

DEPARTMENT OF THE ARMY
FY2004 / FY2005 Biennial Budget Estimates

Submitted to Congress, February 2003



Military Personnel, Army
Volume I, Active Forces
(Budget Activities 1 through 6)

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FY 2004/2005

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MILITARY PERSONNEL, ARMY
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(\$ in Thousands)

The Military Personnel, Army appropriation provides for pay, allowances, individual clothing, subsistence, and permanent change of station for Active, Reserve and National Guard personnel, as well as for travel and per diem for Reserve Component members performing training. For FY 2004 justification purposes, the Military Personnel, Army budget is presented in three volumes. Budget Activities 1-6 are presented as Volume I - Active Forces; Budget Activity 7 is presented as Volume II - Reserve Forces; and Budget Activity 8 is presented as Volume III - National Guard Forces.

The following is a funding summary of all three volumes:

	FY2002	FY2003	FY2004	FY2005
<u>DIRECT PROGRAM</u>				
BA-1 Pay and Allowances of Officers	7,041,615	7,120,383	7,546,561	7,875,850
BA-2 Pay and Allowances of Enlisted Personnel	15,525,684	16,983,445	18,150,218	19,058,698
BA-3 Pay and Allowances of Cadets and Midshipmen	42,889	47,352	49,667	51,331
BA-4 Subsistence of Enlisted Personnel	1,394,381	1,422,189	1,373,636	1,398,894
BA-5 Permanent Change of Station Travel	1,188,577	1,140,922	1,061,005	1,106,352
BA-6 Other Military Personnel Costs	188,713	119,895	107,349	110,296
BA-7 Reserve Forces			3,586,125	3,800,688
BA-8 National Guard Forces			5,514,319	5,913,918
Total Program	25,381,859	26,834,186	37,388,880	39,316,027
<u>REIMBURSABLE PROGRAM</u>				
BA-1 Pay and Allowances of Officers	77,968	278,806	163,981	175,466
BA-2 Pay and Allowances of Enlisted Personnel	89,311	384,693	87,035	85,292
BA-3 Pay and Allowances of Cadets and Midshipmen		-	-	-
BA-4 Subsistence of Enlisted Personnel	27,998	30,727	31,925	33,170
BA-5 Permanent Change of Station Travel	8,345	2,092	2,085	2,129
BA-6 Other Military Personnel Costs	130	128	130	133
BA-7 Reserve Forces			35,000	35,000
BA-8 National Guard Forces			90,569	94,662
Reimbursable Program	203,752	696,446	410,725	425,852
<u>TOTAL PROGRAM</u>				
BA-1 Pay and Allowances of Officers	7,119,583	7,399,189	7,710,542	8,051,316
BA-2 Pay and Allowances of Enlisted Personnel	15,614,995	17,368,138	18,237,253	19,143,990
BA-3 Pay and Allowances of Cadets and Midshipmen	42,889	47,352	49,667	51,331
BA-4 Subsistence of Enlisted Personnel	1,422,379	1,452,916	1,405,561	1,432,064
BA-5 Permanent Change of Station Travel	1,196,922	1,143,014	1,063,090	1,108,481
BA-6 Other Military Personnel Costs	188,843	120,023	107,479	110,429
BA-7 Reserve Forces			3,621,125	3,835,688
BA-8 National Guard Forces			5,604,888	6,008,580
Total Program	25,585,611	27,530,632	37,799,605	39,741,879

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

	ACTUAL FY 2002	ESTIMATE FY 2003	ESTIMATE FY 2004	ESTIMATE FY 2005
DIRECT PROGRAM				
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 7,041,615	\$ 7,120,383	\$ 7,546,561	\$ 7,875,850
PAY AND ALLOWANCES FOR ENLISTED.....	15,525,684	16,983,445	18,150,218	19,058,698
PAY AND ALLOWANCES FOR CADETS.....	42,889	47,352	49,667	51,331
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,394,381	1,422,189	1,373,636	1,398,894
PERMANENT CHANGE OF STATION TRAVEL.....	1,188,577	1,140,922	1,061,005	1,106,352
OTHER MILITARY PERSONNEL COSTS.....	188,713	119,895	107,349	110,296
TOTAL DIRECT PROGRAM.....	\$ 25,381,859	\$ 26,834,186	\$ 28,288,436	\$ 29,601,421
REIMBURSABLE PROGRAM				
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 77,968	\$ 278,806	\$ 163,981	\$ 175,466
PAY AND ALLOWANCES FOR ENLISTED.....	89,311	384,693	87,035	85,292
PAY AND ALLOWANCES FOR CADETS.....	0	0	0	0
SUBSISTENCE OF ENLISTED PERSONNEL.....	27,998	30,727	31,925	33,170
PERMANENT CHANGE OF STATION.....	8,345	2,092	2,085	2,129
OTHER MILITARY PERSONNEL COSTS.....	130	128	130	133
TOTAL REIMBURSABLE PROGRAM.....	\$ 203,752	\$ 696,446	\$ 285,156	\$ 296,190
TOTAL PROGRAM				
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 7,119,583	\$ 7,399,189	\$ 7,710,542	\$ 8,051,316
PAY AND ALLOWANCES FOR ENLISTED.....	15,614,995	17,368,138	18,237,253	19,143,990
PAY AND ALLOWANCES FOR CADETS.....	42,889	47,352	49,667	51,331
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,422,379	1,452,916	1,405,561	1,432,064
PERMANENT CHANGE OF STATION TRAVEL.....	1,196,922	1,143,014	1,063,090	1,108,481
OTHER MILITARY PERSONNEL COSTS.....	188,843	120,023	107,479	110,429
TOTAL PROGRAM.....	\$ 25,585,611*	\$ 27,530,632	\$ 28,573,592	\$ 29,897,611
DERF EXECUTION ACCOUNT (FY 2002 ONLY) P.L. 107-38, P.L. 107-117				
DERF Obligations for Military Personnel Requirements	\$ 327,205			
TOTAL	\$ 25,912,816			

* Includes \$1,547,662,000 from FY02 supplemental appropriation (\$1,171M) and DHP reprogramming (\$377M) in support of Operation Noble Eagle and Operation Enduring Freedom.

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 2002/2003):

The end strength for FY 2002 was 486,543 (excluding contingency operations). The FY 2003 MPA Program is currently funded for an average annual strength of 480,000, but we expect Global War on Terrorism (GWOT) requirements to bring us to an end strength of 488,418, with a manyear average of 488,590, which will require additional funds.

Active Army Program Estimates (FY 2004):

The FY 2004 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:

- The FY 2004 DOD average military pay raise of 4.1%, ranging from 2% to 6.25% and a mode of 3.7%, is budgeted with a 1 January effective date. This budget does not address the military pay table reform.
- The normal cost percentage used to calculate payments to the military retired pay trust fund are 27.1% in FY 2004. 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 3.5% in FY 2004 to 0% by the end of FY 2005. BAH housing growth is an overall 4.2%, effective 1 January 2003.
- BAH - Residential Communities Initiative (RCI). The RCI program is a major initiative within the Army to alleviate housing shortages, rapidly improve the condition of existing housing and eliminate inadequate family housing by FY 2007. It was fully funded in FY 2004 (\$376.2M). This program focuses on developing and managing communities and embraces comprehensive planning and execution, as opposed to piecemeal projects. The following Forts are funded through FY 2004: Hood, Lewis, Meade, Hamilton, Bragg, Campbell, Irwin, Stewart, Polk, Eustis, Detrick, Shafter. Also funded are Walter Reed Medical Center, Picatinney Arsenal, Schofield Barracks, Hunter Army Airfield, Moffet Field, and the Presidio of Monterey.
- The rates for subsistence are indexed to changes in the US Department of Agriculture food plan.
- Budget requests for FY 2003-2005 do not include Global War on Terrorism (GWOT) estimates.

Defense Emergency Response Fund (DERF):

Funds appropriated in P.L. 107-38 and P.L. 107-117 went to a DERF execution account. For FY 2002, \$327,205,000 was executed by MPA in the DERF 97X0833 appropriation.

Funds appropriated in P.L. 107-206 were received from the supplemental and DHP reprogrammings. For FY 2002 \$1,547,662,000 was executed by MPA for the 2122010 appropriation and an additional \$214,762,000 was used to support the travel, lodging and meal requirements for the mobilized soldiers in 2122020 appropriation.

During FY 2002 3,520 Officer and 17,258 Enlisted man years were funded for mobilized reserve component personnel in support of Operation Noble Eagle and Operation Enduring Freedom.

SECTION 3
SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 2002 ACTUAL		FY 2003 ESTIMATE		FY 2004 ESTIMATE		FY 2005 ESTIMATE	
	AVERAGE STRENGTH	END STRENGTH 30 SEP 2002	AVERAGE STRENGTH	END STRENGTH 30 SEP 2003	AVERAGE STRENGTH	END STRENGTH 30 SEP 2004	AVERAGE STRENGTH	END STRENGTH 30 SEP 2005
DIRECT PROGRAM								
OFFICERS.....	80,365	77,506	78,057	77,829	78,728	77,167	78,328	77,167
ENLISTED.....	422,010	403,385	401,949	396,543	401,297	397,209	401,656	397,209
ACADEMY CADETS.....	4,004	4,080	4,000	4,100	4,000	4,100	4,000	4,100
TOTAL DIRECT PROGRAM.....	498,375	484,971	484,006	478,472	484,025	478,476	483,984	478,476
REIMBURSABLE PROGRAM								
OFFICERS.....	703	652	1,832	629	633	633	633	633
ENLISTED.....	1,846	920	6,375	899	891	891	891	891
TOTAL REIMBURSABLE PROGRAM.....	2,549	1,572	8,207	1,528	1,524	1,524	1,524	1,524
TOTAL PROGRAM								
OFFICERS.....	81,068	78,158	79,889	78,458	79,361	77,800	78,961	77,800
ENLISTED.....	423,856	404,305	408,324	397,442	402,188	398,100	402,547	398,100
ACADEMY CADETS.....	4,004	4,080	4,000	4,100	4,000	4,100	4,000	4,100
TOTAL.....	508,928*	486,543	492,213	480,000	485,549	480,000	485,508	480,000

*Includes average strength of Reserve Component Mobilization (FY 2002 ONLY) as follows:

OFFICERS.....	3,520
ENLISTED.....	17,258
TOTAL	20,778

SECTION 3
END STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2002		ESTIMATE FY 2003		ESTIMATE FY 2004		ESTIMATE FY 2005	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS								
GEN.....	10	0	10	0	10	0	10	0
LTG.....	44	0	43	0	43	0	43	0
MG.....	96	2	103	2	103	2	103	2
BG.....	150	4	156	4	157	4	157	4
COL.....	3,578	27	3,629	26	3,649	26	3,649	29
LTC.....	8,745	73	8,670	69	9,052	69	9,049	78
MAJ.....	14,230	140	13,857	138	14,530	138	14,532	155
CPT.....	22,033	278	24,770	268	24,449	272	24,449	228
1LT.....	8,968	108	8,008	104	5,828	104	6,253	117
2LT.....	8,592	2	7,670	2	8,179	2	7,755	2
TOTAL COMMISSIONED OFFICERS.....	66,446	634	66,916	613	66,000	617	66,000	615
WARRANT OFFICERS								
CW5.....	395	1	371	1	401	1	401	1
CW4.....	1,413	4	1,426	4	1,581	4	1,581	4
CW3.....	3,375	6	3,344	5	2,915	5	2,915	6
CW2.....	4,466	6	4,162	5	4,767	5	4,767	6
WO1.....	2,063	1	2,239	1	2,136	1	2,136	1
TOTAL WARRANT OFFICERS.....	11,712	18	11,542	16	11,800	16	11,800	18
TOTAL OFFICER PERSONNEL.....	78,158	652	78,458	629	77,800	633	77,800	633
ENLISTED PERSONNEL								
SGM.....	3,108	22	3,127	23	3,115	23	3,092	23
1SG/MSG.....	10,947	45	10,842	45	10,851	45	10,868	45
PSG/SFC.....	37,128	167	36,721	158	36,880	158	36,861	158
SSG.....	57,291	200	56,505	194	56,420	190	56,137	197
SGT.....	72,683	197	73,072	195	72,728	191	72,719	184
CPL/SPC.....	102,604	155	108,347	158	109,393	158	109,341	158
PFC.....	67,155	116	53,906	110	51,326	110	52,898	110
PV2.....	32,334	15	30,815	13	34,877	13	33,541	13
PV1.....	21,055	3	24,107	3	22,510	3	22,643	3
TOTAL ENLISTED PERSONNEL.....	404,305	920	397,442	899	398,100	891	398,100	891
TOTAL OFF & ENL PERSONNEL.....	482,463	1,572	475,900	1,528	475,900	1,524	475,900	1,524
CADETS.....	4,080	0	4,100	0	4,100	0	4,100	0
TOTAL END STRENGTH.....	486,543	1,572	480,000	1,528	480,000	1,524	480,000	1,524

SECTION 3
AVERAGE STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2002		ESTIMATE FY 2003		ESTIMATE FY 2004		ESTIMATE FY 2005	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS								
GEN.....	9	0	10	0	10	0	10	0
LTG.....	42	0	43	0	43	0	43	0
MG.....	99	2	101	2	103	2	103	2
BG.....	151	4	155	4	157	4	157	4
COL.....	3,549	27	3,599	26	3,661	26	3,635	29
LTC.....	8,606	73	8,721	69	9,068	69	9,016	78
MAJ.....	18,593	140	16,444	138	14,754	138	14,656	155
CPT.....	22,216	329	23,638	1,471	25,753	272	25,563	228
1LT.....	8,980	108	8,771	104	6,620	104	6,681	117
2LT.....	7,302	2	6,854	2	7,507	2	7,275	2
TOTAL COMMISSIONED OFFICERS.....	69,401	685	68,336	1,816	67,676	617	67,139	615
WARRANT OFFICERS								
CW5.....	396	1	389	1	396	1	402	1
CW4.....	1,348	4	1,409	4	1,561	4	1,584	4
CW3.....	3,259	6	3,336	5	2,907	5	2,920	6
CW2.....	4,463	6	4,259	5	4,700	5	4,776	6
WO1.....	2,055	1	2,160	1	2,121	1	2,140	1
TOTAL WARRANT OFFICERS.....	11,521	18	11,553	16	11,685	16	11,822	18
TOTAL OFFICER PERSONNEL.....	81,068	703	79,889	1,832	79,361	633	78,961	633
ENLISTED PERSONNEL								
SGM.....	3,136	22	3,150	23	3,148	23	3,118	23
1SG/MSG.....	10,671	45	10,711	45	10,781	45	10,754	45
PSG/SFC.....	36,756	167	36,906	158	36,853	158	36,779	158
SSG.....	78,444	200	66,576	5,678	56,585	190	56,227	197
SGT.....	73,292	1,123	72,976	187	72,911	191	72,606	184
CPL/SPC.....	102,204	155	108,055	158	112,597	158	114,018	158
PFC.....	62,366	116	56,776	110	51,868	110	51,675	110
PV2.....	34,624	15	33,206	13	34,351	13	34,803	13
PV1.....	22,363	3	19,968	3	23,094	3	22,567	3
TOTAL ENLISTED PERSONNEL.....	423,856	1,845	408,324	6,375	402,188	891	402,547	891
TOTAL OFF & ENL PERSONNEL.....	496,920	2,548	488,213	8,207	481,549	1,524	481,508	1,524
CADETS.....	4,004	0	4,000	0	4,000	0	4,000	0
TOTAL AVERAGE STRENGTH.....	508,928*	2,548	492,213	8,207	485,549	1,524	485,508	1,524

*Includes average strength of Reserve Component Mobilization (FY 2002 ONLY) as follows:

OFFICERS.....	3,520
ENLISTED.....	17,258
TOTAL	20,778

SECTION 3
ACTIVE DUTY STRENGTHS BY MONTH
(IN THOUSANDS)

	OFF	ACTUAL FY 2002		TOTAL	OFF	ESTIMATE FY 2003		TOTAL	OFF	ESTIMATE FY 2004		TOTAL	OFF	ESTIMATE FY 2005		TOTAL
		ENL	CAD			ENL	CAD			ENL	CAD			ENL	CAD	
SEPTEMBER.....	76.179	400.462	4.161	480.802	78.158	404.305	4.080	486.543	78.458	397.442	4.100	480.000	77.800	398.100	4.100	480.000
OCTOBER.....	75.968	401.195	4.148	481.311	78.095	407.193	4.070	489.358	78.112	395.842	4.082	478.036	77.513	396.165	4.082	477.760
NOVEMBER.....	75.880	402.124	4.139	482.143	77.182	405.205	4.059	486.446	77.835	396.561	4.072	478.468	77.275	400.384	4.072	481.731
DECEMBER.....	76.140	397.704	4.110	477.954	77.071	400.268	4.057	481.396	77.647	392.049	4.070	473.766	77.116	395.413	4.070	476.599
JANUARY.....	76.154	401.052	4.098	481.304	77.402	395.625	4.049	477.076	77.863	398.158	4.062	480.083	77.380	398.635	4.062	480.077
FEBRUARY.....	76.138	399.966	4.076	480.180	77.128	395.761	4.049	476.938	77.468	402.457	4.041	483.966	77.026	402.327	4.041	483.394
MARCH.....	76.071	400.170	4.068	480.309	77.010	395.254	4.036	476.300	77.268	400.460	4.028	481.756	76.847	397.255	4.028	478.130
APRIL.....	76.065	401.140	4.061	481.266	76.882	396.892	4.032	477.806	77.046	401.433	4.024	482.503	76.655	401.565	4.024	482.244
MAY.....	76.760	403.349	4.019	484.128	78.690	398.010	3.052	479.752	78.705	398.475	3.044	480.224	78.374	398.259	3.044	479.677
JUNE.....	78.170	404.363	3.003	485.536	79.017	397.001	4.214	480.232	78.854	396.232	4.206	479.292	78.602	399.506	4.206	482.314
JULY.....	77.926	405.027	4.109	487.062	78.865	398.079	4.156	481.100	78.475	401.339	4.148	483.962	78.325	399.275	4.148	481.748
AUGUST.....	78.033	405.795	4.101	487.929	78.694	390.923	4.136	473.753	78.128	395.724	4.128	477.980	78.053	394.145	4.128	476.326
SEPTEMBER.....	78.158	404.305	4.080	486.543	78.458	397.442	4.100	480.000	77.800	398.100	4.100	480.000	77.800	398.100	4.100	480.000
AVERAGE																
STRENGTH.....	76.706	402.023	4.004	482.733*	77.576	398.424	4.000	480.000	77.958	398.042	4.000	480.000	77.581	398.419	4.000	480.000
(TTAD MANYRS).	0.164	0.071		0.235	0.164	0.071		0.235	0.200	0.154		0.354	0.177	0.136		0.313
TTAD \$M.....	11.515	4.985		16.500	13.800	5.974		19.774	20.703	7.770		28.473	18.872	7.120		25.992
(CONTINGENCY																
MANYRS).....	0.678	4.504		5.182	2.149	9.829		11.978	1.203	3.992		5.195	1.203	3.992		5.195
CONTINGENCY \$M	105.040	357.960		463.000	227.991	642.027		870.018	107.998	242.114		350.112	111.985	247.951		359.936

*Excludes average strength of Reserve Component Mobilization (FY 2002 ONLY)

SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

	ACTUAL FY 2002	ESTIMATE FY 2003	ESTIMATE FY 2004	ESTIMATE FY 2005
OFFICERS				
BEGINNING STRENGTH.....	76,234	78,158	78,458	77,800
GAINS (BY SOURCE)				
SERVICE ACADEMIES.....	1,003	933	933	933
ROTC.....	2,809	2,908	2,908	2,933
OFFICER CANDIDATE SCHOOL.....	1,025	1,000	1,000	1,000
VOLUNTARY ACTIVE DUTY.....	344	368	368	368
DIRECT APPOINTMENTS.....	1,257	1,265	1,255	1,255
WARRANT OFFICER PROGRAMS.....	1,212	1,150	1,150	1,150
OTHER.....	55	67	0	0
TOTAL GAINS.....	7,705	7,691	7,614	7,639
LOSSES (BY TYPE)				
EXPIRATION OF CONTRACT.....	1,159	1,051	1,176	1,086
RETIREMENT	2,325	2,887	3,231	2,984
DISABILITY.....	(91)	(133)	(149)	(138)
NON-DISABILITY.....	(2,234)	(2,754)	(3,082)	(2,846)
15 YEAR RETIREMENT.....	0	0	0	0
VOLUNTARY SEPARATION - VSI.....	0	0	0	0
VOLUNTARY SEPARATION - SSB.....	0	0	0	0
INVOLUNTARY SEP OF RESERVE.....	93	120	120	120
INVOLUNTARY SEP OF REGULAR.....	30	55	55	55
REDUCTION-IN-FORCE.....	0	0	0	0
ATTRITION.....	12	20	150	150
OTHER.....	2,162	3,258	3,540	3,244
TOTAL LOSSES.....	5,781	7,391	8,272	7,639
END STRENGTH.....	78,158	78,458	77,800	77,800

SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

	ACTUAL FY 2002	ESTIMATE FY 2003	ESTIMATE FY 2004	ESTIMATE FY 2005
ENLISTED				
BEGINNING STRENGTH.....	400,462	404,305	397,442	398,100
GAINS (BY SOURCE)				
NON-PRIOR SERVICE ENLISTMENTS.....	71,673	63,249	70,358	73,095
MALES.....	(58,431)	(49,462)	(54,879)	(57,014)
FEMALES.....	(13,242)	(13,787)	(15,479)	(16,081)
PRIOR SERVICE ENLISTMENTS.....	6,452	4,403	5,075	5,000
REENLISTMENT (IMM).....	57,173	57,315	62,060	59,008
RESERVE COMPONENTS.....	0	0	0	0
RETURNED TO MILITARY CONTROL.....	2,023	3,560	3,579	3,636
OTHER.....	0	0	0	0
GAIN ADJUSTMENT.....	1,631	(1,481)	2	4
TOTAL GAINS.....	138,952	127,046	141,074	140,743
LOSSES (BY TYPE)				
DRAFTEE AND REGULAR ARMY				
ESTIMATED TERMINATION OF SERVICE...	26,012	27,299	28,848	30,638
NORMAL EARLY RELEASE.....	0	0	0	0
PROGRAMMED EARLY RELEASE.....	0	0	0	0
SEPARATIONS -VSI.....	0	0	0	0
SEPARATION - SSB.....	0	0	0	0
TO COMMISSIONED OFFICER				
AND WARRANT OFFICER.....	0	0	0	0
REENLISTMENT.....	57,173	57,315	62,060	59,008
RETIREMENT.....	6,614	7,426	8,000	8,242
15 YEAR RETIREMENT.....	0	0	0	0
DROPPED FROM ROLLS.....	4,800	4,698	4,719	4,812
ATTRITION ADVERSE CAUSES.....	21,392	16,985	17,268	17,730
OTHER ATTRITION.....	19,118	20,186	19,521	20,313
RESERVE COMPONENTS.....	0	0	0	0
TOTAL LOSSES.....	135,109	133,909	140,416	140,743
END STRENGTH.....	404,305	397,442	398,100	398,100
CADETS				
GAINS				
ENTERING CADETS.....	1,307	1,162	1,162	1,162
LOSSES				
ATTRITION.....	1,227	1,142	1,162	1,162
GRADUATES.....	0	0	0	0

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
1. BASIC PAY.....	4131605	9012546	13144151	4268770	9415291	13684061	4412910	9574058	13986968	4546472	9922085	14468557
2A. RETIRED PAY ACCRUAL.....	1251876	2730801	3982677	1171925	2579790	3751715	1195923	2594570	3790493	1227547	2678963	3906510
2B. HEALTH CARE ACCRUAL.....	0	0	0	332666	1723073	2055739	361924	1856387	2218311	313054	1878015	2191069
3. BASIC ALLOWANCE FOR HOUSING.....	784529	1808360	2592889	690412	1700553	2390965	811721	2046666	2858387	1013260	2418013	3431273
A. DOMESTIC.....	692628	1687111	2379739	625185	1620549	2245734	726998	1946327	2673325	928791	2317838	3246629
1. WITH DEPENDENTS.....	525495	1428720	1954215	447082	1351756	1798838	537616	1664664	2202280	728266	2018332	2746598
2. WITHOUT DEPENDENTS..	166674	245593	412267	177660	256486	434146	188937	269412	458349	200085	287198	487283
3. SUBSTANDARD HOUSING	7	180	187	15	253	268	15	266	281	16	286	302
4. PARTIAL.....	452	12618	13070	428	12054	12482	430	11985	12415	424	12022	12446
B. OVERSEAS.....	91901	121249	213150	65227	80004	145231	84723	100339	185062	84469	100175	184644
1. WITH DEPENDENTS.....	46155	60776	106931	30367	37840	68207	41623	52472	94095	41562	52393	93955
2. WITHOUT DEPENDENTS..	45746	60473	106219	34860	42164	77024	43100	47867	90967	42907	47782	90689
4. SUBSISTENCE.....	161439	1422379	1583818	164891	1452916	1617807	168721	1405561	1574282	172925	1432064	1604989
A. BASIC ALLOWANCE FOR SUBSISTENCE.....	161439	702445	863884	164891	833180	998071	168721	853758	1022479	172925	868112	1041037
1. AUTHORIZED TO MESS SEPARATELY.....	161439	940015	1101454	164891	1079906	1244797	168721	1056615	1225336	172925	1064835	1237760
2. LEAVE RATIONS.....		9591	9591		0	0		0	0		0	0
3. RATIONS-IN-KIND NOT AVAILABLE.....		75412	75412		68463	68463		71470	71470		71424	71424
4. AUGMENTATION FOR SEPARATE MEALS.....		0	0		0	0		0	0		0	0
5. PARTIAL BAS.....		8581	8581		0	0		0	0		0	0
6. LESS COLLECTIONS....		331154	331154		315189	315189		274327	274327		268147	268147
B. SUBSISTENCE IN KIND....		718347	718347		614538	614538		550205	550205		562354	562354
1. SUBSISTENCE IN MESSES.....		534173	534173		379841	379841		378962	378962		392380	392380
2. OPERATIONAL RATIONS		128857	128857		184765	184765		134091	134091		135215	135215
3. AUGMENTATION RATIONS/OTHER.....		55317	55317		49932	49932		37152	37152		34759	34759
C. FAMILY SUBSISTENCE SUPPLE ALLOW(FSSA)....		1587	1587		5198	5198		1598	1598		1598	1598

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
5. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER.....	105830	70608	176438	76694	67866	144560	77194	71540	148734	77183	71540	148723
A. FLYING DUTY PAY.....	95191	7509	102700	66093	7329	73422	66438	7632	74070	66427	7632	74059
1. AVIATION CAREER, OFFICERS.....	59650		59650	59329		59329	59674		59674	59663		59663
2. CREW MEMBERS, ENLISTED.....		6627	6627		6312	6312		6588	6588		6588	6588
3. NONCREW MEMBERS.....	112	882	994	135	1017	1152	135	1044	1179	135	1044	1179
4. AVIATION CONTINUATION PAY....	35304		35304	6504		6504	6504		6504	6504		6504
5. CREW NON-RATED.....	125		125	125		125	125		125	125		125
B. PARACHUTE JUMP PAY.....	10003	58126	68129	9905	56725	66630	10060	58894	68954	10060	58894	68954
C. DEMOLITION PAY.....	263	2308	2571	266	2295	2561	266	2295	2561	266	2295	2561
D. OTHER.....	373	2665	3038	430	1517	1947	430	2719	3149	430	2719	3149
6. SPECIAL PAYS.....	215332	598730	814062	218677	482330	701007	209965	497276	707241	209965	513573	723538
A. PHYSICIAN MEDICAL.....	157572		157572	158413		158413	153297		153297	153297		153297
B. DENTIST MEDICAL.....	24266		24266	27558		27558	27558		27558	27558		27558
C. NURSE MEDICAL.....	3023		3023	3936		3936	3286		3286	3286		3286
D. BOARD CERTIFIED PAY FOR NONPHYSICIAN HEALTH CARE PROVIDER...	2233		2233	1614		1614	1614		1614	1614		1614
E. DIPLOMATE PAY FOR PSYCHOLOGISTS.....	199		199	174		174	174		174	174		174
F. OPTOMETRIST MEDICAL....	446		446	734		734	836		836	836		836
G. PHARMACY MEDICAL.....	0		0	1560		1560	1560		1560	1560		1560
H. VETERINARIAN MEDICAL...	1299	0	1299	1169	0	1169	1169	0	1169	1169	0	1169
1. SPECIAL PAY.....	130		130	497		497	497		497	497		497
2. DIPLOMATE PAY.....	1169		1169	672		672	672		672	672		672
I. SEA AND FOREIGN DUTY...	8318	49589	57907	10847	44037	54884	5726	37874	43600	5726	37874	43600
1. SEA DUTY.....	467	799	1266	460	845	1305	460	845	1305	460	845	1305
2. HARDSHIP DUTY PAY...	7851	45050	52901	10387	39213	49600	5266	33050	38316	5266	33050	38316
3. OVERSEAS EXTENSION PAY.....		3740	3740		3979	3979		3979	3979		3979	3979
J. FOREIGN LANGUAGE PROFICIENCY PAY.....	6212	22170	28382	5668	10367	16035	6344	11302	17646	6344	11302	17646
K. DIVING DUTY PAY.....	127	5050	5177	138	838	976	138	1764	1902	138	1764	1902
L. REENLISTMENT BONUS.....		127817	127817		97770	97770		115140	115140		121170	121170
M. SPECIAL DUTY ASSIGN PAY		60561	60561		61062	61062		79814	79814		79814	79814
N. ENLISTMENT BONUS.....		200722	200722		150344	150344		149798	149798		155897	155897
O. EDUCATION BENEFITS.....		57290	57290		34368	34368		30567	30567		31276	31276
P. LOAN REPAYMENT.....		35200	35200		48131	48131		43331	43331		46790	46790
Q. HOSTILE FIRE PAY.....	8705	40331	49036	3688	35413	39101	5065	27686	32751	5065	27686	32751
R. JUDGE ADVOCATE CONTINUATION PAY.....	2932		2932	3178		3178	3198		3198	3198		3198
S. HIGH-DEPLOYMENT PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0	0	0	0

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
7. ALLOWANCE.....	79983	468849	548832	63542	384790	448332	68583	448776	517359	70250	463618	533868
A. UNIFORM/CLOTHING												
ALLOWANCE.....	5196	244791	249987	5244	231207	236451	5134	263681	268815	5182	272193	277375
1. INITIAL ISSUE.....	3702	91390	95092	3738	78631	82369	3668	92742	96410	3705	97990	101695
A. MILITARY.....	2988	89465	92453	3012	76106	79118	2931	90180	93111	2954	95376	98330
B. CIVILIAN.....	714	1925	2639	726	2525	3251	737	2562	3299	751	2614	3365
2. ADDITIONAL ALLOWANCE	1494		1494	1506		1506	1466		1466	1477		1477
3. BASIC MAINTENANCE...		41332	41332		37463	37463		50176	50176		51181	51181
4. STANDARD MAINTENANCE		96788	96788		99283	99283		103400	103400		105230	105230
5. SUPPLEMENTARY.....		9500	9500		9624	9624		9787	9787		9963	9963
6. OTHER.....		5781	5781		6206	6206		7576	7576		7829	7829
B. STATION ALLOWANCE												
OVERSEAS.....	63746	175305	239051	47485	107855	155340	52561	140823	193384	54138	146717	200855
1. COST OF LIVING.....	55617	154039	209656	36149	83238	119387	41018	117221	158239	42417	121726	164143
2. TEMPORARY LODGING...	8129	21266	29395	11336	24617	35953	11543	23602	35145	11721	24991	36712
C. CONUS COLA.....	1567	2870	4437	1334	2199	3533	1713	2826	4539	1799	2883	4682
D. FAMILY SEPARATION												
ALLOWANCES.....	9427	45881	55308	9429	43527	52956	9125	41444	50569	9081	41823	50904
1. PCS - NO GOVERNMENT												
QUARTERS.....	3499	11343	14842	3355	10948	14303	3457	11228	14685	3548	11577	15125
2. PCS - DEPENDENTS												
NOT AUTHORIZED.....	2299	20534	22833	2378	20638	23016	2369	20538	22907	2366	20562	22928
TDY.....	3629	14004	17633	3696	11941	15637	3299	9678	12977	3167	9684	12851
E. PERSONAL MONEY												
ALLOWANCE.....	47	2	49	50	2	52	50	2	52	50	2	52

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
8. SEPARATION PAY.....	73110	242226	315336	86082	259719	345801	66865	271029	337894	73691	278342	352033
A. TERMINAL LEAVE PAY.....	19061	60721	79782	21138	70874	92012	22248	79240	101488	23139	82167	105306
B. DONATIONS.....		4	4		4	4		4	4		4	4
C. SEVERANCE PAY, DISABILITY.....	4337	71300	75637	6938	83487	90425	7284	87255	94539	7542	90397	97939
D. SEVERANCE PAY, NON-PROMOTION.....	6731		6731	19465		19465	12678		12678	18320		18320
E. SEVERANCE PAY, INVOL HALF (5%).....	164	12984	13148	172	13632	13804	180	14197	14377	186	14708	14894
F. SEVERANCE PAY, INVOL FULL (10%).....	761	20088	20849	801	19562	20363	835	20373	21208	864	21106	21970
G. SEVERANCE PAY, VSI.....	28125	7475	35600	26940	7160	34100	18540	4960	23500	18540	4960	23500
H. SEVERANCE PAY, SSB.....	0	0	0	0	0	0	0	0	0	0	0	0
I. SEVERANCE PAY, 15 YR RETIREMENT.....	0	0	0	0	0	0	0	0	0	0	0	0
J. \$30,000 LUMP SUM BONUS	13931	69654	83585	10628	65000	75628	5100	65000	70100	5100	65000	70100
9. SPECIAL COMPENSATION FOR COMBAT RELATED DISABLED...	0	0	0	0	42000	42000	0	151000	151000	0	167000	167000
10. SOCIAL SECURITY TAX PAYMENTS.....	315879	682875	998754	325530	712726	1038256	336736	725951	1062687	346969	752841	1099810
11. PERMANENT CHANGE OF STATION TRAVEL.....	406545	790377	1196922	292482	850532	1143014	387261	675829	1063090	395621	712860	1108481
12. OTHER MILITARY PERSONNEL COSTS.....	1803	187040	188843	1309	118714	120023	1363	106116	107479	1363	109066	110429
A. APPREHENSION OF DESERTERS.....		1631	1631		612	612		615	615		612	612
B. INTEREST ON SOLDIERS' DEPOSIT.....	129	127	256	97	105	202	97	105	202	97	105	202
C. DEATH GRATUITIES.....	1674	6270	7944	1212	2148	3360	1266	2100	3366	1266	2106	3372
D. UNEMPLOYMENT COMPENSATION.....	0	118100	118100	0	77941	77941	0	78195	78195	0	81558	81558
E. SURVIVOR BENEFITS.....		7518	7518		7201	7201		4519	4519		4103	4103
F. EDUCATION BENEFITS....		23875	23875		19163	19163		4268	4268		4268	4268
G. ADOPTION EXPENSES.....		264	264		252	252		250	250		250	250
H. SPECIAL COMPENSATION..		25097	25097		9200	9200		9200	9200		9200	9200
I. MASS TRANSIT SUBSIDY..		2908	2908		2092	2092		4364	4364		4364	4364
J. MOBILIZATION ONE/OEF..		0	0		0	0		0	0		0	0
K. PARTIAL DLA.....		1250	1250		0	0		2500	2500		2500	2500

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
13. CADET.....	42889		42889	47352		47352	49667		49667	51331		51331
SUBTOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....												
	7570820	18014791	25585611	7740332	19790300	27530632	8148833	20424759	28573592	8499631	21397980	29897611
14. LESS REIMBURSABLES.....	77968	125784	203752	278806	417640	696446	163981	121175	285156	175466	120724	296190
A. RETIRED PAY ACCRUAL...	15404	18604	34008	32305	63964	96269	10664	16518	27182	10503	16026	26529
1. RPA.....	15404	18604	34008	32305	63964	96269	10664	16518	27182	10503	16026	26529
2. DHP.....	0	0	0	0	0	0	0	0	0	0	0	0
B. OTHER.....	62564	107180	169744	246501	353676	600177	153317	104657	257974	164963	104698	269661
1. DHP.....	0	0	0	86330	67296	153626	91472	47467	138939	102313	41961	144274
2. OTHER.....	62564	107180	169744	160171	286380	446551	61845	57190	119035	62650	62737	125387
TOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....												
	7492852	17889007	25381859	7461526	19372660	26834186	7984852	20303584	28288436	8324165	21277256	29601421

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2003

	FY 2003 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2003 REVISED
PAY AND ALLOWANCES OF OFFICERS							
BASIC PAY.....	4,047,064	0	4,047,064	17,495	4,064,559	0	4,064,559
RETIRED PAY ACCRUAL.....	1,095,254	0	1,095,254	44,366	1,139,620	0	1,139,620
HEALTH CARE ACCRUAL.....	270,390	(17,642)	252,748	79,918	332,666	0	332,666
INCENTIVE PAY.....	76,694	0	76,694	0	76,694	0	76,694
SPECIAL PAY.....	218,727	0	218,727	0	218,727	0	218,727
BASIC ALLOWANCE FOR HOUSING.....	815,489	(12,749)	802,740	(142,676)	660,064	0	660,064
BASIC ALLOWANCE FOR SUBSISTENCE.....	154,818	0	154,818	7,150	161,968	0	161,968
STATION ALLOWANCES OVERSEAS.....	47,615	0	47,615	(130)	47,485	0	47,485
CONUS COLA.....	1,334	0	1,334	0	1,334	0	1,334
UNIFORM ALLOWANCES.....	5,031	0	5,031	213	5,244	0	5,244
FAMILY SEPARATION ALLOWANCES.....	11,367	0	11,367	(1,938)	9,429	0	9,429
SEPARATION PAYMENTS.....	111,690	(26,000)	85,690	392	86,082	0	86,082
SOCIAL SECURITY TAX -							
EMPLOYER CONTRIBUTION.....	305,917	0	305,917	10,594	316,511	0	316,511
REIMBURSABLES.....	156,125	0	156,125	122,681	278,806	0	278,806
TOTAL OBLIGATIONS.....	7,317,515	(56,391)	7,261,124	138,065	7,399,189	0	7,399,189
LESS REIMBURSABLES.....	156,125	0	156,125	122,681	278,806	0	278,806
TOTAL OFFICER DIRECT OBLIGATIONS.....	7,161,390	(56,391)	7,104,999	15,384	7,120,383	0	7,120,383

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2003

	FY 2003 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2003 REVISED
PAY AND ALLOWANCES OF ENLISTED							
BASIC PAY.....	9,210,077	(38,652)	9,171,425	(25,202)	9,146,223	0	9,146,223
RETIRED PAY ACCRUAL.....	2,516,331	(10,591)	2,505,740	10,086	2,515,826	0	2,515,826
HEALTH CARE ACCRUAL.....	1,943,850	(93,058)	1,850,792	(127,719)	1,723,073	0	1,723,073
INCENTIVE PAY.....	67,866	0	67,866	0	67,866	0	67,866
SPECIAL PAY.....	90,484	0	90,484	173	90,657	0	90,657
SPECIAL DUTY ASSIGNMENT PAY.....	61,062	0	61,062	0	61,062	0	61,062
REENLISTMENT BONUS.....	110,770	(13,000)	97,770	0	97,770	0	97,770
ENLISTMENT BONUS.....	174,340	(24,000)	150,340	4	150,344	0	150,344
EDUCATIONAL BENEFITS.....	63,027	0	63,027	(28,659)	34,368	0	34,368
LOAN REPAYMENT PROGRAM.....	48,131	0	48,131	0	48,131	0	48,131
BASIC ALLOWANCE FOR HOUSING.....	1,469,738	(67,251)	1,402,487	261,892	1,664,379	0	1,664,379
STATION ALLOWANCES OVERSEAS.....	125,478	0	125,478	(17,623)	107,855	0	107,855
CONUS COLA.....	2,406	0	2,406	(207)	2,199	0	2,199
CLOTHING ALLOWANCES.....	235,263	0	235,263	(4,106)	231,157	0	231,157
FAMILY SEPARATION ALLOWANCES.....	46,183	0	46,183	(2,656)	43,527	0	43,527
SEPARATION PAYMENTS.....	321,423	(3,000)	318,423	(16,704)	301,719	0	301,719
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION.....	694,740	(2,957)	691,783	5,506	697,289	0	697,289
REIMBURSABLES.....	105,330	0	105,330	279,363	384,693	0	384,693
TOTAL OBLIGATIONS.....	17,286,499	(252,509)	17,033,990	334,148	17,368,138	0	17,368,138
LESS REIMBURSABLES.....	105,330	0	105,330	279,363	384,693	0	384,693
TOTAL ENLISTED DIRECT OBLIGATIONS.....	17,181,169	(252,509)	16,928,660	54,785	16,983,445	0	16,983,445
PAY AND ALLOWANCES OF CADETS							
TOTAL OBLIGATIONS.....	47,352	0	47,352	0	47,352	0	47,352
TOTAL CADET DIRECT OBLIGATIONS.....	47,352	0	47,352	0	47,352	0	47,352

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2003

	FY 2003 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2003 REVISED
SUBSISTENCE OF ENLISTED PERSONNEL							
TOTAL OBLIGATIONS.....	1,452,916	0	1,452,916	0	1,452,916	0	1,452,916
REIMBURSABLES.....	30,727	0	30,727	0	30,727	0	30,727
TOTAL ENL SUBSISTENCE							
DIRECT OBLIGATIONS.....	1,422,189	0	1,422,189	0	1,422,189	0	1,422,189
PERMANENT CHANGE OF STATION							
ACCESSION TRAVEL.....	185,746	0	185,746	0	185,746	0	185,746
TRAINING TRAVEL.....	46,250	0	46,250	0	46,250	0	46,250
OPERATIONAL TRAVEL.....	179,001	0	179,001	0	179,001	0	179,001
ROTATIONAL TRAVEL.....	524,002	0	524,002	0	524,002	0	524,002
SEPARATION TRAVEL.....	155,224	0	155,224	0	155,224	0	155,224
ORGANIZED UNIT TRAVEL.....	1,822	0	1,822	0	1,822	0	1,822
NON-TEMPORARY STORAGE.....	28,154	0	28,154	0	28,154	0	28,154
TEMPORARY LODGING EXPENSE.....	20,723	0	20,723	0	20,723	0	20,723
REIMBURSABLES.....	2,042	0	2,042	50	2,092	0	2,092
TOTAL OBLIGATIONS.....	1,142,964	0	1,142,964	50	1,143,014	0	1,143,014
LESS REIMBURSABLES.....	2,042	0	2,042	50	2,092	0	2,092
TOTAL PCS DIRECT OBLIGATIONS.....	1,140,922	0	1,140,922	0	1,140,922	0	1,140,922

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2003

	FY 2003 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2003 REVISED
OTHER MILITARY PERSONNEL COSTS							
APPREHENSION OF MILITARY DESERTERS							
ABSENTEES AND ESCAPED MILITARY							
PRISONERS.....	483	0	483	1	484	0	484
DEATH GRATUITIES.....	3,360	0	3,360	0	3,360	0	3,360
UNEMPLOYMENT BENEFITS PAID TO							
EX-SERVICE MEMBERS.....	83,314	(5,375)	77,939	2	77,941	0	77,941
SURVIVOR BENEFITS.....	7,204	0	7,204	(3)	7,201	0	7,201
ADOPTION COSTS.....	252	0	252	0	252	0	252
EDUCATIONAL BENEFITS.....	19,163	0	19,163	0	19,163	0	19,163
SOLDIER INTEREST ON DEPOSIT.....	202	0	202	0	202	0	202
SPECIAL COMPENSATION.....	20,200	0	20,200	(11,000)	9,200	0	9,200
MASS TRANSIT.....	2,092	0	2,092	0	2,092	0	2,092
PARTIAL DLA.....	0	0	0	0	0	0	0
OTHER.....	0	0	0	0	0	0	0
REIMBURSABLES.....	128	0	128	0	128	0	128
TOTAL OBLIGATIONS.....	136,398	(5,375)	131,023	(11,000)	120,023	0	120,023
LESS REIMBURSABLES.....	128	0	128	0	128	0	128
TOTAL OMPC DIRECT OBLIGATIONS.....	136,270	(5,375)	130,895	(11,000)	119,895	0	119,895
TOTAL DIRECT OBLIGATIONS.....	27,089,292	(314,275)	0	0	(26,834,186)	0	26,834,186

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

FY 2003 Direct Program

\$ 26,834,186

Increases:

Pricing Increases:

a.	Pay Raise	806,732
b.	Ration Rates	910
c.	Inflation	57,143
d.	BAH	176,677
e.	Foreign Currency	75,723
f.	Special Duty Pay Rates	17,021
g.	Unemployment Compensation	8,999
h.	Apprehension of Deserters	12
Total Pricing Increases		1,143,217

Program Increases:

a.	Health Care Accrual	162,572
b.	Incentive Pays	3,674
c.	Selective Reenlistment Bonus	17,370
d.	GI Bill Offset for Social Security	1,077
e.	Clothing	23,156
f.	Moves (Accessions/Separation/Operational)	52,638
g.	Special Duty Assignment Pay (SDAP)	1,731
h.	Dislocation Allowance	2,500
i.	New Entitlements: TLE/Perdiem/Weight Allowance	16,233
j.	Mass Transit	2,271
k.	Educational Benefits	590
l.	Death Gratuities	36
m.	BAH - Residential Communities Initiative (RCI)	376,200
n.	Combat Related Disabled	109,000
o.	Increase associated with percent receiving BAS	21,936
p.	Decrease in Reimbursable Program	409,378
Total Program Increases		1,200,362

Total Increases

\$ 2,343,579

Decreases:

Pricing Decreases:

a.	Normal Cost Percentage (27.4% to 27.1%)	-44,537
Total Pricing Decreases		-44,537

Program Decreases:

a.	Force Manning	-449,413
b.	Special Pay	-13,132
c.	Enlisted Bonus (EB), Army College Fund (ACF)/Loan Repayment Program (LRP)	-9,147
d.	Education Benefits	-15,485
e.	Moves	-165,134
g.	Unemployment Compensation	-8,746
h.	Subsistence in Kind (BAS)	-101,253
i.	Family Supplemental Subs Allowance	-3,600

j.	Separation Pay	-19,503
k.	Overseas Stationing	-687
l.	Survivor Benefits	-2,682
m.	BAH - Other	-55,008
n.	Misc	-1,002
	Total Program Decreases	-844,792

Total Decreases

\$ -889,329

FY 2004 Direct Program

\$ 28,288,436

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

Pay and Allowance of Officers

FY 2003 Direct Program \$ 7,120,383

Increases:

Pricing Increases:

a. Pay Raise. Reflects annualized costs of the 1 Jan 2003 4.1 percent and the optional targeted pay raise, and the 1 Jan 2004 4.083 percent pay increase.	236,477
b. Basic Allowance for Housing. Reflects DoD initiative to reduce out-of-pocket housing cost to 3.5 percent in FY 2004.	48,880
c. Change in foreign currency valuation.	21,865
d. Reflects inflation changes in Temporary Lodging Allowance.	1,473
Total Pricing Increases	308,695

Program Increases:

a. Health Care Accrual. Reflects actuarial rates for over-65 retirees.	29,258
b. Basic Allowance for Housing. Reflects continued privatization of Army family housing units under the residential communities initiative (RCI)	66,531
c. BAH - Other	3,322
d. Decrease in Reimbursable program	111,720
Total Program Increases	210,831

Total Increases \$ 519,526

Decreases:

Pricing Decreases:

a. Retired Pay Accrual. Reflects change in normal cost percentage (from 27.4 percent to 27.1 percent).	-15,063
Total Pricing Decreases	-15,063

Program Decreases:

a. Force manning changes	-55,490
b. Separation Pay. Reflects decrease for the \$30K lump sum bonus and involuntary full separation payments.	-20,897
d. Special Pay. Reflects decreased requirement for medical pay and hardship duty pay.	-1,103
e. Miscellaneous	-795
Total Program Decreases	-78,285

Total Decreases \$ -93,348

FY 2004 Direct Program \$ 7,546,561

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 4,546,472
ESTIMATE FY 2004	\$ 4,412,910
ESTIMATE FY 2003	\$ 4,268,770
ACTUAL FY 2002	\$ 4,131,605

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 +\$144.1 million from FY 2003 to FY 2004. This is based on--

- (1) Annualization of the 1 Jan 2003, 4.1% and optional pay raise: +\$47.5 million.
- (2) The 1 Jan 2004, 2.0% pay raise: +\$42.5 million.
- (3) The 1 Jan 2004, 4.083% targeted payraise: +\$82.9 million
- (4) Force Manning changes: -\$28.8 million.

Detailed cost computations are provided by the following table:

OFFICER BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	9	137,064	\$ 1,234	10	146,069	\$ 1,461	10	156,754	\$ 1,568	10	162,208	\$ 1,622
LT. GENERAL.....	42	128,886	5,413	43	134,450	5,781	43	139,590	6,002	43	144,449	6,211
MAJOR GENERAL.....	99	116,844	11,568	101	121,888	12,311	103	126,549	13,035	103	130,954	13,488
BRIG. GENERAL.....	151	103,571	15,639	155	108,017	16,743	157	112,121	17,603	157	116,025	18,216
COLONEL.....	3,549	87,974	312,220	3,599	91,680	329,956	3,661	95,089	348,121	3,635	98,399	357,680
LT. COLONEL.....	8,606	71,189	612,653	8,721	74,290	647,883	9,068	77,134	699,451	9,016	79,820	719,657
MAJOR.....	18,447	59,937	1,105,658	16,444	63,213	1,039,475	14,754	65,935	972,805	14,656	68,231	999,994
CAPTAIN.....	22,216	47,804	1,062,014	23,638	49,885	1,179,182	25,753	51,780	1,333,490	25,563	53,582	1,369,717
1ST LIEUTENANT.....	8,980	36,335	326,288	8,771	38,038	333,631	6,620	39,632	262,364	6,681	41,012	274,001
2ND LIEUTENANT.....	7,302	27,998	204,441	6,854	29,118	199,575	7,507	30,139	226,253	7,275	31,188	226,893
SUBTOTAL.....	69,401		\$ 3,657,128	68,336		\$ 3,765,998	67,676		\$ 3,880,692	67,139		\$ 3,987,479
WARRANT OFF. (W-5).....	396	\$ 63,940	\$ 25,320	389	\$ 67,097	\$ 26,101	396	\$ 69,762	\$ 27,626	402	\$ 72,190	\$ 29,020
WARRANT OFF. (W-4).....	1,348	54,823	73,901	1,409	57,348	80,803	1,561	60,373	94,242	1,584	62,809	99,489
WARRANT OFF. (W-3).....	3,259	44,656	145,534	3,336	47,513	158,503	2,907	50,097	145,632	2,920	51,999	151,837
WARRANT OFF. (W-2).....	4,463	37,081	165,493	4,259	39,082	166,450	4,700	40,922	192,333	4,776	42,477	202,870
WARRANT OFF. (W-1).....	2,055	31,255	64,229	2,160	32,831	70,915	2,121	34,128	72,385	2,140	35,410	75,777
SUBTOTAL.....	11,521		\$ 474,477	11,553		\$ 502,772	11,685		\$ 532,218	11,822		\$ 558,993
TOTAL OFFICER BASIC PAY.....	80,922		\$ 4,131,605	79,889		\$ 4,268,770	79,361		\$ 4,412,910	78,961		\$ 4,546,472

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 1,227,547
ESTIMATE FY 2004	\$ 1,195,923
ESTIMATE FY 2003	\$ 1,171,925
ESTIMATE FY 2002	\$ 1,251,876

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., 27.4 percent for FY 2003, and 27.1 percent for FY 2004.
- (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 +\$24.0 million from FY 2003 to FY 2004. This change is based on--

- (1) Annualization of the 1 Jan 2003, 4.1% and optional pay raise: +\$13.0 million.
- (2) The 1 Jan 2004, 2.0% pay raise: +\$11.6 million.
- (3) The 1 Jan 2004, 4.083% targeted pay raise: +\$22.7 million
- (4) Change in the normal cost percentages from 27.4% in FY 2003 to 27.1% in FY 2004: -\$15.1 million.
- (5) Force Manning changes: -\$8.2 million.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	80,922	\$ 15,470.16	\$ 1,251,876	79,889	\$ 14,669.42	\$ 1,171,925	79,361	\$ 15,069.40	\$ 1,195,923	78,961	\$ 15,546.24	\$ 1,227,547

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 313,054
ESTIMATE FY 2004	\$ 361,924
ESTIMATE FY 2003	\$ 332,666
ACTUAL FY 2002	\$ 0

Project: Health Care Accrual - Officers

Part I - Purpose and Scope

The funds will be used to pay the health care accrual amount into the Department of Defense Medicare-eligible Retiree Health Care Fund for the future Medicare-eligible health care costs for current military personnel.

Part II - Justification of Funds Requested

The budgetary estimates are derived as a product of the approved actuarial rate and the average strength.

The estimate for over-65 retirees increases from FY 2003 to FY 2004 by +\$29.3 million. The requirement to finance the under-65 retirees has been rescinded.

Detailed cost computations are provided by the following table:

OFFICER HEALTH CARE ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002 AMOUNT	ESTIMATE FY 2003 AMOUNT	ESTIMATE FY 2004 AMOUNT	ESTIMATE FY 2005 AMOUNT
HEALTH CARE ACCRUAL.....	\$ 0	\$ 332,666	\$ 361,924	\$ 313,054

ESTIMATE FY 2005	\$77,183
ESTIMATE FY 2004	\$77,194
ESTIMATE FY 2003	\$76,694
ACTUAL FY 2002	\$105,830

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, sulfuranyl 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 +\$0.5 million from FY 2003 to FY 2004.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY												
FLYING DUTY COMMISSIONED OFFICERS CATEGORY												
Crew 125.....	553	\$1,500	\$830	560	\$1,500	\$840	560	\$1,500	\$840	560	\$1,500	\$840
Crew 156.....	343	1,874	643	273	1,874	512	280	1,874	525	280	1,874	525
Crew 188.....	273	2,256	616	341	2,256	769	271	2,256	611	278	2,256	627
Crew 206.....	554	2,473	1,370	552	2,473	1,365	604	2,473	1,494	599	2,473	1,481
Crew 250.....	61	3,000	183	75	3,000	225	91	3,000	273	108	3,000	324
Crew 385.....	40	4,620	185	40	4,620	185	46	4,620	213	60	4,620	277
Crew 495.....	49	5,940	291	56	5,940	333	74	5,940	440	80	5,940	475
Crew 585.....	75	7,020	527	98	7,020	688	106	7,020	744	133	7,020	934
Crew 650.....	1,791	7,800	13,970	1,801	7,800	14,048	1,737	7,800	13,549	1,658	7,800	12,932
Crew 840.....	1,149	10,080	11,582	1,118	10,080	11,269	1,095	10,080	11,038	1,043	10,080	10,513
SUBTOTAL.....	4,888		\$30,197	4,914		\$30,234	4,864		\$29,727	4,799		\$28,928
WARRANT OFFICERS CATEGORY												
Crew 125.....	999	1,500	1,499	1,120	1,500	1,680	1,120	1,500	1,680	1,120	1,500	1,680
Crew 156.....	363	1,872	680	405	1,872	758	517	1,872	968	517	1,872	968
Crew 188.....	389	2,256	878	359	2,256	810	401	2,256	905	512	2,256	1,155
Crew 206.....	505	2,472	1,248	731	2,472	1,807	734	2,472	1,814	747	2,472	1,847
Crew 650.....	1,955	7,800	15,249	1,689	7,800	13,174	1,585	7,800	12,363	1,642	7,800	12,808
Crew 840.....	982	10,080	9,899	1,078	10,080	10,866	1,212	10,080	12,217	1,218	10,080	12,277
SUBTOTAL.....	5,193		\$29,453	5,382		\$29,095	5,569		\$29,947	5,756		\$30,735
TOTAL FLYING DUTY CREW.....	10,081		\$59,650	10,296		\$59,329	10,433		\$59,674	10,555		\$59,663
FLYING DUTY NON-CREW MEMBERS												
AVIATION CONTINUATION PAY....	62	1,800	112	75	1,800	135	75	1,800	135	75	1,800	135
CREW-NONRATED.....	2,942	12,000	35,304	542	12,000	6,504	542	12,000	6,504	542	12,000	6,504
	45	2,775	125	45	2,775	125	45	2,775	125	45	2,775	125
TOTAL FLYING DUTY PAY.....	13,130		\$95,191	10,958		\$66,093	11,095		\$66,438	11,217		\$66,427
OTHER HAZARDOUS DUTY												
EXPERIMENTAL STRESS	16	1,800	29	22	1,800	40	22	1,800	40	22	1,800	40
TOXIC PESTICIDES EXPOSURE	4	1,800	7	2	1,800	4	2	1,800	4	2	1,800	4
CHEMICAL MUNITIONS	16	1,800	29	15	1,800	27	15	1,800	27	15	1,800	27
HALO JUMP	114	2,700	308	133	2,700	359	133	2,700	359	133	2,700	359
SUBTOTAL (OTHER)	150		\$373	172		\$430	172		\$430	172		\$430
PARACHUTE JUMPING	5,557	1,800	10,003	5,503	1,800	9,905	5,589	1,800	10,060	5,589	1,800	10,060
DEMOLITION OF EXPLOSIVES	146	1,800	263	148	1,800	266	148	1,800	266	148	1,800	266
TOTAL	5,853		\$10,639	5,823		\$10,601	5,909		\$10,756	5,909		\$10,756
TOTAL OFFICER INCENTIVE PAY FOR HAZARDOUS DUTY.....	18,983		\$105,830	16,781		\$76,694	17,004		\$77,194	17,126		\$77,183

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 210,015
ESTIMATE FY 2004	\$ 210,015
ESTIMATE FY 2003	\$ 218,727
ACTUAL FY 2002	\$ 215,379

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 2003 to FY 2004, the estimate for special pay decreases by a net \$8.7 million. This change is based on -

- (1) A projected decrease in the number of physicians to receive special pays: -\$5.1 million.
- (2) An increase in the number of soldiers receiving hostile fire pay: +\$1.5 million.
- (3) A decrease in the number of soldiers receiving hardship duty pay: -\$5.1 million.

Detailed cost computations are provided by the following table:

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY FOR PHYSICIANS												
VARIABLE SPECIAL PAY.....	4,250	\$ 7,983	\$ 33,928	4,351	\$ 7,983	\$ 34,734	4,136	\$ 7,983	\$ 33,018	4,136	\$ 7,983	\$ 33,018
ADDITIONAL SPECIAL PAY.....	3,133	15,000	46,995	3,133	15,000	46,995	3,039	15,000	45,585	3,039	15,000	45,585
BOARD CERTIFIED PAY.....	2,482	3,791	9,409	2,476	3,791	9,387	2,476	3,791	9,387	2,476	3,791	9,387
INCENTIVE SPECIAL PAY.....	2,935	19,440	57,056	2,885	19,440	56,084	2,855	19,440	55,501	2,855	19,440	55,501
MULTI-YEAR SPECIAL PAY.....	990	10,287	10,184	1,090	10,287	11,213	953	10,290	9,806	953	10,290	9,806
SUBTOTAL.....	13,790		\$ 157,572	13,935		\$ 158,413	13,459		\$ 153,297	13,459		\$ 153,297
OTHER SPECIAL PAY												
DENTIST PAY												
VARIABLE SPECIAL PAY.....	885	\$ 8,090	\$ 7,160	1,097	\$ 8,090	\$ 8,875	1,097	\$ 8,090	\$ 8,875	1,097	\$ 8,090	\$ 8,875
ADDITIONAL SPECIAL PAY.....	788	11,674	9,199	917	11,674	10,705	917	11,674	10,705	917	11,674	10,705
BOARD CERTIFIED PAY.....	383	5,435	2,082	418	5,435	2,272	418	5,435	2,272	418	5,435	2,272
MULTI-YEAR SPECIAL PAY.....	539	10,528	5,675	485	10,528	5,106	485	10,528	5,106	485	10,528	5,106
ACCESSION BONUS.....	5	30,000	150	20	30,000	600	20	30,000	600	20	30,000	600
SUBTOTAL.....	2,600		\$ 24,266	2,937		\$ 27,558	2,937		\$ 27,558	2,937		\$ 27,558
NURSE PAY												
ACCESSION BONUS.....	160	\$ 5,000	\$ 800	180	\$ 5,000	\$ 900	138	\$ 5,000	\$ 690	138	\$ 5,000	\$ 690
ANESTHETIST PAY.....	197	11,286	2,223	269	11,286	3,036	230	11,286	2,596	230	11,286	2,596
SUBTOTAL.....	357		\$ 3,023	449		\$ 3,936	368		\$ 3,286	368		\$ 3,286
BOARD CERTIFIED PAY FOR NON-PHYSICIAN												
HEALTH CARE PROVIDERS.....	913	\$ 2,446	\$ 2,233	660	\$ 2,446	\$ 1,614	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	48	3,625	174
OPTOMETRISTS PAY												
SPECIAL PAY.....	372	\$ 1,200	\$ 446	127	\$ 1,200	\$ 152	127	\$ 1,200	\$ 152	127	\$ 1,200	\$ 152
RETENTION PAY.....	0	0	0	114	5,105	582	114	6,000	684	114	6,000	684
SUBTOTAL.....	372		\$ 446	241		\$ 734	241		\$ 836	241		\$ 836
PHARMACY PAY												
SPECIAL PAY.....	0	\$ 0	\$ 0	135	\$ 8,000	\$ 1,080	135	\$ 8,000	\$ 1,080	135	\$ 8,000	\$ 1,080
ACCESSION BONUS.....	0	0	0	16	30,000	480	16	30,000	480	16	30,000	480
SUBTOTAL.....	0		\$ 0	151		\$ 1,560	151		\$ 1,560	151		\$ 1,560
VETERINARIAN PAY												
SPECIAL PAY.....	108	\$ 1,200	\$ 130	414	\$ 1,200	\$ 497	414	\$ 1,200	\$ 497	414	\$ 1,200	\$ 497
DIPLOMATE PAY.....	334	3,500	1,169	192	3,500	672	192	3,500	672	192	3,500	672
SUBTOTAL.....	442		\$ 1,299	606		\$ 1,169	606		\$ 1,169	606		\$ 1,169
TOTAL MEDICAL PAY.....	18,529		\$ 189,038	19,027		\$ 195,158	18,470		\$ 189,494	18,470		\$ 189,494

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	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	1	\$ 4,000	\$ 4
CHIEF OF STAFF.....	1	4,000	4	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	1	2,700	3
GENERAL.....	7	2,200	15	8	2,200	18	8	2,200	18	8	2,200	18
LIEUTENANT GENERAL.....	41	500	21	42	500	21	42	500	21	42	500	21
SUBTOTAL.....	51		\$ 47	53		\$ 50	53		\$ 50	53		\$ 50
DIVING DUTY PAY.....	47	\$ 2,702	\$ 127	51	\$ 2,706	\$ 138	51	\$ 2,706	\$ 138	51	\$ 2,706	\$ 138
HOSTILE FIRE PAY.....	4,836	1,800	8,705	2,049	1,800	3,688	2,814	1,800	5,065	2,814	1,800	5,065
SEA DUTY PAY.....	118	3,958	467	116	3,966	460	116	3,966	460	116	3,966	460
FOREIGN LANGUAGE PAY.....	3,259	1,906	6,212	2,974	1,906	5,668	3,909	1,623	6,344	3,909	1,623	6,344
HARDSHIP DUTY PAY.....	7,144	1,099	7,851	9,451	1,099	10,387	4,792	1,099	5,266	4,792	1,099	5,266
JUDGE ADVOCATE												
CONTINUATION PAY.....	143	20,500	2,932	155	20,500	3,178	162	19,741	3,198	162	19,741	3,198
HIGH-DEPLOYMENT												
PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OFFICER SPECIAL PAY.....	34,127		\$ 215,379	33,876		\$ 218,727	30,367		\$ 210,015	30,367		\$ 210,015

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 1,013,260
ESTIMATE FY 2004	\$ 811,721
ESTIMATE FY 2003	\$ 690,412
ACTUAL FY 2002	\$ 784,529

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 +\$121.3 million between FY 2003 and FY 2004. This change is based on -

- (1) Increase in BAH Domestic rates associated with the Department of Defense initiative to reduce out of pocket housing costs to 3.5 percent in FY 2004: +\$48.9 million.
- (2) Increase in BAH Overseas rates: +\$21.9 million.
- (3) Privatization of Army family housing units under the Residential Communities Initiative: +\$66.5 million.
- (4) Other BAH Housing changes: +\$3.3
- (4) Force manning changes: -\$19.4 million

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS												
GENERAL.....	67	21,194	\$ 1,420	69	23,072	\$ 1,592	69	24,725	\$ 1,706	69	26,362	\$ 1,819
COLONEL.....	2,030	19,452	39,488	1,639	21,153	34,670	1,877	22,684	42,578	2,383	24,185	57,633
LIEUTENANT COLONEL.....	5,214	18,201	94,900	4,207	19,741	83,050	4,927	21,170	104,305	6,264	22,571	141,385
MAJOR.....	10,169	15,174	154,304	7,218	16,472	118,895	7,294	17,664	128,841	9,264	18,833	174,469
CAPTAIN.....	9,850	12,312	121,273	8,349	13,343	111,401	10,243	14,309	146,567	12,998	15,256	198,297
1ST LIEUTENANT.....	2,414	10,122	24,435	1,876	10,990	20,617	1,595	11,785	18,797	2,058	12,565	25,859
2ND LIEUTENANT.....	1,909	9,786	18,681	1,427	10,596	15,120	1,761	11,362	20,008	2,180	12,115	26,411
OFFICER SUBTOTAL.....	31,653		\$ 454,501	24,785		\$ 385,345	27,766		\$ 462,802	35,216		\$ 625,873
WARRANT OFFICER (5).....	289	13,521	3,908	226	14,590	3,297	260	15,646	4,068	338	16,681	5,638
WARRANT OFFICER (4).....	905	12,033	10,890	753	13,000	9,789	939	13,940	13,090	1,219	14,863	18,118
WARRANT OFFICER (3).....	1,980	11,376	22,524	1,613	12,313	19,861	1,584	13,204	20,915	2,035	14,078	28,649
WARRANT OFFICER (2).....	2,212	10,656	23,571	1,680	11,588	19,468	2,089	12,426	25,958	2,714	13,249	35,958
WARRANT OFFICER (1).....	888	8,868	7,875	742	9,591	7,117	821	10,285	8,444	1,058	10,966	11,602
WARRANT OFFICER SUBTOTAL...	6,274		\$ 68,768	5,014		\$ 59,532	5,693		\$ 72,475	7,364		\$ 99,965
TOTAL BAH WITH DEPENDENTS.....												
BAH DIFFERENTIAL.....	37,927		\$ 523,269	29,799		\$ 444,877	33,459		\$ 535,277	42,580		\$ 725,838
TOTAL.....	1,284	1,734	2,226	1,225	1,800	2,205	1,239	1,888	2,339	1,243	1,953	2,428
TOTAL.....	39,211		\$ 525,495	31,024		\$ 447,082	34,698		\$ 537,616	43,823		\$ 728,266
BAH WITHOUT DEPENDENTS												
GENERAL.....	3	11,333	\$ 34	3	18,333	\$ 55	3	19,667	\$ 59	3	21,000	\$ 63
COLONEL.....	231	17,097	3,949	239	18,698	4,469	244	20,051	4,892	242	21,379	5,174
LIEUTENANT COLONEL.....	779	14,934	11,634	787	16,282	12,814	821	17,460	14,335	816	18,615	15,190
MAJOR.....	2,333	12,846	29,970	2,083	13,954	29,066	1,875	14,964	28,058	1,863	15,954	29,722
CAPTAIN.....	5,758	9,993	57,540	6,198	10,799	66,932	6,775	11,581	78,461	6,724	12,347	83,021
1ST LIEUTENANT.....	3,686	8,406	30,985	3,504	9,082	31,823	2,654	9,739	25,847	2,677	10,384	27,798
2ND LIEUTENANT.....	2,736	7,911	21,644	2,432	8,561	20,820	2,673	9,180	24,538	2,590	9,788	25,351
OFFICER SUBTOTAL.....	15,526		\$ 155,756	15,246		\$ 165,979	15,045		\$ 176,190	14,915		\$ 186,319
WARRANT OFFICER (5).....	22	13,137	289	24	14,196	341	24	15,223	365	25	16,230	406
WARRANT OFFICER (4).....	103	10,644	1,096	105	11,423	1,199	116	12,249	1,421	118	13,060	1,541
WARRANT OFFICER (3).....	275	9,600	2,640	283	10,367	2,934	248	11,117	2,757	249	11,853	2,951
WARRANT OFFICER (2).....	543	8,790	4,773	473	9,489	4,488	524	10,176	5,332	533	10,849	5,783
WARRANT OFFICER (1).....	339	6,255	2,120	404	6,729	2,719	398	7,216	2,872	401	7,693	3,085
WARRANT OFFICER SUBTOTAL...	1,282		\$ 10,918	1,289		\$ 11,681	1,310		\$ 12,747	1,326		\$ 13,766
TOTAL BAH WITHOUT DEPENDENTS.....												
TOTAL.....	16,808		\$ 166,674	16,535		\$ 177,660	16,355		\$ 188,937	16,241		\$ 200,085

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	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	0	0	\$ 0
COLONEL.....	7	475	3	6	475	3	7	475	3	7	475	3
LIEUTENANT COLONEL.....	17	396	7	17	396	7	18	396	7	18	396	7
MAJOR.....	104	320	33	90	320	29	80	320	26	80	320	26
CAPTAIN.....	345	264	91	357	264	94	384	264	101	381	264	101
1ST LIEUTENANT.....	347	216	75	331	216	71	247	216	53	249	216	54
2ND LIEUTENANT.....	1,432	156	223	1,310	156	204	1,419	156	221	1,371	156	214
OFFICER SUBTOTAL.....	2,252		\$ 432	2,111		\$ 408	2,155		\$ 411	2,106		\$ 405
WARRANT OFFICER (5).....	1	302	0	1	302	0	1	302	0	1	302	0
WARRANT OFFICER (4).....	4	302	1	4	302	1	4	302	1	4	302	1
WARRANT OFFICER (3).....	19	248	5	19	248	5	17	248	4	17	248	4
WARRANT OFFICER (2).....	43	191	8	40	191	8	44	191	8	44	191	8
WARRANT OFFICER (1).....	37	166	6	38	166	6	37	166	6	37	166	6
WARRANT OFFICER SUBTOTAL....	104		\$ 20	102		\$ 20	103		\$ 19	103		\$ 19
TOTAL BAH PARTIAL ALLOWANCE BACHELOR.....	2,356		\$ 452	2,213		\$ 428	2,258		\$ 430	2,209		\$ 424
BAH INADEQUATE FAMILY HOUSING												
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	0	4,863	0	0	5,288	0	0	5,671	0	0	6,046	0
LIEUTENANT COLONEL.....	0	4,550	0	0	4,935	0	0	5,292	0	0	5,643	0
MAJOR.....	1	3,794	4	2	4,118	8	1	4,416	4	1	4,708	5
CAPTAIN.....	1	3,078	3	2	3,336	7	3	3,577	11	3	3,814	11
1ST LIEUTENANT.....	0	2,531	0	0	2,748	0	0	2,946	0	0	3,141	0
2ND LIEUTENANT.....	0	2,447	0	0	2,649	0	0	2,841	0	0	3,029	0
OFFICER SUBTOTAL.....	2		\$ 7	4		\$ 15	4		\$ 15	4		\$ 16
WARRANT OFFICER (5).....	0	3,380	0	0	3,647	0	0	3,911	0	0	4,170	0
WARRANT OFFICER (4).....	0	3,008	0	0	3,250	0	0	3,485	0	0	3,716	0
WARRANT OFFICER (3).....	0	2,844	0	0	3,078	0	0	3,301	0	0	3,519	0
WARRANT OFFICER (2).....	0	2,664	0	0	2,897	0	0	3,107	0	0	3,312	0
WARRANT OFFICER (1).....	0	2,217	0	0	2,398	0	0	2,571	0	0	2,741	0
WARRANT OFFICER SUBTOTAL....	0		\$ 0	0		\$ 0	0		\$ 0	0		\$ 0
TOTAL BAH INADEQUATE FAMILY HOUSING.....	2		\$ 7	4		\$ 15	4		\$ 15	4		\$ 16
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC.....	58,377		\$ 692,628	49,776		\$ 625,185	53,315		\$ 726,998	62,277		\$ 928,791

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	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	0	0	\$ 0
COLONEL.....	95	30,473	2,895	97	20,523	1,991	96	27,469	2,637	97	27,474	2,665
LIEUTENANT COLONEL.....	327	25,798	8,436	331	17,371	5,750	339	23,585	7,995	338	23,589	7,973
MAJOR.....	671	23,387	15,693	599	15,748	9,433	528	22,767	12,021	525	22,771	11,955
CAPTAIN.....	522	18,938	9,886	555	12,752	7,077	596	18,073	10,772	591	18,076	10,683
1ST LIEUTENANT.....	154	15,549	2,395	150	10,465	1,570	111	14,097	1,565	112	14,100	1,579
2ND LIEUTENANT.....	46	16,522	760	43	11,115	478	46	14,746	678	45	14,749	664
OFFICER SUBTOTAL.....	1,815		\$ 40,065	1,775		\$ 26,299	1,716		\$ 35,668	1,708		\$ 35,519
WARRANT OFFICER (5).....	15	16,624	249	14	11,183	157	15	20,562	308	15	20,566	308
WARRANT OFFICER (4).....	48	18,310	879	50	12,320	616	55	18,116	996	56	18,119	1,015
WARRANT OFFICER (3).....	103	18,761	1,932	105	12,630	1,326	91	17,817	1,621	91	17,820	1,622
WARRANT OFFICER (2).....	154	17,580	2,707	147	11,839	1,740	159	16,851	2,679	163	16,854	2,747
WARRANT OFFICER (1).....	20	16,162	323	21	10,913	229	20	17,536	351	20	17,539	351
WARRANT OFFICER SUBTOTAL...	340		\$ 6,090	337		\$ 4,068	340		\$ 5,955	345		\$ 6,043
TOTAL BAH WITH DEPENDENTS.....	2,155		\$ 46,155	2,112		\$ 30,367	2,056		\$ 41,623	2,053		\$ 41,562
BAH WITHOUT DEPENDENTS												
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	29	14,813	430	30	11,322	340	29	17,237	500	29	17,240	500
LIEUTENANT COLONEL.....	129	14,905	1,923	131	11,410	1,495	133	16,731	2,225	132	16,734	2,209
MAJOR.....	382	14,795	5,652	340	11,326	3,851	299	16,204	4,845	297	16,207	4,813
CAPTAIN.....	1,024	15,648	16,024	1,090	11,978	13,056	1,165	14,143	16,477	1,157	14,145	16,366
1ST LIEUTENANT.....	986	12,066	11,897	963	9,236	8,894	713	12,651	9,020	720	12,653	9,110
2ND LIEUTENANT.....	405	13,360	5,411	380	10,226	3,886	409	13,416	5,487	396	13,418	5,314
OFFICER SUBTOTAL.....	2,955		\$ 41,337	2,934		\$ 31,522	2,748		\$ 38,554	2,731		\$ 38,312
WARRANT OFFICER (5).....	10	14,024	140	10	10,835	108	10	14,378	144	10	14,381	144
WARRANT OFFICER (4).....	27	11,371	307	28	8,700	244	30	14,345	430	30	14,347	430
WARRANT OFFICER (3).....	95	10,914	1,037	97	8,355	810	83	11,278	936	83	11,280	936
WARRANT OFFICER (2).....	198	11,754	2,327	189	8,997	1,700	205	11,708	2,400	208	11,710	2,436
WARRANT OFFICER (1).....	49	12,205	598	51	9,341	476	49	12,987	636	50	12,989	649
WARRANT OFFICER SUBTOTAL...	379		\$ 4,409	375		\$ 3,338	377		\$ 4,546	381		\$ 4,595
TOTAL BAH WITHOUT DEPENDENTS.....	3,334		\$ 45,746	3,309		\$ 34,860	3,125		\$ 43,100	3,112		\$ 42,907
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS.....	5,489		\$ 91,901	5,421		\$ 65,227	5,181		\$ 84,723	5,165		\$ 84,469
TOTAL OFFICER BASIC ALLOWANCE FOR HOUSING.....	63,866		\$ 784,529	55,197		\$ 690,412	58,496		\$ 811,721	67,442		1,013,260

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 172,925
ESTIMATE FY 2004	\$ 168,721
ESTIMATE FY 2003	\$ 164,891
ACTUAL FY 2002	\$ 161,439

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 2.5% based on the USDA moderate food plan index.

The net change in the basic allowance for subsistence is +\$3.8 million from FY 2003 to FY 2004. This change is based on-

- (1) Inflation increase: +\$4.9 million.
- (2) Force manning changes: -\$1.1 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE.....	80,922	\$ 1,995	\$ 161,439	79,889	\$ 2,064	\$ 164,891	79,361	\$ 2,126	\$ 168,721	78,961	\$ 2,190	\$ 172,925

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 54,138
ESTIMATE FY 2004	\$ 52,561
ESTIMATE FY 2003	\$ 47,485
ACTUAL FY 2002	\$ 63,746

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 1.2403 Euro/\$1 US Dollar and FY 2004 is 1.0314.

From FY 2003 to FY 2004, the requirement for overseas station allowance increases by a net +\$5.1 million. This change is based on--

- (1) Annualization of the 4.1% pay raise, 1 Jan 2003: +\$0.4 million.
- (2) The 3.4% pay raise pay raise, 1 Jan 2004 pay raise: +\$0.3 million.
- (2) The 4.083% targeted payraise, 1 Jan 2004: +\$0.7 million.
- (3) Foreign currency valuation change: +\$2.2 million.
- (4) Overseas stationing accounts for a +\$1.5 million increase.

Detailed cost computations are provided by the following table:

OFFICER OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING												
GENERAL.....	40	\$ 4,375	\$ 175	40	\$ 4,300	\$ 172	40	\$ 4,475	\$ 179	40	\$ 4,625	\$ 185
COL.....	767	4,279	3,282	506	4,230	2,140	498	4,894	2,437	498	5,060	2,520
LTC.....	2,080	4,083	8,493	1,369	4,037	5,527	1,349	4,669	6,298	1,349	4,829	6,514
MAJ.....	3,388	3,612	12,237	2,231	3,550	7,920	2,198	4,089	8,988	2,198	4,229	9,295
CPT.....	4,986	2,896	14,439	3,287	2,858	9,394	3,238	3,292	10,659	3,238	3,404	11,022
2ND LIEUTENANT.....	2,754	2,190	6,031	1,814	2,167	3,931	1,786	2,507	4,478	1,787	2,593	4,634
1ST LIEUTENANT.....	939	2,034	1,910	619	2,012	1,245	609	2,327	1,417	609	2,408	1,466
CW5.....	90	3,746	337	59	3,641	215	58	4,218	245	58	4,349	252
CW4.....	319	3,567	1,138	210	3,463	727	207	4,010	830	207	4,144	858
CW3.....	896	3,119	2,795	591	3,052	1,804	582	3,494	2,034	582	3,614	2,103
CW2.....	1,567	2,803	4,392	1,031	2,740	2,825	1,014	3,126	3,170	1,014	3,231	3,276
WO1.....	156	2,485	388	103	2,417	249	102	2,775	283	102	2,867	292
SUBTOTAL.....	17,982		\$ 55,617	11,860		\$ 36,149	11,681		\$ 41,018	11,682		\$ 42,417
TEMPORARY LODGING ALLOWANCE....	4,859	\$ 1,673	\$ 8,129	6,676	\$ 1,698	\$ 11,336	6,684	\$ 1,727	\$ 11,543	6,667	\$ 1,758	\$ 11,721
TOTAL OFFICER STATION ALLOWANCE OVERSEAS..	22,841		\$ 63,746	18,536		\$ 47,485	18,365		\$ 52,561	18,349		\$ 54,138

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 1,799
ESTIMATE FY 2004	\$ 1,713
ESTIMATE FY 2003	\$ 1,334
ACTUAL FY 2002	\$ 1,567

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	1,086	\$ 1,443	\$ 1,567	910	\$ 1,466	\$ 1,334	1,009	\$ 1,698	\$ 1,713	1,009	\$ 1,783	\$ 1,799

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 5,182
ESTIMATE FY 2004	\$ 5,134
ESTIMATE FY 2003	\$ 5,244
ACTUAL FY 2002	\$ 5,196

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNIFORM ALLOWANCES												
INITIAL.....	7,470	\$ 400	\$ 2,988	7,530	\$ 400	\$ 3,012	7,328	\$ 400	\$ 2,931	7,386	\$ 400	\$ 2,954
ADDITIONAL.....	7,470	200	1,494	7,530	200	1,506	7,328	200	1,466	7,386	200	1,477
SUBTOTAL.....	14,940		\$ 4,482	15,060		\$ 4,518	14,656		\$ 4,397	14,772		\$ 4,431
CIVILIAN CLOTHING												
WINTER AND SUMMER.....	881	\$ 811	\$ 714	881	\$ 824	\$ 726	881	\$ 836	\$ 737	881	\$ 853	\$ 751
TOTAL OFFICER CLOTHING ALLOWANCES.....	15,821		\$ 5,196	15,941		\$ 5,244	15,537		\$ 5,134	15,653		\$ 5,182

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 9,081
ESTIMATE FY 2004	\$ 9,125
ESTIMATE FY 2003	\$ 9,429
ACTUAL FY 2002	\$ 9,427

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES												
COL.....	8	\$ 10,667	\$ 85	7	\$ 11,028	\$ 77	7	\$ 11,359	\$ 80	7	\$ 11,700	\$ 82
LTC.....	39	10,272	401	36	10,620	382	36	10,938	394	36	11,266	406
MAJ.....	76	9,517	723	70	9,839	689	70	10,135	709	70	10,439	731
CPT.....	137	7,794	1,068	128	8,061	1,032	128	8,303	1,063	128	8,552	1,095
1LT.....	26	6,357	165	24	6,577	158	24	6,774	163	24	6,977	167
2LT.....	19	5,502	105	18	5,681	102	18	5,851	105	17	6,027	102
CW5.....	2	9,671	19	2	9,998	20	2	10,298	21	2	10,606	21
CW4.....	13	8,588	112	12	8,879	107	12	9,145	110	12	9,419	113
CW3.....	42	7,221	303	39	7,465	291	39	7,689	300	39	7,920	309
CW2.....	65	6,405	416	60	6,622	397	60	6,821	409	60	7,025	422
WO1.....	19	5,369	102	18	5,551	100	18	5,717	103	17	5,889	100
SUBTOTAL.....	446		3,499	414		3,355	414		3,457	412		3,548
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....	1,916	1,200	2,299	1,982	1,200	2,378	1,974	1,200	2,369	1,972	1,200	2,366
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	3,024	1,200	3,629	3,080	1,200	3,696	2,749	1,200	3,299	2,639	1,200	3,167
TOTAL OFFICER FAMILY SEPARATION ALLOWANCES.....	5,386		\$ 9,427	5,476		\$ 9,429	5,137		\$ 9,125	5,023		\$ 9,081

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 73,691
ESTIMATE FY 2004	\$ 66,865
ESTIMATE FY 2003	\$ 86,082
ACTUAL FY 2002	\$ 73,110

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 has paid directly from the Military Personnel appropriation starting in FY 2001.

The requirement for separation pay decreases by a net -19.2 million between FY 2003 and FY 2004. This change is based on--

- (1) Annualization of the 4.1% and targeted pay raise, 1 Jan 2003: +\$0.5 million.
- (2) The 2.0% pay raise, 1 Jan 2004: +\$0.4 million.
- (3) The 4.083% targeted pay raise, 1 Jan 2004: +\$0.8 million
- (4) Net decreased to numbers receiving separation payments: -\$7.0 million.
- (5) Decrease in the amount to be paid into the VSI Trust Fund: -\$8.4 million.
- (6) Reflects adjustments to the one-time \$30K lump sum payment: -\$5.5 million.

Detailed cost computations are provided by the following table:

OFFICER SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002				ESTIMATE FY 2003				ESTIMATE FY 2004				ESTIMATE FY 2005			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS																
GENERAL.....	43	54.6	19,488	\$ 838	45	54.6	20,333	\$ 915	44	53.8	20,477	\$ 901	44	53.8	21,182	\$ 932
COLONEL.....	445	37.8	9,884	4,398	495	37.8	10,300	5,099	481	37.8	10,683	5,139	483	37.8	11,055	5,340
LT. COLONEL.....	745	25.5	5,143	3,832	778	25.5	5,367	4,176	822	25.5	5,573	4,581	826	25.5	5,767	4,764
MAJOR.....	671	21.6	3,596	2,413	702	21.6	3,793	2,663	772	21.6	3,956	3,054	776	21.6	4,094	3,177
CAPTAIN.....	1,992	18.1	2,403	4,788	2,081	18.1	2,508	5,219	2,086	18.1	2,603	5,431	2,099	18.1	2,694	5,655
1ST LIEUT.....	599	13.9	1,403	840	626	13.9	1,469	919	537	13.9	1,530	822	539	13.9	1,584	854
2ND LIEUT.....	71	15.3	1,190	84	75	15.3	1,238	93	74	15.3	1,281	95	74	15.3	1,325	98
WARR OFF(5).....	51	34.6	6,637	338	53	34.6	6,965	369	57	34.6	7,241	413	57	34.6	7,493	427
WARR OFF(4).....	136	21.5	3,340	454	142	21.5	3,493	496	159	21.5	3,678	585	160	21.5	3,826	612
WARR OFF(3).....	218	17.7	2,196	479	227	17.7	2,336	530	223	17.7	2,463	549	224	17.7	2,557	573
WARR OFF(2).....	249	21.5	2,215	551	260	21.5	2,334	607	259	21.5	2,444	633	260	21.5	2,537	660
WARR OFF(1).....	45	11.9	1,033	46	48	11.9	1,085	52	40	11.9	1,128	45	40	11.9	1,170	47
SUBTOTAL.....	5,265			\$ 19,061	5,532			\$ 21,138	5,554			\$ 22,248	5,582			\$ 23,139
SEVERANCE PAY (DISABILITY)....	81		53,544	\$ 4,337	123		56,404	\$ 6,938	124		58,741	\$ 7,284	124		60,819	\$ 7,542
SEVERANCE PAY (NON-PROMOTION)	106		63,497	6,731	291		66,889	19,465	182		69,660	12,678	254		72,125	18,320
INVOLUNTARY HALF-PAY(5%)....	5		32,741	164	5		34,490	172	5		35,919	180	5		37,190	186
INVOLUNTARY FULL-PAY(10%)...	20		38,035	761	20		40,067	801	20		41,727	835	20		43,203	864
SPECIAL SEP BENEFIT(15%)	0		0	0	0		0	0	0		0	0	0		0	0
15 YEAR RETIREMENT.....	0		0	0	0		0	0	0		0	0	0		0	0
SUBTOTAL SEPARATION PAY (NON-DISABILITY).....	25			\$ 925	25			\$ 973	25			\$ 1,015	25			\$ 1,050
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAY) 1) THRU DEC 31, 1992...	0		\$ 28,125	0			\$ 26,940	0			\$ 18,540	0			\$ 18,540	0
JAN 1, 1993 AND AFTER.....	0		0	0	0		0	0	0		0	0	0		0	0
\$30,000 LUMP SUM BONUS.....			\$ 13,931				\$ 10,628				\$ 5,100				\$ 5,100	
TOTAL OFFICER SEPARATION PAY..	5,477		\$ 73,110	5,971			\$ 86,082	5,885			\$ 66,865	5,985			\$ 73,691	

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

ESTIMATE FY 2005	\$ 346,969
ESTIMATE FY 2004	\$ 336,736
ESTIMATE FY 2003	\$ 325,530
ESTIMATE FY 2002	\$ 315,879

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	\$89,700	No upper limit
2004	\$92,400	No upper limit
2005	\$97,200	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 paid 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 eliminated the supplement.

The social security tax requirement increases by +\$11.2 million between FY 2003 and FY 2004.

This change is based on-

- (1) Annualization of the 1 Jan 2003, 4.1% and optional pay raise: +\$3.6 million.
- (2) The 1 Jan 2003, 2.0% pay raise: +\$3.3 million.
- (3) The 1 Jan 2003, 4.083% targeted pay raise: +\$6.3 million.
- (4) Force manning changes: -\$2.0 million.

Detailed cost computations are provided by the following table:

OFFICER SOCIAL SECURITY TAX
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	80,922	\$ 3,903.50	\$ 315,879	79,889	\$ 4,074.78	\$ 325,530	79,361	\$ 4,243.09	\$ 336,736	78,961	\$ 4,394.18	\$ 346,969
WAGE CREDITS/SURVIVOR OR DISABILITY BENEFIT.....			\$ 0			\$ 0			\$ 0			\$ 0
TOTAL OFFICER SOCIAL SECURITY TAX.....	80,922		\$ 315,879	79,889		\$ 325,530	79,361		\$ 336,736	78,961		\$ 346,969

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

Pay and Allowance of Enlisted Personnel

FY 2003 Direct Program \$ 16,983,445

Increases:

Pricing Increases:

a. Reflects the annualization of the FY 2003 4.1% pay raise and optional targeted pay raise, and the FY 2004 4.1% targeted pay raise, effective 1 Jan 2004.	564,110
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 to 3.5% in FY 2004. Also includes housing cost growth.	127,797
c. Change in foreign currency valuation.	53,858
c. Reflects inflation changes in Temporary Lodging Allowance and Enlisted Clothing Allowance cost growth.	9,700
d. Special Duty Assignment Pay rate increase	17,021
Total Pricing Increases	772,486

Program Increases:

a. Health Care Accrual rates for over-65 retirees.	133,314
b. Reflects BAH housing inventory payments related to the Residential Communities Initiative	309,669
c. Increased numbers of personnel receiving Selective Reenlistment Bonus related retention payments.	17,370
d. Increased numbers of personnel receiving Clothing Allowance Payments.	23,156
e. Combat Disabilities Related starting in FY 2004.	109,000
f. Decreased overall number of personnel receiving all categories of separation payments except Combat Disabilities Related.	1,394
g. Increased numbers receiving incentive payments.	3,674
h. Increased numbers receiving SDAP payments	1,731
i. G.I. Bill offsets to FICA	1,077
j. Decrease in reimburseable program resulting in a increase in the direct program.	297,658
k. Miscellaneous	0
Total Program Increases	898,043

Total Increases

\$ 1,670,529

Decreases:

Pricing Decreases:

a. Changes in the Normal Cost Percentage from 27.4% in FY 2003 to 27.1% in FY 2004.	-29,474
Total Pricing Decreases	-29,474

Program Decreases:

a. Force Manning Changes	-393,923
c. Decreased numbers of personnel receiving recruiting payments related to Enlisted Bonuses, Education Benefits and Loan Repayment Program.	-9,147

d. Reduced numbers of personnel receiving hardship duty pay and hostile fire pay.	-12,029
e. Overseas Stationing	-687
f. BAH - Other	-58,330
g. Miscellaneous	-166
Total Program Decreases	-474,282

Total Decreases

\$ -503,756

FY 2004 Direct Program

\$ 18,150,218

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 9,922,085
ESTIMATE FY 2004	\$ 9,574,058
ESTIMATE FY 2003	\$ 9,415,291
ACTUAL FY 2002	\$ 9,012,546

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 +\$158.8 million from FY 2003 to FY 2004. This is based on--

- (1) Annualization of the 1 Jan 2003, 4.1% and optional pay raise: +\$109.8 million.
- (2) The 1 Jan 2004, 2.0% pay raise: +\$67.7 million.
- (3) The 1 Jan 2004, 4.083% targeted payraise: +\$231.8 million
- (4) Force Manning changes: -\$250.5 million.

Detailed cost computations are provided by the following table:

ENLISTED BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	3,136	\$ 49,567	\$ 155,442	3,150	\$ 53,381	\$ 168,150	3,148	\$ 56,581	\$ 178,117	3,118	\$ 58,886	\$ 183,607
1ST SGT/MASTER SGT.....	10,671	39,810	424,813	10,711	42,956	460,102	10,781	45,447	489,964	10,754	47,204	507,632
PLATOON SGT/SGT 1ST CLASS	36,756	34,059	1,251,873	36,906	36,511	1,347,475	36,853	38,530	1,419,946	36,779	39,995	1,470,976
STAFF SERGEANT.....	70,586	27,959	1,973,514	66,576	29,610	1,971,315	56,585	30,814	1,743,610	56,227	31,958	1,796,902
SERGEANT.....	73,292	22,616	1,657,572	72,976	24,016	1,752,592	72,911	25,088	1,829,191	72,606	26,010	1,888,482
CORPORAL/SPECIALIST.....	102,204	18,455	1,886,175	108,055	19,412	2,097,564	112,597	20,103	2,263,537	114,018	20,802	2,371,802
PRIVATE FIRST CLASS.....	62,366	15,136	943,972	56,776	16,033	910,290	51,868	16,722	867,337	51,675	17,304	894,184
PRIVATE E2.....	34,624	13,633	472,029	33,206	14,429	479,129	34,351	15,007	515,505	34,803	15,510	539,795
PRIVATE E1.....	22,363	11,052	247,156	19,968	11,452	228,674	23,094	11,555	266,851	22,567	11,907	268,705
TOTAL ENLSITED BASIC PAY..	415,998		\$ 9,012,546	408,324		\$ 9,415,291	402,188		\$ 9,574,058	402,547		\$ 9,922,085

ESTIMATE FY 2005	\$ 2,678,963
ESTIMATE FY 2004	\$ 2,594,570
ESTIMATE FY 2003	\$ 2,579,790
ESTIMATE FY 2002	\$ 2,730,801

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., 27.4 percent for FY 2003, and 27.1 percent for FY 2004.
- (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 +\$14.8 million from FY 2003 to FY 2004. This change is based on--

- (1) Annualization of the 1 Jan 2003, 4.1% and optional pay raise: +\$29.8 million.
- (2) The 1 Jan 2004, 2.0% pay raise: +\$17.7 million.
- (3) The 1 Jan 2004, 4.083% targeted pay raise: +\$63.5 million
- (4) Change in the normal cost percentages from 27.4% in FY 2003 to 27.3% in FY 2004: -\$28.2 million.
- (5) Force Manning changes: -\$68.0 million.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	415,998	\$ 6,564.46	\$ 2,730,801	408,324	\$ 6,318.00	\$ 2,579,790	402,188	\$ 6,451.14	\$ 2,594,570	402,547	\$ 6,655.03	\$ 2,678,963

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 1,878,015
ESTIMATE FY 2004	\$ 1,856,387
ESTIMATE FY 2003	\$ 1,723,073
ACTUAL FY 2002	\$ 0

Project: Health Care Accrual - Enlisted

Part I - Purpose and Scope

The funds will be used to pay the health care accrual amount into the Department of Defense Medicare-eligible Retiree Health Care Fund for the future Medicare-eligible health care costs for current military personnel in accordance with the FY 2001 National Defense Authorization Act (Public Law 106-398).

Part II - Justification of Funds Requested

The budgetary estimates are derived as a product of the approved actuarial rate and the average strength.

The estimate for over-65 retirees increases from FY 2003 to FY 2004 by +\$133.3 million. The requirement to finance the under-65 retirees has been rescinded.

Detailed cost computations are provided by the following table:

ENLISTED HEALTH CARE ACCRUAL
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002 AMOUNT	ESTIMATE FY 2003 AMOUNT	ESTIMATE FY 2004 AMOUNT	ESTIMATE FY 2005 AMOUNT
HEALTH CARE ACCRUAL.....	\$ 0	\$ 1,723,073	\$ 1,856,387	\$ 1,878,015

ESTIMATE FY 2005	\$71,540
ESTIMATE FY 2004	\$71,540
ESTIMATE FY 2003	\$67,866
ACTUAL FY 2002	\$70,608

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, sulfuryl 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.

The estimate from FY 2003 to FY 2004 increases by \$3.7 million due to the following:

1. Increased numbers receiving Parachute Pay and High Altitude/Low Opening (HALO) Parachute Pay: +\$3.4 million.
2. Other program changes: +\$.3 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY												
FLYING DUTY CREW MEMBERS												
SERGEANT MAJOR.....	3	\$2,880	\$9	3	\$2,880	\$9	3	\$2,880	\$9	3	\$2,880	\$9
1ST SGT/MASTER SGT.....	30	2,880	86	30	2,880	86	30	2,880	86	30	2,880	86
PLATOON SGT/SGT 1ST CLASS..	199	2,880	573	199	2,880	573	199	2,880	573	199	2,880	573
STAFF SGT.....	520	2,580	1,342	520	2,580	1,342	627	2,580	1,618	627	2,580	1,618
SERGEANT.....	1,063	2,280	2,424	925	2,280	2,109	925	2,280	2,109	925	2,280	2,109
CPL/SPECIALIST.....	921	1,980	1,824	921	1,980	1,824	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	200	1,800	360
PRIVATE E2.....	3	1,800	5	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	2	1,800	4
SUBTOTAL.....	2,941		\$6,627	2,803		\$6,312	2,910		\$6,588	2,910		\$6,588
FLYING DUTY NON-CREW MEMBERS	490	1,800	882	565	1,800	1,017	580	1,800	1,044	580	1,800	1,044
TOTAL FLYING DUTY PAY.....	3,431		\$7,509	3,368		\$7,329	3,490		\$7,632	3,490		\$7,632
OTHER HAZARDOUS DUTY												
EXPERIMENTAL STRESS	61	1,800	110	66	1,800	119	66	1,800	119	66	1,800	119
TOXIC PESTICIDE	4	1,800	7	4	1,800	7	4	1,800	7	4	1,800	7
TOXIC FUEL	1	1,800	2	1	1,800	2	1	1,800	2	1	1,800	2
CHEMICAL MUNITIONS	78	1,800	140	103	1,800	185	103	1,800	185	103	1,800	185
HALO JUMP	891	2,700	2,406	446	2,700	1,204	891	2,700	2,406	891	2,700	2,406
SUBTOTAL (OTHER)	1,035		\$2,665	620		\$1,517	1,065		\$2,719	1,065		\$2,719
PARACHUTE JUMPING	32,292	1,800	58,126	31,514	1,800	56,725	32,719	1,800	58,894	32,719	1,800	58,894
DEMOLITION DUTY	1,282	1,800	2,308	1,275	1,800	2,295	1,275	1,800	2,295	1,275	1,800	2,295
TOTAL	34,609		\$63,099	33,409		\$60,537	35,059		\$63,908	35,059		\$63,908
TOTAL ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY.....	38,040		\$70,608	36,777		\$67,866	38,549		\$71,540	38,549		\$71,540

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 78,628
ESTIMATE FY 2004	\$ 78,628
ESTIMATE FY 2003	\$ 90,657
ACTUAL FY 2002	\$ 117,142

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 2003 to FY 2004, the estimate for special pay decreases by -\$12.0 million.

- (1) Increased numbers of personnel receiving sea pay, diving pay and foreign language proficiency pay: +\$1.9 million.
- (2) Change is primarily due to decreased numbers receiving hardship duty pay and hostile fire pay for contingency operations: -\$13.9 million.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PERSONAL MONEY ALLOWANCES -SERGEANT MAJOR OF THE ARMY.....	1	2,000	2	1	2,000	2	1	2,000	2	1	2,000	2
SEA DUTY PAY.....	447	\$ 1,787	\$ 799	413	\$ 2,046	\$ 845	413	\$ 2,046	\$ 845	413	\$ 2,046	\$ 845
HARDSHIP DUTY PAY.....	71,622	629	45,050	62,342	629	39,213	34,002	972	33,050	34,002	972	33,050
FOREIGN LANGUAGE PAY.....	26,299	\$ 843	\$ 22,170	11,355	\$ 913	\$ 10,367	11,712	\$ 965	\$ 11,302	11,712	\$ 965	\$ 11,302
DIVING DUTY PAY.....	1,370	3,686	5,050	343	2,443	838	702	2,513	1,764	702	2,513	1,764
HOSTILE FIRE PAY.....	22,406	1,800	40,331	19,674	1,800	35,413	15,381	1,800	27,686	15,381	1,800	27,686
OVERSEAS EXTENSION PAY.....	3,896	960	3,740	4,145	960	3,979	4,145	960	3,979	4,145	960	3,979
HIGH-DEPLOYMENT PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ENLISTED SPECIAL PAY.....	126,041		\$ 117,142	98,273		\$ 90,657	66,356		\$ 78,628	66,356		\$ 78,628

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$79,814
ESTIMATE FY 2004	\$79,814
ESTIMATE FY 2003	\$61,062
ACTUAL FY 2002	\$60,561

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.

The estimate increases from FY 2003 to FY 2004 by +\$18.8 million due to the following:

1. Reflects mandated rate changes to the specific payment levels beginning in FY 2004: +\$17.1 million.
2. Increased numbers receiving SDAP: +\$1.7 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT												
SD 6 (\$375.00/450.00).....	7,956	\$4,500	\$35,802	7,950	\$4,500	\$35,775	7,893	\$5,400	\$42,622	7,893	\$5,400	\$42,622
SD 5 (\$275.00).....	3,001	3,300	9,903	3,110	3,300	10,263	3,075	4,500	13,838	3,075	4,500	13,838
SD 4 (\$220.00).....	208	2,640	549	210	2,640	554	4,898	3,600	17,633	4,898	3,600	17,633
SD 3 (\$165.00).....	7,226	1,980	14,307	7,308	1,980	14,470	2,119	2,700	5,721	2,119	2,700	5,721
TOTAL ENLISTED SPECIAL DUTY ASSIGNMENT PAY.....	18,391		\$60,561	18,578		\$61,062	17,985		\$79,814	17,985		\$79,814

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 121,170
ESTIMATE FY 2004	\$ 115,140
ESTIMATE FY 2003	\$ 97,770
ACTUAL FY 2002	\$ 127,817

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 +\$17.4 million from FY 2003 to FY 2004. The change between fiscal years is due to the following:

- (1) Initial payments increase from FY 2003 to FY 2004 reflecting a +\$22.6 million increase including a +\$3.1 million increase to the Critical Skills Retention Bonus (CSR) program. This increase in CSR establishes a baseline retention level of 300 CMF 18 personnel.
- (2) Anniversary payments decrease from FY 2003 to FY 2004 by -\$5.2 million

Project: Reenlistment Bonus - Enlisted

The following are the Army's most critically imbalanced skills as of Jan 2003 (restricted to MOS with authorizations in at least four grade cells):

Shortage MOS

MOS	Title
12B	Combat Engineer
13D	Field Artillery Tactical Data System Specialist
18Series	Special Forces
31S	SATCOM Systems Operator
54B	NBC Operations
63A	Abrams Maintenance Specialist
63M	Bradley Maintenance Specialist
63Y	Track Vehicle Mechanic
77F	Petroleum Specialist
91W	Health Care Specialist
98c	Signals Intelligence Analyst
98G	Voice Interceptor

Detailed cost computations are provided by the following table:

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SELECTED REENLISTMENT BONUS INITIAL PAYMENTS.....	15,672	\$ 4,889	\$ 76,618	7,926	\$ 5,329	\$ 42,240	13,041	\$ 4,967	\$ 64,780	13,908	\$ 5,129	\$ 71,330
ANNIVERSARY PAYMENTS.....	46,886	1,092	51,199	47,155	1,178	55,530	39,635	1,271	50,360	37,235	1,339	49,840
TOTAL REENLISTMENT BONUS.....	62,558		\$ 127,817	55,081		\$ 97,770	52,676		\$ 115,140	51,143		\$ 121,170

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
PRIOR OBLIGATIONS.....	16,855	20,819	15,223	18,220	11,378	13,750	5,323	6,690	4,822	5,590	0	0	0	0
ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR YEAR (2002) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	14,610	19,050	13,795	19,140	10,311	14,440	4,574	7,030	3,447	5,100	0	0
CURRENT YEAR (2003) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	6,544	8,570	6,179	8,190	4,618	6,180	2,048	3,010	1,544	2,180
BUDGET YEAR (2004) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	11,995	16,270	11,326	15,560	8,466	11,740	3,755	5,720
BUDGET YEAR (2005) INITIAL & SUBSEQUENT INITIAL PAYMENTS.....	0	0	0	0	0	0	0	0	12,811	17,960	12,096	17,180	9,042	12,960
TOTAL														
ANNIVERSARY PAYMENTS.....	46,886	51,199	47,155	55,530	39,635	50,360	37,235	49,840	37,133	51,590	41,284	59,110	43,298	63,830
SRB TOTAL.....		127,817		97,770		115,140		121,170		138,610		145,420		151,330

ESTIMATE FY 2005	\$ 155,897
ESTIMATE FY 2004	\$ 149,798
ESTIMATE FY 2003	\$ 150,344
ACTUAL FY 2002	\$ 200,722

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 equal installments on the soldier's anniversary date over the remaining years of his contract. 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 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 +\$.5 million between FY 2003 and FY 2004. The change between fiscal years is due to the following:

- (1) Program increases in new payments and anniversary payments between FY 2003 and FY 2004 reflect a +\$12.2 million change.
- (2) Residual payments decrease between FY 2003 and FY 2004 accounts for a -\$10.0 million change.
- (3) Anniversary payments decrease between FY 2003 and FY 2004 accounts for a -\$2.7 million change.

Detailed cost computations are provided by the following table:

ENLISTMENT BONUS PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTMENT BONUS PROGRAM												
NEW PAYMENTS												
UP THRU \$1,000.....	1,451	\$ 1,000	\$ 1,451	702	\$ 1,000	\$ 702	861	\$ 1,000	\$ 861	927	\$ 1,000	\$ 927
UP THRU \$2,000.....	1,435	2,000	2,870	704	2,000	1,408	862	2,000	1,724	931	2,000	1,862
UP THRU \$3,000.....	3,319	3,000	9,957	1,642	3,000	4,926	2,012	3,000	6,036	2,171	3,000	6,513
UP THRU \$4,000.....	2,692	4,000	10,768	1,325	4,000	5,300	1,623	4,000	6,492	1,752	4,000	7,008
UP THRU \$5,000.....	2,734	5,000	13,670	1,355	5,000	6,775	1,660	5,000	8,300	1,792	5,000	8,960
UP THRU \$6,000.....	2,474	6,000	14,844	1,228	6,000	7,368	1,504	6,000	9,024	1,624	6,000	9,744
UP THRU \$7,000.....	8,060	7,000	56,420	3,949	7,000	27,643	4,838	7,000	33,866	5,221	7,000	36,547
TOTAL	22,165		\$ 109,980	10,905		\$ 54,122	13,360		\$ 66,303	14,418		\$ 71,561
RESIDUAL NEW PAYMENTS												
UP THRU \$1,000.....	448	\$ 1,000	\$ 448	514	\$ 1,000	\$ 514	236	\$ 1,000	\$ 236	571	\$ 1,000	\$ 571
UP THRU \$2,000.....	650	2,000	1,300	734	2,000	1,468	390	2,000	780	564	2,000	1,128
UP THRU \$3,000.....	678	3,000	2,034	758	3,000	2,274	1,142	3,000	3,426	1,418	3,000	4,254
UP THRU \$4,000.....	1,056	4,000	4,224	1,210	4,000	4,840	1,201	4,000	4,804	842	4,000	3,368
UP THRU \$5,000.....	1,632	5,000	8,160	1,932	5,000	9,660	1,412	5,000	7,060	1,570	5,000	7,850
UP THRU \$6,000.....	1,633	6,000	9,798	1,812	6,000	10,872	1,394	6,000	8,364	1,289	6,000	7,734
UP THRU \$7,000.....	5,428	7,000	37,996	6,249	7,000	43,743	5,534	7,000	38,738	5,640	7,000	39,480
TOTAL	11,525		\$ 63,960	13,209		\$ 73,371	11,309		\$ 63,408	11,894		\$ 64,385
ANNIVERSARY (INCREMENTAL) PAYMENTS.....												
	18,281	\$ 1,465	\$ 26,782	11,512	\$ 1,985	\$ 22,851	12,523	\$ 1,604	\$ 20,087	12,438	\$ 1,604	\$ 19,951
TOTAL ENLISTMENT BONUS PROGRAM.....												
	51,971		\$ 200,722	35,626		\$ 150,344	37,192		\$ 149,798	38,750		\$ 155,897

ENLISTMENT BONUS INCREMENT PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002		ESTIMATE FY 2003		ESTIMATE FY 2004		ESTIMATE FY 2005	
	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS
NEW OBLIGATIONS.....	4,570	6,696	2,878	5,713	3,131	5,022	3,110	4,988
PRIOR OBLIGATIONS.....	13,711	20,086	8,634	17,138	9,392	15,065	9,328	14,963
TOTAL INCREMENT PAYMENTS.....	18,281	26,782	11,512	22,851	12,523	20,087	12,438	19,951

ESTIMATE FY 2005	\$31,276
ESTIMATE FY 2004	\$30,567
ESTIMATE FY 2003	\$34,368
ACTUAL FY 2002	\$57,290

Project: Educational Benefits

Part I - Purpose and Scope

Funds are for the payment to the Department of Defense (DOD) Educational Benefits Trust Fund. The Army College Fund (ACF) is governed by Title 38 U.S.C., Chapter 30. The ACF is used to attract higher quality high school diploma graduates into designated Army skills which are difficult to fill with qualified enlistees. The program will fund additional and supplemental benefit payments above a basic benefit (the Montgomery GI Bill) to be budgeted by the Department of Veteran Affairs (DVA). This program is budgeted on an accrual basis by the DOD. 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 DVA from funds transferred from the Trust Fund account.

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 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 lower unemployment economy and low positive propensity of the youth market to enlist. It has become increasingly difficult to recruit sufficient soldiers to sustain a quality force. In response, the Army had 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.

In P.L. 107-103, Congress increased the amount of the basic GI Bill benefit paid by Veterans Affairs. Since there is a \$50K cap on the total amount of education assistance that can be provided through the basic benefit and the Army College Fund program, the increase in basic benefits requires that the College Fund benefits be reduced. The increase in basic benefits also neutralized the benefits of the \$26.5K and \$33K College Fund levels, resulting in programming for only \$40K and \$50K College Fund levels.

The budget maintains the buying power of the College Fund into the future. The 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 (EDEP), and the enormous pressure from the job market. The effect will be a continued ability to increase the quality content of the Army to the Army's goal of 67% and to channel quality applicants to critical MOSs. The per-capita amounts are dependent on the DoD Board of Actuaries and are released after their annual August meeting.

The program increases by +\$3.8 million between FY 2003 and FY 2004.

Detailed cost computations are provided by the following table:

ENLISTED EDUCATIONAL BENEFITS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	ELIGIBLES	RATE	AMOUNT	ELIGIBLES	RATE	AMOUNT	ELIGIBLES	RATE	AMOUNT	ELIGIBLES	RATE	AMOUNT
COLLEGE FUND												
FOUR YEAR COMMITMENT - \$30K	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
FOUR YEAR COMMITMENT - \$40K	3,491	3,863	13,486	6,205	1,658	10,288	7,667	1,138	8,725	7,844	1,138	8,926
FOUR YEAR COMMITMENT - \$50K	4,964	7,417	36,818	5,201	4,568	23,758	5,506	3,967	21,842	5,634	3,967	22,350
SUBTOTAL FOUR YEAR	8,455		\$50,304	11,406		\$34,046	13,173		\$30,567	13,478		\$31,276
THREE YEAR COMMITMENT - \$25K	0	0	0	0	0	0	0	0	0	0	0	0
THREE YEAR COMMITMENT - \$33K	2,070	2,729	5,649	1,750	171	299	0	0	0	0	0	0
SUBTOTAL THREE YEAR	2,070		\$5,649	1,750		\$299	0		\$0	0		\$0
TWO YEAR COMMITMENT - \$20K	0	0	0	0	0	0	0	0	0	0	0	0
TWO YEAR COMMITMENT - \$26.5K	581	2,301	1,337	493	46	23	0	0	0	0	0	0
SUBTOTAL TWO YEAR	581		\$1,337	493		\$23	0		\$0	0		\$0
TOTAL \$20K	0		0	0		0	0		0	0		0
TOTAL \$25K	0		0	0		0	0		0	0		0
TOTAL \$26.5K	581		1,337	493		23	0		0	0		0
TOTAL \$30K	0		0	0		0	0		0	0		0
TOTAL \$33K	2,070		5,649	1,750		299	0		0	0		0
TOTAL \$40K	3,491		13,486	6,205		10,288	7,667		8,725	7,844		8,926
TOTAL \$50K	4,964		36,818	5,201		23,758	5,506		21,842	5,634		22,350
GRAND TOTAL COLLEGE FUND	11,106		\$57,290	13,649		\$34,368	13,173		\$30,567	13,478		\$31,276

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 46,790
ESTIMATE FY 2004	\$ 43,331
ESTIMATE FY 2003	\$ 48,131
ACTUAL FY 2002	\$ 35,200

Project: Loan Repayment Program - Enlisted

Part I - Purpose and Scope

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

Part II - Justification and Funds Requested

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

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

The -\$4.8 million decrease between FY 2003 and FY 2004 reflects changes to 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 2002		ESTIMATE FY 2003		ESTIMATE FY 2004		ESTIMATE FY 2005	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
LOAN REPAYMENT PROGRAM.....	8,401	\$ 35,200	11,454	\$ 48,131	6,743	\$ 43,331	6,888	\$ 46,790

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 2,418,013
ESTIMATE FY 2004	\$ 2,046,666
ESTIMATE FY 2003	\$ 1,700,553
ACTUAL FY 2002	\$ 1,808,360

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 +\$346.1 million from FY 2003 to FY 2004. 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 3.5% in FY 2004 which supports the DoD goal of zero out of pocket housing costs by FY 2005. Also includes an overall 4.2% general housing cost growth: +\$127.2 million change.
- (2) Privatization of Army family housing units under the Residential Communities Initiative: +\$308.7 million.
- (3) Increase in BAH Overseas Rate: +\$24.0 million
- (4) Other BAH Housing changes: -\$58.3
- (5) Force manning changes: -\$56.4 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS												
SERGEANT MAJOR.....	1,855	\$ 12,243	\$ 22,711	1,650	\$ 13,300	\$ 21,945	1,963	\$ 14,262	\$ 27,996	2,217	\$ 15,206	\$ 33,712
1ST SGT/MASTER SGT..	6,863	11,461	78,657	6,098	12,440	75,859	7,307	13,340	97,475	8,313	14,223	118,236
PLTN SGT/SFC.....	22,224	10,640	236,463	19,757	11,550	228,193	23,487	12,385	290,886	26,731	13,205	352,983
STAFF SERGEANT.....	37,965	9,901	375,891	31,704	10,727	340,089	32,080	11,503	369,016	36,352	12,265	445,857
SERGEANT.....	30,566	8,928	272,893	26,946	9,643	259,840	32,051	10,341	331,439	36,399	11,025	401,299
CORPORAL/SPC4.....	29,577	8,316	245,962	27,686	8,986	248,786	34,346	9,636	330,958	39,663	10,274	407,498
PRIVATE, 1ST CL.....	12,017	8,257	99,224	9,686	8,986	87,038	10,535	9,636	101,515	11,968	10,274	122,959
PRIVATE (E2).....	5,532	8,273	45,766	4,698	8,986	42,216	5,785	9,636	55,744	6,685	10,274	68,682
PRIVATE (E1).....	3,133	8,409	26,345	2,477	8,986	22,258	3,410	9,636	32,859	3,801	10,274	39,051
TOTAL BAH												
WITH DEPENDENTS.....	149,732		\$ 1,403,912	130,702		\$ 1,326,224	150,964		\$ 1,637,888	172,129		\$ 1,990,277
BAH DIFFERENTIAL.....	11,887	2,087	24,808	11,664	2,189	25,532	11,657	2,297	26,776	11,646	2,409	28,055
TOTAL.....	161,619		\$ 1,428,720	142,366		\$ 1,351,756	162,621		\$ 1,664,664	183,775		\$ 2,018,332
BAH WITHOUT DEPENDENTS												
SERGEANT MAJOR.....	265	\$ 10,313	\$ 2,733	247	\$ 11,174	\$ 2,760	250	\$ 11,982	\$ 2,996	247	\$ 12,775	\$ 3,155
1ST SGT/MASTER SGT..	1,094	9,661	10,569	1,046	10,476	10,958	1,065	11,234	11,964	1,063	11,977	12,732
PLTN SGT/SFC.....	4,117	8,516	35,060	3,764	9,194	34,606	3,802	9,859	37,484	3,794	10,512	39,883
STAFF SERGEANT.....	7,881	7,981	62,898	7,343	8,635	63,407	6,313	9,260	58,458	6,274	9,873	61,943
SERGEANT.....	8,509	7,582	64,515	8,874	8,202	72,785	8,968	8,795	78,874	8,931	9,377	83,746
CORPORAL/SPC4.....	7,559	6,829	51,620	7,575	7,393	56,002	7,984	7,928	63,297	8,086	8,453	68,351
PRIVATE, 1ST CL.....	2,029	6,766	13,728	1,726	7,393	12,760	1,595	7,928	12,645	1,589	8,453	13,432
PRIVATE (E2).....	594	6,752	4,011	342	7,393	2,528	358	7,928	2,838	362	8,453	3,060
PRIVATE (E1).....	68	6,753	459	92	7,393	680	108	7,928	856	106	8,453	896
TOTAL BAH												
WITHOUT DEPENDENTS....	32,116		\$ 245,593	31,009		\$ 256,486	30,443		\$ 269,412	30,452		\$ 287,198

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH PARTIAL ALLOWANCE BACHELOR												
SERGEANT MAJOR.....	13	\$ 223	\$ 3	10	\$ 223	\$ 2	10	\$ 223	\$ 2	10	\$ 223	\$ 2
1ST SGT/MASTER SGT..	45	184	8	40	184	7	39	184	7	39	184	7
PLTN SGT/SFC.....	217	144	31	173	144	25	171	144	25	171	144	25
STAFF SERGEANT.....	3,953	119	470	1,917	119	228	1,609	119	191	1,598	119	190
SERGEANT.....	10,004	104	1,040	10,290	104	1,070	10,148	104	1,055	10,107	104	1,051
CORPORAL/SPC4.....	40,013	97	3,881	44,184	97	4,286	45,451	97	4,409	46,030	97	4,465
PRIVATE, 1ST CL.....	40,245	94	3,783	36,445	94	3,426	32,867	94	3,089	32,749	94	3,078
PRIVATE (E2).....	23,939	86	2,059	22,138	86	1,904	22,608	86	1,944	22,908	86	1,970
PRIVATE (E1).....	16,180	83	1,343	13,327	83	1,106	15,216	83	1,263	14,870	83	1,234
TOTAL BAH PARTIAL ALLOWANCE BACHELOR....	134,609		\$ 12,618	128,524		\$ 12,054	128,119		\$ 11,985	128,482		\$ 12,022
BAH INADEQUATE FAMILY HOUSING												
SERGEANT MAJOR.....	0	\$ 3,061	\$ 0	0	\$ 3,325	\$ 0	0	\$ 3,565	\$ 0	0	\$ 3,801	\$ 0
1ST SGT/MASTER SGT..	0	2,865	0	2	3,110	6	2	3,335	7	2	3,556	7
PLTN SGT/SFC.....	3	2,660	8	4	2,887	12	4	3,096	12	4	3,301	13
STAFF SERGEANT.....	11	2,475	27	7	2,682	19	6	2,876	17	6	3,066	18
SERGEANT.....	11	2,232	25	7	2,411	17	7	2,585	18	7	2,756	19
CORPORAL/SPC4.....	35	2,079	73	43	2,246	97	45	2,409	108	46	2,568	118
PRIVATE, 1ST CL.....	19	2,064	39	34	2,246	76	31	2,409	75	31	2,568	80
PRIVATE (E2).....	4	2,068	8	10	2,246	22	10	2,409	24	10	2,568	26
PRIVATE (E1).....	0	2,102	0	2	2,246	4	2	2,409	5	2	2,568	5
TOTAL BAH INADEQUATE FAMILY HOUSING.....	83		\$ 180	109		\$ 253	107		\$ 266	108		\$ 286
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC	328,427		\$ 1,687,111	302,008		\$ 1,620,549	321,290		\$ 1,946,327	342,817		\$ 2,317,838

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS												
SERGEANT MAJOR.....	74	\$ 13,431	\$ 994	76	\$ 11,766	\$ 894	76	\$ 16,685	\$ 1,268	75	\$ 16,694	\$ 1,252
1ST SGT/MASTER SGT..	343	12,945	4,440	274	11,344	3,108	275	15,515	4,267	274	15,524	4,254
PLTN SGT/SFC.....	1,078	12,309	13,269	723	10,786	7,798	719	14,817	10,653	717	14,825	10,630
STAFF SERGEANT.....	1,972	10,849	21,394	1,112	9,506	10,571	941	13,648	12,843	934	13,656	12,755
SERGEANT.....	1,594	9,857	15,712	1,073	8,635	9,265	1,066	13,079	13,942	1,061	13,086	13,884
CORPORAL/SPC4.....	479	9,001	4,311	692	7,887	5,458	718	11,503	8,259	726	11,509	8,356
PRIVATE, 1ST CL.....	76	7,378	561	97	6,461	627	88	11,940	1,051	88	11,941	1,051
PRIVATE (E2).....	9	7,965	72	13	7,002	91	14	11,883	166	14	11,890	166
PRIVATE (E1).....	3	7,749	23	4	7,002	28	2	11,367	23	4	11,373	45
TOTAL BAH WITH DEPENDENTS.....	5,628		\$ 60,776	4,064		\$ 37,840	3,899		\$ 52,472	3,893		\$ 52,393
BAH WITHOUT DEPENDENTS												
SERGEANT MAJOR.....	72	\$ 12,172	\$ 876	67	\$ 7,000	\$ 469	67	\$ 9,502	\$ 637	66	\$ 9,511	\$ 628
1ST SGT/MASTER SGT..	316	12,406	3,920	295	8,204	2,420	295	9,863	2,910	295	9,872	2,912
PLTN SGT/SFC.....	1,070	11,813	12,640	1,000	8,038	8,038	996	9,851	9,812	994	9,860	9,801
STAFF SERGEANT.....	1,728	9,648	16,672	1,891	7,041	13,315	1,602	8,159	13,071	1,592	8,167	13,002
SERGEANT.....	2,161	9,483	20,493	2,000	7,160	14,320	1,992	8,307	16,548	1,983	8,315	16,489
CORPORAL/SPC4.....	531	9,415	4,999	508	6,149	3,124	527	8,039	4,237	534	8,047	4,297
PRIVATE, 1ST CL.....	81	8,822	715	74	5,529	409	67	7,872	527	67	7,880	528
PRIVATE (E2).....	14	8,946	125	10	4,656	47	10	7,721	77	10	7,728	77
PRIVATE (E1).....	4	8,144	33	4	5,478	22	5	9,519	48	5	9,528	48
TOTAL BAH WITHOUT DEPENDENTS....	5,977		\$ 60,473	5,849		\$ 42,164	5,561		\$ 47,867	5,546		\$ 47,782
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS	11,605		\$ 121,249	9,913		\$ 80,004	9,460		\$ 100,339	9,439		\$ 100,175
TOTAL ENLISTED BASIC ALLOWANCE FOR HOUSING.....	340,032		\$ 1,808,360	311,921		\$ 1,700,553	330,750		\$ 2,046,666	352,256		\$ 2,418,013

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 146,717
ESTIMATE FY 2004	\$ 140,823
ESTIMATE FY 2003	\$ 107,855
ACTUAL FY 2002	\$ 175,305

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. The estimates for overseas station allowances are based on rates of exchange of 1.2403 Euro/\$1 US in FY 2003 and 1.0314 in FY 2004.

From FY 2003 to FY 2004, the requirement for overseas station allowance increases by a net +\$33.0 million. This change is based on--

- (1) Annualization of the 4.1% pay raise, 1 Jan 2003: +\$1.2 million.
- (5) The 3.4% pay raise pay raise, 1 Jan 2004 pay raise: +\$0.7 million.
- (6) The 4.083% targeted payraise, 1 Jan 2004: +\$2.3 million.
- (7) Foreign currency valuation change: +\$29.8 million.
- (8) Overseas stationing accounts for a -\$1.0 million decrease offset by +\$.4 million increase due to a Temporary Lodging Allowance rate change.

Detailed cost computations are provided by the following table:

ENLISTED OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING												
SGM.....	525	\$ 4,341	\$ 2,279	476	\$ 2,235	\$ 1,064	477	\$ 3,144	\$ 1,500	477	\$ 3,265	\$ 1,557
1ST SGT/MASTER SGT.....	1,731	4,024	6,966	1,575	2,197	3,460	1,576	3,092	4,873	1,577	3,210	5,062
PLTN SGT/SFC.....	5,867	3,692	21,661	5,382	2,016	10,850	5,386	2,837	15,280	5,387	2,944	15,859
SSG.....	9,525	3,138	29,889	8,530	1,743	14,868	8,536	2,452	20,930	8,537	2,545	21,727
SGT.....	15,583	2,475	38,568	14,278	1,472	21,017	14,288	2,070	29,576	14,290	2,151	30,738
CORPORAL/SPC4.....	22,282	1,703	37,946	19,618	1,140	22,365	19,631	1,605	31,508	19,635	1,665	32,692
PRIVATE, 1ST CL.....	9,041	1,288	11,645	9,446	785	7,415	9,452	1,107	10,463	9,454	1,151	10,882
PV2.....	3,857	1,099	4,239	3,320	524	1,740	3,319	736	2,443	3,321	764	2,537
PV1.....	874	968	846	770	596	459	771	840	648	771	871	672
SUBTOTAL.....	69,285		154,039	63,395		83,238	63,436		117,221	63,449		121,726
TEMPORARY LODGING ALLOWANCE....	43,048	\$ 494	\$ 21,266	45,003	\$ 547	\$ 24,617	42,450	\$ 556	\$ 23,602	44,153	\$ 566	\$ 24,991
TOTAL ENLISTED STATION ALLOWANCE OVERSEAS..	112,333		\$ 175,305	108,398		\$ 107,855	105,886		\$ 140,823	107,602		\$ 146,717

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 2,883
ESTIMATE FY 2004	\$ 2,826
ESTIMATE FY 2003	\$ 2,199
ACTUAL FY 2002	\$ 2,870

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	3,381	\$ 849	\$ 2,870	2,468	\$ 891	\$ 2,199	1,903	\$ 1,485	\$ 2,826	1,903	\$ 1,515	\$ 2,883

ESTIMATE FY 2005	272,058
ESTIMATE FY 2004	263,589
ESTIMATE FY 2003	231,157
ACTUAL FY 2002	243,915

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 +\$32.5 million increase between FY 2003 and FY 2004 is based on the following changes:

- (1) Accession and other numbers receiving changes reflect a +\$23.3 million increase.
- (2) Pricing changes reflect a +\$9.2 million increase.

Detailed cost computations are provided by the following table:

ENLISTED CLOTHING ALLOWANCES
RATE SUMMARY REVIEW

	FY 2003 COLUMN OF FY 03 PRES BUDGET	FY 2003 COLUMN OF FY 04/05 PRES BUDGET	FY 2004 COLUMN OF FY 04/05 PRES BUDGET	FY 2005 COLUMN OF FY 04/05 PRES BUDGET
INITIAL ISSUE				
ENLISTED MEN.....	1,180.00	1,172.73	1,250.27	1,272.81
ENLISTED WOMEN.....	1,569.00	1,409.08	1,490.64	1,517.55
CLOTHING MAINTENANCE ALLOWANCE				
ENLISTED MEN - BASIC.....	282.00	284.40	289.23	294.44
- STANDARD.....	339.00	406.80	413.72	421.16
ENLISTED WOMEN - BASIC.....	402.00	342.00	347.81	354.07
- STANDARD.....	485.00	489.60	497.92	506.89

ENLISTED CLOTHING ALLOWANCES

	FY 2002			FY 2003			FY 2004			FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - INITIAL ALLOWANCE												
INITIAL ALLOWANCE												
MILITARY CLOTHING												
CIVILIAN LIFE, MEN.....	60,810	1,161.55	\$ 70,634	49,462	1,172.73	\$ 58,006	54,879	1,250.27	\$ 68,614	57,014	1,272.81	\$ 72,568
CIVILIAN LIFE, WOMEN.....	14,713	1,390.73	\$ 20,462	13,787	1,409.08	\$ 19,427	15,479	1,490.64	\$ 23,074	16,081	1,517.55	\$ 24,404
ARMY RESERVE W/PARTIAL CLOTHING ALLOWANCE.....	75	352.05	26	75	372.05	28	75	378.36	28	75	385.16	29
NATIONAL GUARD WITH PARTIAL CLOTHING ALLOWANCE.....	65	317.05	21	65	366.83	24	65	373.05	24	65	379.76	25
LESS SAVINGS ON DEFERRED CLOTHING ISSUE.....			-1,678			-1,379			-1,560			-1,650
ADVANCE FUNDING FOR NEW CLOTHING ITEMS.....			0			0			0			0
LIQUIDATION OF PRIOR YEAR ADVANCES.....			0			0			0			0
TOTAL MILITARY CLOTHING.....			89,465			76,106			90,180			95,376
CIVILIAN CLOTHING												
WINTER AND SUMMER.....	2,374	811.00	1,925	3,064	824.00	2,525	3,064	836.00	2,562	3,064	853.00	2,614
WINTER OR SUMMER.....	0	0.00	0	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	0	0.00	0
SPEC CONTINUING - DUAL SEASON.....	0	0.00	0	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	0	0.00	0
TOTAL CIVILIAN CLOTHING.....			1,925			2,525			2,562			2,614
TOTAL INITIAL ALLOWANCE.....			91,390			78,631			92,742			97,990

ENLISTED CLOTHING ALLOWANCES

	FY 2002			FY 2003			FY 2004			FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - MAINTENANCE ALLOWANCE												
BASIC MAINTENANCE (PERSONNEL WITH 7-36 MONTHS SERVICE)												
MALE.....	128,470	278.00	35,716	115,076	284.00	32,728	142,063	289.00	41,089	142,334	294.00	41,909
FEMALE.....	16,769	335.00	5,616	13,844	342.00	4,735	26,125	348.00	9,087	26,186	354.00	9,272
TOTAL.....			41,332			37,463			50,176			51,181
STANDARD MAINTENANCE (PERSONNEL WITH 37 MONTHS OR MORE OF SERVICE)												
MALE.....	187,662	397.00	74,502	190,220	406.80	77,381	204,641	413.72	84,664	204,562	421.16	86,153
FEMALE.....	46,585	478.40	22,286	44,734	489.60	21,902	37,629	497.92	18,736	37,635	506.89	19,077
TOTAL.....			96,788			99,283			103,400			105,230
TOTAL MAINTENANCE ALLOWANCES....			138,120			136,746			153,576			156,411
SUPPLEMENTARY ALLOWANCES..			9,500			9,624			9,787			9,963
OTHER												
ISS. -IN-KIND-KATUSA.....	4,201	871.22	3,660	4,823	1,057.01	5,098	4,836	1,258.00	6,084	4,851	1,280.82	6,213
REPLACEMENT DURING FIRST SIX MONTHS.....	75,523	16.49	1,245	63,249	16.73	1,058	70,358	19.90	1,400	73,095	20.26	1,481
CHARGE SALES.....			876			50			92			135
TOTAL.....			5,781			6,206			7,576			7,829
TOTAL CLOTHING ALLOWANCES.....			244,791			231,207			263,681			272,193
LESS REIMBURSABLE OBLIGATIONS.....			876			50			92			135
TOTAL DIRECT ENLISTED CLOTHING OBLIGATIONS.....			243,915			231,157			263,589			272,058

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 41,823
ESTIMATE FY 2004	\$ 41,444
ESTIMATE FY 2003	\$ 43,527
ACTUAL FY 2002	\$ 45,881

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 (TDY) travel, 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 +\$2.1 million decrease from FY 2003 to FY 2004 is due to:

(1) A decreased 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 2002		ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005			
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES												
SGM.....	34	\$ 7,053	\$ 240	32	\$ 7,292	\$ 233	32	\$ 7,511	\$ 240	32	\$ 7,736	\$ 248
1SG/MSG.....	166	6,476	1,075	155	6,696	1,038	155	6,897	1,069	155	7,103	1,101
PSG/SFC.....	520	5,530	2,876	486	5,717	2,778	484	5,888	2,850	484	6,065	2,935
SSG.....	912	5,006	4,565	851	5,175	4,404	847	5,331	4,515	848	5,491	4,656
SGT.....	528	4,618	2,438	493	4,774	2,354	490	4,917	2,409	491	5,065	2,487
CPL/SPC.....	37	4,016	149	34	4,152	141	34	4,277	145	34	4,405	150
SUBTOTAL.....	2,197		11,343	2,051		10,948	2,042		11,228	2,044		11,577
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....	17,112	1,200	20,534	17,198	1,200	20,638	17,115	1,200	20,538	17,135	1,200	20,562
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	11,670	1,200	14,004	9,951	1,200	11,941	8,065	1,200	9,678	8,070	1,200	9,684
TOTAL ENLISTED FAMILY SEPARATION ALLOWANCES.....	30,979		\$ 45,881	29,200		\$ 43,527	27,222		\$ 41,444	27,249		\$ 41,823

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 278,342
ESTIMATE FY 2004	\$ 271,029
ESTIMATE FY 2003	\$ 259,719
ACTUAL FY 2002	\$ 242,226

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 into the future.

The FY 2000 Authorization Act provides for special compensation for uniformed service retirees who completed a minimum 20 years of creditable service for computing the amount of retired pay, and also had incurred a qualifying combat related disability. A qualifying disability includes a war related service disability rated at a minimum 60 percent, or a minimum 10 percent disability for which they received a Purple Heart. The amount of the compensation is equal to the veterans' disability compensation based solely on the combat related disability.

The requirement for separation pay decreases by a net +\$120.3 million between FY 2003 and FY 2004. This change is based on--

- (1) Annualization of the 4.1% and targeted pay raise, 1 Jan 2003: +\$3.5 million.
- (2) The 2.0% pay raise, 1 Jan 2004: +\$1.5 million.
- (3) The 4.083% targeted pay raise, 1 Jan 2004: +\$5.0 million
- (3) Net increased to numbers receiving separation payments: +\$3.5 million.
- (4) Decrease in the amount to be paid into the VSI Trust Fund: -\$2.2 million.
- (5) Implementation of Combat Disability Related payments starting 1 Jun 2003: +\$109.0 million.

Detailed cost computations are provided by the following table:

ENLISTED SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002				ESTIMATE FY 2003				ESTIMATE FY 2004				ESTIMATE FY 2005			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS																
SGT MAJOR.....	338	16.3	\$ 2,244	\$ 759	463	16.3	\$ 2,417	\$ 1,119	477	16.3	\$ 2,562	\$ 1,222	459	16.3	\$ 2,666	\$ 1,224
1ST SGT/MSG.....	1,280	15.6	1,725	2,208	1,708	15.6	1,861	3,179	1,840	15.6	1,969	3,624	1,842	15.6	2,046	3,768
PLATOON SGT/SFC	3,651	17.3	1,637	5,976	4,654	17.3	1,755	8,166	5,086	17.3	1,852	9,417	4,867	17.3	1,922	9,354
STAFF SGT.....	5,027	21.2	1,646	8,277	5,040	21.2	1,744	8,788	5,710	21.2	1,815	10,361	5,787	21.2	1,882	10,891
SERGEANT.....	12,180	18.9	1,187	14,462	13,516	18.9	1,261	17,042	15,863	18.9	1,317	20,893	16,086	18.9	1,366	21,966
CPS/SPEC 4.....	29,912	14.1	723	21,621	32,224	14.1	760	24,500	33,093	14.1	787	26,056	33,155	14.1	815	27,013
PRIVATE, FC.....	3,244	18.0	757	2,455	3,383	18.0	802	2,712	3,114	18.0	836	2,604	3,126	18.0	865	2,705
PRIVATE (E2)....	4,168	15.6	591	2,462	4,310	15.6	625	2,695	3,968	15.6	650	2,580	3,983	15.6	672	2,677
PRIVATE (E1)....	4,551	17.9	550	2,501	4,695	17.9	569	2,673	4,322	17.9	575	2,483	4,339	17.9	592	2,569
SUBTOTAL.....	64,351			\$ 60,721	69,993			\$ 70,874	73,473			\$ 79,240	73,644			\$ 82,167
SEVERANCE PAY (DISABILITY)....	3,811		18,709	\$ 71,300	4,254		19,626	\$ 83,487	4,269		20,439	\$ 87,255	4,269		21,175	\$ 90,397
AUTHORIZED DONATIONS.....	152		25	4	152		25	4	152		25	4	152		25	4
INVOLUNTARY HALF-PAY(5%)....	1,148		11,310	12,984	1,149		11,864	13,632	1,149		12,356	14,197	1,149		12,801	14,708
INVOLUNTARY FULL-PAY(10%)...	865		23,223	20,088	803		24,361	19,562	803		25,371	20,373	803		26,284	21,106
SPECIAL SEP BENEFIT(15%)	0		0	0	0		0	0	0		0	0	0		0	0
15 YEAR RETIREMENT.....	0		0	0	0		0	0	0		0	0	0		0	0
SUBTOTAL SEPARATION PAY (NON-DISABILITY).....	2,013			\$ 33,072	1,952			\$ 33,194	1,952			\$ 34,570	1,952			\$ 35,814
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAY) 1)	0			\$ 7,475	0			\$ 7,160	0			\$ 4,960	0			\$ 4,960
THRU DEC 31, 1992...				7,475				7,160				4,960				4,960
JAN 1, 1993 AND AFTER.....	0			0	0			0	0			0	0			0
\$30,000 LUMP SUM BONUS.....				\$ 69,654				\$ 65,000				\$ 65,000				\$ 65,000
TOTAL ENLISTED SEPARATION PAY..	70,327			\$ 242,226	76,351			\$ 259,719	79,846			\$ 271,029	80,017			\$ 278,342

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 2005	\$ 167,000
ESTIMATE FY 2004	\$ 151,000
ESTIMATE FY 2003	\$ 42,000
ACTUAL FY 2002	\$ 0

Project: Special Compensation for Combat Related Disabled

Part I - Purpose and Scope

Section 658 of the FY 2003 National Defense Authorization Act (NDAA), (10 USC Section 1413a) authorizes special compensation for uniformed services retirees who completed at least 20 years of service creditable for computing the amount of retired pay to which the member is entitled, and who incurred a qualifying combat-related disability. A combat related disability is:

- 1) Any disability rated 10 percent or higher attributable to an injury for which the member was awarded the Purple Heart; or
- 2) a service-connected disability rated at 60 percent or higher as a direct result of armed conflict, while engaged in hazardous service, in the performance of duty under conditions simulating war, or through the instrumentality of war.

Part II - Justification of Funds Requested

The amount of the special compensation would be equal to the amount of veteran's disability compensation to which the retiree would be entitled based solely for the combat-related disability without regard to section 5304 and 5305 of title 38, United States Code. This provision is effective no later than 180 days after enactment (start of entitlement June 1 2003 - payable July 1, 2003).

The following table shows the amounts to be included in the FY 2004/FY 2005 budget submission:

ENLISTED SPECIAL COMPENSATION FOR COMBAT RELATED DISABLED
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002 AMOUNT	ESTIMATE FY 2003 AMOUNT	ESTIMATE FY 2004 AMOUNT	ESTIMATE FY 2005 AMOUNT
SPECIAL COMPENSATION FOR COMBAT RELATED DISABLED.....	\$ 0	\$ 42,000	\$ 151,000	\$ 167,000

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 752,841
ESTIMATE FY 2004	\$ 725,951
ESTIMATE FY 2003	\$ 712,726
ESTIMATE FY 2002	\$ 682,875

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	\$89,700	No upper limit
2004	\$92,400	No upper limit
2005	\$97,200	No upper limit

In past years, a wage credit was paid to service members for "non-wage" compensation such as housing and subsistence. The FY 2003 Budget Submission eliminated the wage credits.

The social security tax requirement increases by +\$13.2 million between FY 2003 and FY 2004. This change is based on-

- (1) Annualization of the 1 Jan 2003, 4.1% and optional pay raise: +\$8.4 million.
- (5) The 1 Jan 2003, 2.0% pay raise: +\$5.2 million.
- (6) The 1 jan 2003, 4.083% targeted pay raise: +\$17.7 million.
- (7) Force manning changes: -\$19.2 million.
- (8) G.I. Bill Offset change: +\$1.1 million.

Detailed cost computations are provided by the following table:

ENLISTED SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	415,998	\$ 1,641.69	\$ 682,940	408,324	\$ 1,745.65	\$ 712,791	402,188	\$ 1,805.17	\$ 726,016	402,547	\$ 1,870.36	\$ 752,906
WAGE CREDITS/SURVIVOR OR DISABILITY BENEFIT.....			\$ 0			\$ 0			\$ 0			\$ 0
LESS NON_JUDICIAL FINES AND FORFEITURES.....			\$ 65			\$ 65			\$ 65			\$ 65
TOTAL ENLISTED SOCIAL SECURITY TAX.....	415,998		\$ 682,875	408,324		\$ 712,726	402,188		\$ 725,951	402,547		\$ 752,841

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

Pay and Allowance of Cadets

FY 2003 Direct Program		\$ 47,352
Increases:		
Pricing Increases:		
a. Pay Raise	1,405	
b. Cost growth for subsistence rate	910	
Total Pricing Increases	2,315	
Program Increases:		
Total Program Increases	0	
Total Increases		\$ 2,315
Decreases:		
Pricing Decreases:		
Total Pricing Decreases	0	
Program Decreases:		
Total Program Decreases	0	
Total Decreases		\$ 0
FY 2004 Direct Program		\$ 49,667

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 51,331
ESTIMATE FY 2004	\$ 49,667
ESTIMATE FY 2003	\$ 47,352
ACTUAL FY 2002	\$ 42,889

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 +\$2.3 million from FY 2003 to FY 2004. This change is based on:

- (1) Pay raise increase (basic pay and social security): +\$1.4 million.
- (2) Increased requirement for subsistence: +\$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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
(1) BASIC PAY.....	3,936	\$ 8,407	\$ 33,090	3,983	\$ 9,080	\$ 36,166	4,040	\$ 9,404	\$ 37,992	4,040	\$ 9,724	\$ 39,285
(2) SUBSISTENCE - COMMUTED-RATION												
A. SUBSISTENCE ALLOWANCE.....	3,936	\$ 1,585	6,239	3,983	\$ 2,106	8,388	4,040	\$ 2,178	8,799	4,040	\$ 2,245	9,070
B. OPERATIONAL RATIONS.....			985			18			0			0
(3) SOCIAL SECURITY TAX -												
EMPLOYER CONTRIBUTION.....	4,004	\$ 643	2,575	4,000	\$ 695	2,780	4,000	\$ 719	2,876	4,000	\$ 744	2,976
TOTAL ACADEMY CADETS.....	3,936		\$ 42,889	3,983		\$ 47,352	4,040		\$ 49,667	4,040		\$ 51,331

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

Subsistence of Enlisted Personnel

FY 2003 Direct Program		\$ 1,422,189
Increases:		
Pricing Increases:		
	BAS (2.5 percent, tied to USDA food plan growth)	22,855
	Subsistence in Messes	8,084
	Operational Rations	2,682
	Augmentation Rations	743
	Total Pricing Increases	34,364
Program Increases:		
	Reflects the increase associated with the enlisted percent receiving BAS (96% of Enl manyears)	21,936
	Total Program Increases	21,936
Total Increases		\$ 56,300
Decreases:		
Pricing Decreases:		
	Total Pricing Decreases	0
Program Decreases:		
	Reflects the decrease associated with enlisted requiring Family Supplemental Subsistence Allowance	-3,600
	Reflects the decrease associated with the enlisted receiving Subsistence in Kind	-101,253
	Total Program Decreases	-104,853
Total Decreases		\$ -104,853
FY 2004 Direct Program		\$ 1,373,636

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 1,432,064
ESTIMATE FY 2004	\$ 1,405,561
ESTIMATE FY 2003	\$ 1,452,916
ACTUAL FY 2002	\$ 1,422,379

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.

Between FY 2003 and FY 2004 BAS costs increase +\$44.8 million. This change reflects the increase associated with lower collections and 2.5% inflation.

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 2003 to FY 2004 Subsistence-in-Messes costs increase +\$29.2 million due to a higher participation rate and inflation.

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 2003 and FY 2004 operational rations and augmentation rations decline by -\$62.9 million, attributed to inflation increases offset by declining usage.

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 2003 and FY 2004 FSSA allowances decline \$3.6 million, based on actual payments in FY 2002 and lower participation rates credited to favorable pay raises.

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

A. BASIC ALLOWANCE FOR SUBSISTENCE	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
1. WHEN AUTH TO MESS SEP....	56,582	\$ 2,881	\$ 163,013	0	\$ 2,975	\$ 0	0	\$ 3,062	\$ 0	0	\$ 3,131	\$ 0
2. LEAVE RATION	3,329	\$ 2,881	9,591	0	\$ 2,975	0	0	\$ 3,062	0	0	\$ 3,131	0
3. WHEN RATIONS IN KIND NOT AVAILABLE...	5,757	\$ 3,158	18,181	0	\$ 3,232	0	0	\$ 3,325	0	0	\$ 3,399	0
4. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP...	0	\$ 1,447	0	0	\$ 1,493	0	0	\$ 1,535	0	0	\$ 1,570	0
5. PARTIAL BAS	27,337	\$ 313.90	8,581	0	\$ 0.00	0	0	\$ 0.00	0	0	\$ 0.00	0
TOTAL ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE...	93,005		\$ 199,366	0		\$ 0	0		\$ 0	0		\$ 0

SUBSISTENCE IN KIND
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	ANNUAL RATE	DOLLAR AMOUNT	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.....	22,378	\$ 2,464	\$ 55,139	0	\$ 2,497	\$ 0	0	\$ 2,547	\$ 0	0	\$ 2,588	\$ 0
OTHER.....	1,481	\$ 2,464	3,649	0	\$ 2,497	0	0	\$ 2,547	0	0	\$ 2,588	0
OVERSEAS												
ARMY.....	9,074	\$ 3,004	\$ 27,258	0	\$ 3,044	\$ 0	0	\$ 3,104	\$ 0	0	\$ 3,150	\$ 0
OTHER.....	35	\$ 3,004	105	0	\$ 3,044	0	0	\$ 3,104	0	0	\$ 3,150	0
SUBTOTAL.....	32,968		\$ 86,151	0		\$ 0	0		\$ 0	0		\$ 0

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	UNIT COST	DOLLAR AMOUNT	NUMBER	UNIT COST	DOLLAR AMOUNT	NUMBER	UNIT COST	DOLLAR AMOUNT	NUMBER	UNIT COST	DOLLAR AMOUNT
2. OPERATIONAL RATIONS												
MEAL-READY-TO-EAT	3,620	7,300	\$ 26,426	0	0	\$ 0	0	77	\$ 0	0	79	\$ 0
UGR H&S.....	613	7,170	4,395	0	0	0	0	1,388	0	0	1,388	0
UGR A.....	1,800	3,174	5,713	0	0	0	0	1,698	0	0	1,698	0
OTHER.....			622			0			0			0
TOT REIM.....			27,998			30,727			0			0
SUBTOTAL.....			\$ 65,154			\$ 30,727			\$ 0			\$ 0

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

	ACTUAL FY 2002 DOLLAR AMOUNT	ESTIMATE FY 2003 DOLLAR AMOUNT	ESTIMATE FY 2004 DOLLAR AMOUNT	ESTIMATE FY 2005 DOLLAR AMOUNT
3. AUGMENTATION RATIONS / OTHER PROGRAMS				
AUGMENT RATIONS / OTHER PGMS.....	\$ 7,680	\$ 0	\$ 0	\$ 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.....	\$ 158,985	\$ 30,727	\$ 0	\$ 0

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
C. FAMILY SUBSISTENCE												
SUP ALL (FSSA)												
TOTAL FSSA.....	113	\$ 3,600	\$ 406	0	\$ 3,600	\$ 0	0	\$ 3,600	\$ 0	0	\$ 3,600	\$ 0

	ACTUAL FY 2002 TOTAL AMOUNT	ESTIMATE FY 2003 TOTAL AMOUNT	ESTIMATE FY 2004 TOTAL AMOUNT	ESTIMATE FY 2005 TOTAL AMOUNT
TOTALS: BAS/SIK				
TOTAL OBLIGATIONS.....	\$ 358,757	\$ 30,727	\$ 0	\$ 0
TOTAL REIMBURSABLES.....	\$ 27,998	\$ 30,727	\$ 0	\$ 0
TOTAL DIRECT OBLIGATIONS.....	\$ 330,759	\$ 0	\$ 0	\$ 0

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
A. BASIC ALLOWANCE FOR SUBSISTENCE												
1. WHEN AUTH TO MESS SEP.....	269,886	\$ 2,879	\$ 777,002	364,095	\$ 2,966	1,079,906	353,790	\$ 2,987	1,056,615	347,849	\$ 3,061	1,064,835
2. WHEN RATIONS IN KIND NOT AVAILABLE.....	18,134	\$ 3,156	\$ 57,231	21,150	\$ 3,237	\$ 68,463	22,079	\$ 3,237	\$ 71,470	22,065	\$ 3,237	\$ 71,424
3. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP.....	0	\$ 777	\$ 0	0	\$ 777	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
4. LESS COLLNS.....	134,397	\$ 2,464	\$ 331,154	124,188	\$ 2,538	\$ 315,189	104,665	\$ 2,621	\$ 274,327	99,130	\$ 2,705	\$ 268,147
TOTAL ENLISTED BAS.....	288,020		\$ 503,079	385,245		\$ 833,180	375,869		\$ 853,758	369,914		\$ 868,112
B. SUBSISTENCE-IN-KIND												
1. SUB-IN-MESS												
A. TRAINEE/ NP STATUS...	17,088	\$ 2,427	\$ 41,473	15,461	\$ 2,459	\$ 38,019	15,775	\$ 2,507	\$ 39,548	16,024	\$ 2,552	\$ 40,893
B. MEM TAKING MEALS IN MESS..	141,634	\$ 2,675	\$ 378,871	115,022	\$ 2,710	\$ 311,710	111,248	\$ 2,764	\$ 307,489	113,119	\$ 2,814	\$ 318,317
C. REIMB.....									\$ 31,925			\$ 33,170
SUBTOTAL SUB-IN-MESS....	158,722		\$ 420,344	130,483		\$ 349,729	127,023		\$ 378,962	129,143		\$ 392,380
2. OP RATIONS												
A. MRES.....	8,499	\$ 7,300	\$ 62,043	1,655,189	\$ 79	\$ 130,760	13,895	\$ 7,436	\$ 103,323	13,724	\$ 7,570	\$ 103,891
B. UNITIZED RATIONS.....	7,140	\$ 3,848	\$ 27,475	25,531	\$ 1,970	\$ 50,296	6,272	\$ 4,484	\$ 28,124	6,272	\$ 4,565	\$ 28,632
C. OTHER PACKAGE OP RATIONS..	243	\$ 7,665	\$ 1,863	3,045	\$ 1,016	\$ 3,094	322	\$ 8,211	\$ 2,644	322	\$ 8,359	\$ 2,692
D. REIMB.....									\$ 0			\$ 0
SUBTOTAL OP RATS.....			\$ 91,381			\$ 184,150			\$ 134,091			\$ 135,215
3. AUG RATS/ OTHER PROG												
A. AUG RATS....			\$ 47,637			\$ 49,932			\$ 37,152			\$ 34,759
B. OTHER - REGION.....			\$ 0			\$ 0			\$ 0			\$ 0
C. OTHER - MESSING.....			\$ 0			\$ 0			\$ 0			\$ 0
SUBTOTAL AUG RATS/ OTHER PROG.....			\$ 47,637			\$ 49,932			\$ 37,152			\$ 34,759
TOTAL SIK.....			\$ 559,362			\$ 583,811			\$ 550,205			\$ 562,354
C. FAMILY SUB SUP ALLOW (FSSA)												
TOTAL FSSA.....	328	\$ 3,600	\$ 1,181	1,444	\$ 3,600	\$ 5,198	444	\$ 3,600	\$ 1,598	444	\$ 3,600	\$ 1,598
TOTAL SUBSISTENCE PROGRAM.....			1,063,622			1,422,189			1,405,561			1,432,064
LESS REIMBURSABLES.....			\$ 0			\$ 0			\$ 31,925			\$ 33,170
TOTAL DIRECT SUBSISTENCE.....			1,063,622			1,422,189			1,373,636			1,398,894

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

Permanent Change of Station Travel

FY 2003 Direct Program

\$ 1,140,922

Increases:

Pricing Increases:

Pay Raise 3.4%	4,740
AMC Passenger	644
AMC HHG	371
MSC HHG	80
POV (GPC)	813
HHG Land	5,452
HHG ITGBL	2,697
Trailer	4
Commercial Air	1,094
Non-Temporary Storage	451
Total Pricing Increases	16,346

Program Increases:

Accession Moves	4,419
Separation Moves	1,663
Operational Moves	37,775
Training Moves	8,781
Temp Housing Allow between PDS	1,433
Minimum Per Diem Rate	9,200
Increased Weight Allow for Junior Enlisted	5,600
Total Program Increases	68,871

Total Increases

\$ 85,217

Decreases:

Pricing Decreases:

Total Pricing Decreases	0
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Program Decreases:

Rotational Moves	-165,134
Total Program Decreases	-165,134

Total Decreases

\$ -165,134

FY 2004 Direct Program

\$ 1,061,005

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

	ACTUAL FY 2002		ESTIMATE FY 2003		ESTIMATE FY 2004		ESTIMATE FY 2005	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
ACCESSIONS TRAVEL.....	98,821	229,835	82,852	185,746	85,053	196,036	86,764	203,444
TRAINING TRAVEL.....	7,798	64,084	9,297	46,250	10,868	56,557	10,868	57,920
OPERATIONAL TRAVEL BETWEEN DUTY STATIONS..	24,174	178,550	24,990	179,001	28,575	218,847	28,575	223,532
ROTATIONAL TRAVEL TO AND FROM OVERSEAS....	53,053	533,484	63,200	526,094	41,125	376,968	43,100	400,647
SEPARATION TRAVEL.....	81,893	139,030	81,136	155,224	81,733	167,205	83,441	173,534
TRAVEL OF ORGANIZED UNITS.....	492	4,070	490	1,822	490	1,946	490	1,987
NON-TEMPORARY STORAGE.....		26,896		28,154		26,535		27,567
TEMPORARY LODGING EXPENSE.....		20,973		20,723		18,996		19,850
TOTAL OBLIGATIONS.....	266,231	1,196,922	261,965	1,143,014	247,844	1,063,090	253,238	1,108,481
LESS: REIMBURSABLES.....		\$ 8,345		\$ 2,092		\$ 2,085		\$ 2,129
TOTAL DIRECT.....	266,231	1,188,577	261,965	1,140,922	247,844	1,061,005	253,238	1,106,352

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

	ACTUAL FY 2002 NUMBER	AMOUNT	ESTIMATE FY 2003 NUMBER	AMOUNT	ESTIMATE FY 2004 NUMBER	AMOUNT	ESTIMATE FY 2005 NUMBER	AMOUNT
TRAVEL OF MILITARY MEMBER								
MILEAGE AND PER DIEM.....	266,231	\$ 175,806	261,965	\$ 197,117	247,844	\$ 203,798	253,238	\$ 210,741
AMC.....	33,615	40,794	38,199	52,108	24,936	33,103	26,188	35,513
COMMERCIAL AIR.....	71,527	58,775	72,273	61,296	64,485	53,225	66,223	55,791
TRAVEL OF DEPENDENTS								
MILEAGE.....	102,986	30,587	100,621	31,453	95,162	27,163	96,956	28,287
AMC.....	7,298	5,804	8,567	7,544	5,307	4,753	5,592	5,100
COMMERCIAL AIR.....	16,109	12,051	17,618	13,362	14,494	11,150	14,938	11,701
TRANSPORTATION OF HHG								
LAND SHIPMENT.....	81,369	341,608	69,816	299,240	69,381	320,725	70,470	330,603
ITGBL SHIPMENT.....	61,775	248,448	46,034	192,279	28,412	144,028	30,017	152,486
M TONS - MSC.....	32,096	5,495	36,251	5,690	29,487	4,702	30,369	4,930
S TONS - AMC.....	14,314	21,956	14,129	25,615	12,786	21,834	13,124	22,877
DISLOCATION ALLOWANCE.....	97,297	135,981	103,746	148,143	90,884	139,422	92,928	146,890
TRAILER ALLOWANCE.....	437	248	449	262	449	264	455	272
TRANSPORTATION OF POVS.....	61,875	65,051	66,551	55,767	52,501	49,298	54,302	51,621
PORT HANDLING CHARGES.....		6,055		3,842		3,786		3,934
PET QUARANTINE.....	1,971	394	2,099	419	1,489	308	1,549	318
NON-TEMPORARY STORAGE.....		26,896		28,154		26,535		27,567
TEMPORARY LODGING EXPENSE.....		20,973		20,723		18,996		19,850
TOTAL OBLIGATIONS.....		\$ 1,196,922		\$ 1,143,014		\$ 1,063,090		\$ 1,108,481
LESS: REIMBURSABLES.....		\$ 8,345		\$ 2,092		\$ 2,085		\$ 2,129
TOTAL DIRECT.....		\$ 1,188,577		\$ 1,140,922		\$ 1,061,005		\$ 1,106,352

Section 4
Permanent Change of Station Travel

Purpose and Scope of Work

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

Entitlements for PCS include:

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

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

- The overseas rotational moves account for 17 percent of the Army's total move program and 38 percent of total PCS costs.
- Accessions and Separations moves comprise 67 percent of total moves and 35 percent of the dollar requirement.
- The remaining move/dollar requirements consist of Operational, Training and Unit moves which equal 16 percent of total moves and 27 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.

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 (\$32.1 million). Since the effective date for these initiatives was January 2003, \$16.2 million was added to the FY 2004 estimate to capture the full annual requirement. There were no new PCS proposals supported in the FY 2004 legislative summits.

The FY 2004 budget estimate decreases by \$79.9 million from the FY 2003 program. The program reduction is due to 13,765 fewer moves, which saves \$112.4 million, offset by rate increases (\$16.3 million) and new entitlements (\$16.2 million).

- 1.7% inflation generates costs of \$11.6 million.
- Authorized pay raise of 3.4% increases Dislocation Allowance costs by \$4.7 million.
- Fewer moves saves \$112.4 million.
- Annualization of legislative proposals adds \$16.2 million.

ESTIMATE FY 2005	\$ 203,444
ESTIMATE FY 2004	\$ 196,036
ESTIMATE FY 2003	\$ 185,746
ACTUAL FY 2002	\$ 229,835

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 2004.

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.

The following table provides detailed cost computations:

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER												
MEMBER TRAVEL.....	14,211	\$ 2,160	\$ 30,691	7,371	\$ 2,501	\$ 18,435	7,328	\$ 2,620	\$ 19,199	7,386	\$ 2,667	\$ 19,698
DEPENDENT TRAVEL.....	4,263	271	1,154	2,211	273	604	2,198	278	610	2,216	283	628
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	9,664	3,697	35,724	5,013	3,881	19,457	4,983	3,998	19,922	5,023	4,070	20,443
- OVERSEAS (AMC & MSC)..	739	1,719	1,270	383	1,898	727	382	1,927	736	384	1,958	752
DISLOCATION ALLOWANCE.....	853	1,667	1,422	442	1,735	767	440	1,794	789	443	1,855	822
TRAILER ALLOWANCE.....	1	567	1	1	574	1	0	584	0	1	595	1
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND..	57	56	3	29	51	1	29	52	2	30	53	2
- PORT HANDLING (MTMC)..	1,279	2,334	2,985	663	1,991	1,320	660	2,025	1,336	665	2,061	1,371
PORT HANDLING (HHG).....	711	132	94	369	82	30	367	83	30	369	85	31
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 73,344			\$ 41,342			\$ 42,624			\$ 43,748
CADETS.....	1,158	\$ 750	\$ 869	1,290	\$ 750	\$ 968	1,162	\$ 750	\$ 872	1,162	\$ 750	\$ 872

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED												
MEMBER TRAVEL.....	83,452	\$ 673	\$ 56,125	74,191	\$ 747	\$ 55,444	76,563	\$ 776	\$ 59,384	78,216	\$ 790	\$ 61,757
DEPENDENT TRAVEL.....	20,863	157	3,267	18,548	158	2,926	19,141	160	3,072	19,554	163	3,194
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	20,445	2,410	49,270	18,177	2,530	45,995	18,758	2,606	48,889	19,163	2,653	50,843
- OVERSEAS (AMC & MSC)..	7,886	540	4,257	7,011	597	4,183	7,235	607	4,390	7,392	618	4,567
DISLOCATION ALLOWANCE.....	19,194	559	10,732	18,548	582	10,796	19,141	602	11,520	19,554	622	12,168
TRAILER ALLOWANCE.....	83	567	47	74	574	43	77	584	45	78	595	46
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND..	2,921	56	162	2,597	51	132	2,680	52	139	2,738	53	144
- PORT HANDLING (MTMC)..	13,260	2,334	30,950	11,789	1,991	23,472	12,166	2,025	24,634	12,429	2,061	25,619
PORT HANDLING (HHG).....	8,178	99	812	7,271	61	445	7,503	62	467	7,665	63	486
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 155,622			\$ 143,436			\$ 152,540			\$ 158,824
TOTAL PCS ACCESSION TRAVEL..			\$ 229,835			\$ 185,746			\$ 196,036			\$ 203,444

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 57,920
ESTIMATE FY 2004	\$ 56,557
ESTIMATE FY 2003	\$ 46,250
ACTUAL FY 2002	\$ 64,084

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	5,901	\$ 1,241	\$ 7,326	5,957	\$ 1,450	\$ 8,636	7,448	\$ 1,522	\$ 11,334	7,448	\$ 1,549	\$ 11,538
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	7,376	339	2,503	4,468	339	1,516	5,586	345	1,928	5,586	351	1,963
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	7,671	3,789	29,067	2,025	3,979	8,057	2,532	4,098	10,376	2,532	4,172	10,563
DISLOCATION ALLOWANCE.....	7,081	2,144	15,184	5,957	2,232	13,297	7,448	2,308	17,191	7,448	2,387	17,775
TRAILER ALLOWANCE.....	6	567	3	6	574	3	7	584	4	7	595	4
SUBTOTAL.....			\$ 54,083			\$ 31,509			\$ 40,833			\$ 41,843
ENLISTED												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	1,897	\$ 2,185	\$ 4,145	3,340	\$ 2,552	\$ 8,522	3,420	\$ 2,678	\$ 9,160	3,420	\$ 2,727	\$ 9,325
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	2,466	424	1,046	2,004	424	850	2,052	431	885	2,052	439	901
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	1,897	2,462	4,670	501	2,585	1,295	513	2,663	1,366	513	2,711	1,391
DISLOCATION ALLOWANCE.....	95	1,464	139	2,672	1,524	4,072	2,736	1,576	4,311	2,736	1,629	4,458
TRAILER ALLOWANCE.....	2	567	1	3	574	2	3	584	2	3	595	2
SUBTOTAL.....			\$ 10,001			\$ 14,741			\$ 15,724			\$ 16,077
TOTAL PCS TRAINING TRAVEL.....			\$ 64,084			\$ 46,250			\$ 56,557			\$ 57,920

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 223,532
ESTIMATE FY 2004	\$ 218,847
ESTIMATE FY 2003	\$ 179,001
ACTUAL FY 2002	\$ 178,550

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	5,716	\$ 1,442	\$ 8,244	5,098	\$ 1,684	\$ 8,586	8,375	\$ 1,768	\$ 14,807	8,375	\$ 1,800	\$ 15,074
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	4,401	290	1,274	3,925	290	1,136	6,449	198	1,280	6,449	202	1,303
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	7,659	8,032	61,518	4,078	8,434	34,393	6,700	8,687	58,201	6,700	8,843	59,249
DISLOCATION ALLOWANCE.....	4,750	2,211	10,503	4,236	2,302	9,751	6,960	2,380	16,566	6,960	2,461	17,129
TRAILER ALLOWANCE.....	1	567	1	1	574	1	1	584	1	1	595	1
SUBTOTAL.....			\$ 81,540			\$ 53,867			\$ 90,855			\$ 92,756
ENLISTED												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	18,458	\$ 1,247	\$ 23,009	19,892	\$ 1,456	\$ 28,957	20,200	\$ 1,528	\$ 30,867	20,200	\$ 1,556	\$ 31,423
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	12,690	353	4,485	13,676	353	4,833	13,888	106	1,472	13,888	108	1,499
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	9,967	4,421	44,059	13,527	4,642	62,786	13,736	4,781	65,669	13,736	4,867	66,851
DISLOCATION ALLOWANCE.....	17,535	1,448	25,384	18,897	1,507	28,478	19,190	1,558	29,902	19,190	1,611	30,919
TRAILER ALLOWANCE.....	129	567	73	139	574	80	141	584	82	141	595	84
SUBTOTAL.....			\$ 97,010			\$ 125,134			\$ 127,992			\$ 130,776
TOTAL PCS OPERATIONAL TRAVEL.....			\$ 178,550			\$ 179,001			\$ 218,847			\$ 223,532

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 400,647
ESTIMATE FY 2004	\$ 376,968
ESTIMATE FY 2003	\$ 526,094
ACTUAL FY 2002	\$ 533,484

Project: Rotational Travel

Part I - Purpose and Scope

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

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

Part II - Justification of Funds Requested

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

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

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER												
MEMBER TRAVEL.....	7,573	\$ 2,163	\$ 16,380	8,247	\$ 2,414	\$ 19,908	10,748	\$ 2,509	\$ 26,962	10,748	\$ 2,554	\$ 27,448
DEPENDENT TRAVEL.....	6,438	773	4,977	7,010	782	5,481	9,136	709	6,474	9,136	721	6,591
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	10,793	8,943	96,518	7,217	9,455	68,239	9,405	9,739	91,592	9,405	9,914	93,241
- OVERSEAS (AMC & MSC)..	9,544	503	4,801	10,392	529	5,499	13,542	538	7,288	13,542	548	7,420
DISLOCATION ALLOWANCE.....	9,846	2,113	20,804	7,424	2,200	16,330	9,674	2,274	22,002	9,674	2,352	22,750
TRAILER ALLOWANCE.....	57	579	33	62	581	36	81	593	48	81	593	48
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND..	4,544	55	252	4,948	51	252	6,448	52	334	6,448	53	340
- PORT HANDLING (MTMC)..	2,784	2,334	6,498	3,032	1,991	6,036	3,950	2,025	7,998	3,950	2,061	8,142
PORT HANDLING (HHG).....	7,574	163	1,234	8,248	100	828	10,748	102	1,098	10,748	104	1,118
PET QUARANTINE.....	595	200	119	437	199	87	570	207	118	570	205	117
SUBTOTAL.....			\$ 151,616			\$ 122,696			\$ 163,914			\$ 167,215

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED												
MEMBER TRAVEL.....	45,480	\$ 1,763	\$ 80,168	54,953	\$ 1,943	\$ 106,786	30,377	\$ 1,998	\$ 60,704	32,352	\$ 2,034	\$ 65,810
DEPENDENT TRAVEL.....	22,740	964	21,915	27,478	990	27,216	15,190	904	13,733	16,176	920	14,888
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	56,323	3,433	193,354	45,390	3,653	165,799	21,042	3,791	79,770	22,906	3,855	88,311
- OVERSEAS (AMC & MSC)..	21,376	576	12,309	25,828	611	15,792	14,278	622	8,878	15,206	633	9,626
DISLOCATION ALLOWANCE.....	37,521	1,361	51,077	45,337	1,417	64,248	25,062	1,465	36,724	26,690	1,515	40,438
TRAILER ALLOWANCE.....	46	565	26	54	593	32	30	600	18	32	625	20
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND..	22,740	56	1,264	27,478	51	1,398	15,190	52	786	16,176	53	852
- PORT HANDLING (MTMC)..	8,686	2,334	20,274	10,496	1,991	20,898	5,802	2,025	11,748	6,180	2,061	12,738
PORT HANDLING (HHG).....	9,096	133	1,206	10,963	82	897	6,056	83	503	6,470	85	548
PET QUARANTINE.....	1,376	200	275	1,662	200	332	919	207	190	979	205	201
SUBTOTAL.....			\$ 381,868			\$ 403,398			\$ 213,054			\$ 233,432
TOTAL PCS ROTATIONAL TRAVEL.....			\$ 533,484			\$ 526,094			\$ 376,968			\$ 400,647

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 173,534
ESTIMATE FY 2004	\$ 167,205
ESTIMATE FY 2003	\$ 155,224
ACTUAL FY 2002	\$ 139,030

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER												
MEMBER TRAVEL.....	7,427	\$ 320	\$ 2,378	7,024	\$ 351	\$ 2,467	7,104	\$ 364	\$ 2,584	7,135	\$ 370	\$ 2,642
DEPENDENT TRAVEL.....	5,942	126	747	5,619	127	711	5,683	444	2,524	5,708	452	2,580
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	3,379	5,813	19,643	3,364	6,095	20,504	3,402	6,278	21,357	3,417	6,391	21,838
- OVERSEAS (AMC & MSC)..	1,114	667	743	1,054	714	753	1,066	726	774	1,070	739	791
TRAILER ALLOWANCE.....	36	567	20	34	574	20	34	584	20	34	595	20
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND..	861	56	48	815	51	41	824	52	43	828	53	44
- PORT HANDLING (MTMC)..	104	2,334	243	98	1,991	195	99	2,024	200	100	2,061	206
PORT HANDLING (HHG).....	4,455	132	590	4,215	82	344	4,263	83	354	4,281	85	362
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 24,412			\$ 25,035			\$ 27,856			\$ 28,483
CADETS.....	249	\$ 225	\$ 56	410	\$ 750	\$ 308	182	\$ 750	\$ 137	182	\$ 750	\$ 137

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED												
MEMBER TRAVEL.....	74,217	\$ 615	\$ 45,655	73,702	\$ 693	\$ 51,112	74,447	\$ 721	\$ 53,704	76,124	\$ 734	\$ 55,902
DEPENDENT TRAVEL.....	15,586	451	7,023	15,477	455	7,049	15,634	703	10,990	15,986	716	11,441
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	14,249	3,739	53,280	16,214	3,948	64,006	16,378	4,066	66,593	16,748	4,139	69,323
- OVERSEAS (AMC & MSC)..	5,751	708	4,071	5,712	762	4,351	5,770	775	4,470	5,899	788	4,651
TRAILER ALLOWANCE.....	74	567	42	74	574	43	74	584	43	76	595	45
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND..	3,711	56	206	3,685	51	188	3,722	52	193	3,806	53	201
- PORT HANDLING (MTMC)..	928	2,334	2,166	921	1,991	1,834	931	2,025	1,885	952	2,061	1,962
PORT HANDLING (HHG).....	21,708	98	2,119	21,558	60	1,298	21,776	61	1,334	22,266	62	1,389
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 114,562			\$ 129,881			\$ 139,212			\$ 144,914
TOTAL PCS SEPARATION TRAVEL.....			\$ 139,030			\$ 155,224			\$ 167,205			\$ 173,534

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$ 1,987
ESTIMATE FY 2004	\$ 1,946
ESTIMATE FY 2003	\$ 1,822
ACTUAL FY 2002	\$ 4,070

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	240	\$ 642	\$ 154	90	\$ 748	\$ 67	90	\$ 785	\$ 71	90	\$ 799	\$ 72
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	120	299	36	45	299	13	45	406	18	45	413	19
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	190	3,787	720	71	3,977	282	71	4,096	291	71	4,170	296
DISLOCATION ALLOWANCE.....	170	2,126	361	64	2,213	142	64	2,288	146	64	2,366	151
TRAILER ALLOWANCE.....	2	567	1	1	574	1	1	584	1	1	595	1
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 1,272			\$ 505			\$ 527			\$ 539
ENLISTED												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	252	\$ 695	\$ 175	400	\$ 812	\$ 325	400	\$ 853	\$ 341	400	\$ 868	\$ 347
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	101	150	15	160	150	24	160	499	80	160	508	81
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	907	2,462	2,233	273	2,585	706	273	2,663	727	273	2,711	740
DISLOCATION ALLOWANCE.....	252	1,488	375	169	1,549	262	169	1,602	271	169	1,656	280
TRAILER ALLOWANCE.....	0	567	0	0	574	0	0	584	0	0	595	0
PET QUARANTINE.....	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL.....			\$ 2,798			\$ 1,317			\$ 1,419			\$ 1,448
TOTAL PCS ORGANIZED UNIT TRAVEL.....			\$ 4,070			\$ 1,822			\$ 1,946			\$ 1,987

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

	ACTUAL FY 2002 AMOUNT	ESTIMATE FY 2003 AMOUNT	ESTIMATE FY 2004 AMOUNT	ESTIMATE FY 2005 AMOUNT
NON-TEMPORARY STORAGE.....	\$ 26,896	\$ 28,154	\$ 26,535	\$ 27,567
TEMPORARY LODGING EXPENSE.....	20,973	20,723	18,996	19,850
TOTAL OBLIGATIONS.....	\$ 1,196,922	\$ 1,143,014	\$ 1,063,090	\$ 1,108,481
LESS: REIMBURSABLE OBLIGATIONS.....	8,345	2,092	2,085	2,129
TOTAL DIRECT OBLIGATIONS.....	\$ 1,188,577	\$ 1,140,922	\$ 1,061,005	\$ 1,106,352

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

Other Military Personnel Costs

FY 2003 Direct Program \$ 119,895

Increases:

Pricing Increases:

a.	Apprehension of Deserters	12
b.	Unemployment Compensation	8,999
Total Pricing Increases		9,011

Program Increases:

a.	Death Gratuities Officers	36
b.	Mass Transit Subsidy (MTS)	2,271
c.	Partial Dislocation Allowance (PDLA)	2,500
d.	Education Benefits (IS)	590
Total Program Increases		5,397

Total Increases \$ 14,408

Decreases:

Pricing Decreases:

	No pricing decreases	0
Total Pricing Decreases		0

Program Decreases:

a.	Apprehension of Deserters	-9
b.	Death Gratuities Enlisted	-30
c.	Unemployment Compensation	-8,746
d.	Survivors Benefits (REPS)	-2,682
e.	Adoptions	-2
f.	Education Benefits (UL)	-15,485
Total Program Decreases		-26,954

Total Decreases \$ -26,954

FY 2004 Direct Program \$ 107,349

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$612
ESTIMATE FY 2004	\$615
ESTIMATE FY 2003	\$612
ACTUAL FY 2002	\$1,631

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 2002	ESTIMATE FY 2003	ESTIMATE FY 2004	ESTIMATE FY 2005
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.....	\$1,631	\$612	\$615	\$612

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$202
ESTIMATE FY 2004	\$202
ESTIMATE FY 2003	\$202
ACTUAL FY 2002	\$256

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
INTEREST ON SOLDIERS' DEPOSIT												
OFFICER.....	437	\$296	\$129	327	\$296	\$97	328	\$296	\$97	329	\$296	\$97
ENLISTED.....	825	154	127	683	154	105	683	154	105	682	154	105
TOTAL.....	1,262		\$256	1,010		\$202	1,011		\$202	1,011		\$202

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$3,372
ESTIMATE FY 2004	\$3,366
ESTIMATE FY 2003	\$3,360
ACTUAL FY 2002	\$7,944

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
DEATH GRATUITIES												
OFFICER.....	267	\$6,000	\$1,602	200	\$6,000	\$1,200	209	\$6,000	\$1,254	209	\$6,000	\$1,254
ENLISTED.....	1,045	6,000	6,270	358	6,000	2,148	350	6,000	2,100	351	6,000	2,106
CADETS.....	12	6,000	72	2	6,000	12	2	6,000	12	2	6,000	12
TOTAL.....	1,324		\$7,944	560		\$3,360	561		\$3,366	562		\$3,372

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$81,558
ESTIMATE FY 2004	\$78,195
ESTIMATE FY 2003	\$77,941
ACTUAL FY 2002	\$118,100

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. The Job Creation and Worker Assistance Act of 2002 (P.L. 107-147) extended unemployment compensations benefits an additional 13 weeks for workers who had exhausted the original 26 weeks of benefits. The Temporary Extended Unemployment Compensation (TEUC) Act of 2002 (P.L. 108-1) extends the unemployment compensations benefits an additional 5 months for workers who had exhausted the original 26 weeks and the TEUC of 13 weeks.

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 2002.

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)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNEMPLOYMENT BENEFITS												
OFFICER.....	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
ENLISTED.....	31,586	3,739	\$118,100	15,816	4,928	\$77,941	14,225	5,497	\$78,195	14,603	5,585	\$81,558
TOTAL.....	31,586		\$118,100	15,816		\$77,941	14,225		\$78,195	14,603		\$81,558

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$4,103
ESTIMATE FY 2004	\$4,519
ESTIMATE FY 2003	\$7,201
ACTUAL FY 2002	\$7,518

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 2002	ESTIMATE FY 2003	ESTIMATE FY 2004	ESTIMATE FY 2005
SURVIVOR BENEFIT COSTS.....	\$7,518	\$7,201	\$4,519	\$4,103

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$4,268
ESTIMATE FY 2004	\$4,268
ESTIMATE FY 2003	\$19,163
ACTUAL FY 2002	\$23,875

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 2002	ESTIMATE FY 2003	ESTIMATE FY 2004	ESTIMATE FY 2005
INVOLUNTARY SEPARATEES.....	3,567	3,678	4,268	4,268
UNFUNDED LIABILITY.....	20,308	15,485	0	0
TOTAL AMORTIZATION PAYMENTS	\$23,875	\$19,163	\$4,268	\$4,268

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$250
ESTIMATE FY 2004	\$250
ESTIMATE FY 2003	\$252
ACTUAL FY 2002	\$264

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ADOPTION EXPENSES.....	132	\$2,000	\$264	126	\$2,000	\$252	125	\$2,000	\$250	125	\$2,000	\$250

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$9,200
ESTIMATE FY 2004	\$9,200
ESTIMATE FY 2003	\$9,200
ACTUAL FY 2002	\$25,097

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. Section 636 of the FY 2003 National Defense Authorization Act (P.L. 107-314) reduced Special Compensation for the Severely Disabled program and increased Special Compensation for Combat-Related Disabled program. For FY 2003 thru FY 2009 Special Compensation for the Severely Disabled program is reduced \$11.0 million per year.

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 2002	ESTIMATE FY 2003	ESTIMATE FY 2004	ESTIMATE FY 2005
SPECIAL COMPENSATION.....	\$25,097	\$9,200	\$9,200	\$9,200

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$2,500
ESTIMATE FY 2004	\$2,500
ESTIMATE FY 2003	\$0
ACTUAL FY 2002	\$1,250

Project: Partial DLA

Part I - Purpose and Scope

Section 636 of the FY 2002 National Defense Authorization Act (P.L. 107-107) provided a new entitlement for members of the unformed service who have been ordered to vacate family housing provided by the United States to permit the privatization or renovation of the housing to be paid a Partial Dislocation Allowance of \$500. Effective on the same date that the monthly rates of basic pay for all members are increased under section 1009 of the NDAA the Secretary of Defense shall adjust the rate of the Partial Dislocation Allowance authorized by the average percentage increase in the basic pay rates.

Part II - Justification of Funds Requested

Cost estimates are based on an estimated number of participants and rate data.

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
PARTIAL DLA EXPENSES.....	2,500	\$500	\$1,250	0	\$500	\$0	5,000	\$500	\$2,500	5,000	\$500	\$2,500

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2005	\$4,364
ESTIMATE FY 2004	\$4,364
ESTIMATE FY 2003	\$2,092
ACTUAL FY 2002	\$2,908

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 rate data. The maximum monthly rate increased to \$100 per month in FY 2002.

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MASS TRANSIT EXPENSES.....	2,423	\$1,200	\$2,908	1,715	\$1,220	\$2,092	3,577	\$1,220	\$4,364	3,577	\$1,220	\$4,364
TOTAL DIRECT OMPC OBLIGATION AMOUNTS.....			188,713			119,895			107,349			110,296

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 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
NONREIMBURSABLE												
CLASSIFIED ACTIVITIES.....	0	0	0	0	0	0	0	0	0	0	0	0
CONGRESSIONAL FELLOWS.....	12	0	12	12	0	12	12	0	12	12	0	12
DENTAL HYGIENE PROGRAM.....	0	11	11	0	11	11	0	11	11	0	11	11
DEPARTMENT OF ENERGY.....	8	0	8	8	0	8	8	0	8	8	0	8
DEPARTMENT OF JUSTICE.....	8	0	8	8	0	8	8	0	8	8	0	8
DEPARTMENT OF STATE.....	29	1	30	29	1	30	29	1	30	29	1	30
DRUG ENFORCEMENT AGENCY....	3	1	4	3	1	4	3	1	4	3	1	4
FBI.....	1	1	2	1	1	2	1	1	2	1	1	2
FEMA.....	1	1	2	1	1	2	1	1	2	1	1	2
LAW ENFORCEMENT												
SUPPORT OFFICE.....	3	2	5	3	2	5	3	2	5	3	2	5
MILITARY OBSERVERS.....	7	0	7	7	0	7	7	0	7	7	0	7
NSC.....	3	1	4	3	1	4	3	1	4	3	1	4
OFFICE OF NATIONAL DRUG CONTROL POLICY.....												
PRESIDENTIAL CON PROGRAM...	10	0	10	10	0	10	10	0	10	10	0	10
SSC FELLOWSHIP.....	1	9	10	1	9	10	1	9	10	1	9	10
TRAINING WITH INDUSTRY.....	30	0	30	30	0	30	30	0	30	30	0	30
WHITE HOUSE	109	0	109	109	0	109	109	0	109	109	0	109
WHITE HOUSE												
COMMUNICATIONS AGENCY.....	31	401	432	31	401	432	31	401	432	31	401	432
WHITE HOUSE FELLOWS.....	2	0	2	2	0	2	2	0	2	2	0	2
WHITE HOUSE												
MILITARY OFFICE.....	18	6	24	18	6	24	18	6	24	18	6	24
WHITE HOUSE												
SERVICES AGENCY.....	13	0	13	13	0	13	13	0	13	13	0	13
WHITE HOUSE												
TRANSPORTATION AGENCY.....	0	67	67	0	67	67	0	67	67	0	67	67
TOTAL NONREIMBURSABLE....	289	501	790	289	501	790	289	501	790	289	501	790
REIMBURSABLE												
AMERICAN BATTLE MONUMENTS COMM.....												
CLASSIFIED ACTIVITIES.....	0	0	0	0	0	0	0	0	0	0	0	0
DEPARTMENT OF STATE.....	13	11	24	13	11	24	13	11	24	13	11	24
FBI.....	5	0	5	5	0	5	5	0	5	5	0	5
LAW ENFORCEMENT	2	0	2	2	0	2	2	0	2	2	0	2
SUPPORT OFFICE.....	2	0	2	2	0	2	2	0	2	2	0	2
NASA.....	6	0	6	6	0	6	6	0	6	6	0	6
OTHER AGENCIES.....	52	925	977	1,193	5,484	6,677	1	0	1	1	0	1
SELECTIVE SERVICE SYSTEM...	7	0	7	7	0	7	7	0	7	7	0	7
WHITE HOUSE												
COMMUNICATIONS AGENCY.....	0	35	35	0	35	35	0	35	35	0	35	35
TOTAL REIMBURSABLE.....	87	971	1,058	1,228	5,530	6,758	36	46	82	36	46	82
TOTAL OUTSIDE DOD.....	376	1,472	1,848	1,517	6,031	7,548	325	547	872	325	547	872

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

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	E/S OFFICER	E/S ENLISTED	TOTAL	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.....	265	223	488	265	223	488	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	7	6	13
ORDNANCE.....	14	7	21	12	6	18	12	6	18	12	6	18
DEPOT MAINT.....	16	16	32	16	5	21	16	5	21	16	5	21
INFO SERVICES.....	6	0	6	6	0	6	0	0	0	0	0	0
SUBTOTAL AWCF.....	44	29	73	41	17	58	35	17	52	35	17	52
DLA.....	122	62	184	124	62	186	124	62	186	124	62	186
DFAS.....	53	396	449	53	396	449	53	396	449	53	396	449
DECA.....	9	1	10	9	1	10	9	1	10	9	1	10
DISA.....	6	12	18	4	12	16	4	12	16	4	12	16
TRANSCOM.....	117	152	269	108	134	242	107	134	241	107	134	241
SUBTOTAL DWCF.....	351	652	1,003	339	622	961	332	622	954	332	622	954
TOTAL REIMB.....	703	1,846	2,549	1,832	6,375	8,207	633	891	1,524	633	891	1,524
TOTAL NONREIMB.....	289	501	790	289	501	790	289	501	790	289	501	790
GRAND TOTAL.....	992	2,347	3,339	2,121	6,876	8,997	922	1,392	2,314	922	1,392	2,314

SECTION 5
REIMBURSABLES FOR BUDGET REVIEWS (THOUSANDS OF DOLLARS)

	ACTUAL FY 2002			ESTIMATE FY 2003			ESTIMATE FY 2004			ESTIMATE FY 2005		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
SUPPLY MGMT.....	717	0	717	793	268	1,061	813	280	1,093	833	292	1,125
ORDNANCE.....	803	0	803	1,365	258	1,623	1,152	259	1,411	1,184	265	1,449
DEPOT MAINT.....	1,740	0	1,740	1,502	690	2,192	1,539	710	2,249	1,582	733	2,315
INFO SERVICES.....	698	0	698	606	0	606	0	0	0	0	0	0
SUBTOTAL AWC.....	3,958	0	3,958	4,266	1,216	5,482	3,504	1,249	4,753	3,599	1,290	4,889
DLA.....	11,481	2,000	13,481	11,690	2,385	14,075	12,094	2,466	14,560	12,565	2,563	15,128
DFAS.....	9,200	12,000	21,200	3,401	10,199	13,600	4,026	12,074	16,100	3,655	10,963	14,618
DECA.....	580	47	627	619	28	647	641	29	670	665	30	695
DISA.....	288	424	712	500	401	901	666	534	1,200	537	431	968
TRANSCOM.....	15,600	5,350	20,950	11,088	5,512	16,600	8,884	4,416	13,300	11,918	5,924	17,842
SUBTOTAL DWCF.....	41,107	19,821	60,928	31,564	19,741	51,305	29,815	20,768	50,583	32,939	21,201	54,140
FOREIGN MILITARY SALES.....	17,316	13,991	31,307	44,870	23,702	68,572	37,915	15,369	53,284	35,249	18,565	53,814
DEFENSE HEALTH PROGRAM.....	0	0	0	75,091	58,535	133,626	91,472	47,467	138,939	102,313	41,961	144,274
OTHER NON-STRENGTH.....	0	36,473	36,473	0	32,947	32,947	0	34,140	34,140	0	35,432	35,432
SUBSISTENCE IN KIND.....	0	27,998	27,998	0	30,727	30,727	0	31,925	31,925	0	33,170	33,170
OTHER MILITARY COSTS.....	0	8,475	8,475	0	2,220	2,220	0	2,215	2,215	0	2,262	2,262
OTHER GOVT COSTS.....	19,545	55,499	75,044	127,281	282,715	409,996	4,779	3,431	8,210	4,965	3,565	8,530
TOTAL PROGRAM.....	77,968	125,784	203,752	278,806	417,640	696,446	163,981	121,175	285,156	175,466	120,724	296,190