.....	0	0	0
ATTRITION.....	150	150	150
OTHER.....	3,322	3,403	3,376
TOTAL LOSSES.....	7,496	7,588	7,534
END STRENGTH.....	76,667	76,114	75,733

SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

	ACTUAL FY 2000	ESTIMATE FY 2001	ESTIMATE FY 2002
ENLISTED			
BEGINNING STRENGTH.....	398,138	401,414	403,675
GAINS (BY SOURCE)			
NON-PRIOR SERVICE ENLISTMENTS.....	69,285	73,335	62,737
MALES.....	(54,689)	(58,667)	(50,190)
FEMALES.....	(14,596)	(14,668)	(12,547)
PRIOR SERVICE ENLISTMENTS.....	6,730	6,000	6,000
REENLISTMENT (IMM).....	71,093	62,194	57,807
RESERVE COMPONENTS.....	222	168	200
RETURNED TO MILITARY CONTROL.....	5,557	5,238	3,787
OTHER.....	89	0	0
GAIN ADJUSTMENT.....	-165	-68	6
TOTAL GAINS.....	152,811	146,867	130,537
LOSSES (BY TYPE)			
DRAFTEE AND REGULAR ARMY			
ESTIMATED TERMINATION OF SERVICE...	26,231	30,112	27,335
NORMAL EARLY RELEASE.....	0	0	0
PROGRAMMED EARLY RELEASE.....	0	0	0
SEPARATIONS -VSI.....	0	0	0
SEPARATION - SSB.....	0	0	0
TO COMMISSIONED OFFICER			
AND WARRANT OFFICER.....	0	0	0
REENLISTMENT.....	71,093	62,196	57,808
RETIREMENT.....	6,970	6,499	5,973
15 YEAR RETIREMENT.....	0	0	0
DROPPED FROM ROLLS.....	4,546	5,328	5,334
ATTRITION ADVERSE CAUSES.....	16,951	17,829	16,543
OTHER ATTRITION.....	22,035	24,734	20,812
RESERVE COMPONENTS.....	1,709	697	140
TOTAL LOSSES.....	149,535	147,395	133,945
END STRENGTH.....	401,414	400,886	400,267
CADETS			
GAINS			
ENTERING CADETS.....	1,190	1,113	1,202
LOSSES			
ATTRITION.....	257	269	269
GRADUATES.....	933	933	933

Addendum Change 1, Updated on 30 Jul 01

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
1. BASIC PAY.....	3,554,771	7,682,372	11,237,143	3,663,289	8,098,895	11,762,184	3,865,263	8,638,465	12,503,728
2. RETIRED PAY ACCRUAL.....	1,130,417	2,442,994	3,573,411	1,084,334	2,397,273	3,481,607	1,171,175	2,617,455	3,788,630
3. DHP ACCRUAL.....	0	0	0	0	0	0	0	0	0
4. BASIC ALLOWANCE FOR HOUSING.....	614,189	1,265,347	1,879,536	654,236	1,276,208	1,930,444	676,228	1,465,398	2,141,626
A. DOMESTIC.....	537,891	1,185,955	1,723,846	582,068	1,254,273	1,836,341	620,161	1,371,380	1,991,541
1. WITH DEPENDENTS.....	400,546	1,017,844	1,418,390	437,020	1,061,567	1,498,587	468,744	1,173,969	1,642,713
2. WITHOUT DEPENDENTS.....	136,834	155,455	292,289	144,544	179,394	323,938	150,939	184,512	335,451
3. SUBSTANDARD HOUSING.....	8	621	629	9	693	702	10	761	771
4. PARTIAL.....	503	12,035	12,538	495	12,619	13,114	468	12,138	12,606
B. OVERSEAS.....	76,298	79,392	155,690	72,168	21,935	94,103	56,067	94,018	150,085
1. WITH DEPENDENTS.....	35,999	40,693	76,692	35,022	12,905	47,927	28,535	62,111	90,646
2. WITHOUT DEPENDENTS.....	40,299	38,699	78,998	37,146	9,030	46,176	27,532	31,907	59,439
5. SUBSISTENCE.....	148,293	1,341,033	1,489,326	146,640	1,225,097	1,371,737	147,368	1,316,174	1,463,542
A. BASIC ALLOWANCE FOR SUBSISTENCE.....	148,293	781,301	929,594	146,640	798,948	945,588	147,368	818,978	966,346
1. AUTHORIZED TO MESS SEPARATELY.....	148,293	584,786	733,079	146,640	597,889	744,529	147,368	958,608	1,105,976
2. LEAVE RATIONS.....		89,319	89,319		91,320	91,320		23,249	23,249
3. RATIONS-IN-KIND NOT AVAILABLE.....		66,688	66,688		68,163	68,163		69,115	69,115
4. AUGMENTATION FOR SEPARATE MEALS.....		418	418		422	422		0	0
5. PARTIAL BAS.....		40,090	40,090		41,154	41,154		11,084	11,084
6. LESS COLLECTIONS.....		0	0		0	0		243,078	243,078
B. SUBSISTENCE IN KIND.....		559,732	559,732		424,058	424,058		491,998	491,998
1. SUBSISTENCE IN MESSES.....		335,852	335,852		194,929	194,929		248,349	248,349
2. OPERATIONAL RATIONS.....		182,002	182,002		188,240	188,240		202,649	202,649
3. AUGMENTATION RATIONS/OTHER.....		41,878	41,878		40,889	40,889		41,000	41,000
C. FAMILY SUBSISTENCE SUPPLE ALLOW(FSSA).....		0	0		2,091	2,091		5,198	5,198

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	OFFICER	ACTUAL FY 2000 ENLISTED	TOTAL	OFFICER	ESTIMATE FY 2001 ENLISTED	TOTAL	OFFICER	ESTIMATE FY 2002 ENLISTED	TOTAL
6. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER.....	78,864	68,858	147,722	77,641	69,610	147,251	79,159	68,302	147,461
A. FLYING DUTY PAY.....	68,493	7,332	75,825	67,304	7,395	74,699	68,732	7,397	76,129
1. AVIATION CAREER, OFFICERS.....	61,685		61,685	60,124		60,124	61,264		61,264
2. CREW MEMBERS, ENLISTED.....		6,315	6,315		6,378	6,378		6,380	6,380
3. NONCREW MEMBERS.....	119	1,017	1,136	119	1,017	1,136	119	1,017	1,136
4. AVIATION CONTINUATION PAY.....	6,564		6,564	6,936		6,936	7,224		7,224
5. CREW NON-RATED.....	125		125	125		125	125		125
B. PARACHUTE JUMP PAY.....	9,675	56,279	65,954	9,641	56,968	66,609	9,731	55,651	65,382
C. DEMOLITION PAY.....	266	2,378	2,644	266	2,378	2,644	266	2,378	2,644
D. OTHER.....	430	2,869	3,299	430	2,869	3,299	430	2,876	3,306
7. SPECIAL PAYS	207,558	436,100	643,658	207,509	493,761	701,270	205,842	425,723	631,565
A. PHYSICIAN MEDICAL.....	157,020		157,020	158,413		158,413	158,413		158,413
B. DENTIST MEDICAL.....	28,438		28,438	28,949		28,949	27,408		27,408
C. NURSE MEDICAL.....	3,370		3,370	3,836		3,836	3,836		3,836
D. BOARD CERTIFIED PAY FOR NONPHYSICIAN HEALTH CARE PROVIDER.....	1,614		1,614	1,614		1,614	1,614		1,614
E. DIPLOMATE PAY FOR PSYCHOLOGISTS.....	174		174	174		174	174		174
F. OPTOMETRIST MEDICAL.....	150		150	152		152	152		152
G. PHARMACY MEDICAL.....	0		0	0		0	0		0
H. VETERINARIAN MEDICAL.....	1,098	0	1,098	1,134	0	1,134	1,169	0	1,169
1. SPECIAL PAY.....	496		496	497		497	497		497
2. DIPLOMATE PAY.....	602		602	637		637	672		672
I. SEA AND FOREIGN DUTY.....	444	11,349	11,793	3,705	30,747	34,452	3,465	28,739	32,204
1. SEA DUTY.....	444	1,296	1,740	423	666	1,089	423	666	1,089
2. HARDSHIP DUTY PAY.....	0	8,757	8,757	3,282	27,082	30,364	3,042	25,260	28,302
3. OVERSEAS EXTENSION PAY.....		1,296	1,296		2,999	2,999		2,813	2,813
J. FOREIGN LANGUAGE PROFICIENCY PAY.....	2,518	6,644	9,162	4,201	20,178	24,379	4,033	10,367	14,400
K. DIVING DUTY PAY.....	138	3,432	3,570	138	804	942	138	804	942
L. REENLISTMENT BONUS.....		105,388	105,388		109,982	109,982		89,800	89,800
M. SPECIAL DUTY ASSIGN PAY.....		56,739	56,739		60,294	60,294		61,075	61,075
N. ENLISTMENT BONUS.....		94,924	94,924		147,400	147,400		135,798	135,798
O. EDUCATION BENEFITS.....		97,056	97,056		88,173	88,173		46,913	46,913
P. LOAN REPAYMENT.....		30,200	30,200		32,885	32,885		44,800	44,800
Q. HOSTILE FIRE PAY.....	8,494	30,368	38,862	990	3,298	4,288	2,119	7,427	9,546
R. JUDGE ADVOCATE CONTINUATION PAY.....	4,100		4,100	4,203		4,203	3,321		3,321
S. HIGH-DEPLOYMENT PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
8. ALLOWANCE.....	78,654	449,103	527,757	69,319	360,459	429,778	51,775	376,595	428,370
A. UNIFORM/CLOTHING									
ALLOWANCE.....	2,797	223,805	226,602	4,925	225,775	230,700	5,006	222,402	227,408
1. INITIAL ISSUE.....	2,096	88,571	90,667	3,518	88,217	91,735	3,575	77,809	81,384
A. MILITARY.....	1,402	85,123	86,525	2,814	84,721	87,535	2,861	74,260	77,121
B. CIVILIAN.....	694	3,448	4,142	704	3,496	4,200	714	3,549	4,263
2. ADDITIONAL ALLOWANCE.....	701		701	1,407		1,407	1,431		1,431
3. BASIC MAINTENANCE.....		33,601	33,601		35,986	35,986		39,452	39,452
4. STANDARD MAINTENANCE.....		93,410	93,410		93,708	93,708		96,596	96,596
5. SUPPLEMENTARY.....		3,078	3,078		2,735	2,735		2,795	2,795
6. OTHER.....		5,145	5,145		5,129	5,129		5,750	5,750
B. STATION ALLOWANCE									
OVERSEAS.....	66,474	181,021	247,495	57,307	99,661	156,968	38,981	120,022	159,003
1. COST OF LIVING.....	54,885	158,008	212,893	46,527	72,183	118,710	28,009	94,599	122,608
2. TEMPORARY LODGING.....	11,589	23,013	34,602	10,780	27,478	38,258	10,972	25,423	36,395
C. CONUS COLA.....	1,173	2,649	3,822	1,417	2,350	3,767	1,439	2,385	3,824
D. FAMILY SEPARATION									
ALLOWANCES.....	8,159	41,628	49,787	5,620	32,671	38,291	6,299	31,784	38,083
1. PCS - NO GOVERNMENT									
QUARTERS.....	2,528	7,246	9,774	2,576	7,597	10,173	2,674	6,499	9,173
2. PCS - DEPENDENTS									
NOT AUTHORIZED.....	2,320	19,903	22,223	2,286	20,263	22,549	2,306	20,478	22,784
3. TDY.....	3,311	14,479	17,790	758	4,811	5,569	1,319	4,807	6,126
E. PERSONAL MONEY									
ALLOWANCE.....	51	0	51	50	2	52	50	2	52

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	OFFICER	ACTUAL	TOTAL	OFFICER	ESTIMATE	TOTAL	OFFICER	ESTIMATE	TOTAL
		FY 2000 ENLISTED			FY 2001 ENLISTED			FY 2002 ENLISTED	
9. SEPARATION PAY.....	68,460	201,466	269,926	67,753	236,986	304,739	117,589	353,912	471,501
A. TERMINAL LEAVE PAY.....	19,272	67,613	86,885	20,438	67,746	88,184	21,228	67,797	89,025
B. DONATIONS.....		4	4		4	4		4	4
C. SEVERANCE PAY, DISABILITY.....	5,792	78,834	84,626	5,822	85,165	90,987	6,586	80,045	86,631
D. SEVERANCE PAY, NON-PROMOTION.....	15,122		15,122	25,694		25,694	18,477		18,477
E. SEVERANCE PAY, INVOL HALF (5%).....	149	18,062	18,211	155	23,788	23,943	164	23,787	23,951
F. SEVERANCE PAY, INVOL FULL (10%).....	0	28,278	28,278	719	30,808	31,527	761	37,552	38,313
G. SEVERANCE PAY, VSI.....	28,125	8,675	36,800	7,325	2,575	9,900	28,125	7,475	35,600
H. SEVERANCE PAY, SSB.....	0	0	0	0	0	0	0	0	0
I. SEVERANCE PAY, 15 YR RETIREMENT.....	0	0	0	0	0	0	0	0	0
J. \$30,000 LUMP SUM BONUS.....	0	0	0	7,600	26,900	34,500	42,248	137,252	179,500
10. SOCIAL SECURITY TAX PAYMENTS.....	270,128	581,587	851,715	278,471	615,313	893,784	293,508	653,092	946,600
11. PERMANENT CHANGE OF STATION TRAVEL.....	271,417	825,698	1,097,115	269,575	852,969	1,122,544	284,277	803,645	1,087,922
12. OTHER MILITARY PERSONNEL COSTS.....	641	133,724	134,365	553	127,750	128,303	1,327	126,622	127,949
A. ADOPTION EXPENSES.....		252	252		252	252		250	250
B. APPREHENSION OF DESERTERS.....		944	944		604	604		608	608
C. DEATH GRATUITIES.....	462	2,370	2,832	456	2,394	2,850	1,230	6,402	7,632
D. UNEMPLOYMENT COMPENSATION.....	0	89,178	89,178	0	82,394	82,394	0	81,940	81,940
E. SURVIVOR BENEFITS.....		7,161	7,161		6,717	6,717		6,560	6,560
F. EDUCATION BENEFITS.....		19,800	19,800		20,400	20,400		23,917	23,917
G. INTEREST ON SOLDIERS' DEPOSIT.....	179	184	363	97	106	203	97	105	202
H. SPECIAL COMPENSATION.....		13,113	13,113		13,828	13,828		4,800	4,800
I. MASS TRANSIT SUBSIDY.....		722	722		1,055	1,055		2,040	2,040
J. BREAKAGE FEE & LOST EARNINGS.....		0	0		0	0		0	0

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	OFFICER	ACTUAL FY 2000 ENLISTED	TOTAL	OFFICER	ESTIMATE FY 2001 ENLISTED	TOTAL	OFFICER	ESTIMATE FY 2002 ENLISTED	TOTAL
13. CADET.....	39,646		39,646	41,697		41,697	46,889		46,889
SUBTOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....									
	6,463,038	15,428,282	21,891,320	6,561,017	15,754,321	22,315,338	6,940,400	16,845,383	23,785,783
14. LESS REIMBURSABLES.....	85,794	126,785	212,579	73,728	79,333	153,061	76,603	82,496	159,099
A. RETIRED PAY ACCRUAL.....	17,131	15,259	32,390	15,123	12,379	27,502	15,726	12,769	28,495
B. OTHER.....	68,663	111,526	180,189	58,605	66,954	125,559	60,877	69,727	130,604
TOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....									
	6,377,244	15,301,497	21,678,741	6,487,289	15,674,988	22,162,277	6,863,797	16,762,887	23,626,684

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2001

	FY 2001 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2001 REVISED
PAY AND ALLOWANCES OF OFFICERS							
BASIC PAY.....	3,715,434	(43,340)	3,672,094	(21,417)	3,650,677	0	3,650,677
RETIRED PAY ACCRUAL.....	1,098,634	(12,815)	1,085,819	(6,353)	1,079,466	0	1,079,466
INCENTIVE PAY.....	80,787	0	80,787	(1,175)	79,612	0	79,612
SPECIAL PAY.....	200,712	0	200,712	5,709	206,421	0	206,421
BASIC ALLOWANCE FOR HOUSING.....	653,710	(35,130)	618,580	(8,485)	610,095	0	610,095
BASIC ALLOWANCE FOR SUBSISTENCE....	147,851	(1,725)	146,126	(1,714)	144,412	0	144,412
STATION ALLOWANCES OVERSEAS.....	55,667	(13,432)	42,235	5,761	47,996	0	47,996
CONUS COLA.....	1,006	0	1,006	185	1,191	0	1,191
UNIFORM ALLOWANCES.....	4,572	0	4,572	155	4,727	0	4,727
FAMILY SEPARATION ALLOWANCES.....	5,578	0	5,578	68	5,646	0	5,646
SEPARATION PAYMENTS.....	66,100	0	66,100	1,740	67,840	0	67,840
SOCIAL SECURITY TAX -							
EMPLOYER CONTRIBUTION.....	282,493	(3,295)	279,198	(1,817)	277,381	0	277,381
REIMBURSABLES.....	73,728	0	73,728	0	73,728	0	73,728
TOTAL OBLIGATIONS.....	6,386,272	(109,737)	6,276,535	(27,343)	6,249,192	0	6,249,192
LESS REIMBURSABLES.....	73,728	0	73,728	0	73,728	0	73,728
TOTAL OFFICER DIRECT OBLIGATIONS.....	6,312,544	(109,737)	6,202,807	(27,343)	6,175,464	0	6,175,464

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2001

	FY 2001 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2001 REVISED
PAY AND ALLOWANCES OF ENLISTED							
BASIC PAY.....	8,066,382	0	8,066,382	(7,811)	8,058,571	0	8,058,571
RETIRED PAY ACCRUAL.....	2,387,566	0	2,387,566	(2,312)	2,385,254	0	2,385,254
INCENTIVE PAY.....	68,203	0	68,203	0	68,203	0	68,203
SPECIAL PAY.....	29,439	0	29,439	(1,648)	27,791	0	27,791
SPECIAL DUTY ASSIGNMENT PAY.....	60,945	7,000	67,945	(7,651)	60,294	0	60,294
REENLISTMENT BONUS.....	89,982	20,000	109,982	0	109,982	0	109,982
ENLISTMENT BONUS.....	76,407	71,000	147,407	(4)	147,403	0	147,403
EDUCATIONAL BENEFITS.....	84,721	0	84,721	0	84,721	0	84,721
LOAN REPAYMENT PROGRAM.....	26,885	6,000	32,885	0	32,885	0	32,885
BASIC ALLOWANCE FOR HOUSING.....	1,312,569	(47,843)	1,264,726	33,055	1,297,781	0	1,297,781
STATION ALLOWANCES OVERSEAS.....	141,558	(75,620)	65,938	31,705	97,643	0	97,643
CONUS COLA.....	2,689	0	2,689	0	2,689	0	2,689
CLOTHING ALLOWANCES.....	232,190	0	232,190	(11,613)	220,577	0	220,577
FAMILY SEPARATION ALLOWANCES.....	27,344	0	27,344	1,975	29,319	0	29,319
SEPARATION PAYMENTS.....	264,275	0	264,275	(6,255)	258,020	0	258,020
SOCIAL SECURITY TAX -							
EMPLOYER CONTRIBUTION.....	610,491	0	610,491	(2,698)	607,793	0	607,793
REIMBURSABLES.....	59,579	0	59,579	0	59,579	0	59,579
TOTAL OBLIGATIONS.....	13,541,225	(19,463)	13,521,762	26,743	13,548,505	0	13,548,505
LESS REIMBURSABLES.....	59,579	0	59,579	0	59,579	0	59,579
TOTAL ENLISTED DIRECT OBLIGATIONS....	13,481,646	(19,463)	13,462,183	26,743	13,488,926	0	13,488,926
PAY AND ALLOWANCES OF CADETS							
TOTAL OBLIGATIONS.....	41,697	0	41,697	0	41,697	0	41,697
TOTAL CADET DIRECT OBLIGATIONS.....	41,697	0	41,697	0	41,697	0	41,697

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2001

	FY 2001 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2001 REVISED
SUBSISTENCE OF ENLISTED PERSONNEL							
TOTAL OBLIGATIONS.....	1,195,897	0	1,195,897	29,200	1,225,097	0	1,225,097
REIMBURSABLES.....	39,796	0	39,796	(28,200)	11,596	0	11,596
TOTAL ENL SUBSISTENCE							
DIRECT OBLIGATIONS.....	1,156,101	0	1,156,101	57,400	1,213,501	0	1,213,501
PERMANENT CHANGE OF STATION							
ACCESSION TRAVEL.....	133,294	281	133,575	38,774	172,349	0	172,349
TRAINING TRAVEL.....	39,345	77	39,422	(963)	38,459	0	38,459
OPERATIONAL TRAVEL.....	145,814	281	146,095	2,865	148,960	0	148,960
ROTATIONAL TRAVEL.....	537,426	1,273	538,699	10,222	548,921	0	548,921
SEPARATION TRAVEL.....	164,494	305	164,799	(20,305)	144,494	0	144,494
ORGANIZED UNIT TRAVEL.....	1,517	3	1,520	10,410	11,930	0	11,930
NON-TEMPORARY STORAGE.....	33,033	0	33,033	(3,174)	29,859	0	29,859
TEMPORARY LODGING EXPENSE.....	28,469	0	28,469	(8,929)	19,540	0	19,540
REIMBURSABLES.....	8,032	0	8,032	0	8,032	0	8,032
TOTAL OBLIGATIONS.....	1,091,424	2,220	1,093,644	28,900	1,122,544	0	1,122,544
LESS REIMBURSABLES.....	8,032	0	8,032	0	8,032	0	8,032
TOTAL PCS DIRECT OBLIGATIONS.....	1,083,392	2,220	1,085,612	28,900	1,114,512	0	1,114,512

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2001

	FY 2001 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2001 REVISED
OTHER MILITARY PERSONNEL COSTS							
APPREHENSION OF MILITARY DESERTERS							
ABSENTEES AND ESCAPED MILITARY							
PRISONERS.....	820	0	820	0	820	0	820
DEATH GRATUITIES.....	2,856	0	2,856	0	2,856	0	2,856
UNEMPLOYMENT BENEFITS PAID TO							
EX-SERVICE MEMBERS.....	86,391	(2,100)	84,291	627	84,918	0	84,918
SURVIVOR BENEFITS.....	7,042	0	7,042	(327)	6,715	0	6,715
ADOPTION COSTS.....	252	0	252	0	252	0	252
EDUCATIONAL BENEFITS.....	20,700	0	20,700	(300)	20,400	0	20,400
SOLDIER INTEREST ON DEPOSIT.....	216	0	216	0	216	0	216
SPECIAL COMPENSATION.....	4,800	0	4,800	7,200	12,000	0	12,000
REIMBURSABLES.....	126	0	126	0	126	0	126
TOTAL OBLIGATIONS.....	123,203	(2,100)	121,103	7,200	128,303	0	128,303
LESS REIMBURSABLES.....	126	0	126	0	126	0	126
TOTAL OMPC DIRECT OBLIGATIONS.....	123,077	(2,100)	120,977	7,200	128,177	0	128,177
TOTAL DIRECT OBLIGATIONS.....	22,198,457	(129,080)	22,069,377	92,900	22,162,277	0	22,162,277

Section 3
 Schedule of Increases and Decreases
 (Amounts in thousands of dollars)

FY 2001 Direct Program

\$ 22,162,277

Increases:

Pricing Increases:

a.	Pay Raise (3.7 to 4.6) and targeted rates	1,167,291
b.	Ration Rates	222
c.	RPA rate increase from 29.6% to 30.3%	82,335
d.	Inflation	35,183
e.	Foreign Currency	84,298
f.	Defense Working Capital Fund (DWCF)	9,548
g.	Amortization of Army College Fund	3,517
h.	BAH Rates	107,623
i.	Mass Transit rate increase	714
Total Pricing Increases		1,490,731

Program Increases:

a.	Separation Pay (\$30.0K Lump Sum Payment)	145,912
b.	Loan Repayment Program (LRP)	11,915
c.	Family Housing Inventory	34,305
d.	BAS Reform	13,340
e.	FSSA	3,107
f.	Subsistence (SIK)	56,141
g.	PCS - Training Moves	4,204
h.	DLA	13,640
i.	Temporary Lodging Expense	2,300
j.	Pet Quarantine	508
k.	Mass Transit	271
l.	Volunteer Separation Initiative Payments	4,900
m.	Force Manning (grade mix/many year)	2,249
n.	Death Gratuities	4,782
o.	Social Security / GI Bill offset	1,380
p.	Misc	182
Total Program Increases		299,136

Total Increases

\$ 1,789,867

Decreases:

Pricing Decreases:

a.	DWC (MSC / POV)	-4,457
b.	Foreign Currency	-28,037
Total Pricing Decreases		-32,494

Program Decreases:

a.	Incentive and Special Pay	-7,801
b.	Bonuses (EB, SRB, ACF)	-74,243
c.	Clothing	-3,373
d.	Reimbursements	-2,324
e.	Temporary Lodging Allowance (TLA)	-2,055
f.	Basic Housing Allowance (BAH)	-2,200
g.	Ration Rate	-669
h.	PCS Moves	-84,459
i.	Survivor Benefit Program	-157

j.	Severly Disabled	-9,028
k.	Unemployment Benefits	-454
l.	Misc	-914
m.	Force Manning	-105,289
	Total Program Decreases	-292,966

Total Decreases

\$ -325,460

FY 2002 Direct Program

\$ 23,626,666

Section 4
 Schedule of Increases and Decreases
 (Amounts in thousands of dollars)

Pay and Allowance of Officers

FY 2001 Direct Program \$ 6,175,464

Increases:

Pricing Increases:

a. Pay Raise		279,635
	Reflects annualized costs of the 3.7 percent pay 1 Jan 2001, and the 4.6 percent and targeted pay raises 1 Jan 2002.	
b. Basic Allowance for Housing		32,831
	Reflects DoD initiative to reduce out-of-pocket housing cost to 11.3 percent in FY 2002.	
c. Retired Pay Accrual		25,643
	Reflects change in normal cost percentage (from 29.6 percent to 30.3 percent).	
	Total Pricing Increases	338,109

Program Increases:

a. Separation Pay		47,412
	Reflects increase for the \$30K lump sum bonus for soldiers who elect to remain under the Redux retirement system and additional transfers to the VSI Trust Fund. Offset by reduced requirement for invol. sep. pay.	
b. Force Manning		1,467
	Reflects changes in officer grade mix.	
	Total Program Increases	48,879

Total Increases \$ 386,988

Decreases:

Pricing Decreases:

a. Foreign Currency Exchange Rates		-28,037
	Reflects more favorable foreign currency exchange rates.	
	Total Pricing Decreases	-28,037

Program Decreases:

b. Basic Allowance for Housing		-2,200
	Realignment of resources to funds housing costs for recruiters in high cost areas	
c. Miscellaneous		-911
	Total Program Decreases	-3,111

Total Decreases \$ -31,148

FY 2002 Direct Program \$ 6,531,304

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 3,865,263
ESTIMATE FY 2001	\$ 3,663,289
ACTUAL FY 2000	\$ 3,554,771

Project: Basic Pay - Officers

Part I - Purpose and Scope

The funds requested provide for the basic compensation and length of service pay increments of officers on active duty under provisions of 37 U.S.C. 201, 203, 204, 205, and 1009. Also included is the compensation of officers of the reserve components who have entered active duty as members of the active component of the Army.

Part II - Justification of Funds Required

The basic compensation is determined by multiplying the projected average number of personnel by grade by the estimated average annual compensation, including length of service increments, for each grade.

The net change in the basic pay requirement is +\$202.0 million from FY 2001 to FY 2002. This change is based on--

- (1) Annualization of the 1 Jan 2001, 3.7 percent pay raise: +\$34.5 million.
- (2) The 1 Jan 2002, 4.6 percent and targeted pay raise: +\$165.7 million.
- (3) Force manning changes: +\$1.8 million.

Detailed cost computations are provided by the following table:

OFFICER BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	10	\$ 125,326	\$ 1,253	10	\$ 132,826	\$ 1,328	10	\$ 133,698	\$ 1,337
LIEUTENANT GENERAL.....	45	117,553	5,290	42	123,163	5,173	43	128,933	5,544
MAJOR GENERAL.....	93	107,333	9,982	99	111,589	11,047	103	116,816	12,032
BRIGADIER GENERAL.....	148	94,728	14,020	150	98,747	14,812	157	103,423	16,237
COLONEL.....	3,503	80,172	280,843	3,501	83,929	293,835	3,710	87,224	323,601
LIEUTENANT COLONEL.....	8,849	64,504	570,796	8,710	67,946	591,810	9,019	70,687	637,526
MAJOR.....	15,554	52,730	820,162	14,527	56,071	814,543	14,254	58,970	840,558
CAPTAIN.....	20,935	43,420	908,998	21,997	45,522	1,001,347	23,465	47,729	1,119,961
1ST LIEUTENANT.....	10,147	33,236	337,246	8,542	34,558	295,194	7,195	35,956	258,703
2ND LIEUTENANT.....	7,165	25,293	181,224	7,347	26,320	193,373	6,574	27,386	180,036
SUBTOTAL.....	66,449		\$ 3,129,814	64,925		\$ 3,222,462	64,530		\$ 3,395,535
WARRANT OFFICER (W-5).....	379	\$ 57,513	\$ 21,797	404	\$ 59,966	\$ 24,226	390	\$ 63,262	\$ 24,672
WARRANT OFFICER (W-4).....	1,449	49,209	71,304	1,387	51,536	71,480	1,533	54,571	83,657
WARRANT OFFICER (W-3).....	2,935	39,756	116,684	2,974	41,774	124,236	2,841	44,389	126,109
WARRANT OFFICER (W-2).....	4,917	33,053	162,522	4,825	34,531	166,612	4,635	36,852	170,809
WARRANT OFFICER (W-1).....	1,879	28,020	52,650	1,860	29,179	54,273	2,073	31,105	64,481
SUBTOTAL.....	11,559		\$ 424,957	11,450		\$ 440,827	11,472		\$ 469,728
TOTAL OFFICER BASIC PAY...	78,008		\$ 3,554,771	76,375		\$ 3,663,289	76,002		\$ 3,865,263

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 1,171,175
ESTIMATE FY 2001	\$ 1,084,334
ESTIMATE FY 2000	\$ 1,130,417

Project: Retired Pay Accrual - Officers

Part I - Purpose and Scope

The funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with 10 U.S.C 1466.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of:

(a) The DOD Actuary-approved full-time normal cost percentage (NCP) of basic pay, i.e., 31.8% for FY 2000, 29.6% for FY 2001 and 30.3% for FY 2002.

(b) The total amount of the basic pay expected to be paid during the fiscal year to members of the Active Army.

The net change in the retired pay accrual estimate is +86.8 million from FY 2001 to FY 2002. This change is based on--

- (1) Annualization of the 1 Jan 2001, 3.7 percent pay raise: +\$10.4 million.
- (2) The 1 Jan 2002, 4.6 percent and targeted pay raise: +\$50.2 million.
- (3) Change in normal cost percentage from 29.6% to 30.3%: +\$25.6 million
- (4) Force manning changes: +\$0.6 million.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	78,008	\$ 14,491.04	\$ 1,130,417	76,375	\$ 14,197.50	\$ 1,084,334	76,002	\$ 15,409.79	\$ 1,171,175

ESTIMATE FY 2002	\$79,159
ESTIMATE FY 2001	\$77,641
ACTUAL FY 2000	\$78,864

Project: Incentive Pay for Hazardous Duty - Officers

Part I - Purpose and Scope

The funds requested will provide for pay to officers under provisions of 37 U.S.C. 301 for these types of duty:

Flight Aviation Service (Rated Officers) - includes rated aviators, who are entitled to continuous aviation career incentive pay, regardless of current duty assignment, as prescribed by the Aviation Career Incentive Act of 1974. In addition, aviators who are assigned to operational flying positions and flight surgeons, both of whom are required to fly at least four hours of aerial flight each month, are eligible.

Aviation Continuation Pay - executes a written agreement to remain on active duty in aviation service for at least one year.

Flight Crew Member/Non-crew member (Non-rated Officers) - assigned to a position that requires at least four hours of aerial flight each month. Non-crew members perform duties directly related to the in-flight mission of the aircraft, e.g., ground liaison officers, aviation maintenance technicians, or aeromedical physicians assistants. The duties performed by crew members are essential to the mission of the aircraft, e.g., aerial observers and airborne electrical equipment sensor operators.

Parachute - assigned to a permanent parachute position or airborne unit which requires parachute jumping as an essential part of military duty, or while undergoing airborne-type training, or performing short-term parachute duty. Continuous payment of hazardous duty pay for parachute duty requires at least one parachute jump every three months. Pay for the short-term parachute duty is prorated based on the duration of the period for which parachute jumping is required.

High Altitude Low Opening Jump Pay - assigned to a permanent military free-fall position which requires parachute jumping from at least 2,500 feet with a planned delay between exit and opening as an essential part of military duties, or while undergoing military free-fall type training at the US Army Military Free-fall Course at the US Army John F. Kennedy Special Warfare School. Soldiers must be graduates of military free-fall course or undergoing training for such designation. They must also be required by orders to engage in military free-fall jumps from an aircraft in flight and perform the specified minimum jumps to be entitled to pay. Proficiency requirements will remain the same as static line requirements.

Demolition of Explosives - assigned to a position, which requires the member, as his primary duty, to demolish by the use of explosives, objects, obstacles, or explosives; or recover and

render harmless, by disarming or demolition, explosives, which failed to function as, intended or which become a potential hazard. Demolition pay is limited to those serving in Specialty 91E (Explosive Ordnance Disposal Officer).

Toxic Pesticides Exposure - for duty performed while assigned to entomology, pest control, pest management, or preventive medicine functions for a period of 30 consecutive days or more; that requires a member to performing any calendar month a fumigation task utilizing phosphine, sulfuryl fluoride, hydrogen cyanide, methyl bromide, or a fumigant of comparable high acute toxicity and hazard potential.

Experimental Stress - serving as a human test subject in thermal stress experiments at Natick Laboratories, Natick, MA. The tests conducted include development of equipment (mostly clothing) and physiological testing. Also low pressure, high altitude chamber training is conducted at the US Army Aeromedical Center; Fort Rucker, AL, and the Armed Forces Institute of Pathology; Washington, DC.

Chemical Munitions - this is a peacetime hazardous incentive pay for members of the uniformed services whose primary duties require the routine physical handling of chemical munitions or chemical surety material. Routine physical handling must be incident to manufacturing, maintenance, storage, testing, laboratory analysis, transportation, surveillance, assembly, disassembly, demilitarization, or disposal of chemical munitions or chemical surety material. This incentive pay is not authorized for individuals who handle the individual components of binary munitions, dilute solutions of toxic chemicals, riot control agents, chemical defoliants, herbicides, smoke, flame and incendiaries, or industrial chemicals.

Part II - Justification of Funds Requested

The projected average number of payments is based on the total spaces where each type of pay is authorized to meet force structure requirements. The compensation for aviation service (rated officers) is obtained by multiplying the projected average number of personnel authorized for this type of pay by rates established in 37 U.S.C. 301a for years of aviation service or years of officer service to include a specified number of years in jobs which justify flying. The compensation for all other types of incentive pay is arrived at by multiplying the projected number of each type by the statutory rate.

The net change in the incentive pay for hazardous duty estimate is +\$1.5 million from FY 2001 to FY 2002 and is based on an increased requirement for aviator career incentive pay.

Detailed cost computations are provided by the following table:

OFFICER INCENTIVE PAY FOR HAZARDOUS DUTY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY COMMISSIONED OFFICERS CATEGORY									
Crew 125.....	619	\$1,500	\$929	611	\$1,500	\$917	756	\$1,500	\$1,134
Crew 156.....	308	1,872	577	304	1,872	569	269	1,874	504
Crew 188.....	297	2,256	670	301	2,257	679	289	2,256	652
Crew 206.....	659	2,472	1,629	663	2,472	1,639	546	2,473	1,350
Crew 250.....	14	3,000	42	14	3,000	42	13	3,000	39
Crew 385.....	19	4,620	88	12	4,591	55	11	4,636	51
Crew 495.....	15	5,940	89	20	5,904	118	21	5,952	125
Crew 585.....	32	7,020	225	40	7,006	280	38	7,000	266
Crew 650.....	1,733	7,800	13,517	1,684	7,800	13,135	1,725	7,800	13,455
Crew 840.....	1,162	10,080	11,713	1,142	10,080	11,511	1,165	10,080	11,743
SUBTOTAL.....	4,858		\$29,479	4,791		\$28,945	4,833		\$29,319
WARRANT OFFICERS CATEGORY									
Crew 125.....	789	1,500	1,184	806	1,500	1,209	1,081	1,500	1,622
Crew 156.....	243	1,872	455	331	1,873	620	160	1,875	300
Crew 188.....	221	2,256	499	177	2,254	399	166	2,253	374
Crew 206.....	550	2,472	1,360	505	2,471	1,248	392	2,472	969
Crew 650.....	2,277	7,800	17,761	2,240	7,800	17,472	2,422	7,800	18,892
Crew 840.....	1,086	10,080	10,947	1,015	10,080	10,231	971	10,080	9,788
SUBTOTAL.....	5,166		\$32,206	5,074		\$31,179	5,192		\$31,945
TOTAL FLYING DUTY CREW.....	10,024		\$61,685	9,865		\$60,124	10,025		\$61,264
FLYING DUTY NON-CREW MEMBERS.....									
AVIATION CONTINUATION PAY.....	66	1,800	119	66	1,800	119	66	1,800	119
CREW-NONRATED.....	547	12,000	6,564	578	12,000	6,936	602	12,000	7,224
	45	2,775	125	45	2,775	125	45	2,775	125
TOTAL FLYING DUTY PAY.....	10,682		\$68,493	10,554		\$67,304	10,738		\$68,732
OTHER HAZARDOUS DUTY									
PARACHUTE JUMPING.....	5,375	1,800	9,675	5,356	1,800	9,641	5,406	1,800	9,731
EXPERIMENTAL STRESS.....	22	1,800	40	22	1,800	40	22	1,800	40
DEMOLITION OF EXPLOSIVES.....	148	1,800	266	148	1,800	266	148	1,800	266
TOXIC PESTICIDES EXPOSURE.....	2	1,800	4	2	1,800	4	2	1,800	4
CHEMICAL MUNITIONS.....	15	1,800	27	15	1,800	27	15	1,800	27
HALO JUMP.....	133	2,700	359	133	2,700	359	133	2,700	359
SUBTOTAL.....	5,695		\$10,371	5,676		\$10,337	5,726		\$10,427
TOTAL OFFICER INCENTIVE PAY FOR HAZARDOUS DUTY.....	16,377		\$78,864	16,230		\$77,641	16,464		\$79,159

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 205,892
ESTIMATE FY 2001	\$ 207,559
ACTUAL FY 2000	\$ 207,609

Project: Special Pay - Officers

Part I - Purpose and Scope

Funds requested in this account are authorized to provide monetary incentives for the procurement and retention of officers assigned as physicians, dentists, nurses, psychologists, non-physician health care providers, veterinarians, optometrists, divers, and linguists. Additionally, this account includes special pays authorized to general officers to partially offset extraordinary expenses incurred in the performance of their official duties. Finally, this account covers special pays authorized for officers, who are assigned sea duty and those who are on duty subject to hostile fire or imminent danger.

Special Pay for Physicians - these payments are authorized by 37 U.S.C. 302, as amended. They are intended to provide a monetary incentive for the procurement and retention of medical officers. A physician may qualify for the following pays:

(1) Variable Special Pay - paid monthly as an automatic entitlement to all medical corps officers on active duty. The annual rate of pay is based upon the number of years of creditable service for special pay. The annual amounts range from \$1,200 to \$12,000.

(2) Board Certified Pay - paid on a monthly basis to medical corps officers who are currently certified by an American medical or osteopathic examining board. The annual rate payable is determined by the number of years of creditable service for special pay. The annual amounts range from \$2,500 to \$6,000.

(3) Additional Special Pay - paid as a lump sum bonus to medical corps officers who are not undergoing internship or initial residency training and who execute an agreement to remain on active duty for one year. The annual payment for all recipients is \$15,000.

(4) Incentive Special Pay (ISP)/Medical Incentive Pay - paid as a lump sum bonus to administratively eligible medical officers who are fully qualified in Department of Army (DA) selected specialty categories and who execute an agreement to remain on active duty for a period of not less than 12 months. The Office of the Surgeon General develops an ISP program annually tailored to meet the critical needs of the following year. Payment amounts range from \$3,000 to \$36,000.

(5) Multi-year Special Pay - the FY 1991 DOD Authorization Act (PL 101-510) authorized a new multi-year special pay to be used in conjunction with ISP. Officers must be either unobligated for medical education and training or must have at least eight years of creditable service. There are three categories of specialties/pays with different pay levels for two-year, three-year, and four-year contracts. The annual amounts range from \$6,000 to \$14,000.

Other Special Pay - Dentist Pay - these payments are authorized by 37 U.S.C. 302b, 302h, and 311 and are intended to provide monetary incentives for the procurement and retention of dental officers. A dentist may qualify for the following special pays:

(1) Variable Special Pay - paid monthly as an automatic entitlement to all dental corps officers on active duty. The annual rate of pay is based on the number of years of creditable service for special pay. The annual rate ranges from \$3,000 to \$12,000.

(2) Board Certified Pay - paid on a monthly basis to dental corps officers who are currently certified by an American dental association specialty examining board or who have been awarded board certification equivalency by the Surgeon General. The annual rate is based on the number of years of creditable service for special pay. The annual rate ranges from \$2,500 to \$6,000.

(3) Additional Special Pay - paid as a lump sum bonus to dental corps officers who are not undergoing internship of initial residency training, who have a minimum of three years of creditable service for special pay, and who execute an agreement to remain on active duty for one year. The rate of pay is based on the number of years of creditable service for special pay. The payment amount ranges from \$4,000 to \$15,000.

(4) Multi-year Retention Bonus - the FY 1998 DOD Authorization Act (PL 105-85) authorized the use of a retention bonus for dental officers who execute a written agreement to remain on active duty for two, three, or four years after completion of any other active duty service commitment. Eligibility criteria require that a dental corps officer must be below the pay grade of O-7 and have a dental specialty in oral and maxillofacial surgery; have at least eight years of creditable service or have completed any active duty service commitment incurred for dental education and training; and have completed initial residency training (or will complete such training before 30 Sep of the fiscal year in which the officer enters into an agreement). The payment amount ranges from \$3,000 to \$14,000.

(5) Accession Bonus - paid to an individual who is a graduate of an accredited dental school and who executes an agreement to remain on active duty as a commissioned officer for a period of not less than four years. The amount of the accession bonus may not exceed \$30,000.

Nurses - nurse anesthetists are authorized to receive a special pay of \$6,000 per individual for one year and requires a written agreement to remain on active duty for a period of not less than 12 months. A nurse anesthetist with more than four years of service can receive a payment of \$15,000. The accession bonus of \$5,000 per individual requires acceptance of a commission as an officer combined with an agreement to remain on active duty for four years.

Diplomate Pay for Psychologists and Board Certified Pay for Non-physician Health Care Providers - paid on a monthly basis to an officer who is designated a psychologist and has been awarded a diploma as a Diplomate in Psychology, or an officer who is a health care provider based on the DoD definition approved by the Assistant Secretary of Defense (Health Affairs (ASD(HA))) in coordination with the Services, has a post baccalaureate degree in the officer's clinical specialty, and has obtained advance level (past entry level) certification by an approved professional board in the officer's specialty. The annual amounts range from \$2,000 to

\$5,000 and are based on years of creditable service. Eligible specialties and boards are determined by the ASD(HA) in coordination with the Services.

Optometrists - these payments are authorized by 37 U.S.C. 302a and are intended to provide monetary incentives for the procurement and retention of optometry officers. These officers are authorized \$100 per month of active duty.

Pharmacist Accession Bonus - these payments are authorized by 37 U.S.C. 302j and are paid to an individual who is a graduate of an accredited pharmacy school and who executes a written agreement between 30 Oct 00 and 30 Sep 04 to remain on active duty as a commissioned officer for a period not less than four years. The amount of the one-time accession bonus may not exceed \$30,000.

Veterinarians - these payments are authorized by 37 U.S.C. 303 and are intended to provide monetary incentives for the procurement and retention of veterinary officers. These officers are authorized \$100 per month of active duty. The National Defense Authorization Act for Fiscal Year 2000 (PL 106-65), Section 616, amended 37 U.S.C. 303, adding a special pay entitlement for Veterinary Corps officers who are board certified as a Diplomate. As required by statute, this special pay is effective 1 October 1999. Assistant Secretary of Defense (Health Affairs) policy implemented Veterinary Corps officer Diplomate Pay in a manner that will provide an incentive for Veterinary Corps officers to attain the highest level of professional achievement of Diplomate status in a veterinary medical specialty recognized by the American Veterinary Medical Association. The Diplomate Pay annual award, paid in equal monthly amounts, is based on creditable service as a Veterinary Corps officer on active duty. The annual range of the special is from \$2,000 to \$5,000.

Judge Advocate Continuation Pay (JACP) - The FY 2000 National Defense Authorization Act, section 629, provided Services Secretaries with the authority to pay eligible Judge Advocates (JA) continuation pay in return for additional active duty service obligations. The continuation pay cannot exceed \$60,000 per any eligible JA. The Army started using the continuation pay in FY 2000 as one means of addressing a shortfall in JA retention.

Personal Allowance, General Officers - in addition to other pay and allowances authorized, an officer who is entitled to basic pay is entitled to a personal money allowance of (1) \$500 a year while serving in the grade of lieutenant general, (2) \$2,200 per year while serving in the grade of general, (3) \$2,200 in addition to the personal money allowance in (1) above while serving as a senior member of the military staff committee of the United Nations and (4) \$4,000 per year, in place of any other personal money allowance, while serving as Chief of Staff of the Army (37 U.S.C 414). Additionally, an officer serving as the Chairman of the Joint Chiefs of Staff is entitled to \$4,000 per year in place of any other personal money allowance (37 U.S.C 413). This allowance is intended to partially reimburse high ranking officers for the many unusual personal expenses they incur in the performance of their official duties.

Diving Duty Pay - under regulations prescribed by the Secretary of the Army, an officer or warrant officer who is entitled to basic pay is entitled to special pay at a rate of not more than \$200 a month for periods during which they (1) are assigned by orders to the duty of diving, (2) are required to maintain proficiency as a diver by frequent and regular dives, and (3) actually perform diving duty (37 U.S.C 304). Dive officers are assigned to a position as the leader of a diving detachment, which supports marine or special operation units. Duties of marine diving detachments include underwater construction (construction of piers and pipelines), harbor clearance, and ship salvage. Special forces (combat) diving operations include infiltration and exfiltration, combat surface swimming, search and recovery, target attack, harassment and interdiction, and reconnaissance operations.

Sea Duty Pay - Army members who are entitled to basic pay are also entitled, while on sea duty, to special pay at rates which vary with grade and years of sea duty. The range of rates for warrant officers and officers is \$130 to \$410 per month. The term "sea duty" means duty performed by a member (1) while assigned to a ship, and while serving on a ship the primary mission of which is accomplished while underway; or (2) while assigned to a ship, and while serving on a ship the primary mission of which is normally accomplished while in port, but only while the ship is away from its home port for 30 or more consecutive days. Additionally, the member entitled to career sea pay who has served 36 consecutive months of sea duty is entitled to a career sea pay premium of \$100 per month for the 37th month and each consecutive month of sea duty served (37 U.S.C. 305a). Individuals who are affected by career sea pay are generally assigned to either: Fort Eustis, Virginia; Hawaii; Panama; or the Azores.

Foreign Language Proficiency Pay (FLPP) - this pay is authorized under the provisions of 37 U.S.C. 316. FLPP is a monthly monetary incentive that is paid to all military personnel who qualify for and maintain the required proficiency in designated foreign languages. The monthly rate may not exceed \$300.00 per individual.

Hostile Fire Pay - paid to officers on duty subject to hostile fire or imminent danger (37 U.S.C. 310). Paid at the rate of \$150 per month.

Hardship Duty Pay - paid to officers performing duty in an location that is designated by The Secretary of Defense as hardship duty. The monthly rate may not exceed \$300.00 per individual.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of officers eligible for each type of payment and rate of payment.

From FY 2001 to FY 2002, the estimate for special pay decreases by a net \$1.7 million. This change is based on -

- (1) A projected decrease in the number of dentists to receive Additional Special Pay: -\$1.6 million
- (2) A decrease in the requirement for Judge Advocate Continuation Pay: -\$0.9 million.
- (3) Annualization costs associated with the 1 Jan 2001 implementation of Hardship Duty Pay: -\$0.3 million.
- (4) A increase in hostile fire pay due to the increase in the number of participants in Southwest Asia: +\$1.1 million.

Detailed cost computations are provided by the following table:

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY FOR PHYSICIANS									
VARIABLE SPECIAL PAY.....	4,396	\$ 7,812	\$ 34,342	4,351	\$ 7,983	\$ 34,734	4,351	\$ 7,983	\$ 34,734
ADDITIONAL SPECIAL PAY.....	3,133	15,000	46,995	3,133	15,000	46,995	3,133	15,000	46,995
BOARD CERTIFIED PAY.....	2,493	3,765	9,386	2,476	3,791	9,387	2,476	3,791	9,387
INCENTIVE SPECIAL PAY.....	2,881	19,380	55,834	2,885	19,440	56,084	2,885	19,440	56,084
MULTI-YEAR SPECIAL PAY.....	1,086	9,634	10,463	1,090	10,287	11,213	1,090	10,287	11,213
SUBTOTAL.....	13,989		157,020	13,935		158,413	13,935		158,413
OTHER SPECIAL PAY									
DENTIST PAY									
VARIABLE SPECIAL PAY.....	1,076	\$ 8,089	\$ 8,704	1,097	\$ 8,090	\$ 8,875	1,097	\$ 8,090	\$ 8,875
ADDITIONAL SPECIAL PAY.....	1,034	11,736	12,135	1,050	11,737	12,324	917	11,674	10,705
BOARD CERTIFIED PAY.....	424	5,434	2,304	432	5,426	2,344	418	5,435	2,272
MULTI-YEAR SPECIAL PAY.....	480	10,594	5,085	485	10,528	5,106	485	10,528	5,106
ACCESSION BONUS.....	7	30,000	210	10	30,000	300	15	30,000	450
SUBTOTAL.....	3,021		\$ 28,438	3,074		\$ 28,949	2,932		\$ 27,408
NURSE PAY									
ACCESSION BONUS.....	110	\$ 5,000	\$ 550	160	\$ 5,000	\$ 800	160	\$ 5,000	\$ 800
ANESTHETIST PAY.....	250	11,280	2,820	269	11,286	3,036	269	11,286	3,036
SUBTOTAL.....	360		\$ 3,370	429		\$ 3,836	429		\$ 3,836
BOARD CERTIFIED PAY FOR NON-PHYSICIAN									
HEALTH CARE PROVIDERS.....	660	\$ 2,446	\$ 1,614	660	\$ 2,446	\$ 1,614	660	\$ 2,446	\$ 1,614
DIPLOMATE PAY FOR PSYCHOLOGISTS..	47	3,702	174	48	3,625	174	48	3,625	174
OPTOMETRISTS PAY									
SPECIAL PAY.....	125	\$ 1,200	\$ 150	127	\$ 1,200	\$ 152	127	\$ 1,200	\$ 152
RETENTION PAY.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....	125		\$ 150	127		\$ 152	127		\$ 152
PHARMACY PAY									
SPECIAL PAY.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
ACCESSION BONUS.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....	0		\$ 0	0		\$ 0	0		\$ 0
VETERINARIAN PAY									
SPECIAL PAY.....	413	\$ 1,200	\$ 496	414	\$ 1,200	\$ 497	414	\$ 1,200	\$ 497
DIPLOMATE PAY.....	172	3,500	602	182	3,500	637	192	3,500	672
SUBTOTAL.....	585		\$ 1,098	596		\$ 1,134	606		\$ 1,169
TOTAL MEDICAL PAY.....	18,787		191,864	18,869		194,272	18,737		192,766

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PERSONAL MONEY ALLOWANCES -									
GENERAL OFFICERS									
CHAIRMAN, JCS.....	1	\$ 4,000	\$ 4	1	\$ 4,000	\$ 4	1	\$ 4,000	\$ 4
CHIEF OF STAFF.....	1	4,000	4	1	4,000	4	1	4,000	4
SENIOR MEMBER OF STAFF									
COMMITTEE OF UNITED NATIONS..	1	2,700	3	1	2,700	3	1	2,700	3
GENERAL.....	8	2,200	18	8	2,200	18	8	2,200	18
LIEUTENANT GENERAL.....	44	500	22	41	500	21	42	500	21
SUBTOTAL.....	55		\$ 51	52		\$ 50	53		\$ 50
DIVING DUTY PAY.....	51	\$ 2,706	\$ 138	51	\$ 2,706	\$ 138	51	\$ 2,706	\$ 138
HOSTILE FIRE PAY.....	4,719	1,800	8,494	550	1,800	990	1,177	1,800	2,119
SEA DUTY PAY.....	116	3,828	444	119	3,555	423	119	3,555	423
FOREIGN LANGUAGE PAY.....	4,254	592	2,518	3,195	1,315	4,201	3,067	1,315	4,033
HARDSHIP DUTY PAY.....	0	0	0	4,007	819	3,282	2,773	1,097	3,042
JUDGE ADVOCATE									
CONTINUATION PAY.....	200	20,500	4,100	205	20,500	4,203	162	20,500	3,321
HIGH-DEPLOYMENT									
PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0
TOTAL OFFICER SPECIAL PAY.....	28,182		207,609	27,048		207,559	26,139		205,892

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 676,228
ESTIMATE FY 2001	\$ 654,236
ACTUAL FY 2000	\$ 614,189

Project: Basic Allowance for Housing - Officers

Part I - Purpose and Scope

Congress approved in the FY 1998 National Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The overseas housing allowance (OHA) payment, formerly located in overseas station allowances moved into this section by a change in law. The continental United States, Alaska, and Hawaii BAH is termed BAH Domestic, while the overseas housing allowance is called BAH Overseas. Payment to service members is authorized by revisions to 37 U.S.C. 403.

Part II - Justification of Funds Requested

The net change in the basic allowance for housing requirement is +\$22.0 million between FY 2001 and FY 2002. This change is based on--

- (1) Increase in pay rates associated with the Department of Defense initiative to reduce out of pocket housing costs to 11.3 percent in FY 2002: +\$32.8 million.
- (2) Decrease in pay rates for BAH Overseas associated with changes in foreign currency conversion: -\$7.8 million.
- (3) Force manning changes: +\$1.8 million.
- (4) Realignment of resources to fund housing costs for recruiters in high cost areas: -\$2.2 million.
- (5) Decrease in percent receiving: -\$2.6 million.

Detailed cost computations are provided by the following table:

OFFICER BASIC ALLOWANCE FOR HOUSING - DOMESTIC
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
GENERAL.....	56	18,107	\$ 1,014	57	20,228	\$ 1,153	59	21,492	\$ 1,268
COLONEL.....	1,901	16,299	30,984	1,935	17,936	34,706	2,044	19,078	38,995
LIEUTENANT COLONEL.....	5,167	15,321	79,164	5,182	16,810	87,109	5,346	17,880	95,586
MAJOR.....	8,193	12,831	105,124	7,798	13,989	109,086	7,623	14,880	113,430
CAPTAIN.....	8,769	10,314	90,443	9,386	11,220	105,311	9,973	11,934	119,018
1ST LIEUTENANT.....	2,541	8,598	21,848	2,179	9,330	20,330	1,829	9,924	18,151
2ND LIEUTENANT.....	1,660	8,214	13,635	1,734	8,942	15,505	1,546	9,511	14,704
OFFICER SUBTOTAL.....	28,287		\$ 342,212	28,271		\$ 373,200	28,420		\$ 401,152
WARRANT OFFICER (5).....	259	12,108	3,136	281	13,213	3,713	270	14,054	3,795
WARRANT OFFICER (4).....	928	10,707	9,936	906	11,634	10,540	997	12,375	12,338
WARRANT OFFICER (3).....	1,678	9,978	16,743	1,732	10,819	18,739	1,648	11,507	18,964
WARRANT OFFICER (2).....	2,217	9,333	20,691	2,217	10,094	22,378	2,122	10,737	22,784
WARRANT OFFICER (1).....	751	7,914	5,943	757	8,567	6,485	841	9,112	7,663
WARRANT OFFICER SUBTOTAL...	5,833		\$ 56,449	5,893		\$ 61,855	5,878		\$ 65,544
TOTAL BAH WITH DEPENDENTS.....	34,120		\$ 398,661	34,164		\$ 435,055	34,298		\$ 466,696
BAH DIFFERENTIAL.....	1,218	1,548	1,885	1,210	1,624	1,965	1,202	1,704	2,048
TOTAL.....	35,338		\$ 400,546	35,374		\$ 437,020	35,500		\$ 468,744
BAH WITHOUT DEPENDENTS									
GENERAL.....	3	14,667	\$ 44	3	17,333	\$ 52	3	18,333	\$ 55
COLONEL.....	221	13,179	2,913	221	14,339	3,169	234	15,251	3,569
LIEUTENANT COLONEL.....	787	12,324	9,699	774	13,342	10,327	802	14,192	11,382
MAJOR.....	1,950	10,998	21,446	1,822	11,945	21,764	1,787	12,705	22,704
CAPTAIN.....	5,322	8,637	45,966	5,592	9,343	52,246	5,965	9,938	59,280
1ST LIEUTENANT.....	4,144	7,062	29,265	3,489	7,661	26,729	2,938	8,149	23,942
2ND LIEUTENANT.....	2,663	6,663	17,744	2,731	7,247	19,792	2,444	7,708	18,838
OFFICER SUBTOTAL.....	15,090		\$ 127,077	14,632		\$ 134,079	14,173		\$ 139,770
WARRANT OFFICER (5).....	18	10,947	197	20	11,737	235	19	12,485	237
WARRANT OFFICER (4).....	108	10,437	1,127	103	11,297	1,164	114	12,017	1,370
WARRANT OFFICER (3).....	247	8,499	2,099	250	9,240	2,310	239	9,828	2,349
WARRANT OFFICER (2).....	591	7,773	4,594	580	8,438	4,894	558	8,975	5,008
WARRANT OFFICER (1).....	293	5,940	1,740	290	6,419	1,862	323	6,827	2,205
WARRANT OFFICER SUBTOTAL...	1,257		\$ 9,757	1,243		\$ 10,465	1,253		\$ 11,169
TOTAL BAH WITHOUT DEPENDENTS.....	16,347		\$ 136,834	15,875		\$ 144,544	15,426		\$ 150,939

OFFICER BASIC ALLOWANCE FOR HOUSING - DOMESTIC
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH PARTIAL ALLOWANCE BACHELOR									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	9	475	4	8	475	4	8	475	4
LIEUTENANT COLONEL.....	31	396	12	30	396	12	31	396	12
MAJOR.....	99	320	32	89	320	28	87	320	28
CAPTAIN.....	431	264	114	447	264	118	476	264	126
1ST LIEUTENANT.....	434	216	94	367	216	79	309	216	67
2ND LIEUTENANT.....	1,410	156	220	1,460	156	228	1,306	156	204
OFFICER SUBTOTAL.....	2,414		\$ 476	2,401		\$ 469	2,217		\$ 441
WARRANT OFFICER (5).....	1	302	0	1	302	0	1	302	0
WARRANT OFFICER (4).....	5	302	2	5	302	2	5	302	2
WARRANT OFFICER (3).....	17	248	4	17	248	4	16	248	4
WARRANT OFFICER (2).....	62	191	12	60	191	11	57	191	11
WARRANT OFFICER (1).....	57	166	9	55	166	9	61	166	10
WARRANT OFFICER SUBTOTAL...	142		\$ 27	138		\$ 26	140		\$ 27
TOTAL BAH PARTIAL ALLOWANCE BACHELOR.....	2,556		\$ 503	2,539		\$ 495	2,357		\$ 468
BAH INADEQUATE FAMILY HOUSING									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	0	4,075	0	0	4,484	0	0	4,770	0
LIEUTENANT COLONEL.....	0	3,830	0	0	4,203	0	0	4,470	0
MAJOR.....	1	3,208	3	1	3,497	3	1	3,720	4
CAPTAIN.....	2	2,579	5	2	2,805	6	2	2,984	6
1ST LIEUTENANT.....	0	2,150	0	0	2,333	0	0	2,481	0
2ND LIEUTENANT.....	0	2,054	0	0	2,236	0	0	2,378	0
OFFICER SUBTOTAL.....	3		\$ 8	3		\$ 9	3		\$ 10
WARRANT OFFICER (5).....	0	3,027	0	0	3,303	0	0	3,513	0
WARRANT OFFICER (4).....	0	2,677	0	0	2,908	0	0	3,094	0
WARRANT OFFICER (3).....	0	2,495	0	0	2,705	0	0	2,877	0
WARRANT OFFICER (2).....	0	2,333	0	0	2,523	0	0	2,684	0
WARRANT OFFICER (1).....	0	1,979	0	0	2,142	0	0	2,278	0
WARRANT OFFICER SUBTOTAL...	0		\$ 0	0		\$ 0	0		\$ 0
TOTAL BAH INADEQUATE FAMILY HOUSING.....	3		\$ 8	3		\$ 9	3		\$ 10
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC.....	54,244		\$ 537,891	53,791		\$ 582,068	53,286		\$ 620,161

OFFICER BASIC ALLOWANCE FOR HOUSING - OVERSEAS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	86	23,709	2,039	98	23,269	2,280	90	20,523	1,847
LIEUTENANT COLONEL.....	334	20,783	6,942	347	20,142	6,989	337	17,371	5,854
MAJOR.....	551	19,431	10,706	527	19,172	10,104	502	15,748	7,905
CAPTAIN.....	496	16,032	7,952	530	15,228	8,071	553	12,752	7,052
1ST LIEUTENANT.....	172	12,993	2,235	153	12,121	1,855	121	10,465	1,266
2ND LIEUTENANT.....	56	12,828	718	49	11,516	564	51	11,115	567
OFFICER SUBTOTAL.....	1,695		\$ 30,592	1,704		\$ 29,863	1,654		\$ 24,491
WARRANT OFFICER (5).....	13	14,626	190	15	15,831	237	13	11,183	145
WARRANT OFFICER (4).....	53	15,916	844	50	15,578	779	56	12,320	690
WARRANT OFFICER (3).....	92	16,186	1,489	95	15,229	1,447	88	12,630	1,111
WARRANT OFFICER (2).....	166	15,425	2,561	175	14,131	2,473	156	11,839	1,847
WARRANT OFFICER (1).....	21	15,381	323	15	14,877	223	23	10,913	251
WARRANT OFFICER SUBTOTAL....	345		\$ 5,407	350		\$ 5,159	336		\$ 4,044
TOTAL BAH WITH DEPENDENTS.....	2,040		\$ 35,999	2,054		\$ 35,022	1,990		\$ 28,535
BAH WITHOUT DEPENDENTS									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	30	17,370	521	32	14,819	474	28	11,322	317
LIEUTENANT COLONEL.....	132	14,721	1,943	134	13,790	1,848	117	11,410	1,335
MAJOR.....	320	14,713	4,708	308	13,490	4,155	254	11,326	2,877
CAPTAIN.....	936	12,720	11,906	1,056	11,885	12,551	908	11,978	10,876
1ST LIEUTENANT.....	1,049	11,316	11,870	977	10,897	10,646	644	9,236	5,948
2ND LIEUTENANT.....	422	12,105	5,108	347	10,657	3,698	336	10,226	3,436
OFFICER SUBTOTAL.....	2,889		\$ 36,056	2,854		\$ 33,372	2,287		\$ 24,789
WARRANT OFFICER (5).....	13	9,108	118	11	11,982	132	12	10,835	130
WARRANT OFFICER (4).....	24	11,976	287	26	12,049	313	22	8,700	191
WARRANT OFFICER (3).....	75	12,160	912	88	9,304	819	63	8,355	526
WARRANT OFFICER (2).....	202	11,794	2,382	218	9,698	2,114	164	8,997	1,476
WARRANT OFFICER (1).....	47	11,570	544	40	9,911	396	45	9,341	420
WARRANT OFFICER SUBTOTAL....	361		\$ 4,243	383		\$ 3,774	306		\$ 2,743
TOTAL BAH WITHOUT DEPENDENTS.....	3,250		\$ 40,299	3,237		\$ 37,146	2,593		\$ 27,532
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS.....	5,290		\$ 76,298	5,291		\$ 72,168	4,583		\$ 56,067
TOTAL OFFICER BASIC ALLOWANCE FOR HOUSING.....	59,534		\$ 614,189	59,082		\$ 654,236	57,869		\$ 676,228

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 147,368
ESTIMATE FY 2001	\$ 146,640
ACTUAL FY 2000	\$ 148,293

Project: Basic Allowance for Subsistence - Officers

Part I - Purpose and Scope

The funds requested will provide for subsistence allowance authorized by 37 U.S.C. 402 and P.L. 96-343. All officers, regardless of dependency status and pay grade, are paid a monthly basic allowance for subsistence at the same rate.

Part II - Justification of Funds Requested

Subsistence allowance costs are obtained by multiplying the projected average number eligible for the allowance by the annual statutory rate. The estimates reflect an increase of 3.0% based on the USDA moderate food plan index.

Detailed cost computations are provided by the following table:

OFFICER BASIC ALLOWANCE FOR SUBSISTENCE
 (AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE....	78,008	\$ 1,901	\$ 148,293	76,375	\$ 1,920	\$ 146,640	76,002	\$ 1,939	\$ 147,368

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 38,981
ESTIMATE FY 2001	\$ 57,307
ACTUAL FY 2000	\$ 66,474

Project: Station Allowance Overseas - Officers

Part I - Purpose and Scope

The funds requested will provide payment of a per diem allowance to officers on duty outside the United States considering all elements of the cost of living, including quarters, subsistence, and other necessary incidental expenses as prescribed by joint travel regulations and authorized under provisions of 37 U.S.C. 405.

Part II - Justification of Funds Requested

The total Overseas Station Allowance includes Cost of Living and Temporary Lodging Allowances. Overseas station allowance (OSA) payments are determined by multiplying the projected number of personnel eligible for each type of allowance by an estimated average rate.

Fluctuations in currency exchange rates have a direct impact on overseas station allowances. This is especially true in the case of Germany. The FY 2002 estimates for overseas station allowances are based on an exchange rate of 1.1916 Euro/\$1 US Dollar.

The net change in the overseas station allowance estimate is -\$18.3 million between FY 2001 and FY 2002. This change is based on:

- (1) Annualization of the 3.7 percent, 1 Jan 2001 pay raise: +\$0.3 million.
- (2) The 1 Jan 2002, 4.6 percent and targeted pay raise: +\$1.5 million.
- (3) Decrease in COLA pay rates associated primarily with foreign currency conversion: -\$20.1 million.

Detailed cost computations are provided by the following table:

OFFICER OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
GENERAL.....	50	\$ 5,360	\$ 268	50	\$ 4,840	\$ 242	50	\$ 2,740	\$ 137
COL.....	595	5,617	3,342	595	5,144	3,061	595	2,754	1,639
LTC.....	1,650	5,340	8,811	1,650	4,758	7,851	1,651	2,627	4,337
MAJ.....	2,627	4,645	12,202	2,627	4,076	10,708	2,628	2,325	6,110
CPT.....	3,688	3,636	13,410	3,688	3,000	11,064	3,690	1,865	6,882
2ND LIEUTENANT.....	2,341	2,802	6,559	2,341	2,110	4,940	2,342	1,409	3,300
1ST LIEUTENANT.....	808	2,204	1,781	808	1,876	1,516	808	1,309	1,058
CW5.....	66	4,722	312	66	4,523	299	66	2,409	159
CW4.....	253	4,296	1,087	253	3,484	881	253	2,293	580
CW3.....	638	3,816	2,435	638	3,328	2,123	638	2,008	1,281
CW2.....	1,206	3,383	4,080	1,206	2,717	3,277	1,207	1,804	2,177
WO1.....	218	2,743	598	218	2,594	565	218	1,602	349
SUBTOTAL.....	14,140		\$ 54,885	14,140		\$ 46,527	14,146		\$ 28,009
TEMPORARY LODGING ALLOWANCE....	7,145	\$ 1,622	\$ 11,589	6,541	\$ 1,648	\$ 10,780	6,558	\$ 1,673	\$ 10,972
TOTAL OFFICER STATION ALLOWANCE OVERSEAS..	21,285		\$ 66,474	20,681		\$ 57,307	20,704		\$ 38,981

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$1,439
ESTIMATE FY 2001	\$1,417
ACTUAL FY 2000	\$1,173

Project: CONUS Cost of Living Allowance - Officers

Part I - Purpose and Scope

The funds requested will provide payment of a cost of living allowance (COLA) to soldiers who are assigned to high cost areas in the continental United States (CONUS). A high cost area is defined as a locality where the cost of living exceeds the average cost of living in CONUS by an established threshold percentage during a base period. The threshold percentage is established by the Secretary of Defense but cannot be less than eight percent. The current established threshold is 108 percent of the national cost of living average. The amount of COLA payable is the product of spendable income (based on regular military compensation level) times the difference between the COLA index for the individual's high cost area and the threshold percentage. The FY 1995 DOD Authorization Act authorized this allowance.

Part II - Justification of Funds Requested

CONUS COLA payments are determined by multiplying the projected number of personnel eligible by an estimated average rate.

Detailed cost computations are provided by the following table:

OFFICER CONUS COST OF LIVING ALLOWANCE
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	824	\$1,424	\$1,173	930	\$1,524	\$1,417	930	\$1,547	\$1,439

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 5,006
ESTIMATE FY 2001	\$ 4,925
ACTUAL FY 2000	\$ 2,797

Project: Clothing Allowances - Officers

Part I - Purpose and Scope

The requested funds will provide for the initial payment and supplemental allowance for purchases of required uniforms under provisions of 37 U.S.C. 415 and 416. Also included are funds for civilian clothing allowance for officers assigned to a permanent duty station outside the United States who are required to wear civilian clothing in the performance of official duty in accordance with 37 U.S.C. 419.

Part II - Justification of Funds Requested

The estimated number of payments is based on the projected gains into the Army and the anticipated overseas requirements where individuals are required to wear civilian clothing in the performance of official duty. Allowances for uniform and clothing purchases are developed by multiplying the projected number eligible for each type of allowance by the applicable rate.

Detailed cost computations are provided by the following table:

OFFICER CLOTHING ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNIFORM ALLOWANCES									
INITIAL.....	7,011	\$ 200	\$ 1,402	7,035	\$ 400	\$ 2,814	7,153	\$ 400	\$ 2,861
ADDITIONAL.....	7,011	100	701	7,035	200	1,407	7,153	200	1,431
SUBTOTAL.....	14,022		\$ 2,103	14,070		\$ 4,221	14,306		\$ 4,292
CIVILIAN CLOTHING									
WINTER AND SUMMER.....	881	\$ 788	\$ 694	881	\$ 799	\$ 704	881	\$ 811	\$ 714
TOTAL OFFICER CLOTHING ALLOWANCES.....	14,903		\$ 2,797	14,951		\$ 4,925	15,187		\$ 5,006

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 6,299
ESTIMATE FY 2001	\$ 5,620
ACTUAL FY 2000	\$ 8,159

Project: Family Separation Allowances - Officers

Part I - Purpose and Scope

The funds are to provide family separation payments to officers with dependents on duty outside the U.S. or in Alaska for added separation expenses under two circumstances:

(1) Travel of dependents to overseas duty station is not authorized and the member maintains two homes, one in CONUS for his family and one overseas for himself. Payment is made at the monthly quarters allowance rate authorized for a member of the same grade without dependents.

(2) When a member with dependents makes a permanent change of station, is on temporary duty travel, or on board ship for 30 days or more either in CONUS or overseas and the travel of dependents to his duty station is not authorized and dependents do not reside at or near the duty station.

Part II - Justification of Funds Requested

The estimated number of payments is based on execution data projected into the future and modified to reflect anticipated overseas stationing requirements. Allowances for family separation are determined by multiplying the estimated number of personnel eligible for each type of family separation allowance by the statutory rate applicable.

Detailed cost computations are provided by the following table:

OFFICER FAMILY SEPARATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
COL.....	11	\$ 9,888	\$ 109	11	\$ 10,185	\$ 112	11	\$ 10,491	\$ 115
LTC.....	32	9,524	305	32	9,810	314	32	10,104	323
MAJ.....	53	8,824	468	52	9,088	473	53	9,361	496
CPT.....	114	7,245	826	112	7,472	837	113	7,697	870
1LT.....	27	5,856	158	27	6,061	164	27	6,243	169
2LT.....	13	4,971	65	13	5,129	67	13	5,283	69
CW5.....	4	8,967	36	4	9,236	37	4	9,513	38
CW4.....	9	7,962	72	9	8,201	74	9	8,447	76
CW3.....	23	6,693	154	23	6,895	159	23	7,101	163
CW2.....	43	5,940	255	42	6,118	257	43	6,301	271
WO1.....	16	4,978	80	16	5,128	82	16	5,281	84
SUBTOTAL.....	345		2,528	341		2,576	344		2,674
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....									
	1,933	1,200	2,320	1,905	1,200	2,286	1,922	1,200	2,306
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....									
	2,759	1,200	3,311	632	1,200	758	1,099	1,200	1,319
TOTAL OFFICER FAMILY SEPARATION ALLOWANCES.....									
	5,037		\$ 8,159	2,878		\$ 5,620	3,365		\$ 6,299

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 117,589
ESTIMATE FY 2001	\$ 67,753
ACTUAL FY 2000	\$ 68,460

Project: Separation Payments - Officers

Part I - Purpose and Scope

Severance Pay - payment of non-disability separation pay is authorized to retirement ineligible regular commissioned officers, warrant officers, and members of the reserve component who are involuntarily released from active duty after having completed at least 5 years of active duty. Payment of disability severance pay is authorized to members on active duty who are discharged because of physical disability and who have less than 20 years service and less than 30 percent disability.

The FY 1992 National Defense Authorization Act approved two voluntary separation pay programs to use during the force drawdown. The programs apply to both officers and enlisted soldiers who have more than six and less than 20 years of service. The first, voluntary separation incentive (VSI), is an annuity that makes annual payments for twice the number of years served for soldiers who voluntarily leave active duty. The second program, special separation benefit (SSB), provides a lump sum of one and a half times involuntary separation pay (50% more) for soldiers who voluntarily leave active duty. VSI and SSB have been used to reduce involuntary separations. The authority to use VSI/SSB was extended from 30 Sep 1990 to 30 Sep 2001 by the FY 1999 National Defense Authorization Act. However, the Army reached its steady state end strength at the end of FY 1999 and has not offered VSI and SSB to any new takers since the end of FY 1999.

The FY 1993 National Defense Authorization Act approved an active duty early retirement program for use during the force drawdown. The early retirement program has been used to shape the 15-20 year segment of the force. It has assisted the Army in achieving its drawdown goals of maintaining readiness and treating people fairly. Soldiers separated under the early retirement program receive the same benefits as individuals with 20 or more years of service. However, their retired pay is reduced by one percent for each year that they are short of 20 years of active duty. The early retirement amount is the product of 2.5 percent times years of service times basic pay times reduction factor. For the officers who leave under the early retirement program, the Army is required to establish a subaccount within the Military Personnel Appropriation to fund all early retirement payments up front in the Military Personnel Appropriation to cover the entire initial period, which is defined as that period equal to the difference between 20 years and the number of years completed by the member. The authority to use the early retirement program was extended from 1 Oct 1999 to 1 Oct 2001 by the FY 1999 National Defense Authorization Act. However, the Army reached its steady state end strength at the end of FY 1999 and has not offered early retirement to any new takers since the end of FY 1999.

Accrued Leave Payments - members are authorized 30 days of ordinary leave annually. They may have accumulated a maximum of no more than 60 days unused leave at the beginning of any fiscal year. Upon retirement or separation, members are paid for unused accrued leave at the rate of basic pay to which entitled at time of release. Effective 10 Feb 1976, a member cannot be paid for more than 60 days of accrued leave during his military career. This limitation does not include payments for accrued leave made before that date.

Part II - Justification of Funds Requested

Separation payments are determined by multiplying the projected number eligible for each type of payment by the estimated average payment applicable. Accumulated leave payments are made based upon leave accrued as of 1 Sep 1976. For leave accumulated prior to 1 Sep 1976 and retained throughout the career, payments include basic pay, basic allowance for subsistence, and basic allowance for quarters. For leave accumulated after 1 Sep 1976, to include the lowering of leave balances prior to 1 Sep 1976, the rate payable is basic pay only. Leave payments will not exceed the career total of 60 days. Severance pay for promotion passover, for separation for cause, and for disability severance pay is 10 percent of the product of (a) years of active service and (b) 12 times the monthly basic pay to which the member was entitled at the time of discharge or release from active duty. The SSB amount is based on annual base pay times 15 percent times years of service. The VSI (annuity) is a product of annual base pay times 2.5 percent times years of service and is paid for twice the number of years served, without any cost of living adjustments. The National Defense Authorization Acts for FY 1992 and FY 1993 required the establishment of a VSI fund effective 1 Jan 1993 from which VSI payments will be made. The Act further required the DOD Board of Actuaries to determine: (1) the amount necessary to liquidate the original unfunded liability, i.e., those personnel accepting VSI benefits prior to 1 Jan 1993 and (2) the total present value costs necessary to fund those members accepting VSI benefits after 1 Jan 1993.

The FY 2000 Defense Authorization Act provides for a system that will give the soldier the option to retire under the pre-1986 military retirement system or accept a one-time \$30,000 lump sum bonus and remain under the Redux retirement plan. The lump sum bonus will be paid directly from the Military Personnel appropriation starting in FY 2001.

The net change in the separation pay requirement is +\$49.8 million between FY 2001 and FY 2002. This change is based on--

- (1) Annualization of the 3.7 percent, 1 Jan 2001 pay raise: +\$0.4 million.
- (2) The 1 Jan 2002, 4.6 percent and targeted pay raise: +\$2.0 million.
- (3) Increased usage of the \$30,000 lump sum bonus: +\$34.6 million.
- (4) Increased transfer to VSI Trust Fund: +\$20.8 million.
- (5) Decreased requirement for involuntary separation pay: -\$7.8 million.
- (6) Reduced need for lump sum terminal leave: -\$0.2 million.

Detailed cost computations are provided by the following table:

OFFICER SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000				ESTIMATE FY 2001				ESTIMATE FY 2002			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
GENERAL.....	47	54.7	\$ 17,872	\$ 840	47	54.7	\$ 18,660	\$ 877	47	54.7	\$ 19,511	\$ 917
COLONEL.....	505	37.8	9,007	4,549	509	37.8	9,429	4,800	505	37.8	9,800	4,949
LIEUTENANT COLONEL.....	834	25.5	4,660	3,887	839	25.5	4,909	4,119	833	25.5	5,107	4,254
MAJOR.....	752	21.6	3,164	2,379	756	21.6	3,364	2,543	751	21.6	3,538	2,657
CAPTAIN.....	2,199	18.1	2,183	4,801	2,249	18.1	2,289	5,147	2,230	18.1	2,400	5,351
1ST LIEUTENANT.....	671	13.9	1,283	861	676	13.9	1,334	902	671	13.9	1,388	932
2ND LIEUTENANT.....	80	15.3	1,075	86	80	15.3	1,119	89	80	15.3	1,164	93
WARRANT OFFICER(5).....	57	34.6	5,970	340	57	34.6	6,224	355	57	34.6	6,567	374
WARRANT OFFICER(4).....	152	21.5	2,998	456	152	21.5	3,139	477	152	21.5	3,324	505
WARRANT OFFICER(3).....	243	17.7	1,955	475	245	17.7	2,054	503	243	17.7	2,182	530
WARRANT OFFICER(2).....	279	21.5	1,974	551	280	21.5	2,062	577	279	21.5	2,201	614
WARRANT OFFICER(1).....	51	11.9	926	47	51	11.9	965	49	51	11.9	1,028	52
SUBTOTAL.....	5,870			\$ 19,272	5,941			\$ 20,438	5,899			\$ 21,228
SEVERANCE PAY (DISABILITY).....	119		\$ 48,672	\$ 5,792	115		\$ 50,623	\$ 5,822	123		\$ 53,544	\$ 6,586
SEVERANCE PAY (NON-PROMOTION).....	262		57,719	15,122	428		60,033	25,694	291		63,496	18,477
INVOLUNTARY HALF-PAY(5%).....	5		29,762	149	5		30,955	155	5		32,741	164
INVOLUNTARY FULL-PAY(10%).....	0		34,574	0	20		35,960	719	20		38,034	761
SPECIAL SEPARATION BENEFIT(15%).....	0		0	0	0		0	0	0		0	0
15 YEAR RETIREMENT.....	0		0	0	0		0	0	0		0	0
SUBTOTAL SEPARATION PAY (NON-DISABILITY).....	5			\$ 149	25			\$ 874	25			\$ 925
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAYMENTS) 1).....	0			\$ 28,125	0			\$ 7,325	0			\$ 28,125
THRU DEC 31, 1992.....				28,125				7,325				28,125
JAN 1, 1993 AND AFTER.....	0			0	0			0	0			0
\$30,000 LUMP SUM BONUS.....				\$ 0				\$ 7,600				\$ 42,248
TOTAL OFFICER SEPARATION PAY.....	6,256			\$ 68,460	6,509			\$ 67,753	6,338			\$ 117,589

1) VSI recipients after 31 Dec 92 - Payments are made from the Military Personnel, Army Appropriation to the VSI Trust Fund.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 293,508
ESTIMATE FY 2001	\$ 278,471
ESTIMATE FY 2000	\$ 270,128

Project: Social Security Tax - Employer's Obligation - Officers

Part I - Purpose and Scope

The funds requested provide for the employer's tax to the Social Security Administration as required by the Federal Insurance Contribution Act (FICA).

Part II - Justification of Funds Requested

The FICA tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The old age, survivor, and disability insurance (OASDI) rate is 6.2% and the hospital insurance (HI) rate is 1.45%. The maximum amounts of earnings per individual on which tax is payable are:

Calendar Year	OASDI Base	Medicare Base
1999	\$72,600	No upper limit
2000	\$76,200	No upper limit
2001	\$80,400	No upper limit
2002	\$84,900	No upper limit
2003	\$89,100	No upper limit

In past years, MPA paid a wage credit for service members to take into account "non-wage" compensation such as housing and subsistence. The wage credit payments were discontinued after FY 1999. The Army now pays a supplement (about \$100 per person per month) to the Health and Human Services to replace the lost survivor or disability benefit that would have accrued under wage credit transfers for FY00 and FY01. The FY02 budget proposes the elimination of wage credits.

The social security tax requirement increases by a net \$15.5 million between FY 2001 and FY 2002. This change is based on--

- (1) Annualization of the 3.7 percent, 1 Jan 2001 pay raise: +\$2.6 million.
- (2) The 1 Jan 2002, 4.6 percent and targeted pay raise: +\$12.0 million.
- (3) Force manning changes: +\$0.9 million.

Detailed cost computations are provided by the following table:

OFFICER SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	78,008	\$ 3,456.41	\$ 269,628	76,375	\$ 3,639.55	\$ 277,971	76,002	\$ 3,861.85	\$ 293,508
WAGE CREDITS/SURVIVOR OR DISABILITY BENEFIT.....			\$ 500			\$ 500			\$ 0
TOTAL OFFICER SOCIAL SECURITY TAX.....	78,008		\$ 270,128	76,375		\$ 278,471	76,002		\$ 293,508

Section 4
 Schedule of Increases and Decreases
 (Amounts in thousands of dollars)

Pay and Allowance of Enlisted Personnel

FY 2001 Direct Program \$ 13,488,926

Increases:

Pricing Increases:

a. Reflects the annualization of both the FY2001 3.7 payraise and the FY2001 NDAA pay table adjustment, and the FY2002 4.6% pay raise and targeted pay raise. Eff 1 Jan 2002.	875,764
b. Overseas Currency Conversion.	84,298
c. Basic Allowance for Housing Rate Adjustment supporting DOD goal to reduce soldiers out of pocket housing costs to 0% by FY2005, and NDAA junior enlisted rate adjustment.	74,792
d. Change in the Normal Cost Percentage from 29.6% in FY2001 to 30.3 in FY2002.	56,692
Total Pricing Increases	1,091,546

Program Increases:

a. Separation Pay - net increase reflects reduced numbers of separation payments offset by increased numbers of the \$30 thousand lump sum payments.	99,000
b. Increased number of personnel receiving the Voluntary Separation Initiative of payments	4,900
c. Increased numbers receiving Loan Repayment Program payments.	11,915
d. Reflects change to G.I Bill Offset to amount paid into social security.	1,380
e. Reflects changes in the family housing inventory.	34,305
f. Miscellaneous	182
Total Program Increases	151,682

Total Increases

\$ 1,243,228

Decreases:

Pricing Decreases:

Total Pricing Decreases	0
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Program Decreases:

a. Force Manning Changes.	-105,289
b. Reduced numbers receiving Incentive Pay and Special Pay.	-7,801
c. Reduced numbers receiving Enlisted Bonus, Selective Reenlistment Bonus, and Army College Fund payments.	-74,243
d. Clothing rate change offset by decreased numbers receiving allowance.	-3,373
e. Increase in anticipated reimbursements based on historical collection rates resulting in decreased direct program.	-2,324
f. TLA program change.	-2,055

	Total Program Decreases	-195,085	
Total Decreases			\$ -195,085
FY 2002 Direct Program			\$ 14,537,069

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 8,638,465
ESTIMATE FY 2001	\$ 8,098,895
ACTUAL FY 2000	\$ 7,682,372

Project: Basic Pay - Enlisted

Part I - Purpose and Scope

The funds requested provide for the basic compensation and length of service pay increments of enlisted personnel on active duty under provisions of 37 U.S.C. 201, 203, 205, and 1009. Also included is the compensation of enlisted personnel of the reserve components, who have entered active duty as members of the active component of the Army.

Part II - Justification of Funds Requested

The basic compensation is determined by multiplying the projected average number of personnel by grade by the estimated average annual compensation. The rates reflect actual execution, which is adjusted in subsequent years by pay raise and estimated average years of service. In addition to rate changes, manyear program changes contribute to the full cost of the basic pay.

The net change in the basic pay requirement is +\$539.6 million from FY 2001 to FY 2002. This is based on--

- (1) Annualization of the 1 Jan 2001, 3.7% pay raise: +\$72.5 million.
- (2) FY 2001 NDAA E5 through E7 pay table adjustment: +91.4 million.
- (3) The 1 Jan 2002, 4.6% and targeted pay raise: +\$457.4 million.
- (4) Force Manning changes: -\$81.7 million.

Detailed cost computations are provided by the following table:

ENLISTED BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	3,224	\$ 43,795	\$ 141,195	3,146	\$ 46,503	\$ 146,298	3,150	\$ 49,451	\$ 155,771
1ST SGT/MASTER SGT.....	10,710	35,233	377,345	10,646	37,125	395,233	10,732	39,626	425,266
PLATOON SGT/SGT 1ST CLASS	36,885	29,773	1,098,177	36,747	31,331	1,151,320	36,838	33,863	1,247,445
STAFF SERGEANT.....	57,389	24,797	1,423,075	56,061	26,081	1,462,127	57,208	28,042	1,604,227
SERGEANT.....	69,983	20,364	1,425,134	71,810	21,410	1,537,452	72,676	22,908	1,664,862
CORPORAL/SPECIALIST.....	105,557	16,652	1,757,735	105,519	17,606	1,857,768	110,996	18,499	2,053,315
PRIVATE FIRST CLASS.....	51,180	13,957	714,319	53,171	14,394	765,343	52,688	15,120	796,643
PRIVATE E2.....	37,037	12,955	479,814	39,043	13,270	518,101	32,878	13,866	455,886
PRIVATE E1.....	24,475	10,851	265,578	24,160	10,979	265,253	20,489	11,472	235,050
TOTAL ENLSITED BASIC PAY..	396,440		\$ 7,682,372	400,303		\$ 8,098,895	397,655		\$ 8,638,465

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 2,617,455
ESTIMATE FY 2001	\$ 2,397,273
ESTIMATE FY 2000	\$ 2,442,994

Project: Retired Pay Accrual - Enlisted

Part I - Purpose and Scope

The funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with 10 U.S.C. 1466.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of:

(a) The DOD Actuary-approved full-time normal cost percentage (NCP) of basic pay, i.e., 29.6 percent for FY 2001, and 30.3 percent for FY 2002.

(b) The total amount of the basic pay expected to be paid during the fiscal year to members of the Active Army.

The net change in the retired pay accrual estimate is +\$220.2 million from FY 2001 to FY 2002. This change is based on--

- (1) Annualization of the 1 Jan 2001, 3.7% pay raise: +\$22.0 million.
- (2) FY 2001 NDAA E5 through E7 pay table adjustment: +\$27.7 million.
- (3) The 1 Jan 2002, 4.6% pay raise: +\$138.6 million.
- (4) Change in the normal cost percentages from 29.6% in FY 2001 to 30.3% in FY 2002: +\$56.7 million.
- (5) Force Manning changes: -\$24.8 million.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	396,440	\$ 6,162.33	\$ 2,442,994	400,303	\$ 5,988.65	\$ 2,397,273	397,655	\$ 6,582.23	\$ 2,617,455

ESTIMATE FY 2002	\$68,302
ESTIMATE FY 2001	\$69,610
ACTUAL FY 2000	\$68,858

Project: Incentive Pay for Hazardous Duty - Enlisted

Part I - Purpose and Scope

The funds requested will provide for pay to enlisted personnel under provisions of 37 U.S.C. 301 for these types of duty:

Crew Member - assigned to a position which requires at least four hours of aerial flight each month. The duties are essential to the operation of aircraft in-flight, or the duties are required to complete specific missions of the aircraft. The members perform duties as crew chiefs, medical airmen, firefighter crash rescue specialists, airborne electronic system operators, and air observers.

Non-Crew Member - assigned to a position which requires at least four hours of aerial flight each month. The duties are directly related to in-flight missions of the aircraft and crew members cannot perform the duties. The members perform duties as aircraft maintenance personnel, aerial photographers, helicopter weapons systems repairmen, and medical personnel.

Parachute - assigned to a permanent parachute position or airborne unit which requires parachute jumping as an essential part of military duty, or while undergoing airborne type training, or performing short-term parachute duty. Continuous payment of hazardous duty pay for parachute duty requires at least one parachute jump every three months. Pay for periods of short-term parachute duty is prorated based on the duration of the period such duty is required.

High Altitude Low Opening Jump Pay (HALO) - assigned to a permanent military position which requires parachute jumping from at least 2,500 feet with a planned delay between exit and opening as an essential part of military duties, or while undergoing military free-fall type training at the US Army John F. Kennedy Special Warfare School. Soldiers must be graduates of the US Army military free-fall course under the proponency of the Commander, US Army JFK Special Warfare School or undergoing training for such designation. They must also be required by competent orders to engage in military free-fall parachute jumping from an aircraft in aerial flight and perform the specified minimum number of jumps to be entitled to pay. Proficiency requirements will remain the same as static line requirements.

Demolition of Explosives - assigned to a position which requires the member as his primary duty to demolish, by use of objects, obstacles, or explosives; or recover and render harmless, by disarming or demolition, explosives which failed to function as intended or which have become a potential hazard. Demolition pay is limited to those serving in specialty 55D (EOD Specialists).

Experimental Stress - serving as a human test subject in thermal stress experiments at Natick Laboratories; Natick, MA. The tests conducted include development of equipment (mostly clothing) and physiological testing. Also, low pressure, high altitude chamber training is conducted at the US Army Aeromedical Center; Fort Rucker, Alabama.

Toxic Fuel - assigned to a position on a Propellant Draining Kit (PDK) Team that requires handling and maintaining the propellants unsymmetrical dimethyl hydrazine and inhibited red-fuming nitric acid used in the Lance missile system.

Toxic Pesticides Exposure - for duty performed while assigned to entomology, pest control, pest management, or preventive medicine functions for a period of 30 consecutive days or more; that requires a member to perform in any calendar month a fumigation task utilizing phosphate, sulfuric fluoride, hydrogen cyanide, methyl bromide, or a fumigant of comparable high acute toxicity and hazard potential.

Chemical Munitions Handlers - this is a peacetime hazardous duty incentive pay for members of the uniformed services whose primary duties require the routine physical handling of chemical munitions or chemical surety material. Routine physical handling must be incident to manufacturing, maintenance, storage, testing, laboratory analysis, transportation, surveillance, assembly, disassembly, demilitarization, or disposal of chemical munitions or chemical surety material. This incentive pay is not authorized for individuals who handle the individual components of binary munitions, diluted solutions of toxic chemicals, riot control agents, chemical defoliants, herbicides, smoke, flame and incendiaries, or industrial chemicals.

Part II - Justification of Funds Requested

The projected average number of payments is based on the total spaces where each type of pay is authorized to meet force structure requirements. The compensation for hazardous duty incentive pay is computed by multiplying the projected average number of each type by the statutory rate.

From FY 2001 to 2002, the estimate for incentive pay decreased by -\$1.3 million. This is based on:

- (1) a decreased number of personnel receiving parachute pay.

Detailed cost computations are provided by the following table:

ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY CREW MEMBERS									
SERGEANT MAJOR.....	3	\$2,880	\$9	3	\$2,880	\$9	3	\$2,880	\$9
1ST SGT/MASTER SGT.....	28	2,880	81	29	2,880	84	30	2,880	86
PLATOON SGT/SGT 1ST CLASS.....	194	2,880	559	205	2,880	590	205	2,880	590
STAFF SGT.....	520	2,580	1,342	530	2,580	1,367	530	2,580	1,367
SERGEANT.....	954	2,280	2,175	955	2,280	2,177	955	2,280	2,177
CPL/SPECIALIST.....	898	1,980	1,778	898	1,980	1,778	898	1,980	1,778
PRIVATE 1ST CLASS.....	205	1,800	369	202	1,800	364	202	1,800	364
PRIVATE E2.....	1	1,800	2	3	1,800	5	3	1,800	5
PRIVATE E1.....	0	1,800	0	2	1,800	4	2	1,800	4
SUBTOTAL.....	2,803		\$6,315	2,827		\$6,378	2,828		\$6,380
FLYING DUTY NON-CREW MEMBERS.....	565	1,800	1,017	565	1,800	1,017	565	1,800	1,017
TOTAL FLYING DUTY PAY.....	3,368		\$7,332	3,392		\$7,395	3,393		\$7,397
OTHER HAZARDOUS DUTY									
PARACHUTE JUMPING.....	31,266	1,800	56,279	31,649	1,800	56,968	30,917	1,800	55,651
EXPERIMENTAL STRESS.....	61	1,800	110	61	1,800	110	65	1,800	117
DEMOLITION DUTY.....	1,321	1,800	2,378	1,321	1,800	2,378	1,321	1,800	2,378
TOXIC FUEL.....	1	1,800	2	1	1,800	2	1	1,800	2
TOXIC PESTICIDE.....	4	1,800	7	4	1,800	7	4	1,800	7
HALO JUMP.....	891	2,700	2,406	891	2,700	2,406	891	2,700	2,406
CHEMICAL MUNITIONS.....	191	1,800	344	191	1,800	344	191	1,800	344
SUBTOTAL.....	33,735		\$61,526	34,118		\$62,215	33,390		\$60,905
TOTAL ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY.....	37,103		\$68,858	37,510		\$69,610	36,783		\$68,302

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 47,339
ESTIMATE FY 2001	\$ 55,029
ACTUAL FY 2000	\$ 51,793

Project: Special Pay - Enlisted

Part I - Purpose and Scope

The funds requested will provide for Special Pay to enlisted personnel while on duty outside the contiguous 48 states and the District of Columbia, or while on sea duty. Special Pay is paid at rates varying from \$8.00-\$22.50 per month. Rates depend on grade, at places designated by the Secretary of Army under the provisions of 37 U.S.C.

Personal Allowance, Sergeant Major of the Army (SMA) - in addition to other pay and allowances authorized, the SMA who is entitled to basic pay is entitled to a personal money allowance of \$2,000 a year while serving in that capacity.

Diving Duty Pay - under regulations prescribed by the Secretary of the Army, an enlisted personnel who is entitled to basic pay is entitled to special pay at a rate of not more than \$200 a month for periods during which they (1) are assigned by orders to the duty of diving, (2) are required to maintain proficiency as a diver by frequent and regular dives, and (3) actually perform diving duty (37 U.S.C 304). Enlisted Dive personnel are assigned to a position in a diving detachment, which supports marine or special operation units. Duties of marine diving detachments include underwater construction (construction of piers and pipelines), harbor clearance, and ship salvage. Special forces (combat) diving operations include infiltration and exfiltration, combat surface swimming, search and recovery, target attack, harassment and interdiction, and reconnaissance operations.

Sea Duty Pay - Army members who are entitled to basic pay are also entitled, while on sea duty, to special pay at rates which vary with grade and years of sea duty. The range of rates for enlisted personnel \$130 to \$410 per month. The term "sea duty" means duty performed by a member (1) while assigned to a ship, and while serving on a ship the primary mission of which is accomplished while underway; or (2) while assigned to a ship, and while serving on a ship the primary mission of which is normally accomplished while in port, but only while the ship is away from its home port for 30 or more consecutive days. Additionally, the member entitled to career sea pay who has served 36 consecutive months of sea duty is entitled to a career sea pay premium of \$100 per month for the 37th month and each consecutive month of sea duty served (37 U.S.C. 305a). Individuals who are affected by career sea pay are generally assigned to either: Fort Eustis, Virginia; Hawaii; Panama; or the Azores.

Foreign Language Proficiency Pay (FLPP) - this pay is authorized under the provisions of 37 U.S.C. 316. FLPP is a monthly monetary incentive that is paid to all military personnel who

qualify for and maintain the required proficiency in designated foreign languages. The monthly rate may not exceed \$300.00 per individual.

Hostile Fire Pay - paid to personnel on duty subject to hostile fire or imminent danger (37 U.S.C. 310). Paid at the rate of \$150 per month.

Hardship Duty Pay - paid to personnel performing duty in an location that is designated by The Secretary of Defense as hardship duty. The monthly rate may not exceed \$300.00 per individual.

Overseas Extension Incentives Pay - special payments paid to enlisted personnel who extend their tour of service overseas under provisions of 37 U.S.C. 314.

Part II - Justification of Funds Requested

The projected average number of payments is based on the total spaces where each type of pay is authorized to meet force structure requirements. Multiplying the projected number eligible for each type of pay by the statutory rate develops the compensation for each type of Special Pay.

Estimate contains a \$2,000 Personal Money Allowance for the Sergeant Major of the Army, starting in FY 2001.

From FY 2001 to FY 2002, the estimate for special pay decreases by a net -\$6.5 million. This is based on -

- (1) FY01 increase was primarily due to increased numbers receiving foreign language proficiency pay type II (FLPP II). In FY02, the range of languages that qualify for FLPP II are being revised downward thus reducing the number of payments. Also a decreased numbers of personnel will receive hardship duty pay and overseas extension incentive pay. Increased hostile fire payments are due to funding for South-West Asia beginning in FY02.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	NUMBER	ACTUAL FY 2000		ESTIMATE FY 2001			ESTIMATE FY 2002		
		RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
PERSONAL MONEY ALLOWANCES -SERGEANT MAJOR OF THE ARMY.....	0	0	0	1	2,000	2	1	2,000	2
SEA DUTY PAY.....	831	\$ 1,560	\$ 1,296	427	\$ 1,560	\$ 666	427	\$ 1,560	\$ 666
HARDSHIP DUTY PAY.....	44,452	197	8,757	43,055	629	27,082	40,159	629	25,260
FOREIGN LANGUAGE PAY.....	9,228	\$ 720	\$ 6,644	25,542	\$ 790	\$ 20,178	12,298	\$ 843	\$ 10,367
DIVING DUTY PAY.....	1,589	2,160	3,432	324	2,481	804	324	2,481	804
HOSTILE FIRE PAY.....	16,871	1,800	30,368	1,832	1,800	3,298	4,126	1,800	7,427
OVERSEAS EXTENSION PAY.....	1,350	960	1,296	3,124	960	2,999	2,930	960	2,813
HIGH-DEPLOYMENT PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0
TOTAL ENLISTED SPECIAL PAY.....	74,321		\$ 51,793	74,305		\$ 55,029	60,265		\$ 47,339

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$61,075
ESTIMATE FY 2001	\$60,294
ACTUAL FY 2000	\$56,739

Project: Special Duty Assignment Pay - Enlisted

Part I - Purpose and Scope

The Special Duty Assignment Pay (SDAP) program is authorized under provisions of 37 U.S.C. 307, as amended, by PL-98-525. SDAP is a monthly monetary incentive that is paid to enlisted members who qualify for and serve in designated special duty assignments. The funds are utilized for recruiters, guidance counselors, retention NCO's, drill sergeants, and specially designated personnel who have extremely demanding duties requiring extraordinary effort for satisfactory performance, and/or an unusual level of responsibility.

Part II - Justification and Funds Requested

These funds are utilized to ensure readiness by compensating and influencing specially designated soldiers, recruiters, retention NCO's, and drill sergeants who perform demanding duties which require special training and extraordinary effort for satisfactory performance.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL DUTY ASSIGNMENT PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT									
SD 6 (\$375.00).....	7,966	\$4,500	\$35,847	7,950	\$4,500	\$35,775	7,950	\$4,500	\$35,775
SD 5 (\$275.00).....	2,637	3,300	8,702	2,935	3,300	9,686	3,110	3,300	10,263
SD 4 (\$220.00).....	164	2,640	433	208	2,640	549	208	2,640	549
SD 3 (\$165.00).....	5,938	1,980	11,757	7,214	1,980	14,284	7,317	1,980	14,488
TOTAL ENLISTED SPECIAL DUTY ASSIGNMENT PAY.....	16,705		\$56,739	18,307		\$60,294	18,585		\$61,075

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 89,800
ESTIMATE FY 2001	\$ 109,982
ACTUAL FY 2000	\$ 105,388

Project: Reenlistment Bonus - Enlisted

Part I - Purpose and Scope

The Selective Reenlistment Bonus (SRB) Program is authorized under the provisions of 37 U.S.C. 308. The law states that a member of a uniformed service who has completed at least 21 months of continuous active duty but not more than 14 years of active duty, is qualified in a skill designated as critical, and reenlists for a period of at least three years may be paid a bonus. The bonus will not exceed six months of the base pay multiplied by the additional obligated service (not to exceed six years). The maximum SRB allowed by the Department of Defense is \$60,000 (for not more than 10 percent of bonus recipients). Army policy has set the maximum SRB allowed to be paid at \$20,000.

The purpose of the SRB Program is to increase the number of reenlistments in critical skills characterized by current or projected retention levels insufficient to adequately man the career force. The SRB Program also works as a valuable tool in the force alignment process by helping to draw people from overage skills to shortage skills through the bonus extension and retraining program.

SRB payments are made using the installment method of payment. Fifty percent of the total bonus is paid at the time of reenlistment with the remaining bonus being paid in equal annual installments over the balance of the reenlistment contract period.

Part II - Justification of Funds Requested

The Selective Reenlistment Bonus Program is a key component in MOS/grade cell force alignment initiatives. The focus of the SRB Program is to reenlist sufficient specialists and sergeants to overcome or prevent present and future shortfalls in sergeant and staff sergeant manning. Shortfalls in these grades have a direct negative impact on the combat and operational readiness of Army units.

In addition to critically and moderately short MOS/grade cells, there are specific MOS categories that require exceptional management and the application of reenlistment bonuses. These skills include special operations MOS and skills required to meet various treaty commitments.

The Army has and will continue to focus management initiatives to balance overage and shortage skills through the Force Alignment Plan (FAP). For shortage skills, we continually evaluate the SRB Program and offer bonuses where appropriate. Other adjustments to align the force include: recruiting fully qualified prior service personnel, reclassification of soldiers into shortage skills, and increasing promotion opportunities to soldiers in shortage skills. In overage skills, the Army constrains promotion opportunity, constrains reclassification of soldiers into these skills, restricts fully qualified prior service personnel from enlisting in these skills, and does not permit retention beyond the Retention Control Point (RCP). The Army will continue to focus and apply management initiatives to develop an optimal force structure.

The estimate reflects a net decrease of -\$20.2 million from FY 2001 to FY 2002. The change between fiscal years is due to Congressional funding adjustments in FY 2001, which increased the number of personnel receiving initial payments.

Project: Reenlistment Bonus - Enlisted

The following are the Army's most critically imbalanced skills as of Sep 2000 (restricted to MOS with authorizations in at least four grade cells):

Shortage MOS

MOS	Title
13F	Fire Support Specialist
13M	MLRS Crewmember
13P	MLRS Ops/F D Specialist
98G	Voice Interceptor (Persian/Vietnamese)
93C	Air Traffic Controller
14T	Patriot Operator
77F	Petroleum Supply Specialist
92Y	Unit Supply Specialist
18	Special Forces
35M	Radar Repair

Overage MOS

MOS	Title
51M	Firefighter
93F	Field Artillery Meteorological Crewmember
91E	Dental Specialist
43M	Fabric Repair

Detailed cost computations are provided by the following table:

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SELECTED REENLISTMENT BONUS									
INITIAL PAYMENTS.....	15,288	\$ 4,775	\$ 72,999	12,465	\$ 4,870	\$ 60,704	7,946	\$ 4,513	\$ 35,860
ANNIVERSARY PAYMENTS.....	22,825	1,419	32,389	32,688	1,508	49,278	45,379	1,189	53,940
TOTAL REENLISTMENT BONUS.....	38,113		\$ 105,388	45,153		\$ 109,982	53,325		\$ 89,800

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
PRIOR OBLIGATIONS.....	34,659	33,060	24,920	22,710	15,099	13,360	4,759	6,040	2,408	2,780	0	0	0	0
ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR YEAR (2000) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	16,503	23,640	16,337	17,860	13,119	11,940	3,634	5,820	2,967	3,870	0	0
CURRENT YEAR (2001) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	13,937	22,730	13,797	17,170	11,079	11,480	3,069	5,590	2,506	3,720
BUDGET YEAR (2002) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	7,886	13,420	7,787	10,140	6,253	6,780	1,732	3,300
BUDGET YEAR (2003) INITIAL & SUBSEQUENT INITIAL PAYMENTS.....	0	0	0	0	0	0	0	0	9,818	17,440	9,719	1,317	7,805	8,810
TOTAL														
ANNIVERSARY PAYMENTS.....	22,825	32,389	32,688	49,278	45,379	53,940	39,542	48,580	34,727	47,660	32,213	48,250	32,078	49,110
SRB TOTAL.....		105,388		109,982		89,800		95,160		97,960		99,120		99,980

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 135,798
ESTIMATE FY 2001	\$ 147,400
ACTUAL FY 2000	\$ 94,924

Project: Enlistment Bonus - Enlisted

Part I - Purpose and Scope

Enlistment Bonuses are used to attract higher quality high school diploma graduates into designated Army skills, which are difficult to fill with qualified enlistees. The payment is authorized by 37 U.S.C. 308A, and amended by FY 2000 National Defense Authorization Act (PL 106-65), allows for up to \$6,000 for a two to three year enlistment and up to \$20,000 for a four or more year enlistment. The Army pays up to \$7,000 at their first permanent duty station after successful completion of basic and skill training, then equal periodic payments if required.

New Payments - payments are made before 30 September to individuals who enter active duty and complete skill training during the same fiscal year.

Residual Payments - payments expected in current fiscal year are for individuals who entered the service in previous fiscal years. Since payments do not occur until completion of skill training and after arrival at first duty station, an average of four months elapses from the time the individual enters the service and the initial payment is made.

Incremental Payments - by Army policy, up to \$7,000 may be paid initially in lump sum. Remaining amounts above \$7,000 are paid in four equal payments commencing three months after the initial payment and continuing every three months for one year. These payments are contractual obligations paid in the year earned.

Part II - Justification of Funds Requested

The Enlistment Bonus Program is designed to expand penetration into the quality market and to distribute quality among the 180 plus initial entry military occupational specialties (MOS). Quality goals for Army accessions are: at least 90 percent high school diploma graduates, 67 percent Test Score Category (TSC) I-III A, and less than 2 percent Category IV. Offering an enlistment bonus, especially at higher levels, allows the Army to channel applicants into critical MOSs, at the right time, thereby supporting readiness. It also compliments two of the top four reasons (pay, tuition for college) for considering enlisting in the Army according to the FY99 Youth Attitude Survey (YATS).

The program is tied to a level commensurate with the programmed recruiting mission. These funding levels are critical to attaining Army quality goals during a period of a low unemployment market and low positive propensity of the youth market to enlist.

The estimate decreases by -\$11.6 million between FY 2001 and FY 2002. The change between fiscal years is due to a Congressional upward adjustment to cover residual and anniversary payments in FY 2001 which resulted from successful recruiting momentum in FY 2000. The delta between FY 2001 and FY 2002 is a net decrease reflecting decreases in new and anniversary payments offset by an increase in residual payments.

Detailed cost computations are provided by the following table:

ENLISTMENT BONUS PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTMENT BONUS PROGRAM									
NEW PAYMENTS									
UP THRU \$1,000.....	400	\$ 1,000	\$ 400	218	\$ 1,000	\$ 218	298	\$ 1,000	\$ 298
UP THRU \$2,000.....	577	2,000	1,154	319	2,000	638	491	2,000	982
UP THRU \$3,000.....	2,039	3,000	6,117	815	3,000	2,445	1,438	3,000	4,314
UP THRU \$4,000.....	2,383	4,000	9,532	1,196	4,000	4,784	1,512	4,000	6,048
UP THRU \$5,000.....	1,646	5,000	8,230	1,225	5,000	6,125	1,002	5,000	5,010
UP THRU \$6,000.....	982	6,000	5,892	1,853	6,000	11,118	1,755	6,000	10,530
UP THRU \$7,000.....	3,268	7,000	22,876	3,345	7,000	23,415	2,568	7,000	17,976
TOTAL	11,295		\$ 54,201	8,971		\$ 48,743	9,064		\$ 45,158
RESIDUAL NEW PAYMENTS									
UP THRU \$1,000.....	417	\$ 1,000	\$ 417	178	\$ 1,000	\$ 178	700	\$ 1,000	\$ 700
UP THRU \$2,000.....	1,004	2,000	2,008	293	2,000	586	1,155	2,000	2,310
UP THRU \$3,000.....	1,069	3,000	3,207	858	3,000	2,574	3,381	3,000	10,143
UP THRU \$4,000.....	841	4,000	3,364	902	4,000	3,608	3,552	4,000	14,208
UP THRU \$5,000.....	178	5,000	890	1,598	5,000	7,990	2,357	5,000	11,785
UP THRU \$6,000.....	901	6,000	5,406	1,047	6,000	6,282	4,123	6,000	24,738
UP THRU \$7,000.....	1,541	7,000	10,787	8,155	7,000	57,085	3,170	7,000	22,190
TOTAL	5,951		\$ 26,079	13,031		\$ 78,303	18,438		\$ 86,074
ANNIVERSARY (INCREMENTAL) PAYMENTS.....	7,989	\$ 1,833	\$ 14,644	11,104	\$ 1,833	\$ 20,354	2,491	\$ 1,833	\$ 4,566
TOTAL ENLISTMENT BONUS PROGRAM.....	25,235		\$ 94,924	33,106		\$ 147,400	29,993		\$ 135,798

ENLISTMENT BONUS INCREMENT PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000		ESTIMATE FY 2001		ESTIMATE FY 2002	
	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS
NEW OBLIGATIONS.....	1,997	3,661	2,776	5,089	623	1,142
PRIOR OBLIGATIONS.....	5,992	10,983	8,328	15,265	1,868	3,424
TOTAL INCREMENT PAYMENTS.....	7,989	14,644	11,104	20,354	2,491	4,566

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$46,913
ESTIMATE FY 2001	\$88,173
ACTUAL FY 2000	\$97,056

Project: Educational Benefits

Part I - Purpose and Scope

Funds are for the payment to the Department of Defense Educational Benefits Trust Fund. The Army College Fund (ACF) is governed by Title 38 U.S.C., Chapter 30. The program will fund additional and supplemental benefit payments above a basic benefit to be budgeted by the Department of Veteran Affairs. This program is budgeted on an accrual basis by the Department of Defense. The Department of Veterans Affairs will make actual benefit payments to individuals from funds transferred from the Trust Fund account. The FY00 Strom Thurmond National Defense Authorization Act increased the maximum amount of educational benefits to \$50,000.

Part II - Justification of Funds Requested

All individuals entering active duty after July 1, 1985 (including those in the Delayed Entry Program) are eligible to receive additional and supplemental educational assistance at the discretion of the Secretary of Defense. Basic eligibility to qualify for these educational benefits is contingent upon the soldier electing to participate in the basic program - the Montgomery GI Bill. Exceptions to eligibility are those who have received a commission from a Service academy or completed a ROTC Scholarship Program.

The ACF Program is designed to expand penetration into the quality market and distribute quality among the 200 plus initial entry military occupational specialties (MOS). Offering an ACF, especially at the higher levels, allows the Army to channel applicants into critical MOS and support readiness. It also compliments one of the top reasons -- tuition for college -- for considering enlisting in the Army according to the FY 1999 Youth Attitude Survey (YATS).

The program is tied to a level commensurate with the programmed recruiting mission. These funding levels are critical to attaining Army quality goals during a period of a low unemployment economy and low positive propensity of the youth market to enlist. It is becoming increasingly difficult to recruit sufficient soldiers to sustain a quality force as indicated in the FY98 soldier shortfall, continued difficulties in FY99, and a challenging mission in FY00. In response, as of FY00, the Army has implemented a \$50K ACF for the critical MOS and raised the ACF levels for 2/3/4 year terms of service from \$20K/\$25K/\$30K to \$26.6K/\$33K/\$40K.

This account is transferred from Budget Activity 6, Other Military Personnel Compensation, beginning in FY00. The exception is the amortization payment, which was transferred back to Budget Activity 6, Other Military Personnel Compensation.

The program decreases by \$41.3 million between FY 2001 and FY 2002. The decrease reflects a reduction in the overall size of the program.

Detailed cost computations are provided by the following table:

ENLISTED EDUCATIONAL BENEFITS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	ELIGIBLES	RATE	AMOUNT	ELIGIBLES	RATE	AMOUNT	ELIGIBLES	RATE	AMOUNT
COLLEGE FUND									
FOUR YEAR COMMITMENT - \$30K	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
FOUR YEAR COMMITMENT - \$40K	6,729	4,577	30,799	8,099	4,815	38,997	4,945	4,752	23,499
FOUR YEAR COMMITMENT - \$50K	6,667	8,023	53,489	3,719	8,519	31,682	1,439	8,463	12,178
SUBTOTAL FOUR YEAR	13,396		\$84,288	11,818		\$70,679	6,384		\$35,677
THREE YEAR COMMITMENT - \$25K	0	0	0	0	0	0	0	0	0
THREE YEAR COMMITMENT - \$33K	2,478	3,802	9,421	3,400	3,734	12,696	1,617	3,856	6,235
SUBTOTAL THREE YEAR	2,478		\$9,421	3,400		\$12,696	1,617		\$6,235
TWO YEAR COMMITMENT - \$20K	0	0	0	0	0	0	0	0	0
TWO YEAR COMMITMENT - \$26.5K	960	3,486	3,347	1,387	3,459	4,798	1,522	3,286	5,001
SUBTOTAL TWO YEAR	960		\$3,347	1,387		\$4,798	1,522		\$5,001
TOTAL \$20K	0		0	0		0	0		0
TOTAL \$25K	0		0	0		0	0		0
TOTAL \$26.5K	960		3,347	1,387		4,798	1,522		5,001
TOTAL \$30K	0		0	0		0	0		0
TOTAL \$33K	2,478		9,421	3,400		12,696	1,617		6,235
TOTAL \$40K	6,729		30,799	8,099		38,997	4,945		23,499
TOTAL \$50K	6,667		53,489	3,719		31,682	1,439		12,178
GRAND TOTAL COLLEGE FUND	16,834		\$97,056	16,605		\$88,173	9,523		\$46,913

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 44,800
ESTIMATE FY 2001	\$ 32,885
ACTUAL FY 2000	\$ 30,200

Project: Loan Repayment Program - Enlisted

Part I - Purpose and Scope

The Loan Repayment Program (LRP) is authorized by PL 99-145, Section 2171. Guidelines for the LRP are contained in Chapter 109, Title 10, United States Code. The LRP pays for federal student loans guaranteed by the Department of Education under the Higher Education Act of 1965 and state sponsored school loans up to a maximum of \$65,000 (limited by Army policy). The LRP is an enlistment incentive designed to increase Test Score Category I-III A enlistments. The LRP repays \$1,500 or one-third of the qualified loan whichever is greater, for every year of service.

Part II - Justification and Funds Requested

According to the University of Michigan Annual Monitoring the Future Survey, 80% of high school seniors plan to attend a four-year college and are applying for loans in increasing numbers. Conversely, the College Board has determined that 50% of all students entering four-year colleges are not enrolled after two years, primarily due to financial reasons.

Because more high school seniors are attending college, the non-college bound quality market is reduced. The LRP is an effective tool for penetrating the college market, especially that segment that have opted out at a point prior to graduation.

The +\$11.9 million increase between FY 2001 and FY 2002 reflects increased numbers of personnel participating in the loan repayment program.

Detailed cost computations are provided by the following table:

ENLISTED LOAN REPAYMENT PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000		ESTIMATE FY 2001		ESTIMATE FY 2002	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
LOAN REPAYMENT PROGRAM.....	6,154	\$ 30,200	8,042	\$ 32,885	10,693	\$ 44,800

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 1,465,398
ESTIMATE FY 2001	\$ 1,276,208
ACTUAL FY 2000	\$ 1,265,347

Project: Basic Allowance for Housing - Enlisted

Part I - Purpose and Scope

Congress approved in the FY 1998 National Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The overseas housing allowance (OHA) payment, formerly located in overseas station allowances, moved into this section by a change in law. The continental United States, Alaska and Hawaii BAH is included in BAH Domestic, while the overseas housing allowance is called BAH Overseas. Payment to service members is authorized by revisions to 37 U.S.C. 403.

Part II - Justification of Funds Requested

The net change in the basic allowance for housing requirement is +\$189.2 million from FY 2001 to FY 2002. This is based on--

- (1) Increase in pay rates are associated with the Department of Defense initiative to reduce out of pocket housing costs to 11.3% in FY 2002 which supports the DoD goal of zero out of pocket housing costs by FY 2005.
- (2) NDAA changes for the junior enlisted rates: \$74.8 million and Housing inventory changes: +\$34.3 million.
- (3) Net increase in pay rates for BAH Overseas associated with changes in foreign currency conversion: +\$67.8 million.
- (4) Force manning changes: +\$12.3 million.

Detailed cost computations are provided by the following table:

ENLISTED BASIC ALLOWANCE FOR HOUSING - DOMESTIC
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
SERGEANT MAJOR.....	1,752	\$ 10,631	\$ 18,626	1,618	\$ 11,682	\$ 18,901	1,675	\$ 12,277	\$ 20,564
1ST SGT/MASTER SGT..	6,432	9,665	62,165	6,048	10,580	63,988	6,308	11,119	70,139
PLTN SGT/SFC.....	20,651	9,011	186,086	19,462	9,866	192,012	20,185	10,368	209,278
STAFF SERGEANT.....	28,123	8,256	232,183	25,984	9,063	235,493	27,435	9,524	261,291
SERGEANT.....	26,276	7,540	198,121	25,506	8,233	209,991	26,708	8,653	231,104
CORPORAL/SPC4.....	28,312	6,718	190,200	26,773	7,270	194,640	29,138	7,880	229,607
PRIVATE, 1ST CL.....	8,961	6,188	55,451	8,807	7,270	64,027	9,029	7,880	71,149
PRIVATE (E2).....	5,284	6,290	33,236	5,270	7,270	38,313	4,592	7,880	36,185
PRIVATE (E1).....	3,051	6,513	19,871	2,847	7,270	20,698	2,501	7,880	19,708
TOTAL BAH									
WITH DEPENDENTS.....	128,842		\$ 995,939	122,315		\$ 1,038,063	127,571		\$ 1,149,025
BAH DIFFERENTIAL.....	11,633	1,883	21,905	11,799	1,992	23,504	11,935	2,090	24,944
TOTAL.....	140,475		\$ 1,017,844	134,114		\$ 1,061,567	139,506		\$ 1,173,969
BAH WITHOUT DEPENDENTS									
SERGEANT MAJOR.....	236	\$ 8,318	\$ 1,963	239	\$ 9,225	\$ 2,205	230	\$ 9,684	\$ 2,227
1ST SGT/MASTER SGT..	953	7,826	7,458	982	8,632	8,477	954	9,061	8,644
PLTN SGT/SFC.....	3,598	6,949	25,003	3,725	7,704	28,697	3,595	8,087	29,073
STAFF SERGEANT.....	5,512	6,404	35,299	5,589	7,119	39,788	5,492	7,472	41,036
SERGEANT.....	6,839	5,998	41,020	7,286	6,672	48,612	7,100	7,004	49,728
CORPORAL/SPC4.....	6,659	5,314	35,386	6,914	5,852	40,461	7,004	6,143	43,026
PRIVATE, 1ST CL.....	1,433	4,955	7,101	1,546	5,500	8,503	1,475	5,773	8,515
PRIVATE (E2).....	330	4,977	1,642	360	5,532	1,992	293	5,807	1,701
PRIVATE (E1).....	120	4,859	583	123	5,357	659	100	5,623	562
TOTAL BAH									
WITHOUT DEPENDENTS....	25,680		\$ 155,455	26,764		\$ 179,394	26,243		\$ 184,512

ENLISTED BASIC ALLOWANCE FOR HOUSING - DOMESTIC
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH PARTIAL ALLOWANCE BACHELOR									
SERGEANT MAJOR.....	14	\$ 223	\$ 3	6	\$ 223	\$ 1	6	\$ 223	\$ 1
1ST SGT/MASTER SGT..	47	184	9	52	184	10	53	184	10
PLTN SGT/SFC.....	239	144	34	309	144	44	309	144	44
STAFF SERGEANT.....	1,868	119	222	1,833	119	218	1,871	119	223
SERGEANT.....	9,419	104	980	9,565	104	995	9,680	104	1,007
CORPORAL/SPC4.....	41,045	97	3,981	40,340	97	3,913	42,434	97	4,116
PRIVATE, 1ST CL.....	33,034	94	3,105	32,977	94	3,100	32,677	94	3,072
PRIVATE (E2).....	25,796	86	2,218	27,955	86	2,404	23,541	86	2,025
PRIVATE (E1).....	17,868	83	1,483	23,300	83	1,934	19,760	83	1,640
TOTAL BAH PARTIAL ALLOWANCE BACHELOR....	129,330		\$ 12,035	136,337		\$ 12,619	130,331		\$ 12,138
BAH INADEQUATE FAMILY HOUSING									
SERGEANT MAJOR.....	0	\$ 2,658	\$ 0	0	\$ 2,921	\$ 0	0	\$ 3,069	\$ 0
1ST SGT/MASTER SGT..	2	2,416	5	2	2,645	5	2	2,780	6
PLTN SGT/SFC.....	15	2,253	34	15	2,466	37	15	2,592	39
STAFF SERGEANT.....	29	2,064	60	28	2,266	63	29	2,381	69
SERGEANT.....	49	1,885	92	50	2,058	103	51	2,163	110
CORPORAL/SPC4.....	169	1,680	284	169	1,818	307	178	1,970	351
PRIVATE, 1ST CL.....	77	1,547	119	80	1,818	145	79	1,970	156
PRIVATE (E2).....	15	1,573	24	16	1,818	29	13	1,970	26
PRIVATE (E1).....	2	1,628	3	2	1,818	4	2	1,970	4
TOTAL BAH INADEQUATE FAMILY HOUSING.....	358		\$ 621	362		\$ 693	369		\$ 761
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC	295,843		\$ 1,185,955	297,577		\$ 1,254,273	296,449		\$ 1,371,380

ENLISTED BASIC ALLOWANCE FOR HOUSING - OVERSEAS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
SERGEANT MAJOR.....	33	\$ 16,699	\$ 551	49	\$ 3,468	\$ 170	64	\$ 12,626	\$ 808
1ST SGT/MASTER SGT..	167	15,569	2,600	254	3,342	849	333	12,169	4,052
PLTN SGT/SFC.....	453	15,122	6,850	691	3,177	2,195	901	11,571	10,425
STAFF SERGEANT.....	551	13,624	7,507	824	2,800	2,307	1,093	10,200	11,149
SERGEANT.....	1,281	12,417	15,906	2,011	2,545	5,118	2,645	9,265	24,506
CORPORAL/SPC4.....	583	11,353	6,619	897	2,323	2,084	1,226	8,462	10,374
PRIVATE, 1ST CL.....	42	11,735	493	69	1,904	131	88	6,936	610
PRIVATE (E2).....	11	11,559	127	20	2,066	41	21	7,498	157
PRIVATE (E1).....	4	9,917	40	5	2,032	10	4	7,471	30
TOTAL BAH WITH DEPENDENTS.....	3,125		\$ 40,693	4,820		\$ 12,905	6,375		\$ 62,111
BAH WITHOUT DEPENDENTS									
SERGEANT MAJOR.....	58	\$ 9,939	\$ 576	57	\$ 2,208	\$ 126	57	\$ 7,684	\$ 438
1ST SGT/MASTER SGT..	272	10,889	2,962	270	2,585	698	273	9,002	2,458
PLTN SGT/SFC.....	849	10,846	9,208	845	2,533	2,140	847	8,819	7,470
STAFF SERGEANT.....	1,231	9,734	11,983	1,200	2,218	2,662	1,224	7,725	9,455
SERGEANT.....	1,105	9,379	10,364	1,135	2,256	2,561	1,148	7,855	9,018
CORPORAL/SPC4.....	379	8,293	3,143	380	1,938	736	400	6,745	2,698
PRIVATE, 1ST CL.....	49	7,914	388	53	1,744	92	53	6,069	322
PRIVATE (E2).....	8	8,470	68	8	1,476	12	7	5,123	36
PRIVATE (E1).....	2	3,432	7	2	1,644	3	2	5,827	12
TOTAL BAH WITHOUT DEPENDENTS....	3,953		\$ 38,699	3,950		\$ 9,030	4,011		\$ 31,907
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS	7,078		\$ 79,392	8,770		\$ 21,935	10,386		\$ 94,018
TOTAL ENLISTED BASIC ALLOWANCE FOR HOUSING.....	302,921		\$ 1,265,347	306,347		\$ 1,276,208	306,835		\$ 1,465,398

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 120,022
ESTIMATE FY 2001	\$ 99,661
ACTUAL FY 2000	\$ 181,021

Project: Station Allowance Overseas - Enlisted

Part I - Purpose and Scope

The funds requested will provide payment of a per diem allowance to enlisted personnel on duty outside the United States considering all elements of the cost of living, subsistence and other necessary incidental expenses as prescribed by joint travel regulations and authorized under provisions of 37 U.S.C. 405.

Part II - Justification of Funds Requested

Overseas Station Allowance payments are determined by multiplying the projected number of personnel eligible for each type of allowance by the estimated average rate applicable.

Fluctuations in currency exchange rates have a direct impact on Overseas Station Allowance. This has been especially true in the case of Germany. Beginning on 1 January 2002, the member countries of the European Economic and Monetary Union including Belgium, France, Germany, Greece, Italy, Netherlands, Portugal and Spain will use the Euro currency in place of their national currencies. The estimates for overseas station allowances are based on rates of exchange of 1.1916 Euro/\$1 US in FY 2002.

From FY 2001 to FY 2002, the requirement for overseas station allowance increases by a net - \$20.2 million. This change is based on--

- (1) Annualization of the 3.7%, 1 Jan 2001 pay raise: +\$.7 million.
- (2) The 4.6% pay raise and the targeted pay raise, 1 Jan 2002 pay raise: +\$5.1 million.
- (3) Changes in the foreign currency valuation: +\$16.5 million.
- (4) TLA cost growth is offset by a decrease in estimated number of TLA payments: -\$2.1 million.

Detailed cost computations are provided by the following table:

ENLISTED OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
SGM.....	590	\$ 3,913	\$ 2,309	591	\$ 1,671	\$ 988	591	\$ 2,220	\$ 1,312
1ST SGT/MASTER SGT.....	1,894	3,749	7,101	1,894	1,643	3,112	1,896	2,174	4,122
PLTN SGT/SFC.....	6,285	3,469	21,803	6,282	1,507	9,467	6,290	1,986	12,492
SSG.....	9,722	2,947	28,651	9,718	1,302	12,653	9,729	1,713	16,666
SGT.....	16,565	2,378	39,392	16,557	1,100	18,213	16,575	1,441	23,885
CORPORAL/SPC4.....	23,903	1,769	42,284	23,890	852	20,354	23,917	1,110	26,548
PRIVATE, 1ST CL.....	8,683	1,236	10,732	8,679	588	5,103	8,689	765	6,647
PV2.....	4,910	1,019	5,003	4,907	391	1,919	4,914	506	2,486
PV1.....	764	959	733	764	490	374	764	577	441
SUBTOTAL.....	73,316		158,008	73,282		72,183	73,365		94,599
TEMPORARY LODGING ALLOWANCE....	46,586	\$ 494	\$ 23,013	48,634	\$ 565	\$ 27,478	44,368	\$ 573	\$ 25,423
TOTAL ENLISTED STATION ALLOWANCE OVERSEAS..	119,902		\$ 181,021	121,916		\$ 99,661	117,733		\$ 120,022

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$2,385
ESTIMATE FY 2001	\$2,350
ACTUAL FY 2000	\$2,649

Project: CONUS Cost of Living Allowance - Enlisted

Part I - Purpose and Scope

The funds requested will provide payment of a cost of living allowance (COLA) to soldiers who are assigned to high cost areas in the continental United States (CONUS). A high cost area is defined as a locality where the cost of living exceeds the average cost of living in CONUS by an established threshold percentage during a base period. The threshold percentage is established by the Secretary of Defense but cannot be less than eight percent. The current established threshold is 108 percent of the national cost of living average. The amount of COLA payable is the product of spendable income (based on regular military compensation level) multiplied by the difference between the COLA index for the individual's high cost area and the threshold percentage. The FY 1995 DoD Authorization Act authorized the allowance.

Part II - Justification of Funds Requested

CONUS COLA payments are determined by multiplying the projected number of personnel eligible by an estimated rate.

Detailed cost computations are provided by the following table:

ENLISTED CONUS COST OF LIVING ALLOWANCE
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	1,903	\$1,392	\$2,649	2,158	\$1,089	\$2,350	2,158	\$1,105	\$2,385

ESTIMATE FY 2002	222,402
ESTIMATE FY 2001	225,775
ACTUAL FY 2000	223,805

Project: Clothing Allowances - Enlisted

Part I - Purpose and Scope

The funds requested will provide for payment to enlisted personnel for prescribed clothing authorized by the Secretary of Defense under the provisions of 37 U.S.C. 418 including:

- (1) Initial Clothing Allowance when authorized by competent orders.
- (2) For cash payment of the Clothing Basic Maintenance Allowance authorized from the sixth month of entrance on duty through the thirty-sixth month and/or cash payment of the Standard Maintenance Allowance authorized from the thirty-seventh month through the completion of the enlistment.
- (3) For cost of Issue-In-Kind in areas where clothing maintenance allowance is not authorized.
- (4) Supplementary Clothing Allowances for personnel assigned to special organizations or details where the nature of the duties to be performed requires additional items of individual clothing not required for the majority of enlisted personnel.

Part II - Justification of Funds Requested

The estimated -\$3.4 million decrease between FY 2001 and FY 2002 reflects decreased numbers receiving allowances offset by cost changes in the clothing bag rates and other associated rates.

Detailed cost computations are provided by the following table:

ENLISTED CLOTHING ALLOWANCES
RATE SUMMARY REVIEW

	FY 2001 COLUMN OF FY 01 PRES BUDGET	FY 2001 COLUMN OF FY 02/03 PRES BUDGET	FY 2002 COLUMN OF FY 02/03 PRES BUDGET
INITIAL ISSUE			
ENLISTED MEN.....	1,149.00	1,129.65	1,146.57
ENLISTED WOMEN.....	1,497.00	1,360.48	1,435.71
CLOTHING MAINTENANCE ALLOWANCE			
ENLISTED MEN - BASIC.....	281.00	273.25	277.35
- STANDARD.....	346.00	390.36	396.22
ENLISTED WOMEN - BASIC.....	402.00	329.25	334.19
- STANDARD.....	492.00	470.36	477.42

ENLISTED CLOTHING ALLOWANCES

	FY 2000			FY 2001			FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - INITIAL ALLOWANCE									
INITIAL ALLOWANCE									
MILITARY CLOTHING									
CIVILIAN LIFE, MEN.....	54,689	1,082.35	\$ 59,193	58,667	1,129.65	\$ 66,273	50,190	1,146.57	\$ 57,546
CIVILIAN LIFE, WOMEN.....	14,596	1,329.84	\$ 19,410	14,668	1,360.48	\$ 19,956	12,547	1,435.71	\$ 18,014
ARMY RESERVE W/PARTIAL CLOTHING ALLOWANCE.....	75	290.45	22	75	354.05	27	75	342.87	26
NATIONAL GUARD WITH PARTIAL CLOTHING ALLOWANCE.....	65	221.35	14	65	287.15	19	65	291.47	19
LESS SAVINGS ON DEFERRED CLOTHING ISSUE.....			-1,516			-1,554			-1,345
ADVANCE FUNDING FOR NEW CLOTHING ITEMS.....			8,000			0			0
LIQUIDATION OF PRIOR YEAR ADVANCES.....			0			0			0
TOTAL MILITARY CLOTHING.....			85,123			84,721			74,260
CIVILIAN CLOTHING									
WINTER AND SUMMER.....	4,376	788.00	3,448	4,376	799.00	3,496	4,376	811.00	3,549
WINTER OR SUMMER.....	0	0.00	0	0	0.00	0	0	0.00	0
TEMPORARY DUTY.....	0	0.00	0	0	0.00	0	0	0.00	0
SPEC CONTINUING - DUAL SEASON.....	0	0.00	0	0	0.00	0	0	0.00	0
SPEC CONTINUING - SINGLE SEASON.....	0	0.00	0	0	0.00	0	0	0.00	0
TOTAL CIVILIAN CLOTHING.....			3,448			3,496			3,549
TOTAL INITIAL ALLOWANCE.....			88,571			88,217			77,809

ENLISTED CLOTHING ALLOWANCES

	FY 2000			FY 2001			FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - MAINTENANCE ALLOWANCE									
BASIC MAINTENANCE (PERSONNEL WITH 7-36 MONTHS SERVICE)									
MALE.....	117,775	256	30,103	119,599	273	32,680	128,310	277	35,587
FEMALE.....	10,918	320	3,498	10,040	329	3,306	11,566	334	3,865
TOTAL.....			33,601			35,986			39,452
STANDARD MAINTENANCE (PERSONNEL WITH 37 MONTHS OR MORE OF SERVICE)									
MALE.....	201,349	367.19	73,933	185,399	390.36	72,372	187,662	396.22	74,355
FEMALE.....	42,590	457.31	19,477	45,360	470.36	21,336	46,585	477.42	22,241
TOTAL.....			93,410			93,708			96,596
TOTAL MAINTENANCE ALLOWANCES....			127,011			129,694			136,048
SUPPLEMENTARY ALLOWANCES..			3,078			2,735			2,795
OTHER									
ISS. -IN-KIND-KATUSA.....	5,200	567.19	2,949	5,200	556.05	2,891	5,200	705.38	3,668
REPLACEMENT DURING FIRST SIX MONTHS.....	69,285	16.50	1,143	73,335	16.16	1,185	62,737	16.40	1,029
CHARGE SALES.....			1,053			1,053			1,053
TOTAL.....			5,145			5,129			5,750
TOTAL CLOTHING ALLOWANCES.....			223,805			225,775			222,402
LESS REIMBURSABLE OBLIGATIONS.....			1,053			1,053			1,053
TOTAL DIRECT ENLISTED CLOTHING OBLIGATIONS.....			222,752			224,722			221,349

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 31,784
ESTIMATE FY 2001	\$ 32,671
ACTUAL FY 2000	\$ 41,628

Project: Family Separation Allowances - Enlisted

Part I - Purpose and Scope

The funds requested are to provide for family separation allowance (FSA) payments to enlisted personnel with dependents on duty outside the United States or in Alaska for added separation expenses under two circumstances:

(1) Travel of dependents to overseas duty station is not authorized and the member maintains two homes, one in CONUS for the member's family and one overseas for the member. Payment is made at the monthly quarters allowance rate authorized for a member of the same grade without dependents.

(2) When a member with dependents makes a permanent change of station (PCS) or is on temporary duty travel (TDY), or on board ship for thirty days or more either in CONUS or overseas and the travel of dependents to the member's duty station is not authorized and dependents do not reside at or near duty station. The payment is \$100 per month for both FSA-PCS and FSA-TDY (37 U.S.C. 427).

Part II - Justification of Funds Requested

The estimated number of payments is based on historical performance and programmed requirements for overseas stationing. Allowances for family separation payments are determined by multiplying the estimated number of personnel for each type of family separation allowance by the applicable statutory rate.

Detailed cost computations are provided by the following table:

ENLISTED FAMILY SEPARATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000		ESTIMATE FY 2001			ESTIMATE FY 2002			
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
SGM.....	30	\$ 6,540	\$ 196	31	\$ 6,736	\$ 209	25	\$ 6,938	\$ 173
LSG/MSG.....	159	6,004	955	162	6,184	1,002	135	6,370	860
PSG/SFC.....	470	5,128	2,410	478	5,282	2,525	397	5,441	2,160
SSG.....	579	4,642	2,688	589	4,782	2,817	489	4,925	2,408
SGT.....	192	4,281	822	195	4,410	860	163	4,542	740
CPL/SPC.....	47	3,724	175	48	3,836	184	40	3,951	158
SUBTOTAL.....	1,477		7,246	1,503		7,597	1,249		6,499
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....	16,586	1,200	19,903	16,886	1,200	20,263	17,065	1,200	20,478
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	12,066	1,200	14,479	4,009	1,200	4,811	4,006	1,200	4,807
TOTAL ENLISTED FAMILY SEPARATION ALLOWANCES.....	30,129		\$ 41,628	22,398		\$ 32,671	22,320		\$ 31,784

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 353,912
ESTIMATE FY 2001	\$ 236,986
ACTUAL FY 2000	\$ 201,466

Project: Separation Payments - Enlisted

Part I - Purpose and Scope

Accrued Leave Payments - members are authorized 30 days of ordinary leave annually. They may accumulate a maximum of no more than 60 days unused leave at the beginning of any fiscal year. Upon retirement or separation, members are paid for unused accrued leave at the rate of basic pay to which entitled at time of release. Effective 10 February 76, a member cannot be paid for more than 60 days of accrued leave during his military career. This limitation does not include payments for accrued leave made before that date.

Severance Pay - Disability - Disability Severance Pay is authorized to members on active duty who are discharged because of physical disability and who have less than 20 years of service and less than 30 percent disability.

Severance Pay - Non Disability - Commencing in FY 1991, non-disability severance pay is authorized to members on active duty who are involuntarily separated from service, are not eligible for retirement pay, and meet minimum time-in-service requirements.

The FY 1992 National Defense Authorization Act approved two voluntary separation pay programs to use during the force drawdown. The programs apply to both officers and enlisted soldiers who have more than six and less than 20 years of service. The first, voluntary separation incentive (VSI) is an annuity that makes annual payments for twice the number of years served for soldiers who voluntarily leave active duty. The second program, special separation benefit (SSB), provides a lump sum of one and a half times involuntary separation pay (50% more) for soldiers who voluntarily leave active duty. VSI and SSB have been used to reduce involuntary separations. The authority to use VSI/SSB was extended from 30 Sep 1990 to 30 Sep 2001 by the FY 1999 National Defense Authorization Act. However, the Army will reach its steady state end strength at the end of FY 1999 and will not offer VSI and SSB to any new takers after FY 1999.

The FY 1993 National Defense Authorization Act approved an active duty early retirement program for use during the force drawdown. The early retirement program has been used to shape the 15-20 year segment of the force. It has assisted the Army in achieving its drawdown goals of maintaining readiness and treating people fairly. Soldiers separated under the early retirement program receive the same benefits as individuals with 20 or more years of service. However, their retired pay is reduced by one percent for each year that they are short of 20 years of active duty. The early retirement amount is the product of 2.5 percent times years of service times basic pay times reduction factor. For the enlisted personnel who leave under the early retirement program, the Army is required to establish a subaccount within the Military Personnel Appropriation to fund all early retirement payments up front in the Military Personnel Appropriation to cover the entire initial period, which is defined as that period equal to the difference between 20 years and the number of years completed by the member. The authority to use the early retirement program was extended from 1 Oct 1999 to 1 Oct 2001 by the FY 1999

National Defense Authorization Act. However, the Army having reached steady state end strength at the end of FY 1999 and has not offered early retirement to any new takers since FY 1999.

Part II - Justification of Funds Requested

Severance payments are determined by multiplying the projected number eligible for each type of payment by the estimated average payment applicable. Accumulated leave payments are made based upon leave accrued as of 1 September 76. For leave accumulated prior to 1 September 76, and retained throughout the career, payments include basic pay, \$1.25 per day quarters allowance to members in pay grade E-5 to E-9 with dependents, and 70 cents per day to all members for subsistence. For leave accumulated after 1 September 76, to include lowering of leave balances prior to 1 September 76, the rate payable is basic pay only. Leave payments will not exceed a career total of 60 days. Severance pay for disability is computed at two months basic pay of grade held at time of discharge multiplied by the number of years active service, but not more than 12. The SSB amount is from the annual base pay times 15 percent times years of service. The VSI (annuity) is a product of annual base pay times 2.5 percent times years of service and is paid for twice the number of years served, without any cost of living adjustments. Donations are computed by multiplying the programmed number of releases from confinement and the number discharged for fraudulent enlistments by \$25.00. The National Defense Authorization Act for FY 1992 and FY 1993 required the establishment of a VSI Fund effective 1 January 93 from which VSI payments will be made. The act further required the board of actuaries to determine: (1) the amount necessary to liquidate the original unfunded liability, i.e., those personnel accepting VSI benefits prior to 1 January 93 and (2) the total present value costs necessary to fund those members accepting VSI benefits after 1 January 93.

The FY 2000 Authorization Act provides for a system that will give the soldier the option to retire under the pre-1986 military retirement system or accept a one-time \$30,000 lump sum payment and remain under the Redux retirement plan. The lump sum payments began being paid from the Military Personnel appropriation in FY 2001 and full implementation of the program is reflected in the budget from FY02 through the POM years.

The requirement for separation pay increases by a net +\$116.9 million between FY 2001 and FY 2002. This change is based on--

- (1) Annualization of the 3.7%, 1 Jan 2001 pay raise: +\$1.9 million.
- (2) The 4.6% and targeted pay raise, 1 Jan 2002 pay raise: +\$11.1 million.
- (3) Decreased numbers receiving separation payments: -\$11.3 million.
- (4) VSI amortization payments increase: +\$4.9 million.
- (5) Reflects the full implementation of the one-time \$30K lump sum payment which began in FY 2001: +\$110.3 million.

Detailed cost computations are provided by the following table:

ENLISTED SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002					
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
SERGEANT MAJOR.....	605	16.3	\$ 1,983	\$ 1,200	482	16.3	\$ 2,106	\$ 1,015	372	16.3	\$ 2,239	\$ 833
1ST SERGEANT/MASTER SERGEANT.....	1,867	15.6	1,527	2,850	1,622	15.6	1,609	2,609	1,327	15.6	1,717	2,279
PLATOON SERGEANT/SERGEANT 1ST CLASS..	5,618	17.3	1,431	8,038	4,430	17.3	1,506	6,670	3,968	17.3	1,627	6,457
STAFF SERGEANT.....	5,709	21.2	1,460	8,337	5,396	21.2	1,536	8,288	5,264	21.2	1,651	8,693
SERGEANT.....	14,648	18.9	1,069	15,660	14,991	18.9	1,124	16,850	15,933	18.9	1,203	19,162
CORPRAL/SPECIALIST 4.....	35,579	14.1	652	23,205	34,417	14.1	690	23,733	32,062	14.1	725	23,230
PRIVATE, FIRST CLASS.....	3,830	18.0	698	2,673	3,863	18.0	720	2,780	3,072	18.0	756	2,322
PRIVATE (E2).....	4,921	15.6	561	2,763	4,964	15.6	575	2,854	3,948	15.6	601	2,372
PRIVATE (E1).....	5,351	17.9	540	2,887	5,398	17.9	546	2,947	4,293	17.9	570	2,449
SUBTOTAL.....	78,128			\$ 67,613	75,563			\$ 67,746	70,239			\$ 67,797
SEVERANCE PAY (DISABILITY).....	4,577		\$ 17,224	\$ 78,834	4,754		\$ 17,914	\$ 85,165	4,204		\$ 19,040	\$ 80,045
AUTHORIZED DONATIONS.....	152		25	4	152		25	4	152		25	4
INVOLUNTARY HALF-PAY(5%).....	1,709		10,569	18,062	2,164		10,993	23,788	2,036		11,683	23,787
INVOLUNTARY FULL-PAY(10%).....	1,242		22,768	28,278	1,301		23,681	30,808	1,492		25,169	37,552
SPECIAL SEPARATION BENEFIT(15%).....	0		0	0	0		0	0	0		0	0
15 YEAR RETIREMENT.....	0		0	0	0		0	0	0		0	0
SUBTOTAL SEPARATION PAY (NON-DISABILITY).....	2,951			\$ 46,340	3,465			\$ 54,596	3,528			\$ 61,339
VOLUNTARY SEPARATION INCENTIVE												
(DIRECT MILPERS PAYMENTS) 1).....	0			\$ 8,675	0			\$ 2,575	0			\$ 7,475
THRU DEC 31, 1992.....				8,675				2,575				7,475
JAN 1, 1993 AND AFTER.....	0			0	0			0	0			0
\$30,000 LUMP SUM BONUS.....				\$ 0				\$ 26,900				\$ 137,252
TOTAL ENLISTED SEPARATION PAY.....	85,808			\$ 201,466	83,934			\$ 236,986	78,123			\$ 353,912

1) VSI recipients after 31 Dec 92 - Payments are made from the Military Personnel, Army Appropriation to the VSI Trust Fund.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 653,092
ESTIMATE FY 2001	\$ 615,313
ESTIMATE FY 2000	\$ 581,587

Project: Social Security Tax - Employer's Obligation - Enlisted

Part I - Purpose and Scope

The funds requested provide for the employer's tax to the Social Security Administration as required by the Federal Insurance Contribution Act (FICA).

Part II - Justification of Funds Requested

The FICA tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percentage. The Old Age, Survivor, and Disability Insurance (OASDI) rate is 6.2 percent and the Hospital Insurance (HI) rate is 1.45 percent. The maximum amount of earnings per individual on which tax is payable are:

Calendar year	OASDI Base	Medicare base
1999	\$72,600	No upper limit
2000	\$76,200	No upper limit
2001	\$80,400	No upper limit
2002	\$84,900	No upper limit
2003	\$89,100	No upper limit

In past years, MPA paid a wage credit for service members to take into account "non-wage" compensation such as housing and subsistence. The supplement that the Army currently pays (about \$100 per person per month) to the Department of Health and Human Services to replace the lost survivor or disability benefit that would have accrued under wage credit transfers for FY00 and FY01. The FY02 budget proposes the elimination of wage credits.

The request reflects the impact of PL 99-576, which provides for removal from taxable income of the \$1,200 member contribution required for participation in the basic benefit program of the new G.I. Bill effective 1 January 86.

The social security tax requirement increases by +\$37.8 million between FY 2001 and FY 2002. This change is based on-

- (1) Annualization of the 3.7%, 1 Jan 2001 pay raise: +\$5.5 million.
- (2) FY01 NDAA E5 through E7 pay table change: +\$7.0 million.
- (3) The 1 Jan 2002, 4.6% pay raise and targeted pay raise: +\$35.0 million.
- (4) Force manning changes: -\$10.9 million.

- (5) Change in the G.I. Bill Offset between FY2001 and FY2002: +\$1.7
- (6) Discontinuation of the supplement paid to the Department of Health and Human Services: -\$0.5M.

Detailed cost computations are provided by the following table:

ENLISTED SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	396,440	\$ 1,470.15	\$ 582,827	400,303	\$ 1,540.22	\$ 616,553	397,655	\$ 1,646.73	\$ 654,832
WAGE CREDITS/SURVIVOR OR DISABILITY BENEFIT.....			\$ 500			\$ 500			\$ 0
LESS NON_JUDICIAL FINES AND FORFEITURES.....			\$ 1,740			\$ 1,740			\$ 1,740
TOTAL ENLISTED SOCIAL SECURITY TAX.....	396,440		\$ 581,587	400,303		\$ 615,313	397,655		\$ 653,092

Section 4
 Schedule of Increases and Decreases
 (Amounts in thousands of dollars)

Pay and Allowance of Cadets

FY 2001 Direct Program		\$ 41,697
Increases:		
Pricing Increases:		
a. Pay Raise	5,357	
b. Ration Rate	222	
Total Pricing Increases	5,579	
Program Increases:		
a. Manyear Increase--Base Pay, FICA	223	
b. Manyear Increase--Subsistence	59	
Total Program Increases	282	
Total Increases		\$ 5,861
Decreases:		
Pricing Decreases:		
Total Pricing Decreases	0	
Program Decreases:		
a. Ration Rate	-669	
Total Program Decreases	-669	
Total Decreases		\$ -669
FY 2002 Direct Program		\$ 46,889

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$46,889
ESTIMATE FY 2001	\$41,697
ACTUAL FY 2000	\$39,646

Project: Academy Cadets

Part I - Purpose and Scope

The funds requested provide for basic pay and allowances of Academy Cadets and commuted ration allowance under the provisions of 37 U.S.C. 201, 203, and 422. The employer's share of FICA tax as provided by the Federal Insurance Contribution Act (FICA) is included.

Part II - Justification of Funds Requested

Section 203(c) of Title 37 U.S.C. was amended by Sec 612 of the National Defense Authorization Act. Effective 1 October 2001. This amendment set the basic pay rate of the Cadet to be "at the monthly rate equal to 35 percent of the basic pay of a commissioned officer in the pay grade O-1 with less than two years of service."

The fund requirement for FY02 was determined by applying revised annual rate of \$8,390 to the projected 4040 manyears. The manyears include authorization for 40 foreign students.

Between FY01 and FY02 the overall cost increases +\$5.8 million. Of this cost change \$5.4 million is due to payraise and FICA. Foreign cadets do not receive FICA. The daily rate for cadet rations increases from \$5.45 per day in FY 2001 due to inflation. In FY02 the ration rate increases to

\$5.60. The ration rate increase is estimated to cost \$0.3M between FY01 and FY02. The budgeted amount of operational rations decreases by \$.7 million.

Detailed cost computations are provided by the following table:

PAY AND ALLOWANCE OF ACADEMY CADETS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
(1) BASIC PAY.....	4,063	\$7,124	\$28,945	4,011	\$7,157	\$28,707	4,040	\$8,390	\$33,896
(2) SUBSISTENCE - COMMUTED-RATION									
A. SUBSISTENCE ALLOWANCE.....	4,063	\$1,958	7,955	4,011	\$1,989	7,978	4,040	\$2,044	8,258
B. OPERATIONAL RATIONS.....			553			2,836			2,167
(3) SOCIAL SECURITY TAX -									
EMPLOYER CONTRIBUTION.....	4,023	\$545	2,193	3,971	\$548	2,176	4,000	\$642	2,568
TOTAL ACADEMY CADETS.....	4,063		\$39,646	4,011		\$41,697	4,040		\$46,889

Section 4
 Schedule of Increases and Decreases
 (Amounts in thousands of dollars)

Subsistence of Enlisted Personnel

FY 2001 Direct Program \$ 1,213,501

Increases:

Pricing Increases:

- a. Inflation: BAS (3.0 percent) 6,690
- b. Inflation: SIK (2.27 percent) 11,247

Total Pricing Increases 17,937

Program Increases:

- a. BAS Reform 13,340
- b. Family Subsistence Supplemental Allowance 3,107
- c. Percent Receiving Subsistence in Kind 56,141

Total Program Increases 72,588

Total Increases \$ 90,525

Decreases:

Pricing Decreases:

0

Total Pricing Decreases 0

Program Decreases:

0

Total Program Decreases 0

Total Decreases \$ 0

FY 2002 Direct Program \$ 1,304,026

ESTIMATE FY 2002	\$ 1,316,174
ESTIMATE FY 2001	\$ 1,225,097
ACTUAL FY 2000	\$ 1,341,033

Project: Subsistence of Enlisted Personnel

Part I - Purpose and Scope

The funds requested for this budget activity are for the payment of authorized Basic Allowances for Subsistence (BAS) and Subsistence-in-Kind (SIK). Subsistence in this account is for the active duty enlisted soldier. Subsistence-in-Kind includes the cost of procuring subsistence for garrison dining facilities (Subsistence in Messes), operational rations, and augmentation rations. Funded reimbursements include collections from the Army National Guard, Army Reserve, and cash collections from dining facilities. The 2001 National Defense Authorization Act added a Family Subsistence Supplemental Allowance for members with dependents who are food-stamp eligible and make application for such allowance.

Part II - Justification of Funds Requested

This budget activity includes the Basic Allowance for Subsistence (BAS) paid to the enlisted soldier. BAS is paid under the following conditions: (1) when authorized to mess separately, (2) while on authorized leave, (3) when subsistence-in-kind is not available, and (4) for the augmentation of commuted ration allowance for meals taken separately. and (5) for partial BAS. Partial BAS is a portion of BAS for the enlisted soldier who is being subsisted at government expense, but not receiving full BAS and is not in basic training.

Basic Allowance for Subsistence In FY 1998, the Department of Defense proposed and the Congress enacted reform in the Basic Allowance for Subsistence (BAS) that linked BAS to the Department of Agriculture (DoA) food plan indices. BAS Reform limited the annual growth in the regular BAS to one percent until FY2002, when the 2001 National Defense Authorization Act eliminated partial BAS and authorized BAS at the SEPRATS rate, the rate granted to members permitted to mess separately. All enlisted members (except recruits and holdees) will be entitled to BAS at the SEPRATS rate, pay for mandatory meals at the Basic Daily Food Allowance (BDFA) rate when assigned to a dining facility and essentially pocket the difference every month. All future changes will be tied to the annual USDA food cost index.

This program funds all enlisted service members either full or partial BAS through first quarter FY02. Beginning in January 2002 the effects of BAS Reform will show, when all enlisted members (except recruits and prison holdees) receive BAS at the SEPRATS rate.

Between FY01 and FY02 the net BAS costs increase by \$20.0 million. This change reflects the additional costs of BAS reform (\$13.3 million) and 3% inflation (\$6.7 million).

Subsistence-In-Kind (SIK) funds subsistence to feed enlisted soldiers their daily food rations in accordance with Title 10 U.S.C. This program funds meals provided in garrison dining facilities (subsistence in messes), operational rations, and augmentation rations.

Subsistence-in-Messes is the cost of bulk subsistence for dining facilities. SIK garrison dining facility budget requirements are dependent on the number of personnel using the dining facilities (participation rate), and the cost of subsistence used in preparing meals (food cost). All CONUS installations and OCONUS installations have converted to the Subsistence Prime Vendor (SPV) program wherein commercial wholesale food distributors sell and deliver subsistence items directly to each dining facility. These commercial distributors replaced a system of government owned and operated depots. Under the SPV program, subsistence prices are more susceptible to market price fluctuations than under the previous depot system.

From FY01 to FY02 Subsistence-in-Messes costs increase \$53.4 million due to a higher participation rate (\$47.8M) and inflation (\$5.6M). The dining facilities are being used more because of the influx of E-1's to E-4's and because of the increase in initial entry training soldiers who are required to eat in the dining facility.

Operational Rations are rations used for field subsistence. Operational rations include Meal-Ready-to Eat (MRE), Unitized Group Rations (UGR) that include "heat and serve" and A-ration varieties, and Cold Weather Rations. SIK funds the cost of operational rations for both officers and enlisted soldiers. The number of active duty soldiers, the type of operational rations served, and the requirements of the training scenarios determine costs for operational rations.

Augmentation Rations include contract meals, meals furnished to enlisted soldiers during hospitalization, KATUSA (Korean Augmentation to U.S. Army) rations, and Host Nation support. Contract meals are furnished under contracts approved by competent authority at commercial facilities, which is done when the payment of commuted rations (BAS) would create an individual hardship and/or the costs for establishing a government mess facility are prohibitive. The number of authorized recipients, the type of augmentation ration served, and the quantity requirements determine costs for augmentation rations.

Between FY01 and FY02 operational rations and augmentation rations increase \$14.5 million. Augmentation rations remains steady at \$41 million/year. Operational rations increase \$14.4 million due to inflation (\$4.6 million) and higher participation rates (\$9.8 million).

Family Subsistence Supplemental Allowance (FSSA), pursuant to Section 402a of title 37, United States Code, begins 1 May 2001. It is a new program designed to provide members who are eligible for food stamps a supplemental allowance not to exceed \$500 a month. A members may be eligible if his total household income, including the member's BAH entitlement (even if the member is in quarters) is less than the food-stamp income eligibility ceiling, as defined by the U. S. Department of Agriculture. When a member is in a non-pay status for any reason, the member is not eligible for FSSA during that non-pay period. The FSSA is voluntary, and the member must reapply whenever he experiences a significant change in household income or number of people living in the household.

Between FY01 and FY02 FSSA allowances grow to an estimated \$5.2 million per year.

ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

A. BASIC ALLOWANCE FOR SUBSISTENCE	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
1. WHEN AUTH TO MESS SEP....	211,343	\$ 2,767	\$ 584,786	214,374	\$ 2,789	\$ 597,889	53,239	\$ 2,859	\$ 152,210
2. LEAVE RATION	32,280	\$ 2,767	89,319	32,743	\$ 2,789	91,320	8,132	\$ 2,859	23,249
3. WHEN RATIONS IN KIND NOT AVAILABLE...	21,388	\$ 3,118	66,688	21,694	\$ 3,142	68,163	5,388	\$ 3,221	17,355
4. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP...	300	\$ 1,394	418	300	\$ 1,405	422	0	\$ 1,442	0
5. PARTIAL BAS	129,631	\$ 309.26	40,090	131,492	\$ 312.98	41,154	32,655	\$ 339.42	11,084
TOTAL ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE...	394,642		\$ 781,301	400,303		\$ 798,948	99,414		\$ 203,898

SUBSISTENCE IN KIND
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	ANNUAL RATE	DOLLAR AMOUNT	NUMBER	ANNUAL RATE	DOLLAR AMOUNT	NUMBER	ANNUAL RATE	DOLLAR AMOUNT
B. SUBSISTENCE-IN-KIND									
1. SUBSISTENCE IN MESSES									
CONUS									
ARMY.....	94,678	\$ 2,386	\$ 225,902	60,419	\$ 2,409	\$ 145,549	22,976	\$ 2,464	\$ 56,613
OTHER.....	1,466	\$ 2,386	3,498	1,483	\$ 2,409	3,573	1,481	\$ 2,464	3,649
OVERSEAS									
ARMY.....	26,407	\$ 2,910	\$ 76,844	15,556	\$ 2,938	\$ 45,704	6,408	\$ 3,004	\$ 19,250
OTHER.....	37	\$ 2,910	108	35	\$ 2,938	103	35	\$ 3,004	105
SUBTOTAL.....	122,588		\$ 306,352	77,493		\$ 194,929	30,900		\$ 79,617

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	UNIT COST	DOLLAR AMOUNT	NUMBER	UNIT COST	DOLLAR AMOUNT	NUMBER	UNIT COST	DOLLAR AMOUNT
2. OPERATIONAL RATIONS									
MEAL-READY-TO-EAT	1,677,189	74	\$ 124,112	1,558,666	75	\$ 116,900	310,000	75	\$ 23,250
UGR H&S.....	0	0	0	0	0	0	3,000	1,388	4,164
UGR A.....	10,651	1,785	19,012	19,266	1,823	35,122	5,400	1,698	9,169
OTHER.....			24,632			24,622			24,991
TOT REIM.....			43,746			11,596			12,148
SUBTOTAL.....			\$ 211,502			\$ 188,240			\$ 73,722

(MRE's - Package of 12; Unitized Group Rations - Pallet of 400 Meals)

	ACTUAL FY 2000 DOLLAR AMOUNT	ESTIMATE FY 2001 DOLLAR AMOUNT	ESTIMATE FY 2002 DOLLAR AMOUNT
3. AUGMENTATION RATIONS / OTHER PROGRAMS			
AUGMENT RATIONS / OTHER PGMS.....	\$ 41,878	\$ 40,889	\$ 10,255
Includes supplemental rations, special exercises/operations, contract messes, box lunch meals, KATUSA Rations/Kits, New Food Items, Allied Nations support, and special issue.			
TOTAL SIK.....	\$ 559,732	\$ 424,058	\$ 163,594

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
C. FAMILY SUBSISTENCE									
SUP ALL (FSSA)									
TOTAL FSSA.....	0	\$ 0	\$ 0	581	\$ 3,600	\$ 2,091	361	\$ 3,600	\$ 1,299

	ACTUAL FY 2000 TOTAL AMOUNT	ESTIMATE FY 2001 TOTAL AMOUNT	ESTIMATE FY 2002 TOTAL AMOUNT
TOTALS: BAS/SIK			
TOTAL OBLIGATIONS.....	\$ 1,341,033	\$ 1,225,097	\$ 368,791
TOTAL REIMBURSABLES.....	\$ 43,746	\$ 11,596	\$ 12,148
TOTAL DIRECT OBLIGATIONS.....	\$ 1,297,287	\$ 1,213,501	\$ 356,643

ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
A. BASIC ALLOWANCE FOR SUBSISTENCE									
1. WHEN AUTH TO MESS SEP.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	282,056	\$ 2,859	\$ 806,398
2. WHEN RATIONS IN KIND NOT AVAILABLE.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	16,165	\$ 3,202	\$ 51,760
3. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 777	\$ 0
4. LESS COLLNS.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	97,976	\$ 2,481	\$ 243,078
TOTAL ENLISTED BAS.....	0		\$ 0	0		\$ 0	200,245		\$ 615,080
B. SUBSISTENCE-IN_KIND									
1. SUB-IN-MESS									
A. TRAINEE/ NP STATUS...	0	\$ 0	\$ 0	0	\$ 0	\$ 0	11,026	\$ 2,453	\$ 27,047
B. MEM TAKING MEALS IN MESS..	0	\$ 0	\$ 0	0	\$ 0	\$ 0	54,874	\$ 2,582	\$ 141,685
SUBTOTAL SUB-IN-MESS....	0		\$ 0	0		\$ 0	65,900		\$ 168,732
2. OP RATIONS									
A. MRES.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	894,373	\$ 75	\$ 67,078
B. UNITIZED RATIONS.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	25,984	\$ 1,587	\$ 41,237
C. OTHER PACKAGE OP RATIONS..	0	\$ 0	\$ 0	0	\$ 0	\$ 0	20,612	\$ 1,000	\$ 20,612
SUBTOTAL OP RATS.....			\$ 0			\$ 0			\$ 128,927
3. AUG RATS/ OTHER PROG									
A. AUG RATS....			\$ 0			\$ 0			\$ 30,745
B. OTHER - REGION.....			\$ 0			\$ 0			\$ 0
C. OTHER - MESSING.....			\$ 0			\$ 0			\$ 0
SUBTOTAL AUG RATS/ OTHER PROG.....			\$ 0			\$ 0			\$ 30,745
TOTAL SIK.....			\$ 0			\$ 0			\$ 328,404
C. FAMILY SUB SUP ALLOW (FSSA)									
TOTAL FSSA.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	1,083	\$ 3,600	\$ 3,899
TOTAL SUBSISTENCE PROGRAM.....			\$ 0			\$ 0			\$ 947,383
LESS REIMBURSABLES.....			\$ 0			\$ 0			\$ 0
TOTAL DIRECT SUBSISTENCE.....			\$ 0			\$ 0			\$ 947,383

Section 4
 Schedule of Increases and Decreases
 (Amounts in thousands of dollars)

Permanent Change of Station Travel

FY 2001 Direct Program \$ 1,114,512

Increases:

Pricing Increases:

a.	Pay Raise	6,535
b.	Defense Working Capital Funds	0
	AMC Passenger	3,210
	AMC Patriot Express	4,601
	AMC HHG	1,737
c.	Inflation	0
	HHG Land	10,235
	HHG ITGBL	3,961
	Trailer	3
	Commercial Air	2,622
	Non-Temporary Storage	425
	Total Pricing Increases	33,329

Program Increases:

a.	Moves	0
	Training Moves	4,204
b.	New Entitlements	0
	DLA First Termers	10,000
	DLA Single Members	840
	Equitable DLA for Junior Enlisted	2,800
	Temporary Lodging Expense (TLE)	2,300
	Pet Quarantine	508
	Total Program Increases	20,652

Total Increases

\$ 53,981

Decreases:

Pricing Decreases:

a.	Defense Working Capital Funds	0
	MSC HHG	-93
	MSC POV	-33
	POV (GPC)	-4,331
	Total Pricing Decreases	-4,457

Program Decreases:

a.	Moves	0
	Accession Moves	-17,878
	Separation Moves	-10,287
	Operational Moves	-18,862
	Rotational Moves	-26,892
	Unit Moves	-10,540
	Total Program Decreases	-84,459

Total Decreases

\$ -88,916

PCS - SUMMARY OF MOVE REQUIREMENTS
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000		ESTIMATE FY 2001		ESTIMATE FY 2002	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
ACCESSIONS TRAVEL.....	84,385	167,697	87,715	172,349	77,330	166,279
TRAINING TRAVEL.....	7,700	34,000	8,493	38,459	9,425	43,478
OPERATIONAL TRAVEL BETWEEN DUTY STATIONS..	25,640	164,456	22,666	148,960	19,467	136,517
ROTATIONAL TRAVEL TO AND FROM OVERSEAS....	72,807	535,990	74,884	556,953	70,579	552,859
SEPARATION TRAVEL.....	78,243	136,932	82,838	144,494	76,680	138,145
TRAVEL OF ORGANIZED UNITS.....	3,106	9,652	2,991	11,930	490	1,706
NON-TEMPORARY STORAGE.....		28,962		29,859		28,365
TEMPORARY LODGING EXPENSE.....		19,426		19,540		20,573
TOTAL OBLIGATIONS.....	271,881	1,097,115	279,587	1,122,544	253,971	1,087,922
LESS: REIMBURSABLES.....		\$ 8,000		\$ 8,032		\$ 8,345
TOTAL DIRECT.....	271,881	1,089,115	279,587	1,114,512	253,971	1,079,577

PCS - SUMMARY OF REQUIREMENTS BY TYPES OF COST
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000		ESTIMATE FY 2001		ESTIMATE FY 2002	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
TRAVEL OF MILITARY MEMBER						
MILEAGE AND PER DIEM.....	271,881	\$ 186,098	279,587	\$ 187,787	253,971	\$ 174,126
AMC.....	43,350	38,631	45,052	43,143	41,722	45,917
COMMERCIAL AIR.....	77,209	55,814	79,290	58,240	73,108	55,714
TRAVEL OF DEPENDENTS						
MILEAGE.....	106,026	33,606	107,258	33,907	98,695	31,575
AMC.....	9,867	6,886	10,220	7,668	9,532	7,580
COMMERCIAL AIR.....	19,232	13,945	19,669	14,489	18,570	14,193
TRANSPORTATION OF HHG						
LAND SHIPMENT.....	74,167	287,583	73,761	288,126	65,976	272,923
ITGBL SHIPMENT.....	51,701	196,199	53,409	203,355	50,061	198,047
M TONS - MSC.....	40,177	6,983	40,726	7,078	38,922	6,673
S TONS - AMC.....	15,102	21,909	15,525	23,976	14,170	24,131
DISLOCATION ALLOWANCE.....	85,773	121,208	87,808	128,678	103,894	142,076
TRAILER ALLOWANCE.....	461	256	451	252	408	233
TRANSPORTATION OF POVS.....	73,756	78,522	75,663	75,122	70,381	64,255
PORT HANDLING CHARGES.....		1,087		1,090		1,033
PET QUARANTINE.....	0	0	1,172	234	2,536	508
NON-TEMPORARY STORAGE.....		28,962		29,859		28,365
TEMPORARY LODGING EXPENSE.....		19,426		19,540		20,573
TOTAL OBLIGATIONS.....		\$ 1,097,115		\$ 1,122,544		\$ 1,087,922
LESS: REIMBURSABLES.....		\$ 8,000		\$ 8,032		\$ 8,345
TOTAL DIRECT.....		\$ 1,089,115		\$ 1,114,512		\$ 1,079,577

Section 4
Permanent Change of Station Travel

Purpose and Scope of Work

The funds requested are for expenses incident to Permanent Change of Station (PCS) travel of military personnel. The total requirement is a function of number of moves, entitlements, and rates.

Entitlements for PCS include:

- Mileage and monetary allowances in lieu of transportation for members and dependents
- Transportation by common carrier to include Air Mobility Command (AMC) for members and dependents.
- Transportation of Household Goods (HHG) and baggage by common carrier, AMC, and Military Sealift Command (MSC). Examples include cost of packing, crating, handling, and temporary storage.
- Transportation and storage in lieu of transportation of Privately Owned Vehicles.
- Port handling charges for HHG, baggage, and POVs.
- Transportation of trailers.
- Non-temporary storage of HHG and POVs.
- Dislocation Allowances.
- Temporary Lodging Expenses.
- Pet Quarantine Fees.

The total number of moves is driven by the commitment to station 25 percent of the force overseas and by mandated end strength. All personnel overseas serve prescribed tour lengths as directed by Senate Report 99-176, 1986 DOD Appropriation Bill and House of Representatives Report 99-81, Authorization Bill. Congressional language in these reports establishes 36 month accompanied and 24 month unaccompanied tour lengths unless assigned duty area is designated a hardship area by the Service Secretary.

- The overseas rotational moves account for 28 percent of the Army's total move program and 54 percent of total PCS costs.
- Accessions and Separations moves comprise 61 percent of total moves and 29 percent of the dollar requirement.
- The remaining move/dollar requirements consist of Operational, Training and Unit moves which equal 11 percent of total moves and 17 percent of dollar requirements. These moves are essential to maintain requisite levels of training, force readiness, quality of life, unit integrity, and support Base Realignment and Closure actions.

The General Accounting Office examined the Army's system of rotating forces overseas and reported to Congress that Army was using the most advantageous system to fill overseas positions.

The FY02 budget estimate decreased by \$34.9M from the FY01 program. The program reduction was due to an overall reduction in the number of moves, which were partially offset by an increase in projected inflation, pay raise, new entitlements, and Defense Working Capital Funds (DWCF) cost growth:

- DWCF rates increase \$5.1M.
- Inflation and commercial carrier fuel costs generate costs of \$17.2M.
- New entitlements proposed in the Unified Legislative and Budgeting
- Authorized pay raise of 4.6% increases Dislocation Allowance costs by \$6.5M.
- Reduction in the number of moves saves \$80.1M.

There are no major force structure changes programmed for FY02.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 166,279
ESTIMATE FY 2001	\$ 172,349
ACTUAL FY 2000	\$ 167,697

Project: Accession Travel

Part I - Purpose and Scope

Officers. Covers PCS movements of (1) officers appointed to a commissioned grade from civilian life, military academies, ROTC, and Army Reserve and National Guard officers called or recalled to extended duty from home or place where orders were received to first permanent duty station or training school of 20 weeks or more duration and (2) new permanent duty station or training school. Also included are officers appointed from enlisted status upon graduation from OCS. This category also includes travel to/from schools less than 20 weeks duration when they precede completion of travel to the new permanent duty station or training school in excess of 20 weeks.

Enlisted. Covers PCS movements of (1) enlistees and prior service personnel from recruiting station or place of enlistment to their first permanent duty station or training school of 20 weeks or more duration and (2) recalled enlisted reservists from home to first permanent duty station or training school of 20 weeks or more duration. Also includes travel to/from schools less than 20 weeks when they precede completion of travel to the new permanent duty station or training school in excess of 20 weeks.

Cadets. Funds PCS movements of (1) individuals selected as academy cadets upon entry into the academy and (2) individuals who travel to the academies but fail to pass the entrance physical examinations and are required to return home.

Part II - Justification of Funds Requested

Accession estimates are based upon the officer, enlisted and cadet gains necessary to meet the Army's planned manpower levels through FY02.

Changes to this program can only be accommodated through adjustments in officer, enlisted or cadet strengths. Changes in move numbers between fiscal years reflect adjustments required to meet the Army's projected end strengths.

Inflation, DWCF rates, and pay raise all impact on the cost per move.

Dislocation Allowances were expanded in the Unified Legislative and Budgeting process to include payments for first termers on their first PCS move (\$10M); and in the 2001 National Defense Authorization Act, Congress further increased dislocation allowances for junior enlisted with dependents to the same level as E-5's (\$2.8M). Additionally, temporary lodging expense (TLE) was authorized for the first time to officers making their first PCS move (\$2.3M).

The following table provides detailed cost computations:

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	7,011	\$ 2,169	\$ 15,209	7,035	\$ 2,151	\$ 15,135	7,153	\$ 2,162	\$ 15,463
DEPENDENT TRAVEL.....	2,103	277	583	2,111	269	567	2,146	271	582
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	4,768	3,528	16,820	4,784	3,584	17,146	4,864	3,712	18,057
- OVERSEAS (AMC & MSC).....	419	1,501	629	366	1,607	588	372	1,720	640
DISLOCATION ALLOWANCE.....	280	1,537	430	281	1,594	448	286	1,667	477
TRAILER ALLOWANCE.....	1	549	1	1	558	1	1	566	1
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	32	56	2	28	56	2	29	56	2
- PORT HANDLING (MIMC).....	726	2,602	1,889	633	2,419	1,531	644	2,250	1,449
PORT HANDLING (HHG).....	403	22	9	352	22	8	358	22	8
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 35,572			\$ 35,426			\$ 36,679
CADETS.....	1,223	\$ 750	\$ 917	1,243	\$ 750	\$ 932	1,300	\$ 750	\$ 975

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	76,151	\$ 659	\$ 50,192	79,437	\$ 665	\$ 52,793	68,877	\$ 677	\$ 46,641
DEPENDENT TRAVEL.....	19,038	154	2,940	19,859	155	3,087	17,219	158	2,713
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	18,657	2,299	42,896	19,462	2,336	45,463	16,875	2,420	40,840
- OVERSEAS (AMC & MSC).....	7,196	470	3,383	7,507	504	3,787	6,509	540	3,514
DISLOCATION ALLOWANCE.....	0	515	0	0	535	0	17,908	559	10,013
TRAILER ALLOWANCE.....	76	549	42	79	558	44	69	566	39
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	2,665	56	150	2,780	56	157	2,411	56	134
- PORT HANDLING (MIMC).....	12,100	2,602	31,483	12,623	2,419	30,533	10,945	2,249	24,621
PORT HANDLING (HHG).....	7,463	16	122	7,785	16	127	6,750	16	110
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 131,208			\$ 135,991			\$ 128,625
TOTAL PCS ACCESSION TRAVEL.....			\$ 167,697			\$ 172,349			\$ 166,279

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 43,478
ESTIMATE FY 2001	\$ 38,459
ACTUAL FY 2000	\$ 34,000

Project: Training Travel

Part I - Purpose and Scope

Officers. Funds CONUS PCS movements for officers and warrant officers (1) from current permanent duty station to formal service or civilian schools, including technical schools, pilot training, factory training, and other approved courses of instruction of 20 weeks duration or more, and (2) to next CONUS permanent duty station upon completion of school or when eliminated from school prior to completion. Excludes academy graduates, OCS graduates, ROTC graduates, and others (chargeable as Accession travel) and those officers and warrant officers who are moving into and out of a training seat from/to an overseas location (chargeable as Rotational travel).

Enlisted. Funds PCS movements of (1) enlisted personnel from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, aircraft maintenance training, factory training, and other approved courses of instruction, of 20 weeks duration or more; (2) enlisted school graduates and those eliminated from school to their next CONUS permanent duty station; and (3) enlisted personnel ordered to training leading to a commission, if such training period is of 20 weeks duration or more. Excludes those soldiers moving in or out of a training seat to or from an overseas location (chargeable as Rotational travel).

Part II - Justification of Funds Requested

Costs for training travel are based upon requirements for officer and enlisted personnel to attend military, other federal government, and civilian training programs.

Training is required to maintain the requisite skill levels/educational levels required by an Army that is capable of responding to strategic obligations in the evolving international environment. Training moves support the requirement to shape the force for tomorrow and the Army's duty to prepare soldiers to perform their required mission. Through training moves the Army is provided with soldiers trained in aviation, medical specialties, linguistics, force modernization, leadership skills, and Special Forces operations.

The following table provides detailed cost computations:

PCS TRAINING TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	5,061	\$ 1,241	\$ 6,283	5,934	\$ 1,241	\$ 7,367	6,255	\$ 1,241	\$ 7,765
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	3,796	339	1,288	4,451	339	1,511	4,691	339	1,592
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	1,721	3,610	6,213	2,018	3,668	7,401	2,127	3,805	8,094
DISLOCATION ALLOWANCE.....	5,061	1,975	9,995	5,934	2,048	12,153	6,255	2,142	13,400
TRAILER ALLOWANCE.....	5	549	3	6	558	3	6	566	3
SUBTOTAL.....			\$ 23,782			\$ 28,435			\$ 30,854
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	2,639	\$ 2,185	\$ 5,766	2,559	\$ 2,185	\$ 5,591	3,170	\$ 2,185	\$ 6,926
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	1,583	424	672	1,535	424	651	1,902	424	807
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	396	2,346	929	384	2,383	915	476	2,473	1,177
DISLOCATION ALLOWANCE.....	2,111	1,350	2,849	2,047	1,399	2,865	2,536	1,464	3,712
TRAILER ALLOWANCE.....	3	549	2	3	558	2	3	566	2
SUBTOTAL.....			\$ 10,218			\$ 10,024			\$ 12,624
TOTAL PCS									
TRAINING TRAVEL.....			\$ 34,000			\$ 38,459			\$ 43,478

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 136,517
ESTIMATE FY 2001	\$ 148,960
ACTUAL FY 2000	\$ 164,456

Project: Operational Travel

Part I - Purpose and Scope

Officers. Covers PCS movements of (1) officers and warrant officers to and from permanent duty stations located within the United States; (2) officers and warrant officers to and from permanent duty stations located within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of officers and warrant officers who are interned, missing, or captured provided no transoceanic travel is involved.

Enlisted. Covers PCS movements of (1) enlisted personnel to and from permanent duty stations located within the United States; (2) enlisted personnel to and from permanent duty stations within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of enlisted personnel who are interned, missing, or captured provided no transoceanic travel is involved.

Part II - Justification of Funds Requested

Operational moves are critical to the Army's ability to maintain readiness throughout the force. They are necessary to maintain units at required personnel readiness levels; support activations and inactivations; fill joint duty positions mandated under the Goldwater-Nichols DOD Reorganization Act of 1986; correct imbalances of skill and grade; support humanitarian, compassionate, and joint domicile needs; assign personnel to key positions in response to unprogrammed/unanticipated requirements, support Base Realignment and Closure actions and to fill high priority units.

The following table provides detailed cost computations:

PCS OPERATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	6,121	\$ 1,442	\$ 8,828	5,726	\$ 1,442	\$ 8,259	5,637	\$ 1,442	\$ 8,130
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	4,713	290	1,365	4,409	290	1,277	4,340	290	1,257
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	4,897	7,652	37,473	4,581	7,775	35,615	4,510	8,066	36,378
DISLOCATION ALLOWANCE.....	5,087	1,836	9,340	4,758	1,904	9,059	4,684	1,991	9,328
TRAILER ALLOWANCE.....	1	549	1	1	558	1	1	566	1
SUBTOTAL.....			\$ 57,007			\$ 54,211			\$ 55,094
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	19,519	\$ 1,247	\$ 24,331	16,940	\$ 1,247	\$ 21,117	13,830	\$ 1,247	\$ 17,240
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	13,419	353	4,742	11,646	353	4,116	9,508	353	3,360
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	13,273	4,211	55,898	11,519	4,279	49,288	9,404	4,439	41,747
DISLOCATION ALLOWANCE.....	16,786	1,335	22,403	14,568	1,384	20,162	13,139	1,448	19,021
TRAILER ALLOWANCE.....	137	549	75	119	558	66	97	566	55
SUBTOTAL.....			\$ 107,449			\$ 94,749			\$ 81,423
TOTAL PCS OPERATIONAL TRAVEL.....			\$ 164,456			\$ 148,960			\$ 136,517

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 552,859
ESTIMATE FY 2001	\$ 556,953
ACTUAL FY 2000	\$ 535,990

Project: Rotational Travel

Part I - Purpose and Scope

Officers. Covers PCS movements of officers and warrant officers (1) from permanent duty stations in CONUS to permanent duty stations overseas; (2) from permanent duty stations overseas to permanent duty stations in CONUS; (3) from permanent duty stations in one overseas area to permanent duty stations in another overseas area, but only when transoceanic travel is involved; and (4) dependents, household goods, personal effects, trailer allowance, and privately owned vehicles of officers and warrant officers who are interned, missing, or captured, but only when transoceanic travel is involved.

Enlisted. Covers PCS movements of enlisted personnel (1) from permanent duty stations in CONUS to permanent duty stations overseas; (2) from permanent duty stations overseas to permanent duty stations in CONUS; (3) from permanent duty stations overseas to permanent duty stations in another overseas area, but only when transoceanic travel is involved; and (4) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of enlisted personnel who are interned, missing, or captured, but only when transoceanic travel is involved.

Part II - Justification of Funds Requested

Rotational moves are driven by the commitment to station 25% of the force overseas in support of the National Military Strategy. The number of moves required is determined by overseas end strength and the average time actually served overseas, less the number of overwater Accession, Separation, and Unit moves.

The General Accounting Office (GAO) examined the Army's system of rotating soldiers to and from Europe. In their 1993 report to Congress GAO concluded that Army was using the most advantageous system to fill overseas positions.

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	8,327	\$ 2,132	\$ 17,752	7,891	\$ 2,145	\$ 16,930	8,324	\$ 2,177	\$ 18,120
DEPENDENT TRAVEL.....	7,078	757	5,358	6,708	765	5,130	7,076	780	5,516
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	7,287	8,681	63,261	6,905	8,820	60,903	7,284	9,045	65,886
- OVERSEAS (AMC & MSC).....	10,493	458	4,811	9,945	481	4,788	10,488	503	5,275
DISLOCATION ALLOWANCE.....	7,496	1,947	14,592	7,102	2,019	14,336	7,492	2,112	15,820
TRAILER ALLOWANCE.....	63	556	35	59	559	33	63	571	36
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	4,996	56	282	4,736	56	266	4,994	56	278
- PORT HANDLING (MIMC).....	3,060	2,602	7,962	2,900	2,419	7,014	3,060	2,250	6,884
PORT HANDLING (HHG).....	8,328	27	222	7,892	27	212	8,324	27	222
PET QUARANTINE.....	0	0	0	201	199	40	653	201	131
SUBTOTAL.....			\$ 114,275			\$ 109,652			\$ 118,168

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	64,480	\$ 1,613	\$ 103,986	66,993	\$ 1,656	\$ 110,960	62,255	\$ 1,750	\$ 108,966
DEPENDENT TRAVEL.....	32,240	929	29,943	33,498	947	31,727	31,128	969	30,159
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	52,872	3,350	177,140	55,315	3,409	188,586	51,404	3,495	179,639
- OVERSEAS (AMC & MSC).....	30,306	521	15,775	31,488	549	17,278	29,260	576	16,848
DISLOCATION ALLOWANCE.....	48,360	1,255	60,692	50,246	1,301	65,392	51,361	1,361	69,918
TRAILER ALLOWANCE.....	64	563	36	66	545	36	62	581	36
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	32,240	56	1,816	33,498	56	1,886	31,128	56	1,730
- PORT HANDLING (MTMC).....	12,316	2,602	32,046	12,796	2,419	30,950	11,890	2,249	26,746
PORT HANDLING (HHG).....	12,896	22	281	13,398	22	292	12,452	22	272
PET QUARANTINE.....	0	0	0	971	200	194	1,883	200	377
SUBTOTAL.....			\$ 421,715			\$ 447,301			\$ 434,691
TOTAL PCS ROTATIONAL TRAVEL.....			\$ 535,990			\$ 556,953			\$ 552,859

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE	FY 2002	\$ 138,145
ESTIMATE	FY 2001	\$ 144,494
ACTUAL	FY 2000	\$ 136,932

Project: Separation Travel

Part I - Purpose and Scope

Officers. Covers PCS movements of officers and warrant officers upon separation from the service from their last permanent duty station to their home of record, point of entry into service, or to their home of selection when authorized by law.

Enlisted. Covers PCS movements of enlisted personnel upon separation from the service from last permanent duty station to their home of record, point of entry into service, or to their home of selection when authorized by law.

Cadets. Covers PCS movements of cadets separated from the academy to their home of record or point of entry into service.

Part II - Justification of Funds Requested

Separations are based on projected personnel losses.

Detailed cost computations are provided in the following table:

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	7,496	\$ 351	\$ 2,628	7,588	\$ 317	\$ 2,408	7,534	\$ 323	\$ 2,435
DEPENDENT TRAVEL.....	5,997	133	799	6,070	125	760	6,027	127	763
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	3,590	5,549	19,921	3,634	5,638	20,487	3,608	5,830	21,035
- OVERSEAS (AMC & MSC).....	1,405	599	841	1,139	633	721	1,130	666	753
TRAILER ALLOWANCE.....	36	549	20	36	558	20	36	566	20
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	1,087	56	61	880	56	50	874	56	49
- PORT HANDLING (MTMC).....	131	2,602	341	106	2,419	256	105	2,249	236
PORT HANDLING (HHG).....	5,622	22	122	4,554	22	99	4,521	22	98
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 24,733			\$ 24,801			\$ 25,389
CADETS.....	299	\$ 750	\$ 224	332	\$ 750	\$ 249	323	\$ 750	\$ 242

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	70,448	\$ 600	\$ 42,279	74,918	\$ 606	\$ 45,371	68,823	\$ 618	\$ 42,518
DEPENDENT TRAVEL.....	14,794	442	6,541	15,733	446	7,022	14,453	454	6,562
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	15,780	3,602	56,843	16,482	3,658	60,288	15,141	3,776	57,172
- OVERSEAS (AMC & MSC).....	5,460	632	3,453	5,806	670	3,892	5,333	708	3,774
TRAILER ALLOWANCE.....	70	549	38	75	558	42	69	566	39
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	3,522	56	198	3,746	56	211	3,441	56	191
- PORT HANDLING (MTMC).....	881	2,602	2,292	937	2,419	2,266	860	2,250	1,935
PORT HANDLING (HHG).....	20,606	16	331	21,914	16	352	20,131	16	323
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 111,975			\$ 119,444			\$ 112,514
TOTAL PCS SEPARATION TRAVEL.....			\$ 136,932			\$ 144,494			\$ 138,145

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$ 1,706
ESTIMATE FY 2001	\$ 11,930
ACTUAL FY 2000	\$ 9,652

Project: Travel of Organized Units

Part I - Purpose and Scope

Officers. Covers PCS movements (CONUS or overseas), of (1) officers and warrant officers directed to move as members of an organized unit movement and (2) officer and warrant officer fillers and replacements directed to move as part of the unit move.

Enlisted. Covers PCS movements (CONUS or overseas), of (1) enlisted personnel directed to move as members of an organized unit movement and (2) enlisted fillers and replacements directed to move as part of the unit move.

Part II - Justification of Funds Requested

Unit moves are required to support changes in force structure that necessitate realignment of forces to correct imbalances of support/command/control units, and to maintain unit tactical integrity. Costs are based on point-to-point unit moves. The number of unit moves are cyclical as the Army repositions the force structure in response to an evolving global focus, and the fielding of new equipment/units. The increase in FY01 was the result of the Bad Kreuznach community closure (\$9.7 million) and the fielding of one Apache Longbow battalion (\$.9 million).

The following table provides detailed cost computations:

PCS ORGANIZED UNIT TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	226	\$ 642	\$ 145	411	\$ 642	\$ 264	90	\$ 642	\$ 58
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	113	299	34	206	299	62	45	299	13
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	179	3,608	646	325	3,666	1,192	71	3,804	270
DISLOCATION ALLOWANCE.....	160	1,960	314	292	2,032	593	64	2,126	136
TRAILER ALLOWANCE.....	2	549	1	3	558	2	1	566	1
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 1,140			\$ 2,113			\$ 478
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	2,880	\$ 695	\$ 2,003	2,580	\$ 695	\$ 1,794	400	\$ 695	\$ 278
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	1,152	150	172	1,032	150	154	160	150	24
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	2,448	2,346	5,742	1,761	2,383	4,197	273	2,473	675
DISLOCATION ALLOWANCE.....	432	1,372	593	2,580	1,423	3,670	169	1,488	251
TRAILER ALLOWANCE.....	3	549	2	3	558	2	0	566	0
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 8,512			\$ 9,817			\$ 1,228
TOTAL PCS ORGANIZED UNIT TRAVEL.....			\$ 9,652			\$ 11,930			\$ 1,706

PCS - NON-TEMPORARY STORAGE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000 AMOUNT	ESTIMATE FY 2001 AMOUNT	ESTIMATE FY 2002 AMOUNT
NON-TEMPORARY STORAGE.....	\$ 28,962	\$ 29,859	\$ 28,365
TEMPORARY LODGING EXPENSE.....	19,426	19,540	20,573
TOTAL OBLIGATIONS.....	\$ 1,097,115	\$ 1,122,544	\$ 1,087,922
LESS: REIMBURSABLE OBLIGATIONS.....	8,000	8,032	8,345
TOTAL DIRECT OBLIGATIONS.....	\$ 1,089,115	\$ 1,114,512	\$ 1,079,577

Section 4
 Schedule of Increases and Decreases
 (Amounts in thousands of dollars)

Other Military Personnel Costs			
FY 2001 Direct Program			\$ 128,177
Increases:			
Pricing Increases:			
	a.	Amortization of ACF and Post-Vietnam Era Separatees	3,517
	b.	Mass Transit rate increase	714
			0
		Total Pricing Increases	4,231
Program Increases:			
	a.	Death Gratuities	4,782
	b.	Mass Transit participation increase	271
		Total Program Increases	5,053
Total Increases			\$ 9,284
Decreases:			
Pricing Decreases:			
		Total Pricing Decreases	0
Program Decreases:			
	a.	Severely Disabled	-9,028
	b.	Participation in the Survivor Benefit Program	-157
	c.	Fewer Unemployment Benefits Participants	-454
	d.	Misc Change	-3
		Total Program Decreases	-9,642
Total Decreases			\$ -9,642
FY 2002 Direct Program			\$ 127,819

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$608
ESTIMATE FY 2001	\$604
ACTUAL FY 2000	\$944

Project: Apprehension of Deserters

Part I - Purpose and Scope

The funds requested provide for expenses in connection with the apprehension of deserters, absentees, and escaped military prisoners and for their delivery to the control of the Department of Defense. Included is the cost of detention and subsistence furnished during the period a military member is detained in civil confinement for safekeeping when so requested by military authority, cost of reimbursement for expenses incurred (not to exceed \$75.00 in either case), and cost of transportation, lodging, and subsistence of an escort guard.

Part II - Justification of Funds Requested

Cost estimates are based on factors developed from current expenditure experience as applied against programmed manyears.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS
APPREHENSION OF DESERTERS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000	ESTIMATE FY 2001	ESTIMATE FY 2002
TRAVEL AND OTHER EXPENSES INCIDENT TO THE APPREHENSION AND DELIVERY OF DESERTERS, PRISONERS AND SOLDIERS AWOL INCLUDING PAYMENT OF CONFINEMENT OF MILITARY PRISONERS IN NON-MILITARY FACILITIES.....	\$944	\$604	\$608

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$7,632
ESTIMATE FY 2001	\$2,850
ACTUAL FY 2000	\$2,832

Project: Death Gratuities

Part I - Purpose and Scope

The funds requested are for the payment of death gratuities to beneficiaries of deceased military personnel as authorized by law. Death gratuities are composed of basic pay, incentive pay, and overseas pay, if applicable. The National Defense Authorization Act for FY92 and FY93, section 652, amends Section 1478(a) of Title 10 U.S.C., increasing the maximum amount payable to \$6,000.

Part II - Justification of Funds Requested

Fund requirements are based on the most recent mortality rates as applied against programmed manyears of personnel and the statutory gratuity payment. Between FY01 and FY02 funding increases +\$4.8M based on an anticipated increase in the maximum amount death benefits paid.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS
DEATH GRATUITIES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
DEATH GRATUITIES									
OFFICER.....	77	\$6,000	\$462	76	\$6,000	\$456	203	\$6,000	\$1,218
ENLISTED.....	395	6,000	2,370	399	6,000	2,394	1,067	6,000	6,402
CADETS.....	0	0	0	0	0	0	2	6,000	12
TOTAL.....	472		\$2,832	475		\$2,850	1,272		\$7,632

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$81,940
ESTIMATE FY 2001	\$82,394
ACTUAL FY 2000	\$89,178

Project: Unemployment Benefits Paid to Ex-Service Members

Part I - Purpose and Scope

Funds are to pay unemployment benefits to ex-service members who are discharged or released under honorable conditions as prescribed in Paragraph (1) of Section 8521(a) of Title 5, United States Code. The Department of Labor is the executive agency for the program; however, program administration is accomplished by each state. Generally, an ex-servicemember is eligible if discharged or released under honorable conditions, and member completed his first full term of active service. Also eligible is one who was discharged or released before completing first term of service for the convenience of the Government, because of medical disqualification, hardship, personal disorders or ineptitude, but only if the service was continuous for 365 days or more.

The Emergency Unemployment Compensation Act of 1991 (P.L. 102-164) extended unemployment compensation benefits for former military personnel up to 26 weeks with a one-week waiting period as opposed to 13 weeks after a four-week wait. The law also reduced the amount of active duty days required in a reserve status from 180 continuous days to 90 continuous days to be considered as "federal service" for claim purposes.

Part II - Justification of Funds Requested

The estimated unemployment benefit payments are based on programmed separations from the Army's manpower program and average monthly benefit amounts of compensation from the Department of Labor.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS
 UNEMPLOYMENT BENEFITS PAID TO EX-SERVICE MEMBERS
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	NUMBER	ACTUAL FY 2000		NUMBER	ESTIMATE FY 2001		NUMBER	ESTIMATE FY 2002	
		RATE	AMOUNT		RATE	AMOUNT		RATE	AMOUNT
UNEMPLOYMENT BENEFITS									
OFFICER.....	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
ENLISTED.....	25,969	3,434	\$89,178	23,595	3,492	\$82,394	21,915	3,739	\$81,940
TOTAL.....	25,969		\$89,178	23,595		\$82,394	21,915		\$81,940

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$6,560
ESTIMATE FY 2001	\$6,717
ACTUAL FY 2000	\$7,161

Project: Survivor Benefits

Part I - Purpose and Scope

Funds are requested to provide for payments of restored social security and educational benefits to widows and orphans of deceased Army military personnel. Section 156 of Public Law 97-37, modified by Section 943 of the DOD Authorization Act, 1984, P.L. 98-94, Stat. 614, restored these Social Security benefits to survivors of military members and directed the Department of Defense to budget for this requirement. Cost estimates from the Department of Veterans Affairs include P.L. 106-419, Subtitle B. Survivor's and Dependent's Educational Assistance, Sec 111, Reinstatement Entitlement Program for Survivor's (REPS).

Part II - Justification of Funds Requested

Cost estimates from the Department of Veterans Affairs are based on average benefit payments and caseload for spouses and children in school.

The latest Department of Veterans Affairs cost estimates are provided in the following table:

OTHER MILITARY PERSONNEL COSTS
SURVIVOR BENEFITS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000	ESTIMATE FY 2001	ESTIMATE FY 2002
SURVIVOR BENEFIT COSTS.....	\$7,161	\$6,717	\$6,560

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$250
ESTIMATE FY 2001	\$252
ACTUAL FY 2000	\$252

Project: Adoption Costs

Part I - Purpose and Scope

Section 651 of the National Defense Authorization Act for FY92 and FY93 permanently established the adoption program to reimburse service members for adoption expenses of a child under the age of 18 years.

Part II - Justification of Funds Required

The average amount payable is \$2,000 per adoption. Expenses include public and private agency fees; legal fees; medical expenses associated with the child, biological mother, and adoptive parents; temporary foster care; and other expenses approved by the Department of Defense.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS
ADOPTION EXPENSES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	NUMBER	ACTUAL FY 2000 RATE	AMOUNT	NUMBER	ESTIMATE FY 2001 RATE	AMOUNT	NUMBER	ESTIMATE FY 2002 RATE	AMOUNT
ADOPTION EXPENSES.....	126	\$2,000	\$252	126	\$2,000	\$252	125	\$2,000	\$250

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$202
ESTIMATE FY 2001	\$203
ACTUAL FY 2000	\$363

Project: Interest on Soldier's Deposit

Part I - Purpose and Scope

The National Defense Authorization Act for FY92 and FY93, Section 639 amends Section 1035 of Title 10 U.S.C. This section establishes a savings program for overseas members participating in temporary duty contingency operations. Precedence from Vietnam indicates that the Department of the Army will be required to fund the difference between ten percent paid and the average Treasury Bill rates.

Part II - Justification of Funds Requested

The amount budgeted is based on current experience in relation to the number of Army participants.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS
INTEREST ON SOLDIERS' DEPOSIT
(AMOUNTS IN THOUSANDS OF DOLLARS)

	NUMBER	ACTUAL FY 2000		NUMBER	ESTIMATE FY 2001		NUMBER	ESTIMATE FY 2002	
		RATE	AMOUNT		RATE	AMOUNT		RATE	AMOUNT
INTEREST ON SOLDIERS' DEPOSIT									
OFFICER.....	331	\$541	\$179	329	\$296	\$97	327	\$296	\$97
ENLISTED.....	678	271	184	688	154	106	683	154	105
TOTAL.....	1,009		\$363	1,017		\$203	1,010		\$202

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$23,917
ESTIMATE FY 2001	\$20,400
ACTUAL FY 2000	\$19,800

Project: Educational Benefits

Part I - Purpose and Scope

This program is budgeted on an accrual basis by the Department of Defense. The DOD Board of Actuaries establishes per capita normal costs and amortization rates for each fiscal year. Actual benefit payments to individuals will be made by the Department of Veterans Affairs from funds transferred from the Trust Fund account.

The 1999 Strom Thurmond National Defense Authorization Act increased the maximum amount of educational benefits authorized to \$50,000. Beginning in FY00 OSD realigned funding for the College Fund to BA2 Enlisted Pay in order to enhance recruiting efforts. The amortization payment along with the post-Vietnam era voluntary and involuntary separatees costs remain in BA6.

Under 10 U.S.C. Sec 2006(f)(3, 4); (g)(2), the Secretary of Defense must determine an amortization methodology and schedule to liquidate any unfunded liability or surplus in the Fund, based on the most recent actuarial valuation. Also, the basic benefits of post-Vietnam era voluntary and involuntary separatees are not prefunded. The amortization payment for these benefits is based on a current forecast of fiscal year 2000 expenditures as well as any end-of-year 1999 surplus or liability.

PART II - Justification of Funds Requested

The Board of Actuaries estimate that an increase of \$3.5M is needed from FY01 to FY02 to pay for the Army's share of the unfunded liability to the DOD Educational Benefit Trust Fund.

The following table provides detailed cost computations:

OTHER MILITARY PERSONNEL COSTS
 EDUCATIONAL BENEFITS (AMORTIZATION PAYMENTS)
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000	ESTIMATE FY 2001	ESTIMATE FY 2002
INVOLUNTARY SEPARATEES.....	3,540	3,572	3,610
UNFUNDED LIABILITY.....	16,260	16,828	20,307
TOTAL AMORTIZATION PAYMENTS.....	\$19,800	\$20,400	\$23,917

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$4,800
ESTIMATE FY 2001	\$13,828
ACTUAL FY 2000	\$13,113

Project: Special Compensation

Part I - Purpose and Scope

Section 658 of the FY2000 National Defense Authorization Act (P.L. 106-65) provided a new element of compensation for certain severely disabled retirees of the Uniformed Services. Payments will be made to military retirees who (1) possess a minimum VA disability rating of at least 70%, (2) receive the minimum disability rating within four years of retirement, (3) retire with a non-disability retirement, and (4) have 20-plus years of service for the purposes of computing retired pay. The FY2001 National Defense Authorization Act (H.R. 4205) extended this special compensation to military retirees who retired for disability with 20 years of service beginning in fiscal year 2002.

Part II - Justification of Funds Requested

The FY02 amount is based on re recent estimates.

OTHER MILITARY PERSONNEL COSTS
SPECIAL COMPENSATION
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2000	ESTIMATE FY 2001	ESTIMATE FY 2002
SPECIAL COMPENSATION.....	\$13,113	\$13,828	\$4,800

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2002	\$2,040
ESTIMATE FY 2001	\$1,055
ACTUAL FY 2000	\$722

Project: Mass Transit Subsidy

Part I - Purpose and Scope

Executive Order 13150 entitled, "Federal Workforce Transportation", Section One, required Federal Agencies to establish by 1 Oct 00 a transportation benefit program for personnel using mass transportation or qualified vanpools.

Part II - Justification of Funds Requested

Cost estimates are based on an estimated number of estimated Military participants in the National Capital Region and preliminary rate data. Between FY01 and FY02 Mass Transit costs are anticipated to increase +\$1.0M. Of the change, +\$.7M is from a rate change expanded definition of the National Capitol Region and the remaining +\$.3M is a result of an anticipated increase in the participation rate.

OTHER MILITARY PERSONNEL COSTS
 MASS TRANSIT EXPENSES
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	NUMBER	ACTUAL FY 2000 RATE	AMOUNT	NUMBER	ESTIMATE FY 2001 RATE	AMOUNT	NUMBER	ESTIMATE FY 2002 RATE	AMOUNT
MASS TRANSIT EXPENSES.....	925	\$780	\$722	1,353	\$780	\$1,055	1,700	\$1,200	\$2,040
TOTAL DIRECT OMPC OBLIGATION AMOUNTS.....			134,240			128,177			127,819

Section 5
Military Personnel, Army
Defense Working Capital Funds (DWCF) Reimbursements

Introduction

The Defense Management Resource Decision (DMRD) 971 established the Defense Working Capital Funds (DWCF) (formerly the Defense Business Operations Fund (DBOF)) in order to expand the use of business-like financial management practices. DWCF was initiated to improve the tools available to managers of the support establishment by collecting all costs related to goods and services, including military costs. Prior to DMRD 971 DWCF activities did not pay for the cost of military support. Reimbursements requested are for the cost of base pay and entitlements for military personnel assigned to DWCF activities.

Justification of Funds Requested

The estimated reimbursements are based on the Under Secretary of Defense (Comptroller) guidance. Estimated manpower reflects the number of workyears for each DWCF business area.

Detailed cost by DWCF activity is provided by the following table:

SECTION 5
SCHEDULE OF MILITARY PERSONNEL ASSIGNED OUTSIDE DOD (END STRENGTH)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
NONREIMBURSABLE									
EXECUTIVE OFF OF THE PRES..	16	5	21	16	5	21	16	5	21
NATIONAL SEC COUNCIL.....	3	1	4	3	1	4	3	1	4
INTERIOR DEPARTMENT.....	0	0	0	0	0	0	0	0	0
STATE DEPARTMENT.....	24	2	26	24	2	26	24	2	26
ENERGY DEPARTMENT.....	8	0	8	8	0	8	8	0	8
UN TRUCE SUPERVISOR.....	0	0	0	0	0	0	0	0	0
FED EMER MGMT AGENCY.....	1	1	2	1	1	2	1	1	2
JUSTICE DEPARTMENT.....	6	0	6	6	0	6	6	0	6
TREASURY DEPARTMENT.....	0	0	0	0	0	0	0	0	0
EXE OFF OF THE VICE PRES...	0	0	0	0	0	0	0	0	0
FED BUREAU OF INVESTIGATION	1	1	2	1	1	2	1	1	2
DRUG ENFORCEMENT AGENCY....	5	7	12	5	7	12	5	7	12
OFFICE OF THE NATIONAL									
DRUG CONTROL POLICY.....	11	0	11	11	0	11	11	0	11
UNITED STATES SENATE.....	1	0	1	1	0	1	1	0	1
COUNTER DRUGS.....	0	0	0	0	0	0	0	0	0
OTHER AGENCIES.....	10	3	13	10	3	13	10	3	13
TOTAL NONREIMBURSABLE....	86	20	106	86	20	106	86	20	106
REIMBURSABLE									
ENERGY DEPARTMENT.....	0	0	0	0	0	0	0	0	0
AMER BATTLE MON COMM.....	4	0	4	4	0	4	0	0	0
ARMS CON DISARM AGENCY.....	5	0	5	5	0	5	5	0	5
AID.....	1	0	1	1	0	1	1	0	1
CLASSIFIED ACT.....	13	11	24	13	11	24	13	11	24
JUSTICE DEPARTMENT.....	0	0	0	0	0	0	0	0	0
NASA.....	7	0	7	7	0	7	7	0	7
TRANS DEPARTMENT (FAA).....	0	0	0	0	0	0	0	0	0
SELECTIVE SERVICE.....	10	0	10	10	0	10	10	0	10
FED EMER MGMT AGENCY.....	0	0	0	0	0	0	0	0	0
VETERANS ADMINISTRATION....	0	0	0	0	0	0	0	0	0
NATIONAL SCIENCE FDN.....	0	0	0	0	0	0	0	0	0
FED BUREAU OF INVESTIGATION	2	0	2	2	0	2	2	0	2
NATIONAL INST OF HEALTH....	0	0	0	0	0	0	0	0	0
OTHER AGENCIES.....	0	0	0	1	32	33	1	32	33
TOTAL REIMBURSABLE.....	42	11	53	43	43	86	39	43	82
TOTAL OUTSIDE DOD.....	128	31	159	129	63	192	125	63	188

SECTION 5
SCHEDULE OF MILITARY PERSONNEL ASSIGNED OUTSIDE DOD (END STRENGTH)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	E/S OFFICER	E/S ENLISTED	TOTAL	E/S OFFICER	E/S ENLISTED	TOTAL	E/S OFFICER	E/S ENLISTED	TOTAL
ASSIGN TO DOD IN SUPPORT OF NON-DOD FUNCTIONS									
FOREIGN MILITARY SALES.....	298	225	523	278	223	501	265	223	488
ASSIGN TO DOD IN SUPPORT OF DOD FUNCTIONS									
SUPPLY MGMT.....	8	6	14	8	6	14	8	6	14
ORDNANCE.....	15	8	23	12	8	20	11	3	14
DEPOT MAINT.....	17	5	22	16	4	20	16	10	26
INFO SERVICES.....	18	0	18	21	0	21	7	0	7
SUBTOTAL AWCF.....	58	19	77	57	18	75	42	19	61
DLA.....	132	65	197	131	65	196	131	65	196
DFAS.....	55	444	499	52	433	485	53	396	449
DECA.....	9	1	10	9	1	10	9	1	10
DISA.....	2	18	20	4	17	21	4	12	16
TRANSCOM.....	133	161	294	120	155	275	107	152	259
SUBTOTAL DWCF.....	389	708	1,097	373	689	1,062	346	645	991
TOTAL REIMB.....	729	944	1,673	694	955	1,649	650	911	1,561
TOTAL NONREIMB.....	86	20	106	86	20	106	86	20	106
GRAND TOTAL.....	815	964	1,779	780	975	1,755	736	931	1,667

SECTION 5
REIMBURSABLES FOR BUDGET REVIEWS (THOUSANDS OF DOLLARS)

	ACTUAL FY 2000			ESTIMATE FY 2001			ESTIMATE FY 2002		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
SUPPLY MGMT.....	644	210	854	675	220	895	700	230	930
ORDNANCE.....	1,570	416	1,986	1,578	250	1,828	1,270	210	1,480
DEPOT MAINT.....	1,460	200	1,660	1,620	170	1,790	1,680	380	2,060
INFO SERVICES.....	1,517	0	1,517	1,561	0	1,561	600	0	600
SUBTOTAL AWC.....	5,191	826	6,017	5,434	640	6,074	4,250	820	5,070
DLA.....	11,150	2,446	13,596	11,578	2,566	14,144	11,544	2,562	14,106
DFAS.....	4,968	11,157	16,125	4,500	13,900	18,400	4,600	10,700	15,300
DECA.....	524	43	567	557	45	602	580	47	627
DISA.....	164	637	801	277	843	1,120	539	424	963
TRANSCOM.....	11,700	5,600	17,300	12,000	5,300	17,300	10,600	5,350	15,950
SUBTOTAL DWCF.....	33,697	20,709	54,406	34,346	23,294	57,640	32,113	19,903	52,016
FOREIGN MILITARY SALES.....	47,012	52,715	99,727	33,964	34,049	68,013	38,857	39,819	78,676
DEFENSE HEALTH PROGRAM.....	0	0	0	0	0	0	0	0	0
OTHER NON-STRENGTH.....	0	51,871	51,871	0	19,754	19,754	0	20,323	20,323
SUBSISTENCE IN KIND.....	0	43,746	43,746	0	11,596	11,596	0	12,148	12,148
OTHER MILITARY COSTS.....	0	8,125	8,125	0	8,158	8,158	0	8,175	8,175
OTHER GOVT COSTS.....	5,085	1,490	6,575	5,418	2,236	7,654	5,633	2,451	8,084
TOTAL PROGRAM.....	85,794	126,785	212,579	73,728	79,333	153,061	76,603	82,496	159,099