

DEPARTMENT OF THE ARMY

Fiscal Year (FY) 2003 Budget Estimates

Submitted to Congress, February 2002



Military Personnel, Army

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FY 2003

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

	ACTUAL FY 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
DIRECT PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$6,263,355	\$6,616,098	\$7,161,390
PAY AND ALLOWANCES FOR ENLISTED.....	13,780,939	14,528,220	17,181,169
PAY AND ALLOWANCES FOR CADETS.....	41,697	46,889	47,352
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,348,500	1,394,381	1,422,189
PERMANENT CHANGE OF STATION TRAVEL.....	1,149,511	999,577	1,140,922
OTHER MILITARY PERSONNEL COSTS.....	129,189	127,819	136,270
TOTAL DIRECT PROGRAM.....	\$22,713,191	\$23,712,984	\$27,089,292
REIMBURSABLE PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$63,728	\$76,603	\$156,125
PAY AND ALLOWANCES FOR ENLISTED.....	51,379	61,873	105,330
SUBSISTENCE OF ENLISTED PERSONNEL.....	29,796	12,148	30,727
PERMANENT CHANGE OF STATION.....	8,032	8,345	2,042
OTHER MILITARY PERSONNEL COSTS.....	126	130	128
TOTAL REIMBURSABLE PROGRAM.....	\$153,061	\$159,099	\$294,352
TOTAL PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$6,327,083	\$6,692,701	\$7,317,515
PAY AND ALLOWANCES FOR ENLISTED.....	13,832,318	14,590,093	17,286,499
PAY AND ALLOWANCES FOR CADETS.....	41,697	46,889	47,352
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,378,296	1,406,529	1,452,916
PERMANENT CHANGE OF STATION TRAVEL.....	1,157,543	1,007,922	1,142,964
OTHER MILITARY PERSONNEL COSTS.....	129,315	127,949	136,398
TOTAL PROGRAM.....	\$22,866,252	\$23,872,083	\$27,383,644

LEGISLATIVE PROPOSALS:

The following legislative proposals are included in the above estimate and submitted for FY 2003 consideration:

	(\$000)
BA 2 Enlisted Pay and Allowances	7,600
BA 3 Cadets	100
BA 4 Subsistence of Enlisted Personnel	1,700
BA 5 Permanent Change of Station	500
Total	9,900

Section 2

Introduction

The Military Personnel, Army 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 that offsets 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 (FY 2001/2002):

The total estimated end strength for FY 2001 was 480,155 (excluding contingency operations). Projected end strength for FY 2002 is 480,000. The FY 2002 MPA Program is currently funded for an average annual strength of 474,000.

Active Army Program Estimates (FY 2003):

The FY 2003 estimate is based on a 480,000 manyear program. The total authorized end strength remains at a steady state level of 480,000.

Key Budget Assumptions Used to Develop These Estimates Include:

- Recruiting and retention programs will continue at high levels through FY 2002 and FY 2003.
- The FY 2003 pay raises (4.1% pay raise) are budgeted with 1 January effective dates.
- This budget includes an optional targeted payraise for E6-E9, O4-O6 and WO's.
- The normal cost percentages used to calculate payments to the military retired pay trust fund are 27.4% in FY 2003. These rates are set by the DoD Board of Actuaries and integrate the new retirement option authorized by Congress in FY 2000.
- Estimates for BAH assume the soldier's absorption cost for housing will be reduced from 7.5% in FY 2003 to 0% by the end of FY 2005.
- FY 2003 budget request includes \$402.8M to fund contingency operations in Bosnia and Kosovo.
- Funding request implements accrual financing for Medicare-eligible health care in accordance with the FY 2001 National Defense Authorization Act.
- Budget request for FY 2003 does not include Defense Emergency Response Fund (DERF) estimates.
- The rates for subsistence are indexed to changes in the US Department of Agriculture food plan.

SECTION 3
SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 2001 ACTUAL		FY 2002 PLANNED		FY 2003 PLANNED	
	AVERAGE STRENGTH	END STRENGTH 30 SEP 2001	AVERAGE STRENGTH	END STRENGTH 30 SEP 2002	AVERAGE STRENGTH	END STRENGTH 30 SEP 2003
DIRECT PROGRAM						
OFFICERS.....	76,237	75,484	76,502	75,079	76,140	75,310
ENLISTED.....	402,089	399,506	397,601	399,329	403,878	399,128
ACADEMY CADETS.....	3,971	4,161	4,000	4,000	4,000	4,000
TOTAL DIRECT PROGRAM.....	482,297	479,151	478,103	478,408	484,018	478,438
REIMBURSABLE PROGRAM						
OFFICERS.....	691	695	652	654	629	651
ENLISTED.....	915	955	920	938	899	911
TOTAL REIMBURSABLE PROGRAM.....	1,606	1,650	1,572	1,592	1,528	1,562
TOTAL PROGRAM						
OFFICERS.....	76,928	76,179	77,154	75,733	76,769	75,961
ENLISTED.....	403,004	400,461	398,521	400,267	404,777	400,039
ACADEMY CADETS.....	3,971	4,161	4,000	4,000	4,000	4,000
TOTAL.....	483,903	480,801	479,675	480,000	485,546	480,000

SECTION 3
END STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2001		ESTIMATE FY 2002		ESTIMATE FY 2003	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
GEN.....	9	0	10	0	10	0
LTG.....	40	4	41	4	43	4
MG.....	95	2	98	2	103	2
BG.....	145	7	150	7	157	7
COL.....	3,459	95	3,509	93	3,723	93
LTC.....	8,834	198	8,035	190	9,136	189
MAJ.....	13,862	198	13,764	171	14,014	170
CPT.....	21,890	148	21,845	146	23,600	145
1LT.....	8,189	7	9,019	7	6,695	7
2LT.....	8,255	2	7,887	2	6,960	2
TOTAL COMMISSIONED OFFICERS.....	64,778	661	64,358	622	64,441	619
WARRANT OFFICERS						
CW5.....	384	2	381	2	392	2
CW4.....	1,327	9	1,333	9	1,544	9
CW3.....	3,052	7	3,260	5	2,845	5
CW2.....	4,659	16	4,281	16	4,654	16
WO1.....	1,979	0	2,120	0	2,085	0
TOTAL WARRANT OFFICERS.....	11,401	34	11,375	32	11,520	32
TOTAL OFFICER PERSONNEL.....	76,179	695	75,733	654	75,961	651
ENLISTED PERSONNEL						
SGM.....	3,057	13	3,107	11	3,110	11
1SG/MSG.....	10,962	15	10,899	15	10,868	14
PSG/SFC.....	37,160	96	36,774	93	36,990	91
SSG.....	56,500	92	55,782	92	56,901	92
SGT.....	71,678	248	72,562	246	72,821	236
CPL/SPC.....	96,482	289	109,220	286	109,279	275
PFC.....	59,083	202	56,917	195	51,799	192
PV2.....	38,086	0	32,025	0	35,130	0
PV1.....	27,453	0	22,981	0	23,141	0
TOTAL ENLISTED PERSONNEL.....	400,461	955	400,267	938	400,039	911
TOTAL OFF & ENL PERSONNEL.....	476,640	1,650	476,000	1,592	476,000	1,562
CADETS.....	4,161	0	4,000	0	4,000	0
TOTAL END STRENGTH.....	480,801	1,650	480,000	1,592	480,000	1,562

SECTION 3
AVERAGE STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2001		ESTIMATE FY 2002		ESTIMATE FY 2003	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
GEN.....	10	0	9	0	10	0
LTG.....	43	0	41	0	43	0
MG.....	98	2	98	2	103	2
BG.....	148	4	150	4	157	4
COL.....	3,499	28	3,533	27	3,710	26
LTC.....	8,706	77	8,513	73	9,016	69
MAJ.....	15,126	148	15,183	140	15,105	138
CPT.....	22,023	298	22,188	278	23,513	268
1LT.....	8,563	114	9,233	108	7,087	104
2LT.....	7,277	2	6,804	2	6,519	2
TOTAL COMMISSIONED OFFICERS.....	65,493	673	65,752	634	65,263	613
WARRANT OFFICERS						
CW5.....	401	1	390	1	391	1
CW4.....	1,355	4	1,321	4	1,542	4
CW3.....	2,992	6	3,217	6	2,842	5
CW2.....	4,813	6	4,420	6	4,649	5
WO1.....	1,874	1	2,054	1	2,082	1
TOTAL WARRANT OFFICERS.....	11,435	18	11,402	18	11,506	16
TOTAL OFFICER PERSONNEL.....	76,928	691	77,154	652	76,769	629
ENLISTED PERSONNEL						
SGM.....	3,137	22	3,125	22	3,134	23
1SG/MSG.....	10,654	44	10,652	45	10,726	45
PSG/SFC.....	36,706	165	36,869	167	36,813	158
SSG.....	59,347	202	60,628	200	61,460	194
SGT.....	71,336	195	72,940	197	72,732	195
CPL/SPC.....	101,047	156	106,559	155	109,886	158
PFC.....	56,750	114	58,011	116	52,256	110
PV2.....	39,173	14	31,141	15	35,105	13
PV1.....	24,854	3	18,596	3	22,665	3
TOTAL ENLISTED PERSONNEL.....	403,004	915	398,521	920	404,777	899
TOTAL OFF & ENL PERSONNEL.....	479,932	1,606	475,675	1,572	481,546	1,528
CADETS.....	3,971	0	4,000	0	4,000	0
TOTAL AVERAGE STRENGTH.....	483,903	1,606	479,675	1,572	485,546	1,528

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

	ACTUAL FY 2001				ESTIMATE FY 2002				ESTIMATE FY 2003			
	OFF	ENL	CAD	TOTAL	OFF	ENL	CAD	TOTAL	OFF	ENL	CAD	TOTAL
SEPTEMBER.....	76.667	401.414	4.089	482.170	76.179	400.461	4.161	480.801	75.733	400.267	4.000	480.000
OCTOBER.....	76.441	401.148	4.081	481.670	75.968	401.194	4.000	481.162	75.486	401.785	4.000	481.271
NOVEMBER.....	76.004	401.519	4.072	481.595	75.880	402.122	4.008	482.010	75.302	402.327	4.008	481.637
DECEMBER.....	75.890	396.539	4.059	476.488	75.735	397.091	4.003	476.829	75.124	397.442	4.003	476.569
JANUARY.....	76.180	399.314	4.049	479.543	75.886	396.878	3.981	476.745	75.408	399.439	3.981	478.828
FEBRUARY.....	75.876	400.072	4.041	479.989	75.667	396.067	3.966	475.700	75.029	400.084	3.966	479.079
MARCH.....	75.593	398.250	4.020	477.863	75.513	392.141	3.960	471.614	74.874	400.170	3.960	479.004
APRIL.....	75.504	397.190	4.020	476.714	75.266	390.335	3.948	469.549	74.640	400.588	3.948	479.176
MAY.....	75.881	397.311	3.970	477.162	75.904	387.781	3.903	467.588	76.416	402.909	3.903	483.228
JUNE.....	76.882	398.983	2.970	478.835	77.208	384.122	4.176	465.506	76.724	401.041	4.176	481.941
JULY.....	76.344	400.964	4.210	481.518	76.754	387.394	4.051	468.199	76.498	399.338	4.051	479.887
AUGUST.....	76.185	402.239	4.110	482.534	76.671	392.095	4.000	472.766	76.222	399.198	4.000	479.420
SEPTEMBER.....	76.179	400.461	4.161	480.801	75.733	400.267	4.000	480.000	75.961	400.039	4.000	480.000
AVERAGE STRENGTH...	76.086	399.532	3.971	479.589	76.033	393.946	4.000	473.979	75.641	400.361	4.000	480.002
(TTAD MANYRS INCL)	0.164	0.071		0.235	0.164	0.071		0.235	0.164	0.071		0.235
TTAD \$M.....	11.096	4.804		15.900	11.515	4.985		16.500	13.800	5.974		19.774
(CONTINGENCY MANYRS INCLUDED).....	0.678	3.401		4.079	0.957	4.504		5.461	0.964	4.345		5.309
CONTINGENCY \$M.....	61.225	265.212		326.437	105.040	357.960		463.000	105.236	362.672		467.908

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SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

OFFICERS	ACTUAL FY 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
BEGINNING STRENGTH.....	76,667	76,179	75,733
GAINS (BY SOURCE)			
SERVICE ACADEMIES.....	933	933	933
ROTC.....	2,503	2,693	2,956
OFFICER CANDIDATE SCHOOL.....	1,000	1,000	1,000
VOLUNTARY ACTIVE DUTY.....	120	120	0
DIRECT APPOINTMENTS.....	1,342	1,345	1,185
WARRANT OFFICER PROGRAMS.....	1,022	1,100	1,100
OTHER.....	462	455	0
TOTAL GAINS.....	7,382	7,646	7,174
LOSSES (BY TYPE)			
EXPIRATION OF CONTRACT.....	976	955	905
RETIREMENT	2,824	2,764	2,618
DISABILITY.....	(132)	(129)	(122)
NON-DISABILITY.....	(2,692)	(2,635)	(2,496)
15 YEAR RETIREMENT.....	0	0	0
VOLUNTARY SEPARATION - VSI.....	0	0	0
VOLUNTARY SEPARATION - SSB.....	0	0	0
INVOLUNTARY SEP OF RESERVE.....	156	156	144
INVOLUNTARY SEP OF REGULAR.....	79	79	71
REDUCTION-IN-FORCE.....	0	0	0
ATTRITION.....	150	150	150
OTHER.....	3,685	3,988	3,058
TOTAL LOSSES.....	7,870	8,092	6,946
END STRENGTH.....	76,179	75,733	75,961

SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

	ACTUAL FY 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
ENLISTED			
BEGINNING STRENGTH.....	401,414	400,461	400,267
GAINS (BY SOURCE)			
NON-PRIOR SERVICE ENLISTMENTS.....	70,708	68,148	70,151
MALES.....	(54,621)	(54,523)	(56,121)
FEMALES.....	(16,087)	(13,625)	(14,030)
PRIOR SERVICE ENLISTMENTS.....	6,228	6,314	6,120
REENLISTMENT (IMM).....	63,059	55,655	55,676
RESERVE COMPONENTS.....	114	180	200
RETURNED TO MILITARY CONTROL.....	5,878	4,081	4,017
OTHER.....	0	0	0
GAIN ADJUSTMENT.....	6	112	-402
TOTAL GAINS.....	145,993	134,490	135,762
LOSSES (BY TYPE)			
DRAFTEE AND REGULAR ARMY			
ESTIMATED TERMINATION OF SERVICE...	29,807	25,689	26,750
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.....	1,841	1,911	1,912
REENLISTMENT.....	63,058	55,655	55,676
RETIREMENT.....	6,438	6,233	7,195
15 YEAR RETIREMENT.....	0	0	0
DROPPED FROM ROLLS.....	5,449	5,451	5,658
ATTRITION ADVERSE CAUSES.....	18,766	21,386	18,955
OTHER ATTRITION.....	20,478	18,007	19,704
RESERVE COMPONENTS.....	1,109	352	140
TOTAL LOSSES.....	146,946	134,684	135,990
END STRENGTH.....	400,461	400,267	400,039
CADETS			
GAINS			
ENTERING CADETS.....	1,202	1,202	1,300
LOSSES			
ATTRITION.....	197	430	323
GRADUATES.....	933	933	977

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
1. BASIC PAY.....	3,709,975	8,205,286	11,915,261	3,907,747	8,708,554	12,616,301	4,138,217	9,277,977	13,416,194
2A. RETIRED PAY ACCRUAL.....	1,098,153	2,428,765	3,526,918	1,184,047	2,638,692	3,822,739	1,133,871	2,542,166	3,676,037
2B. HEALTH CARE ACCRUAL.....	0	0	0	0	0	0	270,390	1,943,850	2,214,240
3. BASIC ALLOWANCE FOR HOUSING.....	659,666	1,361,623	2,021,289	697,084	1,417,031	2,114,115	832,483	1,474,070	2,306,553
A. DOMESTIC.....	586,590	1,276,493	1,863,083	645,795	1,326,799	1,972,594	768,749	1,389,601	2,158,350
1. WITH DEPENDENTS.....	436,854	1,072,803	1,509,657	485,260	1,125,827	1,611,087	600,642	1,151,724	1,752,366
2. WITHOUT DEPENDENTS.....	149,308	190,652	339,960	160,032	188,168	348,200	167,644	225,394	393,038
3. SUBSTANDARD HOUSING.....	9	308	317	14	788	802	15	206	221
4. PARTIAL.....	419	12,730	13,149	489	12,016	12,505	448	12,277	12,725
B. OVERSEAS.....	73,076	85,130	158,206	51,289	90,232	141,521	63,734	84,469	148,203
1. WITH DEPENDENTS.....	35,149	46,267	81,416	23,782	59,544	83,326	31,055	46,013	77,068
2. WITHOUT DEPENDENTS.....	37,927	38,863	76,790	27,507	30,688	58,195	32,679	38,456	71,135
4. SUBSISTENCE.....	147,779	1,378,296	1,526,075	152,688	1,406,529	1,559,217	156,455	1,452,916	1,609,371
A. BASIC ALLOWANCE FOR SUBSISTENCE.....	147,779	803,189	950,968	152,688	804,243	956,931	156,455	833,180	989,635
1. AUTHORIZED TO MESS SEPARATELY.....	147,779	608,133	755,912	152,688	932,625	1,085,313	156,455	1,079,906	1,236,361
2. LEAVE RATIONS.....		89,678	89,678		22,051	22,051		0	0
3. RATIONS-IN-KIND NOT AVAILABLE.....		64,348	64,348		68,194	68,194		68,463	68,463
4. AUGMENTATION FOR SEPARATE MEALS.....		0	0		0	0		0	0
5. PARTIAL BAS.....		41,030	41,030		9,976	9,976		0	0
6. LESS COLLECTIONS.....		0	0		228,603	228,603		315,189	315,189
B. SUBSISTENCE IN KIND.....		573,019	573,019		597,088	597,088		614,538	614,538
1. SUBSISTENCE IN MESSES.....		361,346	361,346		362,552	362,552		379,841	379,841
2. OPERATIONAL RATIONS.....		174,760	174,760		172,509	172,509		184,765	184,765
3. AUGMENTATION RATIONS/OTHER.....		36,913	36,913		62,027	62,027		49,932	49,932
C. FAMILY SUBSISTENCE SUPPLE ALLOW(FSSA).....		2,088	2,088		5,198	5,198		5,198	5,198

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

	OFFICER	ACTUAL FY 2001 ENLISTED	TOTAL	OFFICER	ESTIMATE FY 2002 ENLISTED	TOTAL	OFFICER	ESTIMATE FY 2003 ENLISTED	TOTAL
5. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER.....	76,798	68,287	145,085	77,299	68,236	145,535	76,694	67,866	144,560
A. FLYING DUTY PAY.....	66,202	7,315	73,517	66,788	7,329	74,117	66,093	7,329	73,422
1. AVIATION CAREER, OFFICERS.....	59,245		59,245	60,024		60,024	59,329		59,329
2. CREW MEMBERS, ENLISTED.....		6,298	6,298		6,312	6,312		6,312	6,312
3. NONCREW MEMBERS.....	124	1,017	1,141	135	1,017	1,152	135	1,017	1,152
4. AVIATION CONTINUATION PAY.....	6,708		6,708	6,504		6,504	6,504		6,504
5. CREW NON-RATED.....	125		125	125		125	125		125
B. PARACHUTE JUMP PAY.....	9,900	57,179	67,079	9,815	55,651	65,466	9,905	56,725	66,630
C. DEMOLITION PAY.....	266	2,275	2,541	266	2,378	2,644	266	2,295	2,561
D. OTHER.....	430	1,518	1,948	430	2,878	3,308	430	1,517	1,947
6. SPECIAL PAYS	213,893	533,124	747,017	215,764	454,338	670,102	218,677	547,812	766,489
A. PHYSICIAN MEDICAL.....	158,413		158,413	158,413		158,413	158,413		158,413
B. DENTIST MEDICAL.....	27,836		27,836	27,408		27,408	27,558		27,558
C. NURSE MEDICAL.....	3,836		3,836	3,836		3,836	3,936		3,936
D. BOARD CERTIFIED PAY FOR NONPHYSICIAN HEALTH CARE PROVIDER.....	2,700		2,700	1,614		1,614	1,614		1,614
E. DIPLOMATE PAY FOR PSYCHOLOGISTS.....	199		199	174		174	174		174
F. OPTOMETRIST MEDICAL.....	164		164	152		152	734		734
G. PHARMACY MEDICAL.....	0		0	0		0	1,560		1,560
H. VETERINARIAN MEDICAL.....	1,134	0	1,134	1,169	0	1,169	1,169	0	1,169
1. SPECIAL PAY.....	497		497	497		497	497		497
2. DIPLOMATE PAY.....	637		637	672		672	672		672
I. SEA AND FOREIGN DUTY.....	3,815	33,547	37,362	5,116	31,456	36,572	10,847	43,864	54,711
1. SEA DUTY.....	464	1,241	1,705	460	581	1,041	460	672	1,132
2. HARDSHIP DUTY PAY.....	3,351	29,782	33,133	4,656	28,062	32,718	10,387	39,213	49,600
3. OVERSEAS EXTENSION PAY.....		2,524	2,524		2,813	2,813		3,979	3,979
J. FOREIGN LANGUAGE PROFICIENCY PAY.....	5,689	20,383	26,072	5,668	10,367	16,035	5,668	10,367	16,035
K. DIVING DUTY PAY.....	138	6,621	6,759	138	795	933	138	838	976
L. REENLISTMENT BONUS.....		112,559	112,559		89,800	89,800		110,770	110,770
M. SPECIAL DUTY ASSIGN PAY.....		58,001	58,001		61,062	61,062		61,062	61,062
N. ENLISTMENT BONUS.....		166,244	166,244		135,798	135,798		174,340	174,340
O. EDUCATION BENEFITS.....		76,599	76,599		46,919	46,919		63,027	63,027
P. LOAN REPAYMENT.....		33,885	33,885		38,800	38,800		48,131	48,131
Q. HOSTILE FIRE PAY.....	5,787	25,285	31,072	8,755	39,341	48,096	3,688	35,413	39,101
R. JUDGE ADVOCATE CONTINUATION PAY.....	4,182		4,182	3,321		3,321	3,178		3,178
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)

	OFFICER	ACTUAL FY 2001		OFFICER	ESTIMATE FY 2002		OFFICER	ESTIMATE FY 2003	
		ENLISTED	TOTAL		ENLISTED	TOTAL		ENLISTED	TOTAL
7. ALLOWANCE.....	70,908	426,272	497,180	45,000	366,210	411,210	65,397	409,382	474,779
A. UNIFORM/CLOTHING									
ALLOWANCE.....	4,104	230,530	234,634	5,006	224,844	229,850	5,031	235,313	240,344
1. INITIAL ISSUE.....	3,104	92,879	95,983	3,575	76,885	80,460	3,596	89,247	92,843
A. MILITARY.....	2,400	90,257	92,657	2,861	74,400	77,261	2,870	86,722	89,592
B. CIVILIAN.....	704	2,622	3,326	714	2,485	3,199	726	2,525	3,251
2. ADDITIONAL ALLOWANCE.....	1,000		1,000	1,431		1,431	1,435		1,435
3. BASIC MAINTENANCE.....		36,000	36,000		41,332	41,332		37,104	37,104
4. STANDARD MAINTENANCE.....		93,709	93,709		96,788	96,788		98,178	98,178
5. SUPPLEMENTARY.....		2,735	2,735		4,092	4,092		3,813	3,813
6. OTHER.....		5,207	5,207		5,747	5,747		6,971	6,971
B. STATION ALLOWANCE									
OVERSEAS.....	56,082	153,156	209,238	27,896	96,611	124,507	47,615	125,478	173,093
1. COST OF LIVING.....	45,302	128,492	173,794	16,603	71,188	87,791	36,279	100,861	137,140
2. TEMPORARY LODGING.....	10,780	24,664	35,444	11,293	25,423	36,716	11,336	24,617	35,953
C. CONUS COLA.....	1,500	2,236	3,736	1,313	2,270	3,583	1,334	2,406	3,740
D. FAMILY SEPARATION									
ALLOWANCES.....	9,172	40,348	49,520	10,739	42,483	53,222	11,367	46,183	57,550
1. PCS - NO GOVERNMENT									
QUARTERS.....	3,504	9,946	13,450	2,931	6,498	9,429	3,044	8,316	11,360
2. PCS - DEPENDENTS									
NOT AUTHORIZED.....	2,286	19,356	21,642	2,306	20,438	22,744	2,318	19,692	22,010
3. TDY.....	3,382	11,046	14,428	5,502	15,547	21,049	6,005	18,175	24,180
E. PERSONAL MONEY									
ALLOWANCE.....	50	2	52	46	2	48	50	2	52

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

	OFFICER	ACTUAL FY 2001		OFFICER	ESTIMATE FY 2002		OFFICER	ESTIMATE FY 2003	
		ENLISTED	TOTAL		ENLISTED	TOTAL		ENLISTED	TOTAL
8. SEPARATION PAY.....	67,777	192,453	260,230	116,708	278,632	395,340	111,690	321,423	433,113
A. TERMINAL LEAVE PAY.....	20,498	68,160	88,658	21,047	64,414	85,461	20,907	69,463	90,370
B. DONATIONS.....		4	4		4	4		4	4
C. SEVERANCE PAY, DISABILITY.....	5,822	77,594	83,416	6,586	75,473	82,059	6,897	83,488	90,385
D. SEVERANCE PAY, NON-PROMOTION.....	25,694		25,694	18,477		18,477	19,350		19,350
E. SEVERANCE PAY, INVOL HALF (5%).....	155	14,557	14,712	164	21,183	21,347	171	30,905	31,076
F. SEVERANCE PAY, INVOL FULL (10%).....	683	29,563	30,246	761	24,431	25,192	797	36,931	37,728
G. SEVERANCE PAY, VSI.....	7,325	2,575	9,900	28,125	7,475	35,600	26,940	7,160	34,100
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.....	7,600	0	7,600	41,548	85,652	127,200	36,628	93,472	130,100
9. SOCIAL SECURITY TAX PAYMENTS.....	282,134	616,508	898,642	296,364	658,400	954,764	313,641	701,953	1,015,594
10. PERMANENT CHANGE OF STATION TRAVEL.....	290,954	866,589	1,157,543	275,483	732,439	1,007,922	291,257	851,707	1,142,964
11. OTHER MILITARY PERSONNEL COSTS.....	1,112	128,203	129,315	1,327	126,622	127,949	1,327	135,071	136,398
A. APPREHENSION OF DESERTERS.....		947	947		606	606		611	611
B. INTEREST ON SOLDIERS' DEPOSIT.....	104	111	215	97	105	202	97	105	202
C. DEATH GRATUITIES.....	1,008	816	1,824	1,230	6,402	7,632	1,230	2,130	3,360
D. UNEMPLOYMENT COMPENSATION.....	0	83,001	83,001	0	77,939	77,939	0	83,314	83,314
E. SURVIVOR BENEFITS.....		7,892	7,892		6,562	6,562		7,204	7,204
F. EDUCATION BENEFITS.....		20,368	20,368		23,917	23,917		19,163	19,163
G. ADOPTION EXPENSES.....		252	252		250	250		252	252
H. SPECIAL COMPENSATION.....		13,815	13,815		8,801	8,801		20,200	20,200
I. MASS TRANSIT SUBSIDY.....		1,001	1,001		2,040	2,040		2,092	2,092
J. BREAKAGE FEE & LOST EARNINGS.....		0	0		0	0		0	0

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
12. CADET.....	41,697		41,697	46,889		46,889	47,352		47,352
SUBTOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....									
	6,660,846	16,205,406	22,866,252	7,016,400	16,855,683	23,872,083	7,657,451	19,726,193	27,383,644
13. LESS REIMBURSABLES.....	63,728	89,333	153,061	76,603	82,496	159,099	156,125	138,227	294,352
A. RETIRED PAY ACCRUAL.....	13,072	10,646	23,718	15,726	12,763	28,489	38,617	25,835	64,452
1. RPA.....	13,072	10,646	23,718	15,726	12,763	28,489	38,617	25,835	64,452
2. DHP.....	0	0	0	0	0	0	0	0	0
B. OTHER.....	50,656	78,687	129,343	60,877	69,733	130,610	117,508	112,392	229,900
1. DHP.....	0	0	0	0	0	0	0	0	0
2. OTHER.....	50,656	78,687	129,343	60,877	69,733	130,610	117,508	112,392	229,900
TOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....									
	6,597,118	16,116,073	22,713,191	6,939,797	16,773,187	23,712,984	7,501,326	19,587,966	27,089,292

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2002

	FY 2002 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2002 REVISED
PAY AND ALLOWANCES OF OFFICERS							
BASIC PAY.....	3,820,308	50,275	3,870,583	(11,980)	3,858,603	0	3,858,603
RETIRED PAY ACCRUAL.....	1,156,718	15,233	1,171,951	(3,630)	1,168,321	0	1,168,321
INCENTIVE PAY.....	77,299	0	77,299	0	77,299	0	77,299
SPECIAL PAY.....	209,178	6,638	215,816	(6)	215,810	0	215,810
BASIC ALLOWANCE FOR HOUSING.....	663,771	5,911	669,682	21,303	690,985	0	690,985
BASIC ALLOWANCE FOR SUBSISTENCE....	148,509	0	148,509	2,280	150,789	0	150,789
STATION ALLOWANCES OVERSEAS.....	34,903	(8,897)	26,006	1,890	27,896	0	27,896
CONUS COLA.....	1,313	0	1,313	0	1,313	0	1,313
UNIFORM ALLOWANCES.....	5,006	0	5,006	0	5,006	0	5,006
FAMILY SEPARATION ALLOWANCES.....	7,902	2,788	10,690	49	10,739	0	10,739
SEPARATION PAYMENTS.....	116,796	0	116,796	(88)	116,708	0	116,708
SOCIAL SECURITY TAX -							
EMPLOYER CONTRIBUTION.....	289,601	3,846	293,447	(818)	292,629	0	292,629
REIMBURSABLES.....	76,603	0	76,603	0	76,603	0	76,603
TOTAL OBLIGATIONS.....	6,607,907	75,794	6,683,701	9,000	6,692,701	0	6,692,701
LESS REIMBURSABLES.....	76,603	0	76,603	0	76,603	0	76,603
TOTAL OFFICER DIRECT OBLIGATIONS.....	6,531,304	75,794	6,607,098	9,000	6,616,098	0	6,616,098

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2002

	FY 2002 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2002 REVISED
PAY AND ALLOWANCES OF ENLISTED							
BASIC PAY.....	8,595,258	1,455	8,596,713	68,491	8,665,204	0	8,665,204
RETIRED PAY ACCRUAL.....	2,604,709	1,271	2,605,980	19,949	2,625,929	0	2,625,929
INCENTIVE PAY.....	68,236	0	68,236	0	68,236	0	68,236
SPECIAL PAY.....	47,245	27,525	74,770	7,191	81,961	0	81,961
SPECIAL DUTY ASSIGNMENT PAY.....	61,062	0	61,062	0	61,062	0	61,062
REENLISTMENT BONUS.....	89,800	0	89,800	0	89,800	0	89,800
ENLISTMENT BONUS.....	135,798	0	135,798	0	135,798	0	135,798
EDUCATIONAL BENEFITS.....	46,918	0	46,918	1	46,919	0	46,919
LOAN REPAYMENT PROGRAM.....	44,800	(6,000)	38,800	0	38,800	0	38,800
BASIC ALLOWANCE FOR HOUSING.....	1,463,101	9,600	1,472,701	(57,208)	1,415,493	0	1,415,493
STATION ALLOWANCES OVERSEAS.....	120,076	(23,410)	96,666	(55)	96,611	0	96,611
CONUS COLA.....	2,270	0	2,270	0	2,270	0	2,270
CLOTHING ALLOWANCES.....	221,725	0	221,725	2,119	223,844	0	223,844
FAMILY SEPARATION ALLOWANCES.....	32,076	10,383	42,459	24	42,483	0	42,483
SEPARATION PAYMENTS.....	353,798	(20,900)	332,898	(54,266)	278,632	0	278,632
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION.....	650,197	227	650,424	4,754	655,178	0	655,178
REIMBURSABLES.....	61,873	0	61,873	0	61,873	0	61,873
TOTAL OBLIGATIONS.....	14,598,942	151	14,599,093	(9,000)	14,590,093	0	14,590,093
LESS REIMBURSABLES.....	61,873	0	61,873	0	61,873	0	61,873
TOTAL ENLISTED DIRECT OBLIGATIONS....	14,537,069	151	14,537,220	(9,000)	14,528,220	0	14,528,220
PAY AND ALLOWANCES OF CADETS							
TOTAL OBLIGATIONS.....	46,889	0	46,889	0	46,889	0	46,889
TOTAL CADET DIRECT OBLIGATIONS.....	46,889	0	46,889	0	46,889	0	46,889

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2002

	FY 2002 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2002 REVISED
SUBSISTENCE OF ENLISTED PERSONNEL							
TOTAL OBLIGATIONS.....	1,316,174	90,355	1,406,529	0	1,406,529	0	1,406,529
REIMBURSABLES.....	12,148	0	12,148	0	12,148	0	12,148
TOTAL ENL SUBSISTENCE							
DIRECT OBLIGATIONS.....	1,304,026	90,355	1,394,381	0	1,394,381	0	1,394,381
PERMANENT CHANGE OF STATION							
ACCESSION TRAVEL.....	166,279	0	166,279	11,342	177,621	0	177,621
TRAINING TRAVEL.....	43,478	0	43,478	(6,839)	36,639	0	36,639
OPERATIONAL TRAVEL.....	136,517	0	136,517	28,669	165,186	0	165,186
ROTATIONAL TRAVEL.....	544,514	(80,000)	464,514	(27,269)	437,245	0	437,245
SEPARATION TRAVEL.....	138,145	0	138,145	(1,344)	136,801	0	136,801
ORGANIZED UNIT TRAVEL.....	1,706	0	1,706	337	2,043	0	2,043
NON-TEMPORARY STORAGE.....	28,365	0	28,365	(2,754)	25,611	0	25,611
TEMPORARY LODGING EXPENSE.....	20,573	0	20,573	(2,142)	18,431	0	18,431
REIMBURSABLES.....	8,345	0	8,345	0	8,345	0	8,345
TOTAL OBLIGATIONS.....	1,087,922	(80,000)	1,007,922	0	1,007,922	0	1,007,922
LESS REIMBURSABLES.....	8,345	0	8,345	0	8,345	0	8,345
TOTAL PCS DIRECT OBLIGATIONS.....	1,079,577	(80,000)	999,577	0	999,577	0	999,577

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2002

	FY 2002 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2002 REVISED
OTHER MILITARY PERSONNEL COSTS							
APPREHENSION OF MILITARY DESERTERS							
ABSENTEES AND ESCAPED MILITARY							
PRISONERS.....	478	0	478	(2)	476	0	476
DEATH GRATUITIES.....	7,632	0	7,632	0	7,632	0	7,632
UNEMPLOYMENT BENEFITS PAID TO							
EX-SERVICE MEMBERS.....	81,940	0	81,940	(4,001)	77,939	0	77,939
SURVIVOR BENEFITS.....	6,560	0	6,560	2	6,562	0	6,562
ADOPTION COSTS.....	250	0	250	0	250	0	250
EDUCATIONAL BENEFITS.....	23,917	0	23,917	0	23,917	0	23,917
SOLDIER INTEREST ON DEPOSIT.....	202	0	202	0	202	0	202
SPECIAL COMPENSATION.....	4,800	0	4,800	4,001	8,801	0	8,801
MASS TRANSIT.....	2,040	0	2,040	0	2,040	0	2,040
REIMBURSABLES.....	130	0	130	0	130	0	130
TOTAL OBLIGATIONS.....	127,949	0	127,949	0	127,949	0	127,949
LESS REIMBURSABLES.....	130	0	130	0	130	0	130
TOTAL OMPC DIRECT OBLIGATIONS.....	127,819	0	127,819	0	127,819	0	127,819
TOTAL DIRECT OBLIGATIONS.....	23,626,684	86,300	23,712,984	0	23,712,984	0	23,712,984

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

FY 2002 Direct Program

\$ 23,712,984

Increases:

Pricing Increases:

a.	Pay Raise (4.1%)	968,574
b.	Ration Rates	222
c.	Inflation	40,313
d.	Foreign Currency	37,962
e.	Defense Working Capital Fund (DWCF)	9,207
f.	Basic Allowance for Housing (BAH) Rates	144,810
g.	Mass Transit Rate Increase	34
h.	Temporary Lodging Allowance & Enlisted Clothing	6,050
Total Pricing Increases		1,207,172

Program Increases:

a.	Army College Fund (ACF)	16,108
b.	Enlisted Bonuses	38,542
c.	Selective Reinlistment Bonus (SRB)	20,970
d.	Loan Repayment Program (LRP)	9,331
e.	Clothing	4,419
f.	Moves (Accessions/Separation/Operational)	78,263
g.	Miscellaneous	158
h.	Health Care Accrual	2,214,240
i.	Special Pay	11,070
j.	Survivor Benefits	642
k.	Unemployment Compensation	2,360
l.	Special Comensation Severely Disabled	15,400
m.	Basic Allowance for Housing (BAH)	18,959
n.	Unified Legislative Budget (ULBs) Proposals	2,700
o.	Overseas Stationing	2,892
p.	Force Manning	227,905
q.	Voluntary Separation Incentive Program (VSIP)	32,817
r.	New Entitlements	48,900
Total Program Increases		2,745,676

Total Increases

\$ 3,952,848

Decreases:

Pricing Decreases:

a.	Normal Cost Percentage	-365,874
b.	Education Benefits Amortization	-4,754
c.	Defense Working Capital Fund (DWCF)	-8,463
d.	Unemployment Comp.	-986
e.	Miscellaneous	-3
Total Pricing Decreases		-380,080

Program Decreases:

a.	Reimbursable Program	-122,979
b.	Miscellaneous	-758
c.	Separation Pay	-6,005

d.	Death Gratuities	-4,272
e.	Basic Housing Allowance (BAH)	-41,222
f.	Ration Rate	-881
g.	Permanent Change of Station Moves	-349
h.	Basic Allowance for Subsistence (BAS)	-5,826
i.	Operational Rations	-12,744
j.	Voluntary Separation Incentive Payments (VSIP)	-1,424
	Total Program Decreases	-196,460

Total Decreases

\$ -576,540

FY 2003 Direct Program

\$ 27,089,292

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

Pay and Allowance of Officers

FY 2002 Direct Program \$ 6,616,098

Increases:

Pricing Increases:

a. Pay Raise		277,882
	Reflects annualized costs of the 1 Jan 2002 4.6 percent and the 1 Jan 2003, 4.1 percent and optional targeted pay raise.	
b. Basic Allowance for Housing		54,291
	Reflects DoD initiative to reduce out-of-pocket housing cost to 7.5 percent in FY 2003.	
c. Foreign currency valuation change.		18,228
	Total Pricing Increases	350,401

Program Increases:

a. Health Care Accrual		270,390
	Reflects start of accrual requirement for the Defense Healthcare program.	
c. Special Pay		2,917
	Increase in number of optometrists retention pay. Increase in pharmacists special pay and accession bonuses.	
d. Force Manning		103,345
	Reflects change in officer grade mix.	
e. Basic Allowance for Housing		18,959
	Reflects changes in rates and housing inventory including adjustments for high cost leases.	
	Total Program Increases	395,611

Total Increases

\$ 746,012

Decreases:

Pricing Decreases:

a. Retired Pay Accrual		-113,326
	Reflects change in normal cost percentage (from 30.3 percent to 27.4 percent).	
	Total Pricing Decreases	-113,326

Program Decreases:

a. Separation Pay		-6,005
	Reflects decrease for the \$30K lump sum bonus and the requirement for involuntary seperation payments. Reflects decrease in transfers to the VSI Trust Fund.	
b. Voluntary Seperation Incentive amortization payment decrease.		-1,109
c. Increase in reimbursable program.		-79,522
d. Miscellaneous		-758
	Total Program Decreases	-87,394

Total Decreases

\$ -200,720

FY 2003 Direct Program

\$ 7,161,390

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 4,138,217
ESTIMATE FY 2002	\$ 3,907,747
ACTUAL FY 2001	\$ 3,709,975

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 +\$230.5 million from FY 2002 to FY 2003. This change is based on:

- (1) Annualization of the 1 Jan 2002, 4.6 percent and targeted pay raise: +\$59.5 million.
- (2) The 1 Jan 2003, 4.1 percent and optional targeted pay raise: +\$141.3 million.
- (3) Force manning changes: +\$29.7 million.

Detailed cost computations are provided by the following table:

OFFICER BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	10	\$ 132,826	\$ 1,328	9	\$ 133,698	\$ 1,203	10	\$ 137,964	\$ 1,380
LIEUTENANT GENERAL.....	43	123,163	5,296	41	128,933	5,286	43	134,662	5,790
MAJOR GENERAL.....	98	111,589	10,936	98	116,816	11,448	103	122,002	12,566
BRIGADIER GENERAL.....	148	98,860	14,631	150	104,013	15,602	157	109,176	17,141
COLONEL.....	3,499	84,317	295,025	3,533	87,989	310,865	3,710	91,960	341,172
LIEUTENANT COLONEL.....	8,706	68,238	594,080	8,513	71,190	606,040	9,016	74,388	670,682
MAJOR.....	15,126	56,635	856,661	15,183	59,809	908,080	15,105	63,065	952,597
CAPTAIN.....	22,023	45,339	998,501	22,188	47,588	1,055,883	23,513	49,995	1,175,532
1ST LIEUTENANT.....	8,563	34,708	297,205	9,233	36,025	332,619	7,087	37,410	265,125
2ND LIEUTENANT.....	7,277	26,731	194,521	6,804	28,185	191,771	6,519	29,775	194,103
SUBTOTAL.....	65,493		\$ 3,268,184	65,752		\$ 3,438,797	65,263		\$ 3,636,088
WARRANT OFFICER (W-5).....	401	\$ 60,152	\$ 24,121	390	\$ 63,515	\$ 24,771	391	\$ 66,485	\$ 25,996
WARRANT OFFICER (W-4).....	1,355	51,785	70,169	1,321	54,907	72,532	1,542	57,585	88,796
WARRANT OFFICER (W-3).....	2,992	41,973	125,583	3,217	44,519	143,218	2,842	47,099	133,855
WARRANT OFFICER (W-2).....	4,813	34,699	167,006	4,420	37,136	164,141	4,649	39,670	184,426
WARRANT OFFICER (W-1).....	1,874	29,302	54,912	2,054	31,299	64,288	2,082	33,168	69,056
SUBTOTAL.....	11,435		\$ 441,791	11,402		\$ 468,950	11,506		\$ 502,129
TOTAL OFFICER BASIC PAY...	76,928		\$ 3,709,975	77,154		\$ 3,907,747	76,769		\$ 4,138,217

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 1,133,871
ESTIMATE FY 2002	\$ 1,184,047
ESTIMATE FY 2001	\$ 1,098,153

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., 30.3% for FY 2002 and 27.4% for FY 2003.

(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 -\$50.2 million from FY 2002 to FY 2003. This change is based on:

- (1) Annualization of the 1 Jan 2002, 4.6 percent and targeted pay raise: +\$16.3 million.
- (2) The 1 Jan 2003, 4.1 percent optional targeted pay raise: +\$38.7 million.
- (3) Change in normal cost percentage from 30.3% to 27.4%: -\$113.3 million
- (4) Force manning changes: +\$8.1 million.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	76,928	\$ 14,275.08	\$ 1,098,153	77,154	\$ 15,346.54	\$ 1,184,047	76,769	\$ 14,769.91	\$ 1,133,871

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE	FY 2003	\$270,390
ESTIMATE	FY 2002	\$0
ACTUAL	FY 2001	\$0

Project: Health Care Accrual - Officers

Part I - Purpose and Scope

The funds requested provide for the Department of Army's share of military health care accrual in accordance with the FY 2001 National Defense Authorization Act (Public Law 106-398).

Part II - Justification of Funds Requested

The budget estimates implement accrual financing for Medicare-eligible health care beginning in FY 2003. This funding will finance the cost of future Medicare-eligible health care benefits for current military personnel.

Detailed cost computations are provided by the following table:

OFFICER HEALTH CARE ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
	AMOUNT	AMOUNT	AMOUNT
HEALTH CARE ACCRUAL.....	\$0	\$0	\$270,390

ESTIMATE FY 2003	\$76,694
ESTIMATE FY 2002	\$77,299
ACTUAL FY 2001	\$76,798

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 -\$0.6 million from FY 2002 to FY 2003 and is based on an decreased 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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY COMMISSIONED OFFICERS CATEGORY									
Crew 125.....	617	\$1,500	\$926	553	\$1,500	\$830	560	\$1,500	\$840
Crew 156.....	299	1,869	559	343	1,874	643	273	1,874	512
Crew 188.....	300	2,253	676	273	2,256	616	341	2,256	769
Crew 206.....	642	2,470	1,586	554	2,473	1,370	552	2,473	1,365
Crew 250.....	14	3,050	43	61	3,000	183	75	3,000	225
Crew 385.....	10	4,510	45	40	4,620	185	40	4,620	185
Crew 495.....	26	5,880	153	49	5,940	291	56	5,940	333
Crew 585.....	44	7,014	309	75	7,020	527	98	7,020	688
Crew 650.....	1,679	7,800	13,096	1,839	7,800	14,344	1,801	7,800	14,048
Crew 840.....	1,150	10,080	11,592	1,149	10,080	11,582	1,118	10,080	11,269
SUBTOTAL.....	4,781		\$28,985	4,936		\$30,571	4,914		\$30,234
WARRANT OFFICERS CATEGORY									
Crew 125.....	824	1,500	1,236	999	1,500	1,499	1,120	1,500	1,680
Crew 156.....	355	1,873	665	363	1,872	680	405	1,872	758
Crew 188.....	221	2,260	499	389	2,256	878	359	2,256	810
Crew 206.....	453	2,471	1,119	505	2,472	1,248	731	2,472	1,807
Crew 650.....	2,167	7,800	16,903	1,955	7,800	15,249	1,689	7,800	13,174
Crew 840.....	976	10,080	9,838	982	10,080	9,899	1,078	10,080	10,866
SUBTOTAL.....	4,996		\$30,260	5,193		\$29,453	5,382		\$29,095
TOTAL FLYING DUTY CREW.....	9,777		\$59,245	10,129		\$60,024	10,296		\$59,329
FLYING DUTY NON-CREW MEMBERS.....									
AVIATION CONTINUATION PAY.....	69	1,800	124	75	1,800	135	75	1,800	135
CREW-NONRATED.....	559	12,000	6,708	542	12,000	6,504	542	12,000	6,504
	45	2,775	125	45	2,775	125	45	2,775	125
TOTAL FLYING DUTY PAY.....	10,450		\$66,202	10,791		\$66,788	10,958		\$66,093
OTHER HAZARDOUS DUTY									
PARACHUTE JUMPING.....	5,500	1,800	9,900	5,453	1,800	9,815	5,503	1,800	9,905
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.....	5,820		\$10,596	5,773		\$10,511	5,823		\$10,601
TOTAL OFFICER INCENTIVE PAY FOR HAZARDOUS DUTY.....	16,270		\$76,798	16,564		\$77,299	16,781		\$76,694

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 218,727
ESTIMATE FY 2002	\$ 215,810
ACTUAL FY 2001	\$ 213,943

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.

Pharmacists - 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 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 2002 to FY 2003, the estimate for special pay increases by a net \$2.9 million. This change is based on -

- (1) A projected increase in the number of dentists to receive Accession bonuses: +\$0.2 million
- (2) A decrease in the requirement for Judge Advocate Continuation Pay: -\$0.2 million.
- (3) A projected increase in the number of optometrists to receive retention pay: +\$0.6 million.
- (4) A projected increase in the number of pharmacists to receive special pay and accession bonuses: +\$1.6 million.
- (5) A increase in the number of soldiers receiving hostile fire pay: +\$0.7 million.

Detailed cost computations are provided by the following table:

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY FOR PHYSICIANS									
VARIABLE SPECIAL PAY.....	4,351	\$ 7,983	\$ 34,734	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.....	2,476	3,791	9,387	2,476	3,791	9,387	2,476	3,791	9,387
INCENTIVE SPECIAL PAY.....	2,885	19,440	56,084	2,885	19,440	56,084	2,885	19,440	56,084
MULTI-YEAR SPECIAL PAY.....	1,090	10,287	11,213	1,090	10,287	11,213	1,090	10,287	11,213
SUBTOTAL.....	13,935		158,413	13,935		158,413	13,935		158,413
OTHER SPECIAL PAY									
DENTIST PAY									
VARIABLE SPECIAL PAY.....	1,097	\$ 8,090	\$ 8,875	1,097	\$ 8,090	\$ 8,875	1,097	\$ 8,090	\$ 8,875
ADDITIONAL SPECIAL PAY.....	896	11,737	10,516	917	11,674	10,705	917	11,674	10,705
BOARD CERTIFIED PAY.....	432	5,426	2,344	418	5,435	2,272	418	5,435	2,272
MULTI-YEAR SPECIAL PAY.....	551	10,528	5,801	485	10,528	5,106	485	10,528	5,106
ACCESSION BONUS.....	10	30,000	300	15	30,000	450	20	30,000	600
SUBTOTAL.....	2,986		\$ 27,836	2,932		\$ 27,408	2,937		\$ 27,558
NURSE PAY									
ACCESSION BONUS.....	160	\$ 5,000	\$ 800	160	\$ 5,000	\$ 800	180	\$ 5,000	\$ 900
ANESTHETIST PAY.....	269	11,286	3,036	269	11,286	3,036	269	11,286	3,036
SUBTOTAL.....	429		\$ 3,836	429		\$ 3,836	449		\$ 3,936
BOARD CERTIFIED PAY FOR NON-PHYSICIAN									
HEALTH CARE PROVIDERS.....	1,104	\$ 2,446	\$ 2,700	660	\$ 2,446	\$ 1,614	660	\$ 2,446	\$ 1,614
DIPLOMATE PAY FOR PSYCHOLOGISTS..	55	3,625	199	48	3,625	174	48	3,625	174
OPTOMETRISTS PAY									
SPECIAL PAY.....	137	\$ 1,200	\$ 164	127	\$ 1,200	\$ 152	127	\$ 1,200	\$ 152
RETENTION PAY.....	0	0	0	0	0	0	114	5,105	582
SUBTOTAL.....	137		\$ 164	127		\$ 152	241		\$ 734
PHARMACY PAY									
SPECIAL PAY.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	135	\$ 8,000	\$ 1,080
ACCESSION BONUS.....	0	0	0	0	0	0	16	30,000	480
SUBTOTAL.....	0		\$ 0	0		\$ 0	151		\$ 1,560
VETERINARIAN PAY									
SPECIAL PAY.....	414	\$ 1,200	\$ 497	414	\$ 1,200	\$ 497	414	\$ 1,200	\$ 497
DIPLOMATE PAY.....	182	3,500	637	192	3,500	672	192	3,500	672
SUBTOTAL.....	596		\$ 1,134	606		\$ 1,169	606		\$ 1,169
TOTAL MEDICAL PAY.....	19,242		194,282	18,737		192,766	19,027		195,158

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	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	7	2,200	15	8	2,200	18
LIEUTENANT GENERAL.....	42	500	21	40	500	20	42	500	21
SUBTOTAL.....	53		\$ 50	50		\$ 46	53		\$ 50
DIVING DUTY PAY.....	51	\$ 2,706	\$ 138	51	\$ 2,706	\$ 138	51	\$ 2,706	\$ 138
HOSTILE FIRE PAY.....	3,215	1,800	5,787	4,864	1,800	8,755	2,049	1,800	3,688
SEA DUTY PAY.....	117	3,966	464	116	3,966	460	116	3,966	460
FOREIGN LANGUAGE PAY.....	2,985	1,906	5,689	2,974	1,906	5,668	2,974	1,906	5,668
HARDSHIP DUTY PAY.....	4,092	819	3,351	4,237	1,099	4,656	9,451	1,099	10,387
JUDGE ADVOCATE									
CONTINUATION PAY.....	204	20,500	4,182	162	20,500	3,321	155	20,500	3,178
HIGH-DEPLOYMENT									
PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0
TOTAL OFFICER SPECIAL PAY.....	29,959		213,943	31,191		215,810	33,876		218,727

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 832,483
ESTIMATE FY 2002	\$ 697,084
ACTUAL FY 2001	\$ 659,666

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 +\$135.4 million between FY 2002 and FY 2003. This change is based on--

- (1) Increase in BAH rates associated with the Department of Defense initiative to reduce out of pocket housing costs to 7.5 percent in FY 2003: +\$49.1 million.
- (2) Increase in Housing inventory including adjustments to high cost areas: +\$19.0 million.
- (3) Force manning changes: +\$67.3 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
GENERAL.....	55	20,345	\$ 1,119	55	22,364	\$ 1,230	60	23,900	\$ 1,434
COLONEL.....	1,935	17,721	34,290	1,986	19,361	38,451	2,373	20,703	49,128
LIEUTENANT COLONEL.....	5,179	16,650	86,230	5,148	18,205	93,719	6,188	19,467	120,462
MAJOR.....	8,139	13,818	112,465	8,306	15,095	125,379	9,383	16,142	151,460
CAPTAIN.....	9,407	11,151	104,897	9,639	12,205	117,644	11,650	13,051	152,044
1ST LIEUTENANT.....	2,177	9,237	20,109	2,386	10,098	24,094	2,086	10,798	22,525
2ND LIEUTENANT.....	1,732	9,003	15,593	1,647	9,892	16,292	1,828	10,578	19,337
OFFICER SUBTOTAL.....	28,624		\$ 374,703	29,167		\$ 416,809	33,568		\$ 516,390
WARRANT OFFICER (5).....	280	12,729	3,564	277	13,798	3,822	318	14,755	4,692
WARRANT OFFICER (4).....	889	11,310	10,055	881	12,295	10,832	1,177	13,147	15,474
WARRANT OFFICER (3).....	1,752	10,572	18,522	1,915	11,511	22,044	1,937	12,309	23,843
WARRANT OFFICER (2).....	2,201	9,828	21,631	2,055	10,689	21,966	2,490	11,430	28,461
WARRANT OFFICER (1).....	773	8,241	6,370	861	8,929	7,688	1,003	9,548	9,577
WARRANT OFFICER SUBTOTAL...	5,895		\$ 60,142	5,989		\$ 66,352	6,925		\$ 82,047
TOTAL BAH WITH DEPENDENTS.....	34,519		\$ 434,845	35,156		\$ 483,161	40,493		\$ 598,437
BAH DIFFERENTIAL.....	1,228	1,636	2,009	1,223	1,716	2,099	1,225	1,800	2,205
TOTAL.....	35,747		\$ 436,854	36,379		\$ 485,260	41,718		\$ 600,642
BAH WITHOUT DEPENDENTS									
GENERAL.....	3	17,333	\$ 52	3	19,333	\$ 58	3	20,333	\$ 61
COLONEL.....	231	14,952	3,454	227	16,599	3,768	245	17,749	4,349
LIEUTENANT COLONEL.....	801	13,425	10,753	762	14,749	11,239	813	15,771	12,822
MAJOR.....	1,945	11,805	22,961	1,898	12,899	24,482	1,896	13,793	26,152
CAPTAIN.....	5,805	9,195	53,377	5,685	10,034	57,043	6,088	10,729	65,318
1ST LIEUTENANT.....	3,575	7,707	27,553	3,747	8,466	31,722	2,845	9,053	25,756
2ND LIEUTENANT.....	2,774	7,422	20,589	2,521	8,197	20,665	2,407	8,765	21,097
OFFICER SUBTOTAL.....	15,134		\$ 138,739	14,843		\$ 148,977	14,297		\$ 155,555
WARRANT OFFICER (5).....	23	11,775	271	21	12,924	271	23	13,820	318
WARRANT OFFICER (4).....	106	10,656	1,130	100	11,473	1,147	117	12,268	1,435
WARRANT OFFICER (3).....	257	9,081	2,334	269	9,905	2,664	235	10,592	2,489
WARRANT OFFICER (2).....	597	8,265	4,934	532	9,006	4,791	556	9,630	5,354
WARRANT OFFICER (1).....	314	6,051	1,900	335	6,514	2,182	358	6,965	2,493
WARRANT OFFICER SUBTOTAL...	1,297		\$ 10,569	1,257		\$ 11,055	1,289		\$ 12,089
TOTAL BAH WITHOUT DEPENDENTS.....	16,431		\$ 149,308	16,100		\$ 160,032	15,586		\$ 167,644

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	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.....	8	475	4	9	475	4	10	475	5
LIEUTENANT COLONEL.....	25	396	10	30	396	12	29	396	11
MAJOR.....	80	320	26	96	320	31	92	320	29
CAPTAIN.....	383	264	101	457	264	121	444	264	117
1ST LIEUTENANT.....	308	216	67	395	216	85	293	216	63
2ND LIEUTENANT.....	1,205	156	188	1,339	156	209	1,267	156	198
OFFICER SUBTOTAL.....	2,009		\$ 396	2,326		\$ 462	2,135		\$ 423
WARRANT OFFICER (5).....	1	302	0	1	302	0	1	302	0
WARRANT OFFICER (4).....	3	302	1	4	302	1	6	302	2
WARRANT OFFICER (3).....	15	248	4	19	248	5	17	248	4
WARRANT OFFICER (2).....	51	191	10	56	191	11	53	191	10
WARRANT OFFICER (1).....	48	166	8	62	166	10	54	166	9
WARRANT OFFICER SUBTOTAL....	118		\$ 23	142		\$ 27	131		\$ 25
TOTAL BAH PARTIAL ALLOWANCE BACHELOR.....	2,127		\$ 419	2,468		\$ 489	2,266		\$ 448
BAH INADEQUATE FAMILY HOUSING									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	0	4,430	0	0	4,840	0	0	5,176	0
LIEUTENANT COLONEL.....	0	4,163	0	0	4,551	0	0	4,867	0
MAJOR.....	1	3,455	3	2	3,774	8	2	4,036	8
CAPTAIN.....	2	2,788	6	2	3,051	6	2	3,263	7
1ST LIEUTENANT.....	0	2,309	0	0	2,524	0	0	2,699	0
2ND LIEUTENANT.....	0	2,251	0	0	2,473	0	0	2,645	0
OFFICER SUBTOTAL.....	3		\$ 9	4		\$ 14	4		\$ 15
WARRANT OFFICER (5).....	0	3,182	0	0	3,449	0	0	3,689	0
WARRANT OFFICER (4).....	0	2,828	0	0	3,074	0	0	3,287	0
WARRANT OFFICER (3).....	0	2,643	0	0	2,878	0	0	3,077	0
WARRANT OFFICER (2).....	0	2,457	0	0	2,672	0	0	2,857	0
WARRANT OFFICER (1).....	0	2,060	0	0	2,232	0	0	2,387	0
WARRANT OFFICER SUBTOTAL....	0		\$ 0	0		\$ 0	0		\$ 0
TOTAL BAH INADEQUATE FAMILY HOUSING.....	3		\$ 9	4		\$ 14	4		\$ 15
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC.....	54,308		\$ 586,590	54,951		\$ 645,795	59,574		\$ 768,749

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	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.....	92	23,269	2,141	80	19,032	1,523	105	20,523	2,155
LIEUTENANT COLONEL.....	336	20,142	6,768	286	16,109	4,607	359	17,371	6,236
MAJOR.....	552	19,172	10,583	482	14,604	7,039	583	15,748	9,181
CAPTAIN.....	535	15,228	8,147	465	11,826	5,499	577	12,752	7,358
1ST LIEUTENANT.....	149	12,121	1,806	139	9,705	1,349	130	10,465	1,360
2ND LIEUTENANT.....	52	11,516	599	43	10,308	443	46	11,115	511
OFFICER SUBTOTAL.....	1,716		\$ 30,044	1,495		\$ 20,460	1,800		\$ 26,801
WARRANT OFFICER (5).....	14	15,831	222	12	10,371	124	14	11,183	157
WARRANT OFFICER (4).....	50	15,578	779	43	11,425	491	58	12,320	715
WARRANT OFFICER (3).....	96	15,229	1,462	90	11,713	1,054	95	12,630	1,200
WARRANT OFFICER (2).....	168	14,131	2,374	134	10,979	1,471	165	11,839	1,953
WARRANT OFFICER (1).....	18	14,877	268	18	10,120	182	21	10,913	229
WARRANT OFFICER SUBTOTAL...	346		\$ 5,105	297		\$ 3,322	353		\$ 4,254
TOTAL BAH WITH DEPENDENTS.....	2,062		\$ 35,149	1,792		\$ 23,782	2,153		\$ 31,055
BAH WITHOUT DEPENDENTS									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	30	14,819	445	26	10,500	273	32	11,322	362
LIEUTENANT COLONEL.....	135	13,790	1,862	111	10,582	1,175	139	11,410	1,586
MAJOR.....	327	13,490	4,411	276	10,504	2,899	308	11,326	3,488
CAPTAIN.....	1,043	11,885	12,396	888	11,109	9,865	1,079	11,978	12,924
1ST LIEUTENANT.....	945	10,897	10,298	859	8,566	7,358	776	9,236	7,167
2ND LIEUTENANT.....	439	10,657	4,678	346	9,484	3,281	368	10,226	3,763
OFFICER SUBTOTAL.....	2,919		\$ 34,090	2,506		\$ 24,851	2,702		\$ 29,290
WARRANT OFFICER (5).....	12	11,982	144	10	10,049	100	10	10,835	108
WARRANT OFFICER (4).....	26	12,049	313	21	8,068	169	32	8,700	278
WARRANT OFFICER (3).....	86	9,304	800	78	7,749	604	83	8,355	693
WARRANT OFFICER (2).....	218	9,698	2,114	169	8,344	1,410	207	8,997	1,862
WARRANT OFFICER (1).....	47	9,911	466	43	8,663	373	48	9,341	448
WARRANT OFFICER SUBTOTAL...	389		\$ 3,837	321		\$ 2,656	380		\$ 3,389
TOTAL BAH WITHOUT DEPENDENTS.....	3,308		\$ 37,927	2,827		\$ 27,507	3,082		\$ 32,679
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS.....	5,370		\$ 73,076	4,619		\$ 51,289	5,235		\$ 63,734
TOTAL OFFICER BASIC ALLOWANCE FOR HOUSING.....	59,678		\$ 659,666	59,570		\$ 697,084	64,809		\$ 832,483

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 156,455
ESTIMATE FY 2002	\$ 152,688
ACTUAL FY 2001	\$ 147,779

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE....	76,928	\$ 1,921	\$ 147,779	77,154	\$ 1,979	\$ 152,688	76,769	\$ 2,038	\$ 156,455

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 47,615
ESTIMATE FY 2002	\$ 27,896
ACTUAL FY 2001	\$ 56,082

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 2003 estimates for overseas station allowances are based on an exchange rate of 1.1386 Euro/\$1 US Dollar.

The net change in the overseas station allowance estimate is +\$19.7 million between FY 2002 and FY 2003. This change is based on:

- (1) Annualization of the 1 Jan 2002, 4.6 percent and targeted pay raise: +\$0.5 million.
- (2) The 1 Jan 2003, 4.1 percent and optional targeted pay raise: +\$1.1 million.
- (3) Changes in the overseas troop strength: +\$18.1 million.

Detailed cost computations are provided by the following table:

OFFICER OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
GENERAL.....	40	\$ 5,625	\$ 225	40	\$ 1,975	\$ 79	40	\$ 4,350	\$ 174
COL.....	505	5,927	2,993	505	1,937	978	506	4,261	2,156
LTC.....	1,368	5,428	7,426	1,369	1,848	2,530	1,369	4,066	5,566
MAJ.....	2,229	4,652	10,369	2,230	1,635	3,646	2,231	3,560	7,942
CPT.....	3,284	3,487	11,451	3,286	1,311	4,308	3,287	2,868	9,427
2ND LIEUTENANT.....	1,812	2,444	4,429	1,813	991	1,797	1,814	2,183	3,960
1ST LIEUTENANT.....	618	2,415	1,492	618	921	569	619	2,026	1,254
CW5.....	59	3,664	216	59	1,695	100	59	3,667	216
CW4.....	210	4,118	865	210	1,613	339	210	3,488	732
CW3.....	590	3,817	2,252	590	1,412	833	591	3,042	1,798
CW2.....	1,030	3,155	3,250	1,031	1,269	1,308	1,031	2,721	2,805
WO1.....	103	3,239	334	103	1,126	116	103	2,417	249
SUBTOTAL.....	11,848		\$ 45,302	11,854		\$ 16,603	11,860		\$ 36,279
TEMPORARY LODGING ALLOWANCE....	6,541	\$ 1,648	\$ 10,780	6,750	\$ 1,673	\$ 11,293	6,676	\$ 1,698	\$ 11,336
TOTAL OFFICER STATION ALLOWANCE OVERSEAS..	18,389		\$ 56,082	18,604		\$ 27,896	18,536		\$ 47,615

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$1,334
ESTIMATE FY 2002	\$1,313
ACTUAL FY 2001	\$1,500

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	1,046	\$1,434	\$1,500	910	\$1,443	\$1,313	910	\$1,466	\$1,334

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE	FY 2003	\$ 5,031
ESTIMATE	FY 2002	\$ 5,006
ACTUAL	FY 2001	\$ 4,104

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNIFORM ALLOWANCES									
INITIAL.....	6,000	\$ 400	\$ 2,400	7,153	\$ 400	\$ 2,861	7,174	\$ 400	\$ 2,870
ADDITIONAL.....	5,000	200	1,000	7,153	200	1,431	7,174	200	1,435
SUBTOTAL.....	11,000		\$ 3,400	14,306		\$ 4,292	14,348		\$ 4,305
CIVILIAN CLOTHING									
WINTER AND SUMMER.....	881	\$ 799	\$ 704	881	\$ 811	\$ 714	881	\$ 824	\$ 726
TOTAL OFFICER CLOTHING ALLOWANCES.....	11,881		\$ 4,104	15,187		\$ 5,006	15,229		\$ 5,031

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 11,367
ESTIMATE FY 2002	\$ 10,739
ACTUAL FY 2001	\$ 9,172

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
COL.....	10	\$ 10,323	\$ 103	8	\$ 10,678	\$ 85	8	\$ 10,999	\$ 88
LTC.....	35	9,905	347	28	10,234	287	28	10,541	295
MAJ.....	68	9,039	615	55	9,293	511	56	9,572	536
CPT.....	147	7,399	1,088	120	7,597	912	121	7,825	947
1LT.....	26	6,174	161	21	6,397	134	21	6,589	138
2LT.....	12	4,890	59	10	4,958	50	10	5,106	51
CW5.....	5	8,424	42	4	8,407	34	4	8,659	35
CW4.....	14	7,999	112	11	8,172	90	11	8,417	93
CW3.....	49	6,924	339	40	7,141	286	41	7,355	302
CW2.....	84	6,228	523	69	6,451	445	69	6,645	459
WO1.....	22	5,224	115	18	5,413	97	18	5,575	100
SUBTOTAL.....	472		3,504	384		2,931	387		3,044
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....	1,905	1,200	2,286	1,922	1,200	2,306	1,932	1,200	2,318
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	2,818	1,200	3,382	4,585	1,200	5,502	5,004	1,200	6,005
TOTAL OFFICER FAMILY SEPARATION ALLOWANCES.....	5,195		\$ 9,172	6,891		\$ 10,739	7,323		\$ 11,367

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 111,690
ESTIMATE FY 2002	\$ 116,708
ACTUAL FY 2001	\$ 67,777

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. Congress has extended this authority since 31 December 2001.

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 -\$5.0 million between FY 2002 and FY 2003. This change is based on--

- (1) Annualization of the 1 Jan 2002, 4.6 percent and targeted pay raise: +\$0.7 million.
- (2) The 1 Jan 2003, 4.1 percent and optional targeted pay raise: +\$1.5 million.
- (3) Decreased usage of the \$30,000 lump sum bonus: -\$4.9 million.
- (4) Decreased transfer to VSI Trust Fund: -\$1.2 million.
- (5) Reduced need for lump sum terminal leave: -\$1.1 million.

Detailed cost computations are provided by the following table:

OFFICER SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001				ESTIMATE FY 2002				ESTIMATE FY 2003			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
GENERAL.....	47	54.7	\$ 18,660	\$ 877	47	54.7	\$ 19,532	\$ 918	45	54.6	\$ 20,333	\$ 915
COLONEL.....	509	37.8	9,473	4,822	497	37.8	9,886	4,913	471	37.8	10,332	4,866
LIEUTENANT COLONEL.....	839	25.5	4,930	4,136	822	25.5	5,143	4,228	778	25.5	5,375	4,181
MAJOR.....	756	21.6	3,398	2,569	741	21.6	3,589	2,659	702	21.6	3,784	2,656
CAPTAIN.....	2,249	18.1	2,280	5,127	2,198	18.1	2,393	5,259	2,081	18.1	2,514	5,231
1ST LIEUTENANT.....	676	13.9	1,340	906	661	13.9	1,391	919	626	13.9	1,444	904
2ND LIEUTENANT.....	80	15.3	1,136	91	78	15.3	1,198	93	75	15.3	1,265	95
WARRANT OFFICER (5).....	57	34.6	6,244	356	56	34.6	6,593	369	53	34.6	6,901	366
WARRANT OFFICER (4).....	152	21.5	3,155	479	150	21.5	3,345	502	142	21.5	3,508	498
WARRANT OFFICER (3).....	245	17.7	2,064	506	240	17.7	2,189	525	227	17.7	2,316	526
WARRANT OFFICER (2).....	280	21.5	2,072	580	275	21.5	2,218	610	260	21.5	2,369	616
WARRANT OFFICER (1).....	51	11.9	969	49	50	11.9	1,035	52	48	11.9	1,096	53
SUBTOTAL.....	5,941			\$ 20,498	5,815			\$ 21,047	5,508			\$ 20,907
SEVERANCE PAY (DISABILITY).....	115		\$ 50,623	\$ 5,822	123		\$ 53,544	\$ 6,586	123		\$ 56,073	\$ 6,897
SEVERANCE PAY (NON-PROMOTION).....	428		60,033	25,694	291		63,497	18,477	291		66,496	19,350
INVOLUNTARY HALF-PAY (5%).....	5		30,955	155	5		32,741	164	5		34,288	171
INVOLUNTARY FULL-PAY (10%).....	19		35,960	683	20		38,035	761	20		39,832	797
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).....	24			\$ 838	25			\$ 925	25			\$ 968
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAYMENTS) 1).....	0			\$ 7,325	0			\$ 28,125	0			\$ 26,940
THRU DEC 31, 1992.....				7,325				28,125				26,940
JAN 1, 1993 AND AFTER.....	0			0	0			0	0			0
\$30,000 LUMP SUM BONUS.....				\$ 7,600				\$ 41,548				\$ 36,628
TOTAL OFFICER SEPARATION PAY.....	6,508			\$ 67,777	6,254			\$ 116,708	5,947			\$ 111,690

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 2003	\$ 313,641
ESTIMATE FY 2002	\$ 296,364
ESTIMATE FY 2001	\$ 282,134

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
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 FY 2000 and FY 2001. The FY 2003 Budget Submission eliminates the wage credits.

The social security tax requirement increases by a net \$17.3 million between FY 2002 and FY 2003. This change is based on--

- (1) Annualization of the 1 Jan 2002, 4.6 percent and targeted pay raise: +\$3.7 million.
- (2) The 1 Jan 2003, 4.1 percent and optional targeted pay raise: +\$10.0 million.
- (3) Force manning changes: +\$3.6 million.

Detailed cost computations are provided by the following table:

OFFICER SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	76,928	\$ 3,661.01	\$ 281,634	77,154	\$ 3,841.20	\$ 296,364	76,769	\$ 4,085.52	\$ 313,641
WAGE CREDITS/SURVIVOR OR DISABILITY BENEFIT.....			\$ 500			\$ 0			\$ 0
TOTAL OFFICER SOCIAL SECURITY TAX.....	76,928		\$ 282,134	77,154		\$ 296,364	76,769		\$ 313,641

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

Pay and Allowance of Enlisted Personnel

FY 2002 Direct Program \$ 14,528,220

Increases:

Pricing Increases:

a. Reflects the annualization of the FY 2002 4.6% pay raise and targeted pay raise, and the FY 2003 4.1% and optional targeted pay raise, effective 1 Jan 2003.	683,512
b. Basic Allowance for Housing Rate Adjustment supporting DOD goal to reduce soldiers out of pocket housing costs to 0% by FY05. Out of pocket costs reduces from 11.3% during FY 2002 to 7.5% in 2003.	90,519
c. Reflects changes in Temporary Lodging Allowance and Enlisted Clothing Allowance cost growth.	6,050
d. Foreign Currency valuation change.	19,734
Total Pricing Increases	799,815

Program Increases:

a. Increased numbers receiving Selective Reenlistment Bonus payments.	20,970
b. Increased numbers receiving Enlistment Bonus payments.	38,542
c. Increased numbers of Army College Fund contracts.	16,108
d. Increased numbers of Loan Repayment contracts.	9,331
e. Increased numbers receiving enlisted Clothing Allowance payments or in-kind issues.	4,419
f. Force Manning changes which includes the change in contingency related manyears.	110,766
g. Increased numbers receiving special and incentive payments.	8,153
h. Health Care Accrual Program.	1,943,850
i. Increased numbers paid separation payments including the \$30 thousand lump sum bonus.	32,817
j. Unified Legislative Initiatives	2,700
k. Overseas Stationing	2,892
l. Miscellaneous	128
Total Program Increases	2,190,676

Total Increases

\$ 2,990,491

Decreases:

Pricing Decreases:

a. Changes in the Normal Cost Percentage from 30.3% in FY 2000 to 27.4% in FY 2003.	-252,548
Total Pricing Decreases	-252,548

Program Decreases:

c. BAH housing inventory and percent receiving payments decreases from FY 2002 to FY 2003.	-41,222
d. Decreased number of personnel receiving Voluntary Separation Initiative (VSI) payments.	-315

h. Increase in anticipated reimbursements based on historical collection rates resulting in a decrease in the direct program.

-43,457

Total Program Decreases

-84,994

Total Decreases

\$ -337,542

FY 2003 Direct Program

\$ 17,181,169

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 9,277,977
ESTIMATE FY 2002	\$ 8,708,554
ACTUAL FY 2001	\$ 8,205,286

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 +\$569.4 million from FY 2002 to FY 2003. This is based on--

- (1) Annualization of the 1 Jan 2002, 4.6% and targeted pay raise: +\$164.5 million.
- (2) The 1 Jan 2003, 4.1% and optional targeted pay raise: +\$330.3 million.
- (4) Force Manning changes: +\$74.6 million.

Detailed cost computations are provided by the following table:

ENLISTED BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	3,137	\$ 46,445	\$ 145,698	3,125	\$ 50,085	\$ 156,516	3,134	\$ 53,111	\$ 166,450
1ST SGT/MASTER SGT.....	10,654	37,399	398,449	10,652	40,131	427,475	10,726	42,682	457,807
PLATOON SGT/SGT 1ST CLASS	36,706	31,563	1,158,551	36,869	34,437	1,269,658	36,813	37,286	1,372,610
STAFF SERGEANT.....	59,347	26,253	1,558,037	60,628	28,367	1,719,834	61,460	30,503	1,874,714
SERGEANT.....	71,336	21,499	1,533,653	72,940	22,708	1,656,322	72,732	23,829	1,733,131
CORPORAL/SPECIALIST.....	101,047	17,739	1,792,473	106,559	18,550	1,976,669	109,886	19,321	2,123,107
PRIVATE FIRST CLASS.....	56,750	14,499	822,818	58,011	15,128	877,590	52,256	15,726	821,778
PRIVATE E2.....	39,173	13,310	521,393	31,141	13,470	419,469	35,105	13,635	478,657
PRIVATE E1.....	24,854	11,033	274,214	18,596	11,025	205,021	22,665	11,018	249,723
TOTAL ENLSITED BASIC PAY..	403,004		\$ 8,205,286	398,521		\$ 8,708,554	404,777		\$ 9,277,977

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 2,542,166
ESTIMATE FY 2002	\$ 2,638,692
ESTIMATE FY 2001	\$ 2,428,765

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., 30.3 percent for FY 2002, and 27.4 percent for FY 2003.

(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 -\$96.5 million from FY 2002 to FY 2003. This change is based on--

- (1) Annualization of the 1 Jan 2002, 4.6% and targeted pay raise: +\$45.1 million.
- (2) The 1 Jan 2003, 4.1% and optional targeted pay raise: +\$90.5 million.
- (4) Change in the normal cost percentages from 30.3% in FY 2002 to 27.4% in FY 2003: -\$252.5 million.
- (5) Force Manning changes: +\$20.4 million.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	403,004	\$ 6,026.65	\$ 2,428,765	398,521	\$ 6,621.21	\$ 2,638,692	404,777	\$ 6,280.41	\$ 2,542,166

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$1,943,850
ESTIMATE FY 2002	\$0
ACTUAL FY 2001	\$0

Project: Health Care Accrual - Enlisted

Part I - Purpose and Scope

The funds requested provide for the Department of Army's share of military health care accrual in accordance with the FY 2001 National Defense Authorization Act (Public Law 106-398).

Part II - Justification of Funds Requested

The budget estimates will implement accrual financing for Medicare-eligible health care beginning in FY 2003. This funding will finance the cost of future Medicare-eligible health care benefits for current military personnel.

Detailed cost computations are provided by the following table:

ENLISTED HEALTH CARE ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
	AMOUNT	AMOUNT	AMOUNT
HEALTH CARE ACCRUAL.....	\$0	\$0	\$1,943,850

ESTIMATE FY 2003	\$67,866
ESTIMATE FY 2002	\$68,236
ACTUAL FY 2001	\$68,287

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.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY CREW MEMBERS									
SERGEANT MAJOR.....	4	\$2,880	\$12	3	\$2,880	\$9	3	\$2,880	\$9
1ST SGT/MASTER SGT.....	31	2,880	89	30	2,880	86	30	2,880	86
PLATOON SGT/SGT 1ST CLASS.....	200	2,880	576	199	2,880	573	199	2,880	573
STAFF SGT.....	518	2,580	1,336	520	2,580	1,342	520	2,580	1,342
SERGEANT.....	921	2,280	2,100	925	2,280	2,109	925	2,280	2,109
CPL/SPECIALIST.....	917	1,980	1,816	921	1,980	1,824	921	1,980	1,824
PRIVATE 1ST CLASS.....	200	1,800	360	200	1,800	360	200	1,800	360
PRIVATE E2.....	3	1,800	5	3	1,800	5	3	1,800	5
PRIVATE E1.....	2	1,800	4	2	1,800	4	2	1,800	4
SUBTOTAL.....	2,796		\$6,298	2,803		\$6,312	2,803		\$6,312
FLYING DUTY NON-CREW MEMBERS.....	565	1,800	1,017	565	1,800	1,017	565	1,800	1,017
TOTAL FLYING DUTY PAY.....	3,361		\$7,315	3,368		\$7,329	3,368		\$7,329
OTHER HAZARDOUS DUTY									
PARACHUTE JUMPING.....	31,766	1,800	57,179	30,917	1,800	55,651	31,514	1,800	56,725
EXPERIMENTAL STRESS.....	63	1,800	113	66	1,800	119	66	1,800	119
DEMOLITION DUTY.....	1,264	1,800	2,275	1,321	1,800	2,378	1,275	1,800	2,295
TOXIC FUEL.....	1	1,800	2	1	1,800	2	1	1,800	2
TOXIC PESTICIDE.....	3	1,800	5	4	1,800	7	4	1,800	7
HALO JUMP.....	446	2,700	1,204	891	2,700	2,406	446	2,700	1,204
CHEMICAL MUNITIONS.....	108	1,800	194	191	1,800	344	103	1,800	185
SUBTOTAL.....	33,651		\$60,972	33,391		\$60,907	33,409		\$60,537
TOTAL ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY.....	37,012		\$68,287	36,759		\$68,236	36,777		\$67,866

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 90,484
ESTIMATE FY 2002	\$ 81,961
ACTUAL FY 2001	\$ 85,838

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 2002 to FY 2003, the estimate for special pay increases by +\$8.5 million.

- (1) Change is primarily due to increased numbers receiving hardship duty Pay and hostile fire pay for contingency operations in Bosnia and Kosovo.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	NUMBER	ACTUAL FY 2001		ESTIMATE FY 2002			ESTIMATE FY 2003		
		RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
PERSONAL MONEY ALLOWANCES -SERGEANT MAJOR OF THE ARMY.....	1	2,000	2	1	2,000	2	1	2,000	2
SEA DUTY PAY.....	1,232	\$ 1,007	\$ 1,241	362	\$ 1,605	\$ 581	359	\$ 1,872	\$ 672
HARDSHIP DUTY PAY.....	47,348	629	29,782	44,614	629	28,062	62,342	629	39,213
FOREIGN LANGUAGE PAY.....	25,801	\$ 790	\$ 20,383	12,298	\$ 843	\$ 10,367	11,355	\$ 913	\$ 10,367
DIVING DUTY PAY.....	3,755	1,763	6,621	327	2,431	795	343	2,443	838
HOSTILE FIRE PAY.....	14,047	1,800	25,285	21,856	1,800	39,341	19,674	1,800	35,413
OVERSEAS EXTENSION PAY.....	2,629	960	2,524	2,930	960	2,813	4,145	960	3,979
HIGH-DEPLOYMENT PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0
TOTAL ENLISTED SPECIAL PAY.....	94,813		\$ 85,838	82,388		\$ 81,961	98,219		\$ 90,484

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$61,062
ESTIMATE FY 2002	\$61,062
ACTUAL FY 2001	\$58,001

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT									
SD 6 (\$375.00)	7,697	\$4,500	\$34,637	7,950	\$4,500	\$35,775	7,950	\$4,500	\$35,775
SD 5 (\$275.00)	3,001	3,300	9,903	3,110	3,300	10,263	3,110	3,300	10,263
SD 4 (\$220.00)	208	2,640	549	210	2,640	554	210	2,640	554
SD 3 (\$165.00)	6,521	1,980	12,912	7,308	1,980	14,470	7,308	1,980	14,470
TOTAL ENLISTED SPECIAL DUTY ASSIGNMENT PAY.....	17,427		\$58,001	18,578		\$61,062	18,578		\$61,062

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 110,770
ESTIMATE FY 2002	\$ 89,800
ACTUAL FY 2001	\$ 112,559

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 increase of +\$21.0 million from FY 2002 to FY 2003. The change between fiscal years is due to the following:

- (1) Initial payments increase from FY 2002 to FY 2003 reflecting a +32.0 million increase to the program. This includes \$3 million for the Critical Skills Retention Bonus (CSRB).
- (2) Anniversary payments decrease from FY 2002 to FY 2003 reversing a trend from FY 2001 to FY 2002 during which increased anniversary payments largely outpaced new takers. The decrease from FY 2002 to FY 2003 is -\$11.0 million.

Project: Reenlistment Bonus - Enlisted

The following are the Army's most critically imbalanced skills as of Jan 2002 (restricted to MOS with authorizations in at least four grade cells):

Shortage MOS

MOS	Title
18B	Special Forces Weapons Sergeant
18C	Special Forces Engineer Sergeant
18D	Special Forces Medical Sergeant
18E	Special Forces Communication Sergeant
18F	Special Forces Assistant Operations and Intelligence Sergeant
18Z	Special Forces Senior Sergeant
13D	Field Artillery Tactical Data System Specialist
55D	Explosive Ordnance Disposal Specialist
68Y	AH-64D ARM/ELC/AV Systems
77F	Petroleum Supply Specialist

Overage MOS

12C	Bridge Crewmaster
27T	Avenger System Repairer
27X	Patriot System Repairer
35H	Test, Measurement, and Diagnostic Equip (TMDE) Maintenance
51R	Interior Electrician
51T	Technical Engineering Specialist
55B	Ammunition Specialist
811	Lithographer
92S	Laundry And Textile Specialist
96U	Unmanned Aerial Vehicle Operator

Detailed cost computations are provided by the following table:

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SELECTED REENLISTMENT BONUS									
INITIAL PAYMENTS.....	17,125	\$ 4,218	\$ 72,230	6,539	\$ 4,530	\$ 29,620	12,964	\$ 4,752	\$ 61,610
ANNIVERSARY PAYMENTS.....	39,626	1,018	40,329	46,679	1,289	60,180	39,625	1,241	49,160
TOTAL REENLISTMENT BONUS.....	56,751		\$ 112,559	53,218		\$ 89,800	52,589		\$ 110,770

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
PRIOR OBLIGATIONS.....	15,687	26,260	14,668	18,880	11,335	21,600	5,181	4,550	4,694	2,850	0	0	0	0
ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR YEAR (2001) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	16,115	30,040	15,069	21,600	11,644	12,120	5,323	5,210	4,822	3,260	0	0
CURRENT YEAR (2002) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	6,153	12,320	5,754	8,860	4,446	4,970	2,032	2,140	1,841	1,340
BUDGET YEAR (2003) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	12,199	25,620	11,407	18,430	8,815	10,340	4,029	4,440
BUDGET YEAR (2004) INITIAL & SUBSEQUENT INITIAL PAYMENTS.....	0	0	0	0	0	0	0	0	11,785	25,770	11,020	18,530	8,516	10,400
TOTAL														
ANNIVERSARY PAYMENTS.....	39,626	40,329	46,679	60,180	39,625	49,160	38,588	53,200	37,654	57,220	41,174	65,380	40,120	69,070
SRB TOTAL.....		112,559		89,800		110,770		115,160		132,040		138,740		144,050

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 174,340
ESTIMATE FY 2002	\$ 135,798
ACTUAL FY 2001	\$ 166,244

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 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 market and low positive propensity of the youth market to enlist. The Enlistment

Bonus Program has increased since FY 2000 reflecting Army Leadership and Congressional continued reliance on the the enlistment bonus to channel applicants into critical MOS training seats at the required time to accomplish accession requirements. These increased applicants targeted toward critical MOSs will continue through FY 2007.

The estimate increases by +\$38.5 million between FY 2002 and FY 2003. The change between fiscal years is due to the following:

- (1) Program increases in new payments and anniversary payments between FY 2002 and FY 2003 reflect a +\$83.1 million change.
- (2) Residual payments decrease between FY 2002 and FY 2003 accounts for a -\$44.6 million change.

Detailed cost computations are provided by the following table:

ENLISTMENT BONUS PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTMENT BONUS PROGRAM									
NEW PAYMENTS									
UP THRU \$1,000.....	215	\$ 1,000	\$ 215	98	\$ 1,000	\$ 98	351	\$ 1,000	\$ 351
UP THRU \$2,000.....	319	2,000	638	92	2,000	184	579	2,000	1,158
UP THRU \$3,000.....	1,315	3,000	3,945	28	3,000	84	1,695	3,000	5,085
UP THRU \$4,000.....	1,090	4,000	4,360	100	4,000	400	1,781	4,000	7,124
UP THRU \$5,000.....	1,512	5,000	7,560	100	5,000	500	1,181	5,000	5,905
UP THRU \$6,000.....	1,603	6,000	9,618	400	6,000	2,400	2,068	6,000	12,408
UP THRU \$7,000.....	5,701	7,000	39,907	1,700	7,000	11,900	8,210	7,000	57,470
TOTAL	11,755		\$ 66,243	2,518		\$ 15,566	15,865		\$ 89,501
RESIDUAL NEW PAYMENTS									
UP THRU \$1,000.....	188	\$ 1,000	\$ 188	212	\$ 1,000	\$ 212	237	\$ 1,000	\$ 237
UP THRU \$2,000.....	1,189	2,000	2,378	350	2,000	700	390	2,000	780
UP THRU \$3,000.....	1,058	3,000	3,174	1,024	3,000	3,072	1,141	3,000	3,423
UP THRU \$4,000.....	2,802	4,000	11,208	1,076	4,000	4,304	1,099	4,000	4,396
UP THRU \$5,000.....	1,588	5,000	7,940	4,500	5,000	22,500	795	5,000	3,975
UP THRU \$6,000.....	1,047	6,000	6,282	1,249	6,000	7,494	1,392	6,000	8,352
UP THRU \$7,000.....	6,155	7,000	43,085	8,450	7,000	59,150	4,527	7,000	31,689
TOTAL	14,027		\$ 74,255	16,861		\$ 97,432	9,581		\$ 52,852
ANNIVERSARY (INCREMENTAL) PAYMENTS.....	14,046	\$ 1,833	\$ 25,746	12,000	\$ 1,900	\$ 22,800	8,400	\$ 3,808	\$ 31,987
TOTAL ENLISTMENT BONUS PROGRAM.....	39,828		\$ 166,244	31,379		\$ 135,798	33,846		\$ 174,340

ENLISTMENT BONUS INCREMENT PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001		ESTIMATE FY 2002		ESTIMATE FY 2003	
	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS
NEW OBLIGATIONS.....	3,512	6,437	3,000	5,700	2,100	7,997
PRIOR OBLIGATIONS.....	10,534	19,309	9,000	17,100	6,300	23,990
TOTAL INCREMENT PAYMENTS.....	14,046	25,746	12,000	22,800	8,400	31,987

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$63,027
ESTIMATE FY 2002	\$46,919
ACTUAL FY 2001	\$76,599

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 FY 2000 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. In response, 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.

The ACF program supports an increased reliance on the ACF in attracting quality recruits and maintains buying power through the FY 2003 - FY 2007 time period. The current ACF funding is commensurate with the efforts recruiting places on the college market and the effect of an increased emphasis on the graduate market as a condition of the current status of the delayed entry program (DEP) and the enormous pressure from the job market.

The program increases by +\$16.1 million between FY 2002 and FY 2003.

Detailed cost computations are provided by the following table:

ENLISTED EDUCATIONAL BENEFITS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	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	5,210	4,815	25,086	4,630	3,863	17,886	6,674	3,291	21,964
FOUR YEAR COMMITMENT - \$50K	4,907	8,519	41,803	3,250	7,417	24,105	4,983	6,509	32,434
SUBTOTAL FOUR YEAR	10,117		\$66,889	7,880		\$41,991	11,657		\$54,398
THREE YEAR COMMITMENT - \$25K	0	0	0	0	0	0	0	0	0
THREE YEAR COMMITMENT - \$33K	2,014	3,734	7,520	1,127	2,729	3,076	2,890	2,300	6,647
SUBTOTAL THREE YEAR	2,014		\$7,520	1,127		\$3,076	2,890		\$6,647
TWO YEAR COMMITMENT - \$20K	0	0	0	0	0	0	0	0	0
TWO YEAR COMMITMENT - \$26.5K	633	3,459	2,190	805	2,301	1,852	1,009	1,964	1,982
SUBTOTAL TWO YEAR	633		\$2,190	805		\$1,852	1,009		\$1,982
TOTAL \$20K	0		0	0		0	0		0
TOTAL \$25K	0		0	0		0	0		0
TOTAL \$26.5K	633		2,190	805		1,852	1,009		1,982
TOTAL \$30K	0		0	0		0	0		0
TOTAL \$33K	2,014		7,520	1,127		3,076	2,890		6,647
TOTAL \$40K	5,210		25,086	4,630		17,886	6,674		21,964
TOTAL \$50K	4,907		41,803	3,250		24,105	4,983		32,434
GRAND TOTAL COLLEGE FUND	12,764		\$76,599	9,812		\$46,919	15,556		\$63,027

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 48,131
ESTIMATE FY 2002	\$ 38,800
ACTUAL FY 2001	\$ 33,885

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 +\$9.3 million increase between FY 2002 and FY 2003 reflects funding levels necessary to achieve the required quality goals and accession requirements.

Detailed cost computations are provided by the following table:

ENLISTED LOAN REPAYMENT PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001		ESTIMATE FY 2002		ESTIMATE FY 2003	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
LOAN REPAYMENT PROGRAM.....	8,744	\$ 33,885	9,261	\$ 38,800	11,454	\$ 48,131

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 1,474,070
ESTIMATE FY 2002	\$ 1,417,031
ACTUAL FY 2001	\$ 1,361,623

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 +\$57.0 million from FY 2002 to FY 2003. This is based on--

- (1) Increase in BAH pay rates are associated with the continued Department of Defense initiative to reduce out of pocket housing costs from 11.3 in FY 2002 to 7.5% in FY 2003 which supports the DoD goal of zero out of pocket housing costs by FY 2005 accounts for a +\$90.5 million change.
- (2) Housing inventory and percent receiving changes: -\$41.3 million.
- (3) Foreign currency valuation change: -\$5.1
- (4) Force manning changes: +\$12.9 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
SERGEANT MAJOR.....	1,670	\$ 11,119	\$ 18,569	1,603	\$ 11,735	\$ 18,811	1,542	\$ 12,510	\$ 19,290
1ST SGT/MASTER SGT..	6,212	10,247	63,654	5,987	10,860	65,019	5,699	11,577	65,977
PLTN SGT/SFC.....	19,942	9,548	190,406	19,206	10,119	194,346	18,339	10,787	197,823
STAFF SERGEANT.....	28,243	8,863	250,318	27,811	9,430	262,258	26,832	10,052	269,715
SERGEANT.....	25,945	8,069	209,350	25,566	8,577	219,280	24,177	9,144	221,074
CORPORAL/SFC4.....	26,212	7,310	191,610	26,646	8,044	214,340	25,859	8,575	221,741
PRIVATE, 1ST CL.....	9,682	6,862	66,438	9,539	8,044	76,732	8,071	8,575	69,209
PRIVATE (E2).....	5,433	6,954	37,781	4,161	8,044	33,471	4,482	8,575	38,433
PRIVATE (E1).....	2,975	7,234	21,521	2,145	8,044	17,254	2,674	8,575	22,930
TOTAL BAH WITH DEPENDENTS.....									
	126,314		\$ 1,049,647	122,664		\$ 1,101,511	117,675		\$ 1,126,192
BAH DIFFERENTIAL.....	11,636	1,990	23,156	11,651	2,087	24,316	11,664	2,189	25,532
TOTAL.....	137,950		\$ 1,072,803	134,315		\$ 1,125,827	129,339		\$ 1,151,724
BAH WITHOUT DEPENDENTS									
SERGEANT MAJOR.....	246	\$ 9,208	\$ 2,265	220	\$ 9,828	\$ 2,162	241	\$ 10,516	\$ 2,534
1ST SGT/MASTER SGT..	1,008	8,573	8,642	910	9,122	8,301	1,023	9,761	9,986
PLTN SGT/SFC.....	3,792	7,720	29,274	3,440	8,248	28,373	3,729	8,826	32,912
STAFF SERGEANT.....	6,113	7,140	43,647	5,638	7,637	43,057	6,392	8,172	52,235
SERGEANT.....	7,640	6,720	51,341	7,053	7,198	50,767	8,044	7,701	61,947
CORPORAL/SFC4.....	6,902	6,059	41,819	6,564	6,522	42,810	7,417	6,979	51,763
PRIVATE, 1ST CL.....	1,703	5,711	9,726	1,572	6,165	9,691	1,515	6,597	9,994
PRIVATE (E2).....	623	5,689	3,544	445	6,128	2,727	537	6,557	3,521
PRIVATE (E1).....	70	5,632	394	46	6,090	280	77	6,517	502
TOTAL BAH WITHOUT DEPENDENTS....									
	28,097		\$ 190,652	25,888		\$ 188,168	28,975		\$ 225,394

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH PARTIAL ALLOWANCE BACHELOR									
SERGEANT MAJOR.....	6	\$ 223	\$ 1	13	\$ 223	\$ 3	12	\$ 223	\$ 3
1ST SGT/MASTER SGT..	52	184	10	45	184	8	44	184	8
PLTN SGT/SFC.....	308	144	44	218	144	31	210	144	30
STAFF SERGEANT.....	1,941	119	231	3,395	119	404	3,380	119	402
SERGEANT.....	9,502	104	988	9,956	104	1,035	10,226	104	1,064
CORPORAL/SFC4.....	38,630	97	3,747	41,718	97	4,047	43,559	97	4,225
PRIVATE, 1ST CL.....	35,196	94	3,308	37,434	94	3,519	33,684	94	3,166
PRIVATE (E2).....	28,048	86	2,412	21,531	86	1,852	23,896	86	2,055
PRIVATE (E1).....	23,969	83	1,989	13,454	83	1,117	15,947	83	1,324
TOTAL BAH PARTIAL ALLOWANCE BACHELOR....	137,652		\$ 12,730	127,764		\$ 12,016	130,958		\$ 12,277
BAH INADEQUATE FAMILY HOUSING									
SERGEANT MAJOR.....	0	\$ 2,780	\$ 0	0	\$ 2,934	\$ 0	0	\$ 3,127	\$ 0
1ST SGT/MASTER SGT..	1	2,562	3	2	2,715	5	1	2,894	3
PLTN SGT/SFC.....	7	2,387	17	15	2,530	38	4	2,697	11
STAFF SERGEANT.....	18	2,216	40	42	2,357	99	6	2,513	15
SERGEANT.....	21	2,017	42	51	2,144	109	15	2,286	34
CORPORAL/SFC4.....	71	1,828	130	170	2,011	342	44	2,144	94
PRIVATE, 1ST CL.....	34	1,715	58	81	2,011	163	16	2,144	34
PRIVATE (E2).....	8	1,738	14	16	2,011	32	7	2,144	15
PRIVATE (E1).....	2	1,809	4	0	2,011	0	0	2,144	0
TOTAL BAH INADEQUATE FAMILY HOUSING.....	162		\$ 308	377		\$ 788	93		\$ 206
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC	303,861		\$ 1,276,493	288,344		\$ 1,326,799	289,365		\$ 1,389,601

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
SERGEANT MAJOR.....	54	\$ 16,754	\$ 905	86	\$ 11,936	\$ 1,026	77	\$ 12,606	\$ 971
1ST SGT/MASTER SGT..	223	15,521	3,461	396	11,504	4,556	289	12,149	3,511
PLTN SGT/SFC.....	602	14,801	8,910	1,253	10,939	13,707	774	11,552	8,941
STAFF SERGEANT.....	772	13,602	10,501	1,962	9,642	18,918	1,046	10,182	10,650
SERGEANT.....	1,227	13,026	15,983	1,837	8,759	16,090	1,642	9,249	15,187
CORPORAL/SPC4.....	455	11,721	5,333	579	7,999	4,631	695	8,448	5,871
PRIVATE, 1ST CL.....	68	13,333	907	81	6,557	531	92	6,916	636
PRIVATE (E2).....	20	12,522	250	10	7,088	71	27	7,485	202
PRIVATE (E1).....	2	8,341	17	2	7,063	14	6	7,384	44
TOTAL BAH WITH DEPENDENTS.....	3,423		\$ 46,267	6,206		\$ 59,544	4,648		\$ 46,013
BAH WITHOUT DEPENDENTS									
SERGEANT MAJOR.....	64	\$ 9,233	\$ 591	56	\$ 7,264	\$ 407	63	\$ 7,671	\$ 483
1ST SGT/MASTER SGT..	294	9,681	2,846	261	8,510	2,221	281	8,987	2,525
PLTN SGT/SFC.....	925	9,625	8,903	822	8,337	6,853	906	8,804	7,976
STAFF SERGEANT.....	1,424	8,069	11,490	1,291	7,303	9,428	1,555	7,712	11,992
SERGEANT.....	1,334	8,360	11,152	1,211	7,426	8,993	1,535	7,842	12,037
CORPORAL/SPC4.....	404	8,199	3,312	384	6,376	2,448	440	6,734	2,963
PRIVATE, 1ST CL.....	62	7,990	495	52	5,737	298	68	6,057	412
PRIVATE (E2).....	8	7,426	59	6	4,843	29	11	5,114	56
PRIVATE (E1).....	2	7,285	15	2	5,508	11	2	5,818	12
TOTAL BAH WITHOUT DEPENDENTS....	4,517		\$ 38,863	4,085		\$ 30,688	4,861		\$ 38,456
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS	7,940		\$ 85,130	10,291		\$ 90,232	9,509		\$ 84,469
TOTAL ENLISTED BASIC ALLOWANCE FOR HOUSING.....	311,801		\$ 1,361,623	298,635		\$ 1,417,031	298,874		\$ 1,474,070

ESTIMATE FY 2003	\$ 125,478
ESTIMATE FY 2002	\$ 96,611
ACTUAL FY 2001	\$ 153,156

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 1.1386 Euro/\$1 US in FY 2003.

From FY 2002 to FY 2003, the requirement for overseas station allowance increases by a net +\$28.9 million. This change is based on--

- (1) Annualization of the 4.6% and targeted pay raise, 1 Jan 2002: +\$1.8 million.
- (2) The 4.1% and optional targeted pay raise pay raise, 1 Jan 2003 pay raise: +\$3.0 million.
- (3) Overseas stationing accounts for a -\$0.8 million decrease.
- (4) Foreign currency valuation change: +\$24.9 million.

Detailed cost computations are provided by the following table:

ENLISTED OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
SGM.....	511	\$ 3,597	\$ 1,838	591	\$ 1,696	\$ 1,002	476	\$ 2,708	\$ 1,289
1ST SGT/MASTER SGT.....	1,676	3,456	5,792	1,897	1,652	3,134	1,575	2,661	4,191
PLTN SGT/SFC.....	5,705	3,152	17,982	6,294	1,504	9,466	5,382	2,443	13,148
SSG.....	9,061	2,682	24,302	9,735	1,293	12,587	8,530	2,112	18,015
SGT.....	15,031	2,101	31,580	16,584	1,084	17,977	14,278	1,784	25,472
CORPORAL/SPC4.....	20,493	1,546	31,682	23,931	830	19,863	19,618	1,381	27,092
PRIVATE, 1ST CL.....	10,159	1,078	10,951	8,694	573	4,982	9,446	952	8,993
PV2.....	3,740	966	3,613	4,917	376	1,849	3,320	634	2,105
PV1.....	878	856	752	764	429	328	770	722	556
SUBTOTAL.....	67,254		128,492	73,407		71,188	63,395		100,861
TEMPORARY LODGING ALLOWANCE....	46,448	\$ 531	\$ 24,664	44,368	\$ 573	\$ 25,423	45,003	\$ 547	\$ 24,617
TOTAL ENLISTED STATION ALLOWANCE OVERSEAS..	113,702		\$ 153,156	117,775		\$ 96,611	108,398		\$ 125,478

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$2,406
ESTIMATE FY 2002	\$2,270
ACTUAL FY 2001	\$2,236

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	2,425	\$922	\$2,236	2,425	\$936	\$2,270	2,425	\$992	\$2,406

ESTIMATE FY 2003	234,260
ESTIMATE FY 2002	223,791
ACTUAL FY 2001	229,477

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 +\$10.5 million increase between FY 2002 and FY 2003 is based on the following changes:

- (1) Accession and other numbers receiving changes reflect a +\$4.4 million increase.
- (2) Pricing changes reflect a +\$6.1 million increase.

Detailed cost computations are provided by the following table:

ENLISTED CLOTHING ALLOWANCES
RATE SUMMARY REVIEW

	FY 2002 COLUMN OF FY 02 PRES BUDGET	FY 2002 COLUMN OF FY 03/04 PRES BUDGET	FY 2003 COLUMN OF FY 03/04 PRES BUDGET
INITIAL ISSUE			
ENLISTED MEN.....	1,147.00	1,161.55	1,180.16
ENLISTED WOMEN.....	1,436.00	1,390.73	1,569.18
CLOTHING MAINTENANCE ALLOWANCE			
ENLISTED MEN - BASIC.....	277.00	278.01	281.62
- STANDARD.....	396.00	397.00	402.16
ENLISTED WOMEN - BASIC.....	334.00	334.88	339.23
- STANDARD.....	477.00	478.40	484.62

ENLISTED CLOTHING ALLOWANCES

	FY 2001			FY 2002			FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - INITIAL ALLOWANCE									
INITIAL ALLOWANCE									
MILITARY CLOTHING									
CIVILIAN LIFE, MEN.....	62,885	1,129.65	\$ 71,038	50,190	1,161.55	\$ 58,298	56,121	1,180.16	\$ 66,232
CIVILIAN LIFE, WOMEN.....	15,311	1,360.48	\$ 20,830	12,547	1,390.73	\$ 17,449	14,030	1,569.18	\$ 22,016
ARMY RESERVE W/PARTIAL CLOTHING ALLOWANCE.....	75	354.05	27	75	352.05	26	75	357.70	27
NATIONAL GUARD WITH PARTIAL CLOTHING ALLOWANCE.....	65	287.15	19	65	317.05	21	65	322.15	21
LESS SAVINGS ON DEFERRED CLOTHING ISSUE.....			-1,657			-1,394			-1,574
ADVANCE FUNDING FOR NEW CLOTHING ITEMS.....			0			0			0
LIQUIDATION OF PRIOR YEAR ADVANCES.....			0			0			0
TOTAL MILITARY CLOTHING.....			90,257			74,400			86,722
CIVILIAN CLOTHING									
WINTER AND SUMMER.....	3,282	799.00	2,622	3,064	811.00	2,485	3,064	824.00	2,525
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.....			2,622			2,485			2,525
TOTAL INITIAL ALLOWANCE.....			92,879			76,885			89,247

ENLISTED CLOTHING ALLOWANCES

	FY 2001			FY 2002			FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - MAINTENANCE ALLOWANCE									
BASIC MAINTENANCE (PERSONNEL WITH 7-36 MONTHS SERVICE)									
MALE.....	119,599	273	32,694	128,470	278	35,716	115,076	282	32,408
FEMALE.....	10,040	329	3,306	16,769	335	5,616	13,844	339	4,696
TOTAL.....			36,000			41,332			37,104
STANDARD MAINTENANCE (PERSONNEL WITH 37 MONTHS OR MORE OF SERVICE)									
MALE.....	185,399	390.36	72,372	187,662	397.00	74,502	190,220	402.16	76,499
FEMALE.....	45,360	470.40	21,337	46,585	478.40	22,286	44,734	484.62	21,679
TOTAL.....			93,709			96,788			98,178
TOTAL MAINTENANCE ALLOWANCES....			129,709			138,120			135,282
SUPPLEMENTARY ALLOWANCES..			2,735			4,092			3,813
OTHER									
ISS.-IN-KIND-KATUSA.....	5,200	556.05	2,891	4,201	871.22	3,660	4,840	979.98	4,743
REPLACEMENT DURING FIRST SIX MONTHS.....	78,196	16.15	1,263	62,737	16.48	1,034	70,151	16.75	1,175
CHARGE SALES.....			1,053			1,053			1,053
TOTAL.....			5,207			5,747			6,971
TOTAL CLOTHING ALLOWANCES.....			230,530			224,845			235,313
LESS REIMBURSABLE OBLIGATIONS.....			1,053			1,053			1,053
TOTAL DIRECT ENLISTED CLOTHING OBLIGATIONS.....			229,477			223,792			234,260

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 46,183
ESTIMATE FY 2002	\$ 42,483
ACTUAL FY 2001	\$ 40,348

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.

The estimated +\$3.7 million increase from FY 2002 to FY 2003 is due to:

(1) An increased number of personnel stationed overseas, including Bosnia and Kosovo, and who are authorized a family separation allowance.

Detailed cost computations are provided by the following table:

ENLISTED FAMILY SEPARATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001		ESTIMATE FY 2002			ESTIMATE FY 2003			
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
SGM.....	44	\$ 6,761	\$ 297	28	\$ 6,972	\$ 195	35	\$ 7,181	\$ 251
1SG/MSG.....	194	6,207	1,204	123	6,401	787	152	6,593	1,002
PSG/SFC.....	557	5,301	2,953	353	5,466	1,929	439	5,630	2,472
SSG.....	745	4,798	3,575	472	4,947	2,335	586	5,096	2,986
SGT.....	395	4,426	1,748	250	4,564	1,141	311	4,701	1,462
CPL/SFC.....	44	3,848	169	28	3,968	111	35	4,087	143
SUBTOTAL.....	1,979		9,946	1,254		6,498	1,558		8,316
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....	16,130	1,200	19,356	17,032	1,200	20,438	16,410	1,200	19,692
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	9,205	1,200	11,046	12,956	1,200	15,547	15,146	1,200	18,175
TOTAL ENLISTED FAMILY SEPARATION ALLOWANCES.....	27,314		\$ 40,348	31,242		\$ 42,483	33,114		\$ 46,183

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 321,423
ESTIMATE FY 2002	\$ 278,632
ACTUAL FY 2001	\$ 192,453

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 FY 2002 through the POM years.

The requirement for separation pay decreases by a net -\$42.8 million between FY 2002 and FY 2003. This change is based on--

- (1) Annualization of the 4.6% and targeted pay raise, 1 Jan 2002: +\$3.6 million.
- (2) The 4.1% and optional targeted pay raise, 1 Jan 2003: +\$6.7 million.
- (3) Increased numbers receiving separation payments: +\$6.0 million.
- (4) VSI amortization payments decrease: -\$0.3 million.
- (5) Reflects adjustments to the one-time \$30K lump sum payment which began in FY 2001: +\$26.8 million.

Detailed cost computations are provided by the following table:

ENLISTED SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001				ESTIMATE FY 2002				ESTIMATE FY 2003			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
SERGEANT MAJOR.....	482	16.3	\$ 2,103	\$ 1,014	356	16.3	\$ 2,268	\$ 807	382	16.3	\$ 2,405	\$ 919
1ST SERGEANT/MASTER SERGEANT.....	1,622	15.6	1,621	2,629	1,350	15.6	1,739	2,348	1,513	15.6	1,850	2,798
PLATOON SERGEANT/SERGEANT 1ST CLASS..	4,430	17.3	1,517	6,719	3,852	17.3	1,655	6,375	4,497	17.3	1,792	8,058
STAFF SERGEANT.....	5,396	21.2	1,546	8,342	5,301	21.2	1,671	8,855	5,813	21.2	1,796	10,442
SERGEANT.....	14,991	18.9	1,129	16,920	12,843	18.9	1,192	15,311	12,894	18.9	1,251	16,131
CORPRAL/SPECIALIST 4.....	34,417	14.1	695	23,912	31,559	14.1	727	22,929	30,827	14.1	757	23,328
PRIVATE, FIRST CLASS.....	3,863	18.0	725	2,800	3,423	18.0	756	2,589	3,371	18.0	786	2,651
PRIVATE (E2).....	4,964	15.6	577	2,863	4,398	15.6	584	2,567	4,332	15.6	591	2,560
PRIVATE (E1).....	5,398	17.9	549	2,961	4,803	17.9	548	2,633	4,702	17.9	548	2,576
SUBTOTAL.....	75,563			\$ 68,160	67,885			\$ 64,414	68,331			\$ 69,463
SEVERANCE PAY (DISABILITY).....	4,408		\$ 17,603	\$ 77,594	4,034		\$ 18,709	\$ 75,473	4,254		\$ 19,626	\$ 83,488
AUTHORIZED DONATIONS.....	152		25	4	152		25	4	152		25	4
INVOLUNTARY HALF-PAY(5%).....	1,368		10,641	14,557	1,873		11,310	21,183	2,605		11,864	30,905
INVOLUNTARY FULL-PAY(10%).....	1,353		21,850	29,563	1,052		23,223	24,431	1,516		24,361	36,931
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).....	2,721			\$ 44,120	2,925			\$ 45,614	4,121			\$ 67,836
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAYMENTS) 1).....	0			\$ 2,575	0			\$ 7,475	0			\$ 7,160
THRU DEC 31, 1992.....				2,575				7,475				7,160
JAN 1, 1993 AND AFTER.....	0			0	0			0	0			0
\$30,000 LUMP SUM BONUS.....				\$ 0				\$ 85,652				\$ 93,472
TOTAL ENLISTED SEPARATION PAY.....	82,844			\$ 192,453	74,996			\$ 278,632	76,858			\$ 321,423

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 2003	\$ 701,953
ESTIMATE FY 2002	\$ 658,400
ESTIMATE FY 2001	\$ 616,508

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
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 FY 2003 Budget Submission eliminates the 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 +\$43.6 million between FY 2002 and FY 2003. This change is based on-

- (1) Annualization of the 1 Jan 2002, 4.6% and targeted pay raise: +\$12.6 million.
- (2) The 1 Jan 2003, 4.1% and optional targeted pay raise: +\$25.3 million.
- (3) Force manning changes: +\$5.7 million.

Detailed cost computations are provided by the following table:

ENLISTED SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	403,004	\$ 1,532.86	\$ 617,748	398,521	\$ 1,656.47	\$ 660,140	404,777	\$ 1,738.47	\$ 703,693
WAGE CREDITS/SURVIVOR OR DISABILITY BENEFIT.....			\$ 500			\$ 0			\$ 0
LESS NON_JUDICIAL FINES AND FORFEITURES.....			\$ 1,740			\$ 1,740			\$ 1,740
TOTAL ENLISTED SOCIAL SECURITY TAX.....	403,004		\$ 616,508	398,521		\$ 658,400	404,777		\$ 701,953

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

Pay and Allowance of Cadets

FY 2002 Direct Program		\$ 46,889
Increases:		
Pricing Increases:		
a. Pay Raise	1,122	
b. Cost growth for subsistence rate	222	
Total Pricing Increases	1,344	
Program Increases:		
Total Program Increases	0	
Total Increases		\$ 1,344
Decreases:		
Pricing Decreases:		
Total Pricing Decreases	0	
Program Decreases:		
Reduced need for operational rations	-881	
Total Program Decreases	-881	
Total Decreases		\$ -881
FY 2003 Direct Program		\$ 47,352

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$47,352
ESTIMATE FY 2002	\$46,889
ACTUAL FY 2001	\$41,697

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 FY 2001 National Defense Authorization Act. This amendment, effective 1 October 2001, 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 funding requirement is determined by applying annual rates to the projected manyears. The manyears include authorization for 40 foreign students.

The net change in the funding requirement is +\$0.4 million from FY 2002 to FY 2003. This change is based on:

- (1) Pay raise increase: +\$1.1 million.
- (2) Cost growth for subsistence allowance: +\$0.2 million
- (3) Decreased requirement for operational rations: -\$0.9 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
(1) BASIC PAY.....	4,011	\$7,157	\$28,707	4,040	\$8,390	\$33,896	4,040	\$8,648	\$34,938
(2) SUBSISTENCE - COMMUTED-RATION									
A. SUBSISTENCE ALLOWANCE.....	4,011	\$1,989	7,978	4,040	\$2,044	8,258	4,040	\$2,099	8,480
B. OPERATIONAL RATIONS.....			2,836			2,167			1,286
(3) SOCIAL SECURITY TAX -									
EMPLOYER CONTRIBUTION.....	3,971	\$548	2,176	4,000	\$642	2,568	4,000	\$662	2,648
TOTAL ACADEMY CADETS.....	4,011		\$41,697	4,040		\$46,889	4,040		\$47,352

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

Subsistence of Enlisted Personnel

FY 2002 Direct Program \$ 1,394,381

Increases:

Pricing Increases:

a.	Inflation	0
	BAS (3.0 percent, tied to USDA food plan growth	24,995
	Subsistence in Messes (1.3 percent)	4,546
	Operational Rations (1.3 percent)	2,394
	Augmentation Rations (1.3 percent)	649
	Total Pricing Increases	32,584

Program Increases:

a.	Force Manning	0
	Reflects the increase associated with the enlisted	3,942
	percent receiving BAS	0
	Reflects the increase associated with enlisted	9,852
	receiving operational rations	0
		0
	Total Program Increases	13,794

Total Increases

\$ 46,378

Decreases:

Pricing Decreases:

	0
Total Pricing Decreases	0

Program Decreases:

a.	Force Manning	0
	Reflects the decrease associated with enlisted	-5,826
	using dining facilities	0
	Reflects the decrease associated with the enlisted	-12,744
	receiving contract meals	0
		0
	Total Program Decreases	-18,570

Total Decreases

\$ -18,570

FY 2003 Direct Program

\$ 1,422,189

ESTIMATE FY 2003	\$ 1,452,916
ESTIMATE FY 2002	\$ 1,406,529
ACTUAL FY 2001	\$ 1,378,296

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 FY 2002, 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 Government discounted meal rate when assigned to a dining facility and essentially pocket the difference every month. Beginning in FY 2002 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 FY 2002. Beginning in January 2002 the effects of BAS Reform will show, when all enlisted members (except recruits and prison holdees) are entitled to BAS at the SEPRATS rate. Proposed legislation authorizes multiple BAS rates, to include a new BAS II rate. This new rate will be separately identified in future exhibits.

Between FY 2002 and FY 2003 the net BAS costs increase \$28.9 million. This change reflects the increase associated with a higher percentage receiving BAS (\$3.9 million) and 3% inflation (\$25.0 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 FY 2002 to FY 2003 Subsistence-in-Messes costs decrease \$1.3 million due to a lower participation rate (-\$5.8 million) offset by inflation (\$4.5 million).

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 FY 2002 and FY 2003 operational rations and augmentation rations remain relatively flat, with increases in operational rations (+\$12.2 million) offsetting decreases in contract meals served (-\$12.1 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 FY 2002 and FY 2003 FSSA allowances remains steady at \$5.2 million per year.

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
A. BASIC ALLOWANCE FOR SUBSISTENCE									
1. WHEN AUTH TO MESS SEP....	218,047	\$ 2,789	\$ 608,133	52,064	\$ 2,872	\$ 149,528	0	\$ 2,964	\$ 0
2. LEAVE RATION	32,154	\$ 2,789	89,678	7,678	\$ 2,872	22,051	0	\$ 2,964	0
3. WHEN RATIONS IN KIND NOT AVAILABLE...	20,480	\$ 3,142	64,348	5,267	\$ 3,237	17,049	0	\$ 3,340	0
4. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP...	0	\$ 1,405	0	0	\$ 1,447	0	0	\$ 1,493	0
5. PARTIAL BAS	131,094	\$ 312.98	41,030	30,925	\$ 322.59	9,976	0	\$ 0.00	0
TOTAL ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE...	401,775		\$ 803,189	95,934		\$ 198,604	0		\$ 0

SUBSISTENCE IN KIND
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	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.....	98,506	\$ 2,409	\$ 237,301	22,378	\$ 2,464	\$ 55,139	0	\$ 2,497	\$ 0
OTHER.....	1,400	\$ 2,409	3,373	1,481	\$ 2,464	3,649	0	\$ 2,497	0
OVERSEAS									
ARMY.....	31,099	\$ 2,938	\$ 91,369	9,074	\$ 3,004	\$ 27,258	0	\$ 3,044	\$ 0
OTHER.....	35	\$ 2,938	103	35	\$ 3,004	105	0	\$ 3,044	0
SUBTOTAL.....	131,040		\$ 332,146	32,968		\$ 86,151	0		\$ 0

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	UNIT COST	DOLLAR AMOUNT	NUMBER	UNIT COST	DOLLAR AMOUNT	NUMBER	UNIT COST	DOLLAR AMOUNT
2. OPERATIONAL RATIONS									
MEAL-READY-TO-EAT	1,525,599	75	\$ 114,420	391,243	78	\$ 30,517	0	77	\$ 0
UGR H&S.....	0	0	0	4,626	1,739	8,045	0	1,388	0
UGR A.....	19,266	1,823	35,122	1,410	2,619	3,693	0	1,698	0
OTHER.....			24,622			722			0
TOT REIM.....			29,796			12,148			0
SUBTOTAL.....			\$ 203,960			\$ 55,125			\$ 0

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

	ACTUAL FY 2001 DOLLAR AMOUNT	ESTIMATE FY 2002 DOLLAR AMOUNT	ESTIMATE FY 2003 DOLLAR AMOUNT
3. AUGMENTATION RATIONS / OTHER PROGRAMS			
AUGMENT RATIONS / OTHER PGMS.....	\$ 36,913	\$ 15,915	\$ 0
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.....	\$ 573,019	\$ 157,191	\$ 0

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
C. FAMILY SUBSISTENCE									
SUP ALL (FSSA)									
TOTAL FSSA.....	580	\$ 3,600	\$ 2,088	361	\$ 3,600	\$ 1,299	0	\$ 3,600	\$ 0

	ACTUAL FY 2001 TOTAL AMOUNT	ESTIMATE FY 2002 TOTAL AMOUNT	ESTIMATE FY 2003 TOTAL AMOUNT
TOTALS: BAS/SIK			
TOTAL OBLIGATIONS.....	\$ 1,378,296	\$ 357,094	\$ 0
TOTAL REIMBURSABLES.....	\$ 29,796	\$ 12,148	\$ 0
TOTAL DIRECT OBLIGATIONS.....	\$ 1,348,500	\$ 344,946	\$ 0

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

	NUMBER	ACTUAL FY 2001		NUMBER	ESTIMATE FY 2002		NUMBER	ESTIMATE FY 2003		
		RATE	AMOUNT		RATE	AMOUNT		RATE	AMOUNT	
A. BASIC ALLOWANCE FOR SUBSISTENCE										
1. WHEN AUTH TO MESS SEP.....	0	\$ 0	\$ 0	272,003	\$ 2,879	\$ 783,097	364,095	\$ 2,966	\$ 1,079,906	
2. WHEN RATIONS IN KIND NOT AVAILABLE.....	0	\$ 0	\$ 0	15,800	\$ 3,237	\$ 51,145	21,150	\$ 3,237	\$ 68,463	
3. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP.....	0	\$ 0	\$ 0	0	\$ 777	\$ 0	0	\$ 0	\$ 0	
4. LESS COLLNS.....	0	\$ 0	\$ 0	92,777	\$ 2,464	\$ 228,603	124,188	\$ 2,538	\$ 315,189	
TOTAL ENLISTED BAS.....	0		\$ 0	195,026		\$ 605,639	261,057		\$ 833,180	
B. SUBSISTENCE-IN-KIND										
1. SUB-IN-MESS										
A. TRAINEE/ NP STATUS...										
	0	\$ 0	\$ 0	10,925	\$ 2,427	\$ 26,515	15,461	\$ 2,459	\$ 38,019	
B. MEM TAKING MEALS IN MESS..										
	0	\$ 0	\$ 0	89,100	\$ 2,675	\$ 238,343	115,022	\$ 2,710	\$ 311,710	
C. REIMB.....										
									\$ 30,112	
SUBTOTAL SUB-IN-MESS....										
	0		\$ 0	100,025		\$ 264,858	130,483		\$ 379,841	
2. OP RATIONS										
A. MRES.....										
	0	\$ 0	\$ 0	1,173,731	\$ 78	\$ 91,551	1,655,189	\$ 79	\$ 130,760	
B. UNITIZED RATIONS.....										
	0	\$ 0	\$ 0	18,103	\$ 1,945	\$ 35,210	25,531	\$ 1,970	\$ 50,296	
C. OTHER PACKAGE OP RATIONS..										
	0	\$ 0	\$ 0	2,166	\$ 1,000	\$ 2,166	3,045	\$ 1,016	\$ 3,094	
D. REIMB.....										
									\$ 615	
SUBTOTAL OP RATS.....										
			\$ 0			\$ 128,927			\$ 184,765	
3. AUG RATS/ OTHER PROG										
A. AUG RATS....										
			\$ 0			\$ 46,112			\$ 49,932	
B. OTHER - REGION.....										
			\$ 0			\$ 0			\$ 0	
C. OTHER - MESSING.....										
			\$ 0			\$ 0			\$ 0	
SUBTOTAL AUG RATS/ OTHER PROG.....										
			\$ 0			\$ 46,112			\$ 49,932	
TOTAL SIK.....										
			\$ 0			\$ 439,897			\$ 614,538	
C. FAMILY SUB SUP ALLOW (FSSA)										
TOTAL FSSA.....	0	\$ 0	\$ 0	1,083	\$ 3,600	\$ 3,899	1,444	\$ 3,600	\$ 5,198	
TOTAL SUBSISTENCE PROGRAM.....										
			\$ 0			\$ 1,049,435			\$ 1,452,916	
LESS REIMBURSABLES.....										
			\$ 0			\$ 0			\$ 30,727	
TOTAL DIRECT SUBSISTENCE.....										
			\$ 0			\$ 1,049,435			\$ 1,422,189	

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

Permanent Change of Station Travel		
FY 2002 Direct Program		\$ 999,577
Increases:		
Pricing Increases:		
a. Pay Raise 4.1%	6,058	
	0	
b. DWCF Rate Increases	0	
AMC Passenger	6,385	
AMC HHG	2,822	
	0	
c. Inflation 1.3%	0	
HHG Land	3,889	
HHG ITGBL	2,497	
Trailer	3	
Commercial Air	974	
Non-Temporary Storage	366	
Total Pricing Increases	22,994	
Program Increases:		
a. Moves	0	
Accession Moves	2,290	
Separation Moves	7,451	
Operational Moves	2,349	
Training Moves	6,424	
Rotational Moves	59,749	
	0	
b. New Entitlements	0	
Temp Housing Allow between PDS	4,300	
Minimum Per Diem Rate	27,800	
Increased Weight Allow for Junior Enlisted	16,800	
Total Program Increases	127,163	
Total Increases		\$ 150,157
Decreases:		
Pricing Decreases:		
a. DWCF Rate Decreases	0	
MSC HHG	-477	
Global POV Contract	-7,986	
Total Pricing Decreases	-8,463	
Program Decreases:		
a. Moves	0	
Unit Moves	-349	
Total Program Decreases	-349	
Total Decreases		\$ -8,812
FY 2003 Direct Program		\$ 1,140,922

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

	ACTUAL FY 2001		ESTIMATE FY 2002		ESTIMATE FY 2003	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
ACCESSIONS TRAVEL.....	86,043	176,639	83,038	177,621	84,625	188,434
TRAINING TRAVEL.....	7,397	34,154	7,798	36,639	9,297	46,250
OPERATIONAL TRAVEL BETWEEN DUTY STATIONS..	25,196	171,187	24,174	165,186	24,990	179,001
ROTATIONAL TRAVEL TO AND FROM OVERSEAS....	72,274	557,386	55,627	445,590	63,161	525,754
SEPARATION TRAVEL.....	85,241	157,822	74,994	136,801	79,777	152,926
TRAVEL OF ORGANIZED UNITS.....	2,713	11,354	492	2,043	490	1,822
NON-TEMPORARY STORAGE.....		29,724		25,611		28,105
TEMPORARY LODGING EXPENSE.....		19,277		18,431		20,672
TOTAL OBLIGATIONS.....	278,864	1,157,543	246,123	1,007,922	262,340	1,142,964
LESS: REIMBURSABLES.....		\$ 8,032		\$ 8,345		\$ 2,042
TOTAL DIRECT.....	278,864	1,149,511	246,123	999,577	262,340	1,140,922

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

	ACTUAL FY 2001		ESTIMATE FY 2002		ESTIMATE FY 2003	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
TRAVEL OF MILITARY MEMBER						
MILEAGE AND PER DIEM.....	278,864	\$ 175,202	246,123	\$ 157,128	262,340	\$ 196,879
AMC.....	46,677	48,884	33,980	41,676	38,157	52,053
COMMERCIAL AIR.....	75,009	61,725	67,509	56,112	72,604	61,541
TRAVEL OF DEPENDENTS						
MILEAGE.....	107,329	33,727	94,239	28,646	100,770	31,415
AMC.....	10,635	7,980	7,547	6,002	8,554	7,532
COMMERCIAL AIR.....	18,201	13,400	15,903	11,904	17,574	13,329
TRANSPORTATION OF HHG						
LAND SHIPMENT.....	74,724	314,355	66,628	273,959	69,930	299,076
ITGBL SHIPMENT.....	51,921	206,232	41,040	164,053	45,939	191,872
M TONS - MSC.....	40,149	6,978	32,500	5,566	36,173	5,677
S TONS - AMC.....	15,241	23,615	13,384	21,129	14,266	25,634
DISLOCATION ALLOWANCE.....	86,932	128,741	94,032	129,973	104,191	148,360
TRAILER ALLOWANCE.....	470	262	424	242	449	261
TRANSPORTATION OF POVS.....	73,797	76,082	60,850	61,289	66,806	56,305
PORT HANDLING CHARGES.....		11,131		5,791		3,834
PET QUARANTINE.....	1,140	228	2,049	410	2,098	419
NON-TEMPORARY STORAGE.....		29,724		25,611		28,105
TEMPORARY LODGING EXPENSE.....		19,277		18,431		20,672
TOTAL OBLIGATIONS.....		\$ 1,157,543		\$ 1,007,922		\$ 1,142,964
LESS: REIMBURSABLES.....		\$ 8,032		\$ 8,345		\$ 2,042
TOTAL DIRECT.....		\$ 1,149,511		\$ 999,577		\$ 1,140,922

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.hhhhh

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 24 percent of the Army's total move program and 48 percent of total PCS costs.
- Accessions and Separations moves comprise 63 percent of total moves and 31 percent of the dollar requirement.
- The remaining move/dollar requirements consist of Operational, Training and Unit moves which equal 13 percent of total moves and 21 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 FY 2003 budget estimate increased by \$141.3 million from the FY 2002 program. The program growth was due primarily to an \$80 million dollar Congressional reduction in FY 2002, new entitlements, and rate increases.

- 1.3% inflation generates costs of \$7.9 million.
- Defense Working Capital Fund rate changes increase costs \$.7 million.
- Authorized pay raise of 4.1% increases Dislocation Allowance costs by \$6.0 million.
- Additional moves add \$77.8 million.
- Legislative proposals to reduce out-of-pocket PCS costs add \$48.9 million.

There are no major force structure changes programmed for FY 2003.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 188,434
ESTIMATE FY 2002	\$ 177,621
ACTUAL FY 2001	\$ 176,639

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 FY 2003.

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 to first termers on their first PCS move (\$10 million) and for junior enlisted with dependents to the same level as E-5's (\$2.8 million). Additionally, temporary lodging expense (TLE) was authorized for the first time to officers making their first PCS move (\$2.3 million). In the 2002 National Defense Authorization Act, Congress increased household goods weight allowances for junior enlisted members (\$16.8 million); and it raised the maximum amount for TLE, subsistence, and per diem rates reimbursable during a permanent change of station.

The following table provides detailed cost computations:

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	7,261	\$ 2,150	\$ 15,611	7,298	\$ 2,160	\$ 15,762	7,174	\$ 2,501	\$ 17,943
DEPENDENT TRAVEL.....	2,178	269	585	2,189	270	592	2,152	273	587
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	4,938	3,805	18,791	4,963	3,697	18,346	4,878	3,881	18,933
- OVERSEAS (AMC & MSC).....	377	1,610	607	380	1,718	653	374	1,893	708
DISLOCATION ALLOWANCE.....	436	1,594	695	438	1,667	730	430	1,735	746
TRAILER ALLOWANCE.....	1	558	1	1	567	1	1	574	1
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	29	56	2	29	56	2	29	51	1
- PORT HANDLING (MTMC).....	653	2,510	1,639	657	2,334	1,533	646	1,991	1,286
PORT HANDLING (HHG).....	363	221	80	365	132	48	359	82	29
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 38,011			\$ 37,667			\$ 40,234
CADETS.....	1,236	\$ 750	\$ 927	1,158	\$ 750	\$ 869	1,300	\$ 750	\$ 975

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	77,546	\$ 664	\$ 51,470	74,582	\$ 673	\$ 50,160	76,151	\$ 747	\$ 56,909
DEPENDENT TRAVEL.....	19,387	155	3,014	18,646	157	2,920	19,038	158	3,004
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	18,999	2,481	47,141	18,273	2,410	44,035	18,657	2,530	47,209
- OVERSEAS (AMC & MSC).....	7,328	505	3,697	7,048	540	3,804	7,196	597	4,294
DISLOCATION ALLOWANCE.....	0	535	0	17,154	559	9,591	19,038	582	11,081
TRAILER ALLOWANCE.....	78	558	43	75	567	43	76	574	44
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	2,714	56	153	2,610	56	145	2,665	51	136
- PORT HANDLING (MTMC).....	12,322	2,510	30,926	11,851	2,334	27,662	12,100	1,991	24,091
PORT HANDLING (HHG).....	7,599	165	1,257	7,309	99	725	7,463	61	457
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 137,701			\$ 139,085			\$ 147,225
TOTAL PCS ACCESSION TRAVEL.....			\$ 176,639			\$ 177,621			\$ 188,434

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 46,250
ESTIMATE FY 2002	\$ 36,639
ACTUAL FY 2001	\$ 34,154

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	5,359	\$ 1,241	\$ 6,653	5,901	\$ 1,241	\$ 7,326	5,957	\$ 1,450	\$ 8,636
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	4,019	339	1,364	4,426	339	1,502	4,468	339	1,516
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	1,822	3,906	7,117	2,006	3,789	7,601	2,025	3,979	8,057
DISLOCATION ALLOWANCE.....	5,359	2,050	10,986	5,901	2,144	12,654	5,957	2,232	13,297
TRAILER ALLOWANCE.....	5	558	3	6	567	3	6	574	3
SUBTOTAL.....			\$ 26,123			\$ 29,086			\$ 31,509
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	2,038	\$ 2,185	\$ 4,453	1,897	\$ 2,185	\$ 4,145	3,340	\$ 2,552	\$ 8,522
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	1,223	424	519	1,138	424	483	2,004	424	850
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	306	2,538	777	285	2,462	702	501	2,585	1,295
DISLOCATION ALLOWANCE.....	1,630	1,399	2,281	1,518	1,464	2,222	2,672	1,524	4,072
TRAILER ALLOWANCE.....	2	558	1	2	567	1	3	574	2
SUBTOTAL.....			\$ 8,031			\$ 7,553			\$ 14,741
TOTAL PCS TRAINING TRAVEL.....									
			\$ 34,154			\$ 36,639			\$ 46,250

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 179,001
ESTIMATE FY 2002	\$ 165,186
ACTUAL FY 2001	\$ 171,187

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	5,977	\$ 1,442	\$ 8,621	5,716	\$ 1,442	\$ 8,244	5,098	\$ 1,684	\$ 8,586
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	4,602	290	1,333	4,401	290	1,274	3,925	290	1,136
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	4,782	8,281	39,597	4,573	8,032	36,731	4,078	8,434	34,393
DISLOCATION ALLOWANCE.....	4,967	2,114	10,500	4,750	2,211	10,503	4,236	2,302	9,751
TRAILER ALLOWANCE.....	1	558	1	1	567	1	1	574	1
SUBTOTAL.....			\$ 60,052			\$ 56,753			\$ 53,867
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	19,219	\$ 1,247	\$ 23,957	18,458	\$ 1,247	\$ 23,009	19,892	\$ 1,456	\$ 28,957
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	13,213	353	4,670	12,690	353	4,485	13,676	353	4,833
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	13,069	4,557	59,559	12,551	4,421	55,482	13,527	4,642	62,786
DISLOCATION ALLOWANCE.....	16,528	1,384	22,874	17,535	1,448	25,384	18,897	1,507	28,478
TRAILER ALLOWANCE.....	135	558	75	129	567	73	139	574	80
SUBTOTAL.....			\$ 111,135			\$ 108,433			\$ 125,134
TOTAL PCS OPERATIONAL TRAVEL.....			\$ 171,187			\$ 165,186			\$ 179,001

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 525,754
ESTIMATE FY 2002	\$ 445,590
ACTUAL FY 2001	\$ 557,386

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.

The FY 2003 rotational program increased as a result of the \$80 million reduction levied against the program in the 2002 Defense Appropriation Act.

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	8,302	\$ 2,144	\$ 17,798	7,573	\$ 2,163	\$ 16,380	8,247	\$ 2,414	\$ 19,908
DEPENDENT TRAVEL.....	7,056	765	5,399	6,438	773	4,977	7,010	782	5,481
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	7,264	9,187	66,736	6,627	9,005	59,677	7,217	9,455	68,239
- OVERSEAS (AMC & MSC).....	10,461	482	5,037	9,544	503	4,801	10,392	529	5,499
DISLOCATION ALLOWANCE.....	7,472	2,020	15,094	6,816	2,113	14,402	7,424	2,200	16,330
TRAILER ALLOWANCE.....	63	556	35	57	579	33	62	581	36
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	4,982	56	280	4,544	55	252	4,948	51	252
- PORT HANDLING (MTMC).....	3,050	2,510	7,654	2,784	2,334	6,498	3,032	1,991	6,036
PORT HANDLING (HHG).....	8,302	271	2,252	7,574	163	1,234	8,248	100	828
PET QUARANTINE.....	212	198	42	595	200	119	437	199	87
SUBTOTAL.....			\$ 120,327			\$ 108,373			\$ 122,696

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	63,972	\$ 1,645	\$ 105,204	48,054	\$ 1,763	\$ 84,706	54,914	\$ 1,943	\$ 106,710
DEPENDENT TRAVEL.....	31,986	938	30,006	24,028	964	23,157	27,458	990	27,195
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	52,820	3,548	187,391	39,677	3,479	138,032	45,342	3,653	165,626
- OVERSEAS (AMC & MSC).....	30,068	549	16,501	22,586	576	13,005	25,810	612	15,783
DISLOCATION ALLOWANCE.....	47,980	1,301	62,442	39,644	1,361	53,968	45,304	1,417	64,201
TRAILER ALLOWANCE.....	64	563	36	48	583	28	54	593	32
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	31,986	56	1,802	24,028	56	1,334	27,458	51	1,398
- PORT HANDLING (MTMC).....	12,218	2,510	30,664	9,178	2,334	21,422	10,488	1,991	20,882
PORT HANDLING (HHG).....	12,794	221	2,827	9,610	133	1,274	10,982	82	899
PET QUARANTINE.....	928	200	186	1,454	200	291	1,661	200	332
SUBTOTAL.....			\$ 437,059			\$ 337,217			\$ 403,058
TOTAL PCS ROTATIONAL TRAVEL.....			\$ 557,386			\$ 445,590			\$ 525,754

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 152,926
ESTIMATE FY 2002	\$ 136,801
ACTUAL FY 2001	\$ 157,822

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	7,974	\$ 317	\$ 2,528	7,424	\$ 320	\$ 2,377	7,033	\$ 351	\$ 2,471
DEPENDENT TRAVEL.....	6,379	125	798	5,939	126	747	5,626	126	711
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	3,819	5,967	22,789	3,555	5,805	20,636	3,368	6,095	20,529
- OVERSEAS (AMC & MSC).....	1,196	632	756	1,114	667	743	1,055	714	753
TRAILER ALLOWANCE.....	38	558	21	36	567	20	34	574	20
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	925	56	52	861	56	48	816	51	42
- PORT HANDLING (MTMC).....	112	2,510	281	104	2,334	243	98	1,991	195
PORT HANDLING (HHG).....	4,785	221	1,056	4,455	132	590	4,221	82	345
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 28,281			\$ 25,404			\$ 25,066
CADETS.....	371	\$ 750	\$ 278	319	\$ 750	\$ 239	323	\$ 750	\$ 242

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	76,896	\$ 604	\$ 46,453	67,251	\$ 615	\$ 41,370	72,421	\$ 693	\$ 50,222
DEPENDENT TRAVEL.....	16,148	446	7,209	14,123	451	6,364	15,208	455	6,926
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	16,917	3,859	65,275	14,796	3,760	55,627	15,932	3,948	62,893
- OVERSEAS (AMC & MSC).....	5,960	670	3,995	5,212	708	3,689	5,612	762	4,274
TRAILER ALLOWANCE.....	77	558	43	67	567	38	72	574	41
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND.....	3,845	56	217	3,363	56	187	3,621	51	184
- PORT HANDLING (MTMC).....	961	2,510	2,412	841	2,334	1,963	905	1,991	1,802
PORT HANDLING (HHG).....	22,492	163	3,659	19,671	98	1,920	21,183	60	1,276
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 129,263			\$ 111,158			\$ 127,618
TOTAL PCS SEPARATION TRAVEL.....			\$ 157,822			\$ 136,801			\$ 152,926

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$ 1,822
ESTIMATE FY 2002	\$ 2,043
ACTUAL FY 2001	\$ 11,354

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. All years include 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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	526	\$ 642	\$ 337	240	\$ 642	\$ 154	90	\$ 748	\$ 67
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	263	299	79	120	299	36	45	299	13
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	416	3,904	1,624	190	3,787	720	71	3,977	282
DISLOCATION ALLOWANCE.....	373	2,032	758	170	2,126	361	64	2,213	142
TRAILER ALLOWANCE.....	4	558	2	2	567	1	1	574	1
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 2,800			\$ 1,272			\$ 505
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	2,187	\$ 695	\$ 1,521	252	\$ 695	\$ 175	400	\$ 812	\$ 325
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	875	150	131	101	150	15	160	150	24
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	1,493	2,538	3,790	172	2,462	423	273	2,585	706
DISLOCATION ALLOWANCE.....	2,187	1,423	3,111	106	1,488	158	169	1,549	262
TRAILER ALLOWANCE.....	2	558	1	0	567	0	0	574	0
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 8,554			\$ 771			\$ 1,317
TOTAL PCS ORGANIZED UNIT TRAVEL.....			\$ 11,354			\$ 2,043			\$ 1,822

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

	ACTUAL FY 2001 AMOUNT	ESTIMATE FY 2002 AMOUNT	ESTIMATE FY 2003 AMOUNT
NON-TEMPORARY STORAGE.....	\$ 29,724	\$ 25,611	\$ 28,105
TEMPORARY LODGING EXPENSE.....	19,277	18,431	20,672
TOTAL OBLIGATIONS.....	\$ 1,157,543	\$ 1,007,922	\$ 1,142,964
LESS: REIMBURSABLE OBLIGATIONS.....	8,032	8,345	2,042
TOTAL DIRECT OBLIGATIONS.....	\$ 1,149,511	\$ 999,577	\$ 1,140,922

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

Other Military Personnel Costs		
FY 2002 Direct Program		\$ 127,819
Increases:		
Pricing Increases:		
a. Mass Transit rate increase	34	
Total Pricing Increases	34	
Program Increases:		
a. Survivor Benefits	642	
b. Unemployment Compensation	2,360	
c. Apprehension of Deserters	10	
d. Adoptions	2	
e. Special Compensation for Severely Disabled	15,400	
f. Mass Transit participation increase	18	
Total Program Increases	18,432	
Total Increases		\$ 18,466
Decreases:		
Pricing Decreases:		
a. Apprehension of Deserters	-3	
b. Unemployment Compensation	-986	
c. Education Benefits Amortization Payment	-4,754	
Total Pricing Decreases	-5,743	
Program Decreases:		
a. Death Gratuities	-4,272	
Total Program Decreases	-4,272	
Total Decreases		\$ -10,015
FY 2003 Direct Program		\$ 136,270

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE	FY 2003	\$611
ESTIMATE	FY 2002	\$606
ACTUAL	FY 2001	\$947

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 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
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.....	\$947	\$606	\$611

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$202
ESTIMATE FY 2002	\$202
ACTUAL FY 2001	\$215

Project: Interest on Soldier's Deposit

Part I - Purpose and Scope

The National Defense Authorization Act for FY 1992 and FY 1993, 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)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
INTEREST ON SOLDIERS' DEPOSIT									
OFFICER.....	350	\$296	\$104	327	\$296	\$97	327	\$296	\$97
ENLISTED.....	720	154	111	683	154	105	683	154	105
TOTAL.....	1,070		\$215	1,010		\$202	1,010		\$202

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$3,360
ESTIMATE FY 2002	\$7,632
ACTUAL FY 2001	\$1,824

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 FY 1992 and FY 1993, 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.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
DEATH GRATUITIES									
OFFICER.....	168	\$6,000	\$1,008	203	\$6,000	\$1,218	203	\$6,000	\$1,218
ENLISTED.....	136	6,000	816	1,067	6,000	6,402	355	6,000	2,130
CADETS.....	0	0	0	2	6,000	12	2	6,000	12
TOTAL.....	304		\$1,824	1,272		\$7,632	560		\$3,360

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$83,314
ESTIMATE FY 2002	\$77,939
ACTUAL FY 2001	\$83,001

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. 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 actually disbursed in FY 2001.

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 2001		NUMBER	ESTIMATE FY 2002		NUMBER	ESTIMATE FY 2003	
		RATE	AMOUNT		RATE	AMOUNT		RATE	AMOUNT
UNEMPLOYMENT BENEFITS									
OFFICER.....	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
ENLISTED.....	23,769	3,492	\$83,001	20,845	3,739	\$77,939	22,554	3,694	\$83,314
TOTAL.....	23,769		\$83,001	20,845		\$77,939	22,554		\$83,314

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$7,204
ESTIMATE FY 2002	\$6,562
ACTUAL FY 2001	\$7,892

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 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
SURVIVOR BENEFIT COSTS.....	\$7,892	\$6,562	\$7,204

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$19,163
ESTIMATE FY 2002	\$23,917
ACTUAL FY 2001	\$20,368

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 FY 2000 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 the most recent valuation of the DoD Education Benefits Fund.

PART II - Justification of Funds Requested

The Board of Actuaries estimate that a decrease of \$4.7 million is needed from FY 2002 to FY 2003 to adjust 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 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
INVOLUNTARY SEPARATEES.....	3,572	3,610	3,678
UNFUNDED LIABILITY.....	16,796	20,307	15,485
TOTAL AMORTIZATION PAYMENTS.....	\$20,368	\$23,917	\$19,163

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$252
ESTIMATE FY 2002	\$250
ACTUAL FY 2001	\$252

Project: Adoption Costs

Part I - Purpose and Scope

Section 651 of the National Defense Authorization Act for FY 1992 and FY 1993 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)

	ACTUAL FY 2001		ESTIMATE FY 2002			ESTIMATE FY 2003			
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ADOPTION EXPENSES.....	126	\$2,000	\$252	125	\$2,000	\$250	126	\$2,000	\$252

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$20,200
ESTIMATE FY 2002	\$8,801
ACTUAL FY 2001	\$13,815

Project: Special Compensation

Part I - Purpose and Scope

Section 658 of the FY 2000 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 FY 2001 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 FY 2002.

Part II - Justification of Funds Requested

The FY 2003 estimate is based on the Under Secretary of Defense (Comptroller) Guidance.

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

	ACTUAL FY 2001	ESTIMATE FY 2002	ESTIMATE FY 2003
SPECIAL COMPENSATION.....	\$13,815	\$8,801	\$20,200

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2003	\$2,092
ESTIMATE FY 2002	\$2,040
ACTUAL FY 2001	\$1,001

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 Military participants in the National Capital Region and qualified CONUS locations and preliminary rate data.

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

	NUMBER	ACTUAL FY 2001		NUMBER	ESTIMATE FY 2002		NUMBER	ESTIMATE FY 2003	
		RATE	AMOUNT		RATE	AMOUNT		RATE	AMOUNT
MASS TRANSIT EXPENSES.....	1,283	\$780	\$1,001	1,700	\$1,200	\$2,040	1,715	\$1,220	\$2,092
TOTAL DIRECT OMPC OBLIGATION AMOUNTS.....			129,189			127,819			136,270

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 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
NONREIMBURSABLE									
CLASSIFIED ACTIVITIES.....	0	0	0	0	0	0	0	0	0
CONGRESSIONAL FELLOWS.....	12	0	12	12	0	12	12	0	12
DENTAL HYGIENE PROGRAM.....	0	11	11	0	11	11	0	11	11
DEPARTMENT OF ENERGY.....	8	0	8	8	0	8	8	0	8
DEPARTMENT OF JUSTICE.....	8	0	8	8	0	8	8	0	8
DEPARTMENT OF STATE.....	29	1	30	29	1	30	29	1	30
DRUG ENFORCEMENT AGENCY....	3	1	4	3	1	4	3	1	4
FBI.....	1	1	2	1	1	2	1	1	2
FEMA.....	1	1	2	1	1	2	1	1	2
LAW ENFORCEMENT									
SUPPORT OFFICE.....	3	2	5	3	2	5	3	2	5
MILITARY OBSERVERS.....	7	0	7	7	0	7	7	0	7
NSC.....	3	1	4	3	1	4	3	1	4
OFFICE OF NATIONAL DRUG									
CONTROL POLICY.....	10	0	10	10	0	10	10	0	10
PRESIDENTIAL CON PROGRAM....	1	9	10	1	9	10	1	9	10
SSC FELLOWSHIP.....	30	0	30	30	0	30	30	0	30
TRAINING WITH INDUSTRY.....	109	0	109	109	0	109	109	0	109
WHITE HOUSE									
COMMUNICATIONS AGENCY.....	31	401	432	31	401	432	31	401	432
WHITE HOUSE FELLOWS.....	2	0	2	2	0	2	2	0	2
WHITE HOUSE									
MILITARY OFFICE.....	18	6	24	18	6	24	18	6	24
WHITE HOUSE									
SERVICES AGENCY.....	13	0	13	13	0	13	13	0	13
WHITE HOUSE									
TRANSPORTATION AGENCY.....	0	67	67	0	67	67	0	67	67
TOTAL NONREIMBURSABLE....	289	501	790	289	501	790	289	501	790
REIMBURSABLE									
AMERICAN BATTLE									
MONUMENTS COMM.....	4	0	4	0	0	0	0	0	0
CLASSIFIED ACTIVITIES.....	13	11	24	13	11	24	13	11	24
DEPARTMENT OF STATE.....	5	0	5	5	0	5	5	0	5
FBI.....	2	0	2	2	0	2	2	0	2
LAW ENFORCEMENT									
SUPPORT OFFICE.....	2	0	2	2	0	2	2	0	2
NASA.....	6	0	6	6	0	6	6	0	6
OTHER AGENCIES.....	1	0	1	1	0	1	1	0	1
SELECTIVE SERVICE SYSTEM....	7	0	7	7	0	7	7	0	7
WHITE HOUSE									
COMMUNICATIONS AGENCY.....	0	35	35	0	35	35	0	35	35
TOTAL REIMBURSABLE.....	40	46	86	36	46	82	36	46	82
TOTAL OUTSIDE DOD.....	329	547	876	325	547	872	325	547	872

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

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	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.....	278	223	501	265	223	488	265	223	488
ASSIGN TO DOD IN SUPPORT OF DOD FUNCTIONS									
SUPPLY MGMT.....	8	6	14	7	6	13	7	6	13
ORDNANCE.....	13	7	20	14	7	21	9	5	14
DEPOT MAINT.....	17	4	21	17	15	32	9	14	23
INFO SERVICES.....	21	0	21	6	0	6	5	0	5
SUBTOTAL AWCF.....	59	17	76	44	28	72	30	25	55
DLA.....	126	61	187	122	62	184	124	62	186
DFAS.....	53	396	449	53	396	449	53	396	449
DECA.....	9	1	10	9	1	10	9	1	10
DISA.....	6	16	22	6	12	18	4	12	16
TRANSCOM.....	120	155	275	117	152	269	108	134	242
SUBTOTAL DWCF.....	373	646	1,019	351	651	1,002	328	630	958
TOTAL REIMB.....	691	915	1,606	652	920	1,572	629	899	1,528
TOTAL NONREIMB.....	289	501	790	289	501	790	289	501	790
GRAND TOTAL.....	980	1,416	2,396	941	1,421	2,362	918	1,400	2,318

SECTION 5
REIMBURSABLES FOR BUDGET REVIEWS (THOUSANDS OF DOLLARS)

	ACTUAL FY 2001			ESTIMATE FY 2002			ESTIMATE FY 2003		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
SUPPLY MGMT.....	733	162	895	700	230	930	823	193	1,016
ORDNANCE.....	1,577	249	1,826	1,270	210	1,480	1,348	256	1,604
DEPOT MAINT.....	1,536	233	1,769	1,680	380	2,060	1,563	709	2,272
INFO SERVICES.....	1,561	0	1,561	600	0	600	548	0	548
SUBTOTAL AWCF.....	5,407	644	6,051	4,250	820	5,070	4,282	1,158	5,440
DLA.....	11,578	2,566	14,144	11,544	2,562	14,106	11,690	2,385	14,075
DFAS.....	4,500	11,000	15,500	4,600	10,700	15,300	3,401	10,199	13,600
DECA.....	577	45	622	580	47	627	619	28	647
DISA.....	277	843	1,120	539	424	963	500	401	901
TRANSCOM.....	12,000	5,300	17,300	10,600	5,350	15,950	11,088	5,512	16,600
SUBTOTAL DWCF.....	34,339	20,398	54,737	32,113	19,903	52,016	31,580	19,683	51,263
FOREIGN MILITARY SALES.....	23,971	28,745	52,716	38,857	39,819	78,676	33,615	14,999	48,614
DEFENSE HEALTH PROGRAM.....	0	0	0	0	0	0	86,330	67,296	153,626
OTHER NON-STRENGTH.....	0	37,954	37,954	0	20,323	20,323	0	32,947	32,947
SUBSISTENCE IN KIND.....	0	29,796	29,796	0	12,148	12,148	0	30,727	30,727
OTHER MILITARY COSTS.....	0	8,158	8,158	0	8,175	8,175	0	2,220	2,220
OTHER GOVT COSTS.....	5,418	2,236	7,654	5,633	2,451	8,084	4,600	3,302	7,902
TOTAL PROGRAM.....	63,728	89,333	153,061	76,603	82,496	159,099	156,125	138,227	294,352