

DEPARTMENT OF THE ARMY

FISCAL YEAR (FY) 2007 BUDGET ESTIMATES



MILITARY PERSONNEL, ARMY

JUSTIFICATION BOOK

VOLUME I – ACTIVE FORCES

FEBRUARY 2006

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FY 2007

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

	ACTUAL FY 2005	ESTIMATE FY 2006	ESTIMATE FY 2007
DIRECT BASELINE PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 7,825,667	\$ 7,848,941	\$ 8,121,539
PAY AND ALLOWANCES FOR ENLISTED.....	19,611,005	17,306,027	18,244,646
PAY AND ALLOWANCES FOR CADETS.....	51,510	53,392	55,818
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,457,888	1,334,152	1,405,637
PERMANENT CHANGE OF STATION TRAVEL.....	826,413	1,089,652	996,579
OTHER MILITARY PERSONNEL COSTS.....	84,566	277,210	287,684
 TOTAL DIRECT BASELINE PROGRAM.....	 \$ 29,857,049	 \$ 27,909,374	 \$ 29,111,903
REIMBURSABLE BASELINE PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 110,496	\$ 182,136	\$ 199,575
PAY AND ALLOWANCES FOR ENLISTED.....	123,403	79,402	80,992
PAY AND ALLOWANCES FOR CADETS.....	0	0	0
SUBSISTENCE OF ENLISTED PERSONNEL.....	24,440	34,463	35,808
PERMANENT CHANGE OF STATION.....	2,129	2,173	2,219
OTHER MILITARY PERSONNEL COSTS.....	103	0	0
 TOTAL REIMBURSABLE BASELINE PROGRAM.....	 \$ 260,571	 \$ 298,174	 \$ 318,594
TOTAL BASELINE PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 7,936,163	\$ 8,031,077	\$ 8,321,114
PAY AND ALLOWANCES FOR ENLISTED.....	19,734,408	17,385,429	18,325,638
PAY AND ALLOWANCES FOR CADETS.....	51,510	53,392	55,818
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,482,328	1,368,615	1,441,445
PERMANENT CHANGE OF STATION TRAVEL.....	828,542	1,091,825	998,798
OTHER MILITARY PERSONNEL COSTS.....	84,669	277,210	287,684
 TOTAL BASELINE PROGRAM.....	 \$ 30,117,620	 \$ 28,207,548	 \$ 29,430,497

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

	ACTUAL FY 2005	ESTIMATE FY 2006	ESTIMATE FY 2007
GWOT SUPPLEMENTAL FUNDING -- FY 2005 (TITLE IX OF P.L. 108-287; P.L. 109-13); FY 2006 (TITLE IX OF P.L. 109-148)			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 2,314,811	\$ 1,187,486	\$ 0
PAY AND ALLOWANCES FOR ENLISTED.....	7,382,398	3,128,676	0
PAY AND ALLOWANCES FOR CADETS.....	0	0	0
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,496,446	254,058	0
PERMANENT CHANGE OF STATION TRAVEL.....	176,397	108,210	0
OTHER MILITARY PERSONNEL COSTS.....	592,454	141,815	0
TOTAL GWOT PROGRAM.....	11,962,506	4,820,245	0
HURRICANE SUPPLEMENTAL FUNDING -- FY 2005 (P.L. 108-324; P.L. 109-61; P.L. 109-62); FY 2006 (P.L. 109-148 DIVISION B, TITLE IX)			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 0	\$ 0	\$ 0
PAY AND ALLOWANCES FOR ENLISTED.....	0	0	0
PAY AND ALLOWANCES FOR CADETS.....	0	0	0
SUBSISTENCE OF ENLISTED PERSONNEL.....	0	0	0
PERMANENT CHANGE OF STATION TRAVEL.....	20,100	25,353	0
OTHER MILITARY PERSONNEL COSTS.....	0	0	0
TOTAL HURRICANE PROGRAM.....	20,100	25,353	0
TOTAL PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 10,250,974	\$ 9,218,563	\$ 8,321,114
PAY AND ALLOWANCES FOR ENLISTED.....	27,116,806	20,514,105	18,325,638
PAY AND ALLOWANCES FOR CADETS.....	51,510	53,392	55,818
SUBSISTENCE OF ENLISTED PERSONNEL.....	2,978,774	1,622,673	1,441,445
PERMANENT CHANGE OF STATION TRAVEL.....	1,025,039	1,225,388	998,798
OTHER MILITARY PERSONNEL COSTS.....	677,123	419,025	287,684
TOTAL PROGRAM.....	\$ 42,100,226	\$ 33,053,146	\$ 29,430,497
MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION.....	\$ 0	\$ 2,727,452	\$ 2,891,198
TOTAL MILITARY PERSONNEL PROGRAM COST.....	\$ 42,100,226	\$ 35,780,598	\$ 32,321,695

LEGISLATIVE PROPOSALS:

THE FOLLOWING LEGISLATIVE PROPOSALS ARE INCLUDED IN THE ABOVE ESTIMATE AND SUBMITTED FOR FY 2007:

TEMPORARY CONTINUATION OF BASIC ALLOWANCE FOR HOUSING FOR DEPENDENTS OF MEMBERS WHO DIE WHILE SERVING ON ACTIVE DUTY - MEMBER MARRIED TO ANOTHER MEMBER \$.230 MILLION

Section 2

Introduction

The American Soldier -- superbly trained, equipped, and led -- is the centerpiece of the Army's combat formations and systems. The Military Personnel, Army (MPA) appropriation provides the resources needed to compensate those active duty Soldiers who man the Army's force structure as it transforms to the Army's Modular Forces design. 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 Army's manning goal is to provide, in a timely manner, the right number of high quality Soldiers in the appropriate grades and skills to satisfy force structure authorizations. Accomplishing this goal ensures a high degree of personnel and combat readiness in units.

The FY 2007 budget continues to emphasize Army transformation towards the future, while providing our Soldiers with what they need for the current fight. America's All-Volunteer Army, the world's dominant land force, remains actively engaged in the Global War on Terrorism (GWOT). Current and future MPA funding levels are critical indicators of our nation's commitment to maintain the all-volunteer force. MPA also funds the Army's continuing commitment to taking care of Soldiers' families, allowing Soldiers to remain focused on their primary duties. The current operational environment does impact our recruiting and retention efforts, so this budget provides a baseline level of incentives to allow the Army to continue to attract and retain the right people.

Management Characteristics of MPA

MPA is a centrally managed, single-year, appropriation which funds pay and allowances, monetary benefits/incentives, subsistence, and permanent change of station (PCS) costs for Soldiers. 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, percentage of married personnel, and personnel policy, which also impact heavily on requirements in this appropriation.

Major Changes in the Active Army Budget Estimates

Like the FY 2006 budget the 2007 estimate (excluding contingency operations) is based on a 482,400 man-years program for FY 2007. The permanent minimum level end-strength is 502,400. Funding for end strength above the baseline level of 482,400 will be requested through FY 2007 Supplemental Appropriations.

End Strength

In FY 2006 and FY 2007, the Army needs to continue to increase its end strength to meet deployment commitments in support of the GWOT and to convert to Army Modular Force structure which will add 9 new active duty Brigade Combat Teams (BCTs) by 2007 (growing to 42 from 33

brigades in FY 2003.) The result will be the creation of a larger pool of more capable and lethal units for rotational deployments tailored to meet the Combatant Commander's requirements. The required resources for the increase in end strength above the baseline level are not included in the President's budget.

- o FY 2006: The Army projects to end FY 2006 with end strength of 498,700 or 16,300 (7,800 work-years) above the baseline budget request. The cost estimate for this additional end strength is about \$.644 billion (pay and allowances only) and will be requested in the Department's supplemental request for contingency operations.

	<u>End Strength</u>
Current Plan	498,700
Current Funded Level	<u>482,400</u>
Difference	+16,300

- o FY 2007: Since the GWOT military operations are inherently unpredictable and not part of routine force deployments, the Army plans to seek supplemental funding in FY 2007 for the additional end strength above the baseline level of 482,400.

	<u>End Strength</u>
Permanent Minimum Level	502,400
FY 2007 Budget Estimate	<u>482,400</u>
Difference	+20,000

Other Changes

- The annualized 2006 DOD military pay raise of 3.1% with a 1 January 2006 effective date is budgeted.
- The 2007 DOD military 2.2% across-the-board pay raise of with selective increases for certain warrant officers and mid-grade senior enlisted personnel is also budgeted assuming a 1 April 2007 effective date.
- The normal cost percentage used to calculate payments to the military retired pay trust fund is 26.5% in FY 2006 and FY 2007.
- The rates for subsistence are indexed to the annual changes in the US Department of Agriculture food plan.
- The estimates for overseas station allowances are based on rates of exchange of €0.8530 Euro/\$1 U.S.
- BAH housing growth is an overall 6.0%, effective 1 January 2006.
- BAH - Residential Communities Initiative (RCI). The RCI program is a highly successful Army initiative to leverage private capital to alleviate housing shortages, rapidly improve the condition of existing housing and eliminate inadequate family housing. This initiative is fully funded in FY 2007. This program focuses on developing and managing communities and embraces comprehensive planning and execution, as opposed to piecemeal projects. The following installations are funded through FY 2007: Carson, Hood, Lewis, Meade, Hamilton, Bragg, Campbell, Irwin, Stewart, Polk, Eustis, Detrick, Shafter, Walter Reed Medical Center, Picatinny Arsenal, Schofield Barracks, Hunter Army Airfield, Moffet Field, Presidio of Monterey, Leonard Wood, Drum, Sam Houston, Carlisle Barracks, Monmouth, Benning, Knox, Rucker, Leavenworth, Gordon, Redstone Arsenal, McPherson, Riley, White Sands Missile Range, Belvoir, Lee, and Bliss.
- The Department of Defense is committed to reducing the unexpended/unobligated balances occurring annually in the military personnel appropriations. As part of the FY 2007 budget formulation, and in recognition of Congressional action on the FY 2006 budget the military personnel budget estimates were reduced by over \$300 million to account for historical unexpended/unobligated balances. These reductions were based on the methodology used by the General Accountability Office. The FY 2007 Military Personnel, Army budget estimate was reduced by \$136.8 million. In addition to the funding reductions, the Service Components and the Defense Finance and Accounting Service are working together to:
 - Develop the lowest, achievable percentage level of unobligated/unexpended balances,
 - Develop a Financial Improvement Plan with specific tasks that will be performed to reduce the unobligated/unexpended balances,

- o Add the necessary personnel resources to improve execution data collection, and
 - o Closely monitor, through metrics reporting the progress, to reduce MILPERS appropriation unobligated/unexpended balances to the lowest, achievable percentage level by the end of each appropriation's 5 year availability.
- The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance the cost of TRICARE benefits accrued by uniformed service members. Previously, the military personnel accounts were required to pay the accrued costs, using annual appropriations. Since these costs are actually borne in support of the Department of Defense, they will be shown as part of the DoD discretionary total. Ten new accounts corresponding to each of the existing military personnel accounts have been created to show the cost of these payments. Beginning in FY 2006, the appropriations requested for the military personnel accounts exclude funding to make the retiree health accrual payments. Total obligations on behalf of military personnel include both the amounts requested for appropriation and amounts paid from the permanent, indefinite authority.

Global War On Terrorism

This baseline MPA appropriation request does not include estimates for Global War on Terrorism (GWOT). As necessary the Army will seek supplemental appropriations to finance the incremental military personnel costs above the baseline budget for on-going military operations (Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF)). In FY 2005, PL 109-13 Emergency Supplemental Appropriations for Defense, GWOT, and Tsunami Relief, provided the Army with \$12.0 billion to sustain military operations in Iraq, Afghanistan, and elsewhere. For FY 2006 the Congress provided advance appropriations of \$4.8 billion to finance this requirement in Public Law PL 109 - 163, Title IX, FY 2006 Department of Defense Appropriations Act.

MILITARY PERSONNEL, ARMY
Performance Measures and Evaluation Summary

Activity: Active Military Personnel

Activity Goal: Maintain the correct Active Military Personnel to execute National Strategy.

Description of Activity: The Active Military Personnel appropriation provides resources necessary to compensate military personnel required to man approved force structure and support infrastructure, which includes pay, allowances, individual clothing, subsistence, and permanent changes of station.

PERFORMANCE MEASURES:

	<u>FY 2005 Actual</u>	<u>FY 2006 Planned</u>	<u>FY 2007 Planned</u>
Average Strength	614,800	529,198	484,313
End Strength	492,728	498,700	482,400
Authorized End Strength	502,400	502,400	502,400
Additional End Strength			

FY 2005 NDAA authorized an increase to end strength of 20K. This brings the Army's end strength to 502.4K in FY 2005. This metric measures the variance in planned versus actual man-years. This display provides the information to meet the Office of Management and Budget requirement for PART-Program Assessment Rating Tool.

Recruiting

1. Numeric goals	80,000	80,000	80,000
Actual	73,974		

- Total Recruiting mission is compared to actual accessions for the fiscal year. The percent goal accomplished is the measurement.

Narrative: Recruiting goals were not met for FY 2005 due to the challenges in recruiting environment, challenges due to increased alternatives for youth, the historically low propensity to enlist, and the increased operating tempo. In addition, the goals for FY 2006 and FY 2007 will change due to the temporary 30,000-end strength increase.

2. Quality goals

a. HSDG percent (Tier I)	90%	90%	90%
Actual	87%		
b. Test Score Category I-III percent	67%	60%	60%
Actual	67%		

a. The percent Tier 1 High School Degree Graduate (HSDG) is the measure, which is a measure of educational achievement - Total number of Tier 1 (HSDG) non-prior service accessions + Delayed Entry Program (DEP) is compared to total number of non-prior service accessions + DEP for the fiscal year. (DOD target is 90%)

Narrative: Quality goals serve as a screening mechanism; the Army does not directly resource to quality levels. Recruiting efforts focus on high school degree graduates and graduating seniors who are Cat I-III.

b. The percent of Cat I-III is the measure - Total number of non-prior service accessions + DEP who scored at or above 50th percentile (Cat I-III) is compared to total number of non-prior service accessions + DEP for the fiscal year. (DOD target is 60%. Cat I-III - scores at or above 50 on the Armed Forces Qualification Test (measure of aptitude). Cat IV - percentages are not shown as the Services historically have no difficulty meeting the 4% limitation.)

Narrative: Quality goals serve as a screening mechanism; the Army does not directly resource to quality levels. Recruiting efforts focus on high school degree graduates and graduating seniors who are Cat I-III. The implementation of upgraded Armed Services Vocational Aptitude Battery norms may impact quality achievement in the future as enlistment standards will increase.

SECTION 3
SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 2005 ACTUAL		FY 2006 ESTIMATE		FY 2007 ESTIMATE	
	AVERAGE STRENGTH	END STRENGTH 30 SEP 2005	AVERAGE STRENGTH	END STRENGTH 30 SEP 2006	AVERAGE STRENGTH	END STRENGTH 30 SEP 2007
DIRECT BASELINE PROGRAM						
OFFICERS.....	80,547	81,023	77,840	78,017	77,666	78,167
ENLISTED.....	407,398	406,032	400,933	398,859	401,107	398,709
ACADEMY CADETS.....	4,041	4,149	4,016	4,000	4,016	4,000
TOTAL DIRECT PROGRAM.....	491,986	491,204	482,789	480,876	482,789	480,876
REIMBURSABLE BASELINE PROGRAM						
OFFICERS.....	633	633	633	633	633	633
ENLISTED.....	891	891	891	891	891	891
TOTAL REIMBURSABLE PROGRAM.....	1,524	1,524	1,524	1,524	1,524	1,524
TOTAL BASELINE PROGRAM						
OFFICERS.....	81,180	81,656	78,473	78,650	78,299	78,800
ENLISTED.....	408,289	406,923	401,824	399,750	401,998	399,600
ACADEMY CADETS.....	4,041	4,149	4,016	4,000	4,016	4,000
TOTAL BASELINE PROGRAM.....	493,510	492,728	484,313	482,400	484,313	482,400
GWOT SUPPLEMENTAL -- FY 2005 (TITLE IX OF P.L. 108-287; P.L. 109-13); FY 2006 (TITLE IX OF P.L. 109-148) 1/ 2/						
OFFICERS.....	15,908	0	9,040	0		
ENLISTED.....	105,382	0	35,845	0		
SUPPLEMENTAL FUNDED STRENGTH.....	121,290	0	44,885	0		
HURRICANE SUPPLEMENTAL -- FY 2005 (P.L. 108-324; P.L. 109-61; P.L. 109-62); FY 2006 (P.L. 109-148 DIVISION B, TITLE IX)						
OFFICERS.....	0		0			
ENLISTED.....	0		0			
SUPPLEMENTAL FUNDED STRENGTH.....	0		0			
REVISED TOTAL PROGRAM						
OFFICERS.....	97,088	81,656	87,513	78,650	78,299	78,800
ENLISTED.....	513,671	406,923	437,669	399,750	401,998	399,600
ACADEMY CADETS.....	4,041	4,149	4,016	4,000	4,016	4,000
REVISED TOTAL PROGRAM.....	614,800	492,728	529,198	482,400	484,313	482,400

/1 FY 2005 AVERAGE STRENGTH INCLUDES 14,989 OFFICER AND 101,610 ENLISTED MOBILIZED RESERVE COMPONENTS PERSONNEL IN SUPPORT OF OEF/OIF.
/2 FY 2006 AVERAGE STRENGTH INCLUDES 8,104 OFFICER AND 33,349 ENLISTED MOBILIZED RESERVE COMPONENTS PERSONNEL IN SUPPORT OF OEF/OIF.

SECTION 3
END STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2005		ESTIMATE FY 2006		ESTIMATE FY 2007	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
GEN.....	10	0	10	0	10	0
LTG.....	45	0	41	0	41	0
MG.....	100	2	99	2	99	2
BG.....	152	4	151	4	151	4
COL.....	3,775	29	3,554	29	3,554	29
LTC.....	9,134	78	8,745	78	8,745	78
MAJ.....	14,835	155	13,888	155	13,888	155
CPT.....	24,967	228	24,178	228	24,177	228
1LT.....	7,490	117	8,431	117	8,431	117
2LT.....	8,666	2	7,244	2	7,244	2
TOTAL COMMISSIONED OFFICERS.....	69,174	615	66,341	615	66,340	615
WARRANT OFFICERS						
CW5.....	413	1	442	1	447	1
CW4.....	1,649	4	1,589	4	1,609	4
CW3.....	3,344	6	3,264	6	3,304	6
CW2.....	4,807	6	4,707	6	4,765	6
WO1.....	2,269	1	2,307	1	2,335	1
TOTAL WARRANT OFFICERS.....	12,482	18	12,309	18	12,460	18
TOTAL OFFICER PERSONNEL.....	81,656	633	78,650	633	78,800	633
ENLISTED PERSONNEL						
SGM.....	3,409	23	3,142	23	3,141	23
1SG/MSG.....	10,692	45	10,490	45	10,486	45
PSG/SFC.....	37,810	158	37,106	158	37,092	158
SSG.....	59,885	197	57,322	190	57,301	190
SGT.....	77,338	184	72,375	191	72,348	191
CPL/SPC.....	110,495	158	110,893	158	110,850	158
PFC.....	60,360	110	54,062	110	54,041	110
PV2.....	26,917	13	31,230	13	31,219	13
PV1.....	20,017	3	23,130	3	23,122	3
TOTAL ENLISTED PERSONNEL.....	406,923	891	399,750	891	399,600	891
TOTAL OFF & ENL PERSONNEL.....	488,579	1,524	478,400	1,524	478,400	1,524
CADETS.....	4,149	0	4,000	0	4,000	0
TOTAL END STRENGTH.....	492,728	1,524	482,400	1,524	482,400	1,524

MPA FINANCIAL MANAGEMENT SYSTEM
SECTION 3 MONTHLY END STRENGTHS BY PAY GRADE
FY 2005

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
COMMISSIONED OFFICERS												
GEN.....	11	11	11	11	11	11	11	11	11	11	11	10
LTG.....	38	39	39	40	40	41	42	43	43	43	44	45
MG.....	103	103	100	101	100	102	101	103	103	103	103	100
BG.....	151	152	151	154	152	150	150	151	150	149	151	152
COL.....	3,694	3,732	3,744	3,740	3,736	3,750	3,769	3,806	3,796	3,816	3,794	3,775
LTC.....	9,164	9,228	9,303	9,283	9,303	9,304	9,316	9,284	9,307	9,303	9,278	9,134
MAJ.....	14,397	14,357	14,365	14,350	14,346	14,695	14,589	14,559	14,511	14,338	14,280	14,835
CPT.....	22,466	24,212	24,018	24,089	24,060	23,930	24,394	23,942	24,154	23,879	23,725	24,967
1LT.....	9,857	9,921	9,982	9,899	9,931	9,722	9,402	9,490	9,425	9,704	9,608	7,490
2LT.....	8,500	6,496	6,572	6,853	6,616	6,429	6,310	7,840	8,231	8,104	8,208	8,666
TOTAL.....	68,381	68,251	68,285	68,520	68,295	68,134	68,084	69,229	69,731	69,450	69,202	69,174
WARRANT OFFICERS												
CW5.....	431	431	439	437	430	428	425	422	419	419	421	413
CW4.....	1,584	1,588	1,597	1,609	1,617	1,624	1,625	1,640	1,653	1,694	1,678	1,649
CW3.....	3,491	3,476	3,481	3,459	3,445	3,444	3,438	3,431	3,403	3,349	3,350	3,344
CW2.....	4,665	4,699	4,684	4,748	4,721	4,741	4,757	4,768	4,800	4,802	4,806	4,807
WO1.....	2,153	2,121	2,099	2,021	2,072	2,087	2,108	2,131	2,146	2,183	2,199	2,269
TOTAL.....	12,324	12,315	12,300	12,274	12,285	12,324	12,353	12,392	12,421	12,447	12,454	12,482
TOTAL OFFICERS.....	80,705	80,566	80,585	80,794	80,580	80,458	80,437	81,621	82,152	81,897	81,656	81,656
ENLISTED PERSONNEL												
SGM.....	3,373	3,362	3,352	3,485	3,444	3,449	3,423	3,402	3,398	3,362	3,387	3,409
LSG/MSG.....	11,145	11,297	11,436	11,430	11,397	11,503	11,453	11,352	11,231	11,069	10,783	10,692
PSG/SFC.....	37,663	37,705	38,040	39,125	39,101	38,988	38,932	38,795	38,619	38,395	38,158	37,810
SSG.....	58,376	58,484	58,498	58,325	58,705	58,870	58,960	59,005	59,136	59,231	59,395	59,885
SGT.....	75,249	75,044	75,175	76,023	76,370	78,363	78,840	78,850	78,147	78,123	77,259	77,338
CPL/SPC.....	116,537	116,665	115,500	113,784	114,083	112,970	112,886	112,858	111,503	110,470	110,685	110,495
PFC.....	61,589	60,671	59,739	59,915	59,254	58,883	57,854	57,256	58,249	59,117	59,610	60,360
PV2.....	31,170	31,124	31,681	32,013	31,477	31,147	30,050	29,064	27,273	27,558	27,371	26,917
PV1.....	18,684	18,543	16,010	16,046	15,579	14,339	13,574	13,445	15,992	16,618	18,671	20,017
TOTAL ENLISTED.....	413,786	412,895	409,431	410,146	409,410	408,512	405,972	404,027	403,548	403,943	405,319	406,923
CADET/MIDSHIPMEN.....	4,125	4,123	4,096	4,089	4,083	4,071	4,063	3,064	4,271	4,189	4,173	4,149
TOTAL END STRENGTH.....	498,616	497,584	494,112	495,029	494,073	493,041	490,472	488,712	489,971	490,029	491,148	492,728

MPA FINANCIAL MANAGEMENT SYSTEM
SECTION 3 MONTHLY END STRENGTHS BY PAY GRADE
FY 2006

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
COMMISSIONED OFFICERS												
GEN.....	10	10	10	10	10	10	10	10	10	10	10	10
LTG.....	43	43	43	43	43	43	43	43	43	43	43	41
MG.....	103	103	103	103	103	103	103	103	103	103	103	99
BG.....	157	157	157	157	157	157	157	157	157	157	157	151
COL.....	3,644	3,634	3,629	3,644	3,634	3,626	3,620	3,691	3,728	3,722	3,713	3,554
LTC.....	8,986	8,962	8,949	8,987	8,961	8,941	8,926	9,101	9,193	9,177	9,157	8,745
MAJ.....	14,025	13,989	13,968	14,027	13,987	13,955	13,932	14,205	14,350	14,325	14,292	13,888
CPT.....	23,862	23,799	23,764	23,865	23,796	23,742	23,703	24,167	24,413	24,371	24,316	24,178
1LT.....	7,821	8,193	8,483	8,716	8,614	8,769	8,594	8,013	8,039	7,953	7,859	8,431
2LT.....	6,694	6,283	5,972	5,800	5,861	5,673	5,825	6,688	6,811	6,871	6,931	7,244
TOTAL.....	65,345	65,173	65,078	65,352	65,166	65,019	64,913	66,178	66,847	66,732	66,581	66,341
WARRANT OFFICERS												
CW5.....	401	402	406	407	406	407	408	409	411	411	413	442
CW4.....	1,579	1,584	1,599	1,605	1,600	1,603	1,606	1,613	1,619	1,620	1,626	1,589
CW3.....	2,911	2,920	2,948	2,959	2,949	2,954	2,961	2,973	2,984	2,986	2,997	3,264
CW2.....	4,762	4,777	4,821	4,840	4,823	4,832	4,843	4,863	4,881	4,883	4,903	4,707
WO1.....	2,133	2,140	2,160	2,168	2,161	2,165	2,170	2,179	2,187	2,188	2,197	2,307
TOTAL.....	11,786	11,823	11,934	11,979	11,939	11,961	11,988	12,037	12,082	12,088	12,136	12,309
TOTAL OFFICERS.....	77,131	76,996	77,012	77,331	77,105	76,980	76,901	78,215	78,929	78,820	78,717	78,650
ENLISTED PERSONNEL												
SGM.....	3,085	3,090	3,132	3,200	3,242	3,272	3,278	3,275	3,232	3,186	3,149	3,142
LSG/MSG.....	10,545	10,632	10,693	10,720	10,670	10,637	10,651	10,688	10,772	10,756	10,710	10,490
PSG/SFC.....	36,634	36,712	36,882	36,871	36,780	36,718	36,888	37,139	37,356	37,538	37,357	37,106
SSG.....	56,952	57,117	57,357	57,564	57,323	57,123	57,219	57,598	57,947	58,264	58,110	57,322
SGT.....	72,609	72,831	73,126	73,507	73,301	73,028	73,218	73,794	74,320	74,777	74,615	72,375
CPL/SPC.....	109,853	109,561	109,353	109,117	110,301	111,955	113,105	113,023	112,642	111,570	111,840	110,893
PFC.....	54,049	54,367	52,733	53,462	54,725	54,747	55,406	55,897	54,679	56,688	57,252	54,062
PV2.....	30,964	31,056	31,989	31,767	31,621	32,172	32,013	32,004	31,283	31,221	31,371	31,230
PV1.....	23,243	22,860	21,048	21,273	19,999	18,989	19,319	20,034	21,099	22,114	23,118	23,130
TOTAL ENLISTED.....	397,934	398,226	396,313	397,481	397,962	398,641	401,097	403,452	403,330	406,114	407,522	399,750
CADET/MIDSHIPMEN.....	4,108	4,098	4,096	4,088	4,067	4,054	4,050	3,070	4,232	4,174	4,154	4,000
TOTAL END STRENGTH.....	479,173	479,320	477,421	478,900	479,134	479,675	482,048	484,737	486,491	489,108	490,393	482,400

MPA FINANCIAL MANAGEMENT SYSTEM
SECTION 3 MONTHLY END STRENGTHS BY PAY GRADE
FY 2007

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
COMMISSIONED OFFICERS												
GEN.....	10	10	10	10	10	10	10	10	10	10	10	10
LTG.....	43	43	43	43	43	43	43	43	43	43	43	41
MG.....	103	103	103	103	103	103	103	103	103	103	103	99
BG.....	157	157	157	157	157	157	157	157	157	157	157	151
COL.....	3,587	3,577	3,569	3,583	3,572	3,563	3,555	3,621	3,655	3,646	3,635	3,554
LTC.....	8,884	8,859	8,840	8,875	8,848	8,824	8,805	8,969	9,052	9,030	9,002	8,745
MAJ.....	14,035	13,995	13,966	14,021	13,978	13,939	13,910	14,168	14,300	14,266	14,222	13,888
CPT.....	23,912	23,845	23,794	23,888	23,814	23,749	23,699	24,139	24,363	24,306	24,230	24,177
1LT.....	7,642	8,361	8,200	8,170	8,375	8,452	8,492	8,027	8,106	8,060	7,944	8,431
2LT.....	6,809	6,049	6,179	6,267	6,017	5,900	5,830	6,562	6,617	6,628	6,699	7,244
TOTAL.....	65,182	64,999	64,861	65,117	64,917	64,740	64,604	65,799	66,406	66,249	66,045	66,340
WARRANT OFFICERS												
CW5.....	406	407	411	412	410	411	411	413	414	414	415	447
CW4.....	1,602	1,606	1,619	1,624	1,618	1,619	1,621	1,626	1,630	1,630	1,635	1,609
CW3.....	2,953	2,960	2,984	2,994	2,982	2,984	2,988	2,998	3,005	3,005	3,013	3,304
CW2.....	4,830	4,842	4,882	4,897	4,878	4,881	4,887	4,903	4,916	4,915	4,929	4,765
WO1.....	2,164	2,169	2,187	2,194	2,185	2,187	2,190	2,197	2,202	2,202	2,208	2,335
TOTAL.....	11,955	11,984	12,083	12,121	12,073	12,082	12,097	12,137	12,167	12,166	12,200	12,460
TOTAL OFFICERS.....	77,137	76,983	76,944	77,238	76,990	76,822	76,701	77,936	78,573	78,415	78,245	78,800
ENLISTED PERSONNEL												
SGM.....	3,050	3,040	3,080	3,135	3,175	3,197	3,205	3,211	3,174	3,128	3,083	3,141
LSG/MSG.....	10,667	10,674	10,732	10,726	10,669	10,640	10,653	10,681	10,700	10,684	10,641	10,486
PSG/SFC.....	36,468	36,301	36,453	36,337	36,241	36,218	36,259	36,365	36,599	36,669	36,507	37,092
SSG.....	56,072	55,845	56,049	55,992	55,796	55,763	55,742	55,890	56,123	56,335	56,264	57,301
SGT.....	73,145	72,645	72,783	72,731	72,521	72,410	72,405	72,534	72,721	73,076	73,043	72,348
CPL/SPC.....	112,147	113,314	112,839	112,963	113,870	114,798	115,964	116,578	116,132	115,091	114,941	110,850
PFC.....	56,575	56,772	54,018	56,233	58,050	57,059	56,527	55,727	53,344	55,310	54,783	54,041
PV2.....	31,043	31,648	32,306	32,438	32,022	31,887	31,796	32,168	31,112	31,450	31,781	31,219
PV1.....	22,858	22,733	19,722	19,926	19,680	19,098	18,789	18,129	19,442	20,081	18,835	23,122
TOTAL ENLISTED.....	402,025	402,972	397,982	400,481	402,024	401,070	401,340	401,283	399,347	401,824	399,878	399,600
CADET/MIDSHIPMEN.....	4,108	4,098	4,096	4,088	4,067	4,054	4,050	3,070	4,232	4,174	4,154	4,000
TOTAL END STRENGTH.....	483,270	484,053	479,022	481,807	483,081	481,946	482,091	482,289	482,152	484,413	482,277	482,400

SECTION 3
AVERAGE STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 2005		ESTIMATE FY 2006		ESTIMATE FY 2007	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
GEN.....	11	0	10	0	10	0
LTG.....	41	0	43	0	43	0
MG.....	117	2	103	2	103	2
BG.....	181	4	157	4	157	4
COL.....	4,421	29	4,074	29	3,593	29
LTC.....	11,520	78	10,044	78	8,894	78
MAJ.....	18,255	155	15,937	155	14,297	155
CPT.....	28,009	228	27,172	228	24,492	228
1LT.....	11,995	117	9,368	117	8,188	117
2LT.....	8,410	2	7,216	2	6,400	2
TOTAL COMMISSIONED OFFICERS.....	82,960	615	74,124	615	66,177	615
WARRANT OFFICERS						
CW5.....	486	1	458	1	414	1
CW4.....	2,117	4	1,786	4	1,619	4
CW3.....	3,927	6	3,368	6	3,013	6
CW2.....	5,361	6	5,359	6	4,875	6
WO1.....	2,237	1	2,418	1	2,201	1
TOTAL WARRANT OFFICERS.....	14,128	18	13,389	18	12,122	18
TOTAL OFFICER PERSONNEL.....	97,088	633	87,513	633	78,299	633
ENLISTED PERSONNEL						
SGM.....	4,154	23	3,489	23	3,135	23
1SG/MSG.....	14,885	45	11,652	45	10,663	45
PSG/SFC.....	47,492	158	40,373	158	36,460	158
SSG.....	75,629	197	62,846	190	56,284	190
SGT.....	104,660	184	80,217	191	72,698	191
CPL/SPC.....	154,389	158	122,053	158	115,112	158
PFC.....	64,751	110	60,059	110	55,704	110
PV2.....	31,034	13	34,185	13	31,740	13
PV1.....	16,677	3	22,795	3	20,202	3
TOTAL ENLISTED PERSONNEL.....	513,671	891	437,669	891	401,998	891
TOTAL OFF & ENL PERSONNEL.....	610,759	1,524	525,182	1,524	480,297	1,524
CADETS.....	4,041	0	4,016	0	4,016	0
TOTAL AVERAGE STRENGTH.....	614,800	1,524	529,198	1,524	484,313	1,524

SECTION 3
ACTIVE DUTY STRENGTHS BY MONTH
(IN THOUSANDS)

	ACTUAL FY 2005				ESTIMATE FY 2006				ESTIMATE FY 2007			
	OFF	ENL	CAD	TOTAL	OFF	ENL	CAD	TOTAL	OFF	ENL	CAD	TOTAL
SEPTEMBER.....	78.174	400.089	4.137	482.400	78.649	399.748	4.000	482.397	78.649	399.748	4.000	482.397
OCTOBER.....	80.705	413.786	4.125	498.616	80.547	405.715	4.134	490.396	77.137	402.025	4.108	483.270
NOVEMBER.....	80.566	412.895	4.123	497.584	80.295	407.118	4.129	491.542	76.983	402.972	4.098	484.053
DECEMBER.....	80.585	409.431	4.096	494.112	80.386	404.458	4.100	488.944	76.944	397.982	4.096	479.022
JANUARY.....	80.794	410.146	4.089	495.029	77.331	397.481	4.088	478.900	77.238	400.481	4.088	481.807
FEBRUARY.....	80.580	409.410	4.083	494.073	77.105	397.962	4.067	479.134	76.990	402.024	4.067	483.081
MARCH.....	80.458	408.512	4.071	493.041	76.980	398.641	4.054	479.675	76.822	401.070	4.054	481.946
APRIL.....	80.437	405.972	4.063	490.472	76.901	401.097	4.050	482.048	76.701	401.340	4.050	482.091
MAY.....	81.621	404.027	3.064	488.712	78.215	403.452	3.070	484.737	77.936	401.283	3.070	482.289
JUNE.....	82.152	403.548	4.271	489.971	78.929	403.330	4.232	486.491	78.573	399.347	4.232	482.152
JULY.....	81.897	403.943	4.189	490.029	78.820	406.114	4.174	489.108	78.415	401.824	4.174	484.413
AUGUST.....	81.656	405.319	4.173	491.148	78.717	407.522	4.154	490.393	78.245	399.878	4.154	482.277
SEPTEMBER.....	81.656	406.923	4.149	492.728	78.650	399.750	4.000	482.400	78.800	399.600	4.000	482.400
AVERAGE STRENGTH...	97.088	513.671	4.041	614.800	87.513	437.669	4.016	529.198	78.299	401.998	4.016	484.313
(TTAD MANYRS INCL)	0.177	0.136		0.313	0.241	0.187		0.428	0.240	0.185		0.425
TTAD \$M.....	18.872	7.120		25.992	26.702	10.066		36.768	27.526	10.282		37.808
(CONTINGENCY MANYRS INCLUDED).....	0.542	1.309		1.851	0.498	0.987		1.485	0.499	0.989		1.488
CONTINGENCY \$M.....	51.925	84.494		136.419	47.704	63.705		111.409	49.279	65.651		114.930
MOBILIZED MANYRS.....	15.908	105.382		121.290	9.040	35.845		44.885	0.000	0.000		0.000

- 1/ Includes reimbursable Active Duty Strength
- 2/ Temporary Tours of Active Duty (TTAD) for less than 180 days is reflected in the average strength row.
- 3/ FY06 column includes actuals through December 2005.
- 4/ The FY 2006 column reflects baseline end strength and work years funding with Title IX. The Army began FY 2006 approximately 10,300 over baseline end strength and plans to execute approximately 16,300 over the base force of 482,400 end strength in FY 2006. The Army intends to seek supplemental funds to finance the over strength.
- 5/ Contingency man-years are for contingencies other than Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF).
- 6/ GWOT Supplemental Mobilized Man-years in support of OEF/OIF.

SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

	ACTUAL FY 2005	ESTIMATE FY 2006	ESTIMATE FY 2007
OFFICERS			
BEGINNING STRENGTH.....	80,968	78,500	78,650
GAINS (BY SOURCE)			
SERVICE ACADEMIES.....	1,044	1,044	1,044
ROTC.....	3,617	2,366	2,366
OFFICER CANDIDATE SCHOOL.....	1,496	1,412	1,412
VOLUNTARY ACTIVE DUTY.....	0	0	0
DIRECT APPOINTMENTS.....	455	930	930
WARRANT OFFICER PROGRAMS.....	1,301	1,329	1,329
OTHER.....	496	392	392
TOTAL GAINS.....	8,409	7,473	7,473
LOSSES (BY TYPE)			
EXPIRATION OF CONTRACT.....	1,828	1,767	1,767
RETIREMENT	3,246	3,138	3,138
DISABILITY.....	(116)	(112)	(112)
NON-DISABILITY.....	(3,130)	(3,026)	(3,026)
15 YEAR RETIREMENT.....	0	0	0
VOLUNTARY SEPARATION - VSI.....	0	0	0
VOLUNTARY SEPARATION - SSB.....	0	0	0
INVOLUNTARY SEP OF RESERVE.....	0	0	0
INVOLUNTARY SEP OF REGULAR.....	320	309	309
REDUCTION-IN-FORCE.....	0	0	0
ATTRITION.....	1,041	1,006	1,006
OTHER.....	1,286	1,103	1,103
TOTAL LOSSES.....	7,721	7,323	7,323
END STRENGTH.....	81,656	78,650	78,800
LESS: OVERSTRENGTH/STOP-LOSS.....	3,156	0	0

SECTION 3
GAINS AND LOSSES BY SOURCE AND TYPE

	ACTUAL FY 2005	ESTIMATE FY 2006	ESTIMATE FY 2007
ENLISTED			
BEGINNING STRENGTH.....	414,438	399,900	399,750
GAINS (BY SOURCE)			
NON-PRIOR SERVICE ENLISTMENTS.....	60,730	65,500	68,657
MALES.....	(50,282)	(53,865)	(56,985)
FEMALES.....	(10,448)	(11,635)	(11,672)
PRIOR SERVICE ENLISTMENTS.....	10,670	7,500	6,000
REENLISTMENT (IMM).....	68,057	64,200	62,445
RESERVE COMPONENTS.....	0	0	0
RETURNED TO MILITARY CONTROL.....	1,869	2,319	2,483
OTHER.....	805	0	0
GAIN ADJUSTMENT.....	0	0	0
TOTAL GAINS.....	142,131	139,519	139,585
LOSSES (BY TYPE)			
DRAFTEE AND REGULAR ARMY			
ESTIMATED TERMINATION OF SERVICE...	32,059	29,794	30,594
NORMAL EARLY RELEASE.....	0	0	0
PROGRAMMED EARLY RELEASE.....	0	0	0
SEPARATIONS -VSI.....	0	0	0
SEPARATION - SSB.....	0	0	0
TO COMMISSIONED OFFICER			
AND WARRANT OFFICER.....	0	0	0
REENLISTMENT.....	68,057	64,200	62,445
RETIREMENT.....	8,380	7,003	7,103
15 YEAR RETIREMENT.....	0	0	0
DROPPED FROM ROLLS.....	3,508	3,880	4,035
ATTRITION ADVERSE CAUSES.....	14,676	14,787	15,422
OTHER ATTRITION.....	22,966	20,005	20,136
RESERVE COMPONENTS.....	0	0	0
TOTAL LOSSES.....	149,646	139,669	139,735
END STRENGTH.....	406,923	399,750	399,600
LESS: OVERSTRENGTH/STOP-LOSS.....	7,023	0	0
CADETS			
GAINS			
ENTERING CADETS.....	1,256	1,162	1,162
LOSSES			
ATTRITION.....	237	1,162	1,162
GRADUATES.....	1,007	0	0

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
1. BASIC PAY.....	5,555,906	13,518,820	19,074,726	5,211,608	11,365,369	16,576,977	4,773,474	10,514,144	15,287,618
2A. RETIRED PAY ACCRUAL.....	1,507,308	3,699,723	5,207,031	1,380,698	3,011,773	4,392,471	1,266,221	2,786,578	4,052,799
2B. HEALTH CARE ACCRUAL.....	398,479	2,025,505	2,423,984	0	0	0	0	0	0
3. BASIC ALLOWANCE FOR HOUSING.....	1,386,650	3,796,680	5,183,330	1,439,430	3,122,568	4,561,998	1,191,126	2,524,779	3,715,905
A. DOMESTIC.....	1,204,559	3,614,681	4,819,240	1,304,405	2,947,749	4,252,154	1,068,689	2,374,392	3,443,081
1. WITH DEPENDENTS.....	925,278	2,995,849	3,921,127	997,382	2,527,812	3,525,194	841,809	2,027,392	2,869,201
2. WITHOUT DEPENDENTS.....	278,884	567,457	846,341	306,599	405,505	712,104	226,464	334,596	561,060
3. SUBSTANDARD HOUSING.....	0	242	242	0	269	269	0	266	266
4. PARTIAL.....	397	51,133	51,530	424	14,163	14,587	416	12,138	12,554
B. OVERSEAS.....	182,091	181,999	364,090	135,025	174,819	309,844	122,437	150,387	272,824
1. WITH DEPENDENTS.....	65,619	43,006	108,625	67,482	86,867	154,349	63,293	77,212	140,505
2. WITHOUT DEPENDENTS.....	116,472	138,993	255,465	67,543	87,952	155,495	59,144	73,175	132,319
4. SUBSISTENCE.....	212,850	2,978,774	3,191,624	198,952	1,622,673	1,821,625	181,536	1,441,445	1,622,981
A. BASIC ALLOWANCE FOR SUBSISTENCE.....	212,850	1,280,650	1,493,500	198,952	811,859	1,010,811	181,536	855,617	1,037,153
1. AUTHORIZED TO MESS SEPARATELY.....	212,850	1,377,701	1,590,551	198,952	991,393	1,190,345	181,536	1,038,292	1,219,828
2. LEAVE RATIONS.....		0	0		0	0		0	0
3. RATIONS-IN-KIND NOT AVAILABLE.....		21,042	21,042		0	0		0	0
4. AUGMENTATION FOR SEPARATE MEALS.....		0	0		0	0		0	0
5. LESS COLLECTIONS.....		118,093	118,093		179,534	179,534		182,675	182,675
B. SUBSISTENCE IN KIND.....		1,697,196	1,697,196		807,621	807,621		582,540	582,540
1. SUBSISTENCE IN MESSES.....		1,027,728	1,027,728		447,454	447,454		306,160	306,160
2. OPERATIONAL RATIONS.....		627,649	627,649		317,616	317,616		236,783	236,783
3. AUGMENTATION RATIONS/OTHER.....		41,819	41,819		42,551	42,551		39,597	39,597
C. FAMILY SUBSISTENCE SUPPLE ALLOW(FSSA).....		928	928		3,193	3,193		3,288	3,288

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
5. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER.....	97,849	85,847	183,696	108,791	99,252	208,043	99,060	85,392	184,452
A. FLYING DUTY PAY.....	80,511	29,785	110,296	96,948	8,772	105,720	88,302	7,581	95,883
1. AVIATION CAREER, OFFICERS.....	68,330		68,330	73,388		73,388	67,010		67,010
2. CREW MEMBERS, ENLISTED.....		29,069	29,069		7,845	7,845		6,654	6,654
3. NONCREW MEMBERS.....	169	716	885	148	927	1,075	148	927	1,075
4. AVIATION CONTINUATION PAY.....	12,012		12,012	23,268		23,268	21,000		21,000
5. CREW NON-RATED.....	0		0	144		144	144		144
B. PARACHUTE JUMP PAY.....	11,232	52,489	63,721	10,425	72,346	82,771	10,425	62,228	72,653
C. DEMOLITION PAY.....	407	3,195	3,602	266	10,450	10,716	266	8,939	9,205
D. MILITARY FIREFIGHTERS.....		0	0		599	599		599	599
E. ASSIGNMENT INCENTIVE PAY (KOREA).....		0	0		6,840	6,840		5,800	5,800
F. OTHER.....	5,699	378	6,077	1,152	245	1,397	67	245	312
6. SPECIAL PAYS.....	360,045	1,452,442	1,812,487	252,223	940,898	1,193,121	229,703	601,536	831,239
A. PHYSICIAN MEDICAL.....	195,267		195,267	187,061		187,061	161,603		161,603
B. DENTIST MEDICAL.....	25,037		25,037	32,964		32,964	28,757		28,757
C. NURSE MEDICAL.....	3,457		3,457	5,633		5,633	4,903		4,903
D. BOARD CERTIFIED PAY FOR NONPHYSICIAN HEALTH CARE PROVIDER.....	2,864		2,864	1,600		1,600	1,614		1,614
E. DIPLOMATE PAY FOR PSYCHOLOGISTS.....	174		174	174		174	174		174
F. OPTOMETRIST MEDICAL.....	150		150	836		836	836		836
G. PHARMACY MEDICAL.....	0		0	1,536		1,536	1,560		1,560
H. VETERINARIAN MEDICAL.....	508		508	1,169		1,169	1,169		1,169
I. SEA AND FOREIGN DUTY.....	31,626	200,800	232,426	9,323	57,778	67,101	8,234	50,083	58,317
1. SEA DUTY.....	561	657	1,218	674	926	1,600	674	926	1,600
2. HARDSHIP DUTY PAY.....	31,065	200,117	231,182	8,649	52,277	60,926	7,560	44,582	52,142
3. OVERSEAS EXTENSION PAY.....		26	26		4,575	4,575		4,575	4,575
J. FOREIGN LANGUAGE PROFICIENCY PAY.....	4,244	9,681	13,925	5,263	22,743	28,006	14,636	46,313	60,949
K. DIVING DUTY PAY.....	153	1,362	1,515	140	866	1,006	140	866	1,006
L. REENLISTMENT BONUS.....		505,592	505,592		419,889	419,889		103,567	103,567
M. SPECIAL DUTY ASSIGN PAY.....		89,045	89,045		116,266	116,266		99,592	99,592
N. ENLISTMENT BONUS.....		165,886	165,886		237,832	237,832		200,307	200,307
O. EDUCATION BENEFITS.....		46,466	46,466		20,721	20,721		38,601	38,601
P. LOAN REPAYMENT.....		34,280	34,280		49,281	49,281		49,042	49,042
Q. HOSTILE FIRE PAY.....	94,986	399,330	494,316	2,843	15,522	18,365	2,867	13,165	16,032
R. JUDGE ADVOCATE CONTINUATION PAY.....	1,579		1,579	3,681		3,681	3,210		3,210
S. HIGH-DEPLOYMENT PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
7. ALLOWANCE.....	268,091	1,163,497	1,431,588	161,524	796,330	957,854	145,446	703,574	849,020
A. UNIFORM/CLOTHING									
ALLOWANCE.....	5,280	258,153	263,433	5,652	355,152	360,804	5,031	302,822	307,853
1. INITIAL ISSUE.....	5,280	78,563	83,843	3,492	93,824	97,316	3,571	96,607	100,178
A. MILITARY.....	4,914	75,506	80,420	2,749	91,158	93,907	2,797	93,892	96,689
B. CIVILIAN.....	366	3,057	3,423	743	2,666	3,409	774	2,715	3,489
2. ADDITIONAL ALLOWANCE.....	0		0	2,160		2,160	1,460		1,460
3. BASIC MAINTENANCE.....		64,383	64,383		75,968	75,968		66,260	66,260
4. STANDARD MAINTENANCE.....		102,052	102,052		155,278	155,278		125,103	125,103
5. SUPPLEMENTARY.....		11,017	11,017		25,479	25,479		9,897	9,897
6. OTHER.....		2,138	2,138		4,603	4,603		4,955	4,955
B. STATION ALLOWANCE									
OVERSEAS.....	185,292	509,544	694,836	116,967	325,404	442,371	112,925	300,586	413,511
1. COST OF LIVING.....	166,393	446,839	613,232	104,165	303,315	407,480	101,085	277,724	378,809
2. TEMPORARY LODGING.....	18,899	62,705	81,604	12,802	22,089	34,891	11,840	22,862	34,702
C. CONUS COLA.....	11,364	54,479	65,843	7,299	25,230	32,529	6,429	21,372	27,801
D. FAMILY SEPARATION									
ALLOWANCES.....	66,097	341,319	407,416	31,558	90,540	122,098	21,013	78,790	99,803
1. PCS - NO GOVERNMENT									
QUARTERS.....	3,847	0	3,847	5,110	12,930	18,040	4,678	11,230	15,908
2. PCS - DEPENDENTS									
NOT AUTHORIZED.....	37,443	46,815	84,258	15,483	43,041	58,524	6,798	37,497	44,295
3. TDY.....	24,807	294,504	319,311	10,965	34,569	45,534	9,537	30,063	39,600
E. PERSONAL MONEY									
ALLOWANCE.....	58	2	60	48	4	52	48	4	52

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
8. SEPARATION PAY.....	44,261	344,921	389,182	70,183	318,515	388,698	69,415	305,407	374,822
A. TERMINAL LEAVE PAY.....	18,192	91,718	109,910	24,696	95,782	120,478	22,238	82,247	104,485
B. DONATIONS.....		0	0		0	0		0	0
C. SEVERANCE PAY, DISABILITY.....	8,992	116,919	125,911	6,797	92,937	99,734	6,169	86,442	92,611
D. SEVERANCE PAY, NON-PROMOTION.....	0		0	0		0	0		0
E. SEVERANCE PAY, INVOL HALF (5%).....	39	18,016	18,055	80	7,446	7,526	82	10,221	10,303
F. SEVERANCE PAY, INVOL FULL (10%).....	2,191	14,516	16,707	8,374	15,492	23,866	9,301	17,448	26,749
G. SEVERANCE PAY, VSI.....	14,378	13,152	27,530	25,817	5,703	31,520	21,625	5,760	27,385
H. SEVERANCE PAY, SSB.....	0	0	0	0	0	0	0	0	0
I. SEVERANCE PAY, 15 YR RETIREMENT.....	0	0	0	0	0	0	0	0	0
J. \$30,000 LUMP SUM BONUS.....	469	90,600	91,069	4,419	101,155	105,574	10,000	103,289	113,289
9. SPECIAL COMPENSATION FOR COMBAT RELATED DISABLED.....	0	0	0	0	0	0	0	0	0
10. RC RETURNED FOR DISABILITY (HIGH 36MTHS AVG).....		0	0		0	0		0	0
11. SOCIAL SECURITY TAX PAYMENTS.....	419,535	1,029,371	1,448,906	395,154	859,400	1,254,554	365,133	804,228	1,169,361
12. PERMANENT CHANGE OF STATION TRAVEL.....	305,096	719,943	1,025,039	399,051	826,337	1,225,388	354,978	643,820	998,798
13. OTHER MILITARY PERSONNEL COSTS.....	94,212	582,911	677,123	154,326	264,699	419,025	117,626	170,058	287,684
A. APPREHENSION OF DESERTERS.....		838	838		1,398	1,398		1,407	1,407
B. INTEREST ON SOLDIERS' DEPOSIT.....	270	9,832	10,102	142	152	294	98	105	203
C. DEATH GRATUITIES.....	79,372	298,850	378,222	28,145	30,793	58,938	1,173	5,588	6,761
D. UNEMPLOYMENT COMPENSATION.....		201,932	201,932		152,539	152,539		153,072	153,072
E. SURVIVOR BENEFITS.....		5,587	5,587		3,677	3,677		3,378	3,378
F. EDUCATION BENEFITS.....		2,979	2,979		4,214	4,214		2,184	2,184
G. ADOPTION EXPENSES.....	332	110	442	334	112	446	560	186	746
H. SPECIAL COMPENSATION.....		0	0		0	0		0	0
I. MASS TRANSIT SUBSIDY.....	2,771	2,771	5,542	2,155	2,153	4,308	2,172	2,172	4,344
J. PARTIAL DLA.....	128	482	610	518	1,950	2,468	523	1,966	2,489
K. SGLI EXTRA HAZARD PAYMENTS.....	11,339	59,530	70,869	3,649	19,159	22,808	0	0	0
L. SGLI TRAUMATIC INJURY PAYMENTS.....	0	0	0	9,248	48,552	57,800	0	0	0
M. JROTC.....	0		0	28,241		28,241	28,925		28,925
N. ROTC.....	0		0	81,894		81,894	84,175		84,175

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
14. CADET.....	51,510		51,510	53,392		53,392	55,818		55,818
SUBTOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....									
	10,701,792	31,398,434	42,100,226	9,825,332	23,227,814	33,053,146	8,849,536	20,580,961	29,430,497
15. LESS REIMBURSABLES.....	110,496	150,075	260,571	182,136	116,038	298,174	199,575	119,019	318,594
A. RETIRED PAY ACCRUAL.....	6,276	9,313	15,589	32,584	14,933	47,517	35,740	15,098	50,838
B. OTHER.....	104,220	140,762	244,982	149,552	101,105	250,657	163,835	103,921	267,756
TOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST.....									
	10,591,296	31,248,359	41,839,655	9,643,196	23,111,776	32,754,972	8,649,961	20,461,942	29,111,903

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2006

PB07	FY 2006 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	TITLE IX	HURRICANE	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2006 REVISED
PAY AND ALLOWANCES OF OFFICERS									
BASIC PAY.....	4,497,305	(78,399)	673,780	0	5,092,686	0	5,092,686	0	5,092,686
RETIRED PAY ACCRUAL.....	1,190,716	(20,725)	178,123	0	1,348,114	0	1,348,114	0	1,348,114
HEALTH CARE ACCRUAL.....	0	0	0	0	0	0	0	0	0
INCENTIVE PAY.....	98,295	(1,382)	11,875	0	108,788	0	108,788	0	108,788
SPECIAL PAY.....	220,791	(4,145)	35,625	0	252,271	0	252,271	0	252,271
BASIC ALLOWANCE FOR HOUSING.....	1,251,691	(22,108)	189,998	0	1,419,581	0	1,419,581	0	1,419,581
BASIC ALLOWANCE FOR SUBSISTENCE	176,284	(2,764)	23,750	0	197,270	0	197,270	0	197,270
STATION ALLOWANCES OVERSEAS.....	106,475	(1,382)	11,875	0	116,968	0	116,968	0	116,968
CONUS COLA.....	6,461	(111)	949	0	7,299	0	7,299	0	7,299
UNIFORM ALLOWANCES.....	5,023	(83)	712	0	5,652	0	5,652	0	5,652
FAMILY SEPARATION ALLOWANCES....	27,885	(483)	4,156	0	31,558	0	31,558	0	31,558
SEPARATION PAYMENTS.....	62,101	(1,063)	9,144	0	70,182	0	70,182	0	70,182
SOCIAL SECURITY TAX -									
EMPLOYER CONTRIBUTION.....	344,086	(5,527)	47,499	0	386,058	0	386,058	0	386,058
SUPPLEMENTAL FUNDING.....	0	0	0	0	0	0	0	0	0
REIMBURSABLES.....	182,136	0	0	0	182,136	0	182,136	0	182,136
TOTAL OBLIGATIONS.....	8,169,249	(138,172)	1,187,486	0	9,218,563	0	9,218,563	0	9,218,563
LESS REIMBURSABLES.....	182,136	0	0	0	182,136	0	182,136	0	182,136
TOTAL OFFICER DIRECT OBLIGATIONS..	7,987,113	(138,172)	1,187,486	0	9,036,427	0	9,036,427	0	9,036,427

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2006

PB07	FY 2006							INTERNAL	PROPOSED	FY 2006
	PRESIDENTS BUDGET	CONGRESSIONAL ACTION	TITLE IX	HURRICANE	AVAILABLE APPROPRIATION	REALIGNMENT/ REPROGRAMMING	SUBTOTAL	DD 1415 ACTIONS	REVISIED	
PAY AND ALLOWANCES OF ENLISTED										
BASIC PAY.....	9,980,814	(172,661)	1,502,726	0	11,310,879	0	11,310,879	0	11,310,879	
RETIRED PAY ACCRUAL.....	2,644,425	(45,746)	398,160	0	2,996,839	0	2,996,839	0	2,996,839	
HEALTH CARE ACCRUAL.....	0	0	0	0	0	0	0	0	0	
INCENTIVE PAY.....	85,802	(1,128)	14,578	0	99,252	0	99,252	0	99,252	
SPECIAL PAY.....	87,277	(779)	10,415	0	96,913	0	96,913	0	96,913	
SPECIAL DUTY ASSIGNMENT PAY.....	100,078	(1,731)	17,920	0	116,267	0	116,267	0	116,267	
REENLISTMENT BONUS.....	102,666	(1,777)	319,000	0	419,889	0	419,889	0	419,889	
ENLISTMENT BONUS.....	135,171	(2,339)	105,000	0	237,832	0	237,832	0	237,832	
EDUCATIONAL BENEFITS.....	17,836	(309)	3,193	0	20,720	0	20,720	0	20,720	
LOAN REPAYMENT PROGRAM.....	50,145	(864)	0	0	49,281	0	49,281	0	49,281	
BASIC ALLOWANCE FOR HOUSING.....	2,668,230	(47,266)	495,992	0	3,116,956	0	3,116,956	0	3,116,956	
STATION ALLOWANCES OVERSEAS.....	283,561	(4,906)	46,749	0	325,404	0	325,404	0	325,404	
CONUS COLA.....	21,717	(376)	3,889	0	25,230	0	25,230	0	25,230	
CLOTHING ALLOWANCES.....	305,712	(5,375)	54,647	0	354,984	0	354,984	0	354,984	
FAMILY SEPARATION ALLOWANCES.....	77,931	(1,347)	13,955	0	90,539	0	90,539	0	90,539	
SEPARATION PAYMENTS.....	294,474	(4,991)	29,042	0	318,525	0	318,525	0	318,525	
RC RETURNED FOR DISABILITY (HIGH 36MTHS AVG).....	0	0	0	0	0	0	0	0	0	
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION.....	754,841	(13,058)	113,410	0	855,193	0	855,193	0	855,193	
SUPPLEMENTAL FUNDING.....	0	0	0	0	0	0	0	0	0	
REIMBURSABLES.....	79,402	0	0	0	79,402	0	79,402	0	79,402	
TOTAL OBLIGATIONS.....	17,690,082	(304,653)	3,128,676	0	20,514,105	0	20,514,105	0	20,514,105	
LESS REIMBURSABLES.....	79,402	0	0	0	79,402	0	79,402	0	79,402	
TOTAL ENLISTED DIRECT OBLIGATIONS	17,610,680	(304,653)	3,128,676	0	20,434,703	0	20,434,703	0	20,434,703	
PAY AND ALLOWANCES OF CADETS										
TOTAL OBLIGATIONS.....	54,331	(939)	0	0	53,392	0	53,392	0	53,392	
TOTAL CADET DIRECT OBLIGATIONS....	54,331	(939)	0	0	53,392	0	53,392	0	53,392	

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2006

PB07	FY 2006 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	TITLE IX	HURRICANE	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2006 REVISED
SUBSISTENCE OF ENLISTED PERSONNEL									
BASIC ALLOWANCE FOR SUBSISTENCE	827,257	(15,398)	0	0	811,859	0	811,859	0	811,859
SUBSISTENCE-IN-KIND	527,137	(8,037)	254,058	0	773,158	0	773,158	0	773,158
FAMILY SUBSISTENCE									
SUPPLEMENTAL ALLOWANCE	3,244	(51)	0	0	3,193	0	3,193	0	3,193
SUPPLEMENTAL FUNDING	0	0	0	0	0	0	0	0	0
REIMBURSABLES	34,463	0	0	0	34,463	0	34,463	0	34,463
TOTAL OBLIGATIONS.....	1,392,101	(23,486)	254,058	0	1,622,673	0	1,622,673	0	1,622,673
LESS REIMBURSABLES.....	34,463	0	0	0	34,463	0	34,463	0	34,463
TOTAL ENL SUBSISTENCE									
DIRECT OBLIGATIONS.....	1,357,638	(23,486)	254,058	0	1,588,210	0	1,588,210	0	1,588,210
PERMANENT CHANGE OF STATION									
ACCESSION TRAVEL.....	209,851	(3,189)	2,093	0	208,755	0	208,755	0	208,755
TRAINING TRAVEL.....	54,855	(1,153)	2,904	0	56,606	0	56,606	0	56,606
OPERATIONAL TRAVEL.....	198,988	(3,844)	67,778	25,353	288,275	0	288,275	0	288,275
ROTATIONAL TRAVEL.....	408,616	(8,194)	29,096	0	429,518	0	429,518	0	429,518
SEPARATION TRAVEL.....	173,045	(2,509)	0	0	170,536	0	170,536	0	170,536
ORGANIZED UNIT TRAVEL.....	3,561	(294)	6,339	0	9,606	0	9,606	0	9,606
NON-TEMPORARY STORAGE.....	34,883	0	0	0	34,883	0	34,883	0	34,883
TEMPORARY LODGING EXPENSE.....	25,036	0	0	0	25,036	0	25,036	0	25,036
SUPPLEMENTAL FUNDING.....	0	0	0	0	0	0	0	0	0
REIMBURSABLES.....	2,173	0	0	0	2,173	0	2,173	0	2,173
TOTAL OBLIGATIONS.....	1,111,008	(19,183)	108,210	25,353	1,225,388	0	1,225,388	0	1,225,388
LESS REIMBURSABLES.....	2,173	0	0	0	2,173	0	2,173	0	2,173
TOTAL PCS DIRECT OBLIGATIONS.....	1,108,835	(19,183)	108,210	25,353	1,223,215	0	1,223,215	0	1,223,215

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 2006

PB07	FY 2006 PRESIDENTS BUDGET	CONGRESSIONAL ACTION	TITLE IX	HURRICANE	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2006 REVISED
OTHER MILITARY PERSONNEL COSTS									
APPREHENSION OF MILITARY DESERTERS									
ABSENTEES AND ESCAPED MILITARY									
PRISONERS.....	1,416	(18)	0	0	1,398	0	1,398	0	1,398
DEATH GRATUITIES/TSGLI.....	7,080	(1,431)	111,089	0	116,738	0	116,738	0	116,738
UNEMPLOYMENT BENEFITS PAID TO									
EX-SERVICE MEMBERS.....	146,550	(1,834)	7,823	0	152,539	0	152,539	0	152,539
SURVIVOR BENEFITS.....	3,724	(47)	0	0	3,677	0	3,677	0	3,677
ADOPTION COSTS.....	452	(6)	0	0	446	0	446	0	446
EDUCATIONAL BENEFITS.....	4,268	(54)	0	0	4,214	0	4,214	0	4,214
SOLDIER INTEREST ON DEPOSIT.....	203	(4)	95	0	294	0	294	0	294
SPECIAL COMPENSATION.....	0	0	0	0	0	0	0	0	0
MASS TRANSIT.....	4,364	(56)	0	0	4,308	0	4,308	0	4,308
PARTIAL DLA.....	2,500	(32)	0	0	2,468	0	2,468	0	2,468
ROTC.....	82,933	(1,039)	0	0	81,894	0	81,894	0	81,894
JROTC.....	28,600	(359)	0	0	28,241	0	28,241	0	28,241
OTHER.....	0	0	22,808	0	22,808	0	22,808	0	22,808
SUPPLEMENTAL FUNDING.....	0	0	0	0	0	0	0	0	0
REIMBURSABLES.....	0	0	0	0	0	0	0	0	0
TOTAL OBLIGATIONS.....	282,090	(4,880)	141,815	0	419,025	0	419,025	0	419,025
LESS REIMBURSABLES.....	0	0	0	0	0	0	0	0	0
TOTAL OMPC DIRECT OBLIGATIONS.....	282,090	(4,880)	141,815	0	419,025	0	419,025	0	419,025
TOTAL DIRECT OBLIGATIONS.....	28,400,687	(491,313)	4,820,245	25,353	32,754,972	0	32,754,972	0	32,754,972

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

	BA1	BA2	BA3	BA4	BA5	BA6
FY 2006 Direct Program	9,036,427	20,434,703	53,392	1,588,210	1,223,215	419,025
Increases:						
Pricing Increases:						
Annualization of FY 2006 Pay Raise (3.1%) effective 1 Jan 2006	51,143	110,827	90			
FY 2007 Pay Raise (2.2% with additional increases for warrant officers and mid-grade senior enlisted personnel) effective 1 Jan 2007	121,252	262,008	980			
Annualization of FY 2006 Pay Raise (3.1%) for Dislocation Allowance effective 1 Jan 2006					264	
FY 2007 Pay Raise for Dislocation Allowance (2.2% with additional increases for warrant officers and mid-grade senior enlisted personnel) effective 1 Jan 2007					680	
Inflation Rate (2.2%)						
Cadet Subsistence rate change \$6.50 to \$6.60 effective 1 Jan 2007			242			
Basic Allowance for Subsistence rate change (1.9%)				19,358		
Subsistence in Kind rates increase				11,618		
Family Subsistence Supplemental Allowance rate increase				46		
Enlisted Clothing Allowance rate change		6,004				
Annualization for FY 2006 Basic Allowance for Housing Rates (6%) effective 1Jan 2006	15,317	31,986				
FY 2007 Basic Allowance for Housing Rates (6%) effective 1Jan 2007	48,913	101,746				
Cost of Living CONUS rate	103					
Overseas Station Allowance for Temporary Lodging	193					
Increase in Foreign Currency rates for Basic Allowance for Housing overseas	22,196					
Other Pricing Increases						
Educational Benefits rates increase		21,125				
Loan Repayment rate change		4,687				
Separation Pay rate change		4,643				
Family Separation Allowance rate change		431				
Household Goods Land/Sea rates increase					8,231	
POV Port/Sealift rates increase					1,212	
Temporary Lodging Expense rate increase					1,843	
Member travel rate increase					14,117	
Non-Temporary Storage rate increase					642	
Death Gratuities rate increase						200
Partial Dislocation Allowance rate increase						82
Total Pricing Increases	259,117	543,457	1,312	31,022	26,989	282
Program Increases						
Strength Related:						
Man-year/Grade Structure Changes	1,185	192	830			
New or Projected Increases to Programs/Compensation						
Separation Pay increase in number of payments	6,253	6,025				
Special Pay for Foreign Language Proficiency increase in payments	9,373	23,570				
G. I. Bill offset change		439				
Enlistment Bonus Program increase in the number of takers and amount offered		4,818				
Military Clothing initial issue		1,072				
Overseas Station Allowance increase in number receiving		378				
Cadet Subsistence Allowance increase to support increase in the number of cadets			284			

	BA1	BA2	BA3	BA4	BA5	BA6
Basic Allowance for Subsistence increase in number of soldiers receiving				22,468		
POV Port/Sealift increase in the number of personnel receiving the allowance					17,091	
Unemployment Benefits increase in the number of payments						9,235
Mass Transit Subsidy increase in number receiving						35
Adoption Expense increase in number receiving						298
New Mission - ROTC added to active component						2,281
New Mission - JROTC added to active component						684
Total Program Increases	16,811	46,004	1,114	22,468	17,091	12,533
Total Increases	275,928	589,461	2,426	53,490	44,080	12,815
Decreases:						
Pricing Decreases						
Other Pricing Decreases						
Overseas Station Allowance rate change		-726				
Selective Reenlistment Bonus rate change		-234				
Basic Pay (Longevity)	-15,780	-163,811				
Retired Pay Accrual (Longevity)	-4,186	-43,415				
Federal Insurance Contribution Act (FICA) (Longevity)	-1,158	-12,532				
Unemployment Compensation rate						-8,702
Total Pricing Decreases	-21,124	-220,718	0	0	0	-8,702
Program Decreases						
Strength Related:						
Man-year and Grade Structure changes	-850,317	-1,280,977				
Basic Allowance for Housing decrease in the number paid	-211,985	-731,518				
Family Separation Allowance decrease in payments	-10,726	-12,181				
Separation Pay decrease in payments	-8,014	-23,777				
CONUS Cost of Living decrease in payments	-973	-3,858				
Basic Allowance for Subsistence decrease in number receiving	-20,801	0				
Overseas Station Allowance decrease in number receiving	-7,177	-25,592				
Clothing Allowance decrease in number receiving	-636	-59,140				
Special Pay decrease in number receiving	-31,893	-13,518				
Incentive Pay decrease in number receiving	-9,731	-13,860				
Increase in reimbursable reduces direct program	-17,439	-1,590		-1,345	-46	
Special Duty Assignment Pay decrease in number receiving		-16,675				
Loan Repayment Program decrease in participants		-4,926				
Enlistment Bonus decrease in number receiving		-42,343				
Education Benefits decrease in the number of personnel receiving		-3,247				-2,030
Selective Reenlistment Bonus decrease in the number personnel receiving		-316,088				
Enlisted Basic Allowance for Subsistence decrease in number receiving				-234,718		
Member Travel decrease in the number receiving					-105,868	
Dependent Travel decrease in the number receiving					-63,331	
Dislocation Allowance decrease in number receiving					-47,406	
HHG Land/Seas decrease in the number of shipments					-49,647	
Temporary Lodging Expense Allowance decrease in the number receiving					-4,418	
Interest on Soldiers Deposits decrease in number receiving						-91
Death Gratuities Incremental costs associated with GWOT not included in the base budget						-52,366
SGLI Traumatic Injury payments costs associated with GWOT not included in the base budget						-57,800

	BA1	BA2	BA3	BA4	BA5	BA6
Survivor Benefits decrease in the number of personnel receiving						-299
Partial Dislocation Allowance decrease in the number of personnel receiving						-60
SGLI Extra Hazards payments. Costs not included in the base budget.						-22,808
Total Program Decreases	-1,169,692	-2,558,800	0	-236,063	-270,716	-135,454
Total Decreases	-1,190,816	-2,779,518	0	-236,063	-270,716	-144,156
FY 2007 Direct Program	8,121,539	18,244,646	55,818	1,405,637	996,579	287,684

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

Pay and Allowance of Officers

FY 2006 Direct Program

\$ 9,036,427

Increases:

Pricing Increases:

a.	Annualization of FY 2006 3.1% pay raise effective 1 Jan 2006.	51,143
b.	FY 2007 2.2% pay raise effective 1 Jan 2007.	121,252
c.	Basic Allowance for Housing (BAH) rates (housing cost growth) - Annualization of FY 2006 6.0% cost growth effective 1 Jan 2006.	15,317
d.	BAH rates (housing cost growth) - FY 2007 6.0% inflation effective 1 Jan 2007.	48,913
e.	Increase in rates for CONUS Cost of Living.	103
f.	Increase in rates for Overseas Station Allowance for Temporary Lodging.	193
g.	Increase in foreign currency rates for BAH Overseas.	22,196
	Total Pricing Increases	259,117

Program Increases:

a.	Strength Related - Grade Structure Changes.	1,185
b.	Increase in Separation (30K Lump Sum & Involuntary Full Pay) payments.	6,253
c.	Increase in special pay payments for Foreign Language Proficiency Pay.	9,373
	Total Program Increases	16,811

Total Increases

\$ 275,928

Decreases:

Pricing Decreases:

a.	Basic Pay (Longevity).	(15,780)
b.	Retired Pay Accrual (longevity)	(4,186)
c.	Federal Insurance Contribution Act (FICA) longevity	(1,158)
	Total Pricing Decreases	(21,124)

Program Decreases:

a.	Strength Related - Man-year and Grade Structure changes	(850,317)
b.	Decrease in Basic Allowance for Housing - decrease in number paid.	(211,985)
c.	Decrease in Family Separation Allowances - (decrease in number paid).	(10,726)
d.	Decrease in Separation pay (Disability, Voluntary Incentive & Lump Sum Terminal Leave) payments.	(8,014)
e.	Decrease in CONUS Cost of Living Allowance (decrease in number paid).	(973)
f.	Decrease in Basic Assistance for Subsistence (decrease in number paid).	(20,801)
g.	Decrease in Overseas Stations Allowance (decrease in number paid).	(7,177)
h.	Decrease in Uniform Clothing (decrease in number paid).	(636)
i.	Decrease in Special Pay (decrease in number paid).	(31,893)
j.	Decrease in Incentive Pay (decrease in number paid)	(9,731)
k.	Increase in reimbursable reduces direct program.	(17,439)
	Total Program Decreases	(1,169,692)

Total Decreases

\$ (1,190,816)

FY 2007 Direct Program

\$ 8,121,539

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 4,773,474
ESTIMATE FY 2006	\$ 5,211,608
ACTUAL FY 2005	\$ 5,555,906

Project: Basic Pay - Officers

Part I - Purpose and Scope

The funds requested will 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. Funds also provide for 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 FY 2007 military pay raise reflects a 2.2% across-the-board pay raise effective 1 January 2007 with selective increases for certain warrant officers effective 1 April 2007.

The net change in the basic pay requirement is -\$438.1 million between FY 2006 and FY 2007. The decrease is primarily due to the \$673.8 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Annualization of the 1 Jan 2006, 3.1 percent pay raise: +\$37.1 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$88.8 million.
- (3) Decrease in total officer man-years of -9,214: -\$548.8 million.
- (4) Grade structure changes: +\$0.6 million.
- (5) Change in basic pay rates (longevity): -\$15.8 million.

Detailed cost computations are provided by the following table:

OFFICER BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	11	\$ 148,298	\$ 1,631	10	\$ 151,522	\$ 1,515	10	\$ 153,651	\$ 1,537
LIEUTENANT GENERAL.....	41	144,557	5,927	43	151,128	6,499	43	156,807	6,743
MAJOR GENERAL.....	117	130,978	15,324	103	135,175	13,923	103	138,456	14,261
BRIGADIER GENERAL.....	181	116,079	21,010	157	119,573	18,773	157	122,245	19,192
COLONEL.....	4,421	98,503	435,482	4,074	102,999	419,618	3,593	105,657	379,626
LIEUTENANT COLONEL.....	11,520	79,773	918,985	10,044	83,697	840,653	8,894	86,149	766,209
MAJOR.....	18,255	67,729	1,236,393	15,937	70,545	1,124,276	14,297	72,084	1,030,585
CAPTAIN.....	28,009	53,441	1,496,829	27,172	55,283	1,502,150	24,492	56,104	1,374,099
1ST LIEUTENANT.....	11,995	40,860	490,116	9,368	42,197	395,301	8,188	42,752	350,053
2ND LIEUTENANT.....	8,410	30,510	256,589	7,216	32,029	231,121	6,400	32,985	211,104
SUBTOTAL.....	82,960		\$ 4,878,286	74,124		\$ 4,553,829	66,177		\$ 4,153,409
WARRANT OFFICER (W-5).....	486	\$ 71,959	\$ 34,972	458	\$ 74,770	\$ 34,245	414	\$ 77,795	\$ 32,207
WARRANT OFFICER (W-4).....	2,117	62,472	132,253	1,786	65,123	116,310	1,619	67,336	109,017
WARRANT OFFICER (W-3).....	3,927	52,128	204,707	3,368	54,430	183,320	3,013	56,907	171,461
WARRANT OFFICER (W-2).....	5,361	42,010	225,216	5,359	43,480	233,009	4,875	45,289	220,784
WARRANT OFFICER (W-1).....	2,237	35,973	80,472	2,418	37,591	90,895	2,201	39,344	86,596
SUBTOTAL.....	14,128		\$ 677,620	13,389		\$ 657,779	12,122		\$ 620,065
TOTAL OFFICER BASIC PAY...	97,088		\$ 5,555,906	87,513		\$ 5,211,608	78,299		\$ 4,773,474

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 1,266,221
ESTIMATE FY 2006	\$ 1,380,698
ACTUAL FY 2005	\$ 1,507,308

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 is 26.5 percent for FY 2007.

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

The FY 2007 military pay raise reflects a 2.2% across-the-board pay raise effective 1 January 2007 with selective increases for certain warrant officers effective 1 April 2007.

The net change in the retired pay accrual requirement is -\$114.5 million between FY 2006 and FY 2007. The decrease is primarily due to the \$178.1 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Annualization of the 1 Jan 2006, 3.1 percent pay raise: +\$9.8 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$23.6 million.
- (3) Decrease in officer man-years: -\$143.9 million.
- (4) Grade structure changes: +\$0.2 million.
- (5) Change in basic pay rates (longevity): -\$4.2 million.

Detailed cost computations are provided in the following table:

OFFICER RETIRED PAY ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	97,088	\$ 15,525.17	\$ 1,507,308	87,513	\$ 15,777.06	\$ 1,380,698	78,299	\$ 16,171.61	\$ 1,266,221

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 0
ESTIMATE FY 2006	\$ 0
ACTUAL FY 2005	\$ 398,479

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 health care accrual funding was transferred to Medicare-Eligible Retiree Health Fund Contribution, Army Account beginning in FY 2006 by The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375).

Detailed cost computations are provided by the following table:

OFFICER HEALTH CARE ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
HEALTH CARE ACCRUAL.....	\$ 398,479	\$ 0	\$ 0

ESTIMATE FY 2007	\$ 99,060
ESTIMATE FY 2006	\$ 108,791
ESTIMATE FY 2005	\$ 97,849

Project: Incentive Pay for Hazardous Duty - Officers

Part I - Purpose and Scope

The funds requested will provide 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 aero medical physician's 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 perform any calendar month a fumigation task utilizing phosphine, sulfuryl fluoride, hydrogen cyanide, methyl bromide, or a fumigant of comparable high acute toxicity and hazard potential.

Experimental Stress - serving as a human test subject in thermal stress experiments at Natick Laboratories, Natick, MA. The tests conducted include development of equipment (mostly clothing) and physiological testing. Also low pressure, high altitude chamber training is conducted at the US Army Aero medical 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 incentive pays for the number of officers receiving aviation career incentive pay requirement is -\$9.7 million between FY 2006 and FY 2007. The decrease is primarily due to the \$11.9 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY COMMISSIONED OFFICERS CATEGORY									
Crew 125.....	420	\$ 1,500	\$ 630	420	\$ 1,500	\$ 630	420	\$ 1,500	\$ 630
Crew 156.....	291	1,874	545	203	1,874	380	272	1,874	510
Crew 188.....	286	2,256	645	248	2,256	559	270	2,256	609
Crew 206.....	573	2,473	1,417	529	2,473	1,308	544	2,473	1,345
Crew 250.....	41	3,000	123	22	3,000	66	41	3,000	123
Crew 385.....	17	4,620	79	15	4,620	69	17	4,620	79
Crew 495.....	75	5,940	446	73	5,940	434	75	5,940	446
Crew 585.....	93	7,020	653	96	7,020	674	93	7,020	653
Crew 650.....	1,623	7,800	12,659	1,791	7,800	13,970	1,594	7,800	12,433
Crew 840.....	1,485	10,080	14,969	1,622	10,080	16,350	1,464	10,080	14,757
SUBTOTAL.....	4,904		\$ 32,166	5,019		\$ 34,440	4,790		\$ 31,585
WARRANT OFFICERS CATEGORY									
Crew 125.....	1,119	1,500	1,679	1,561	1,500	2,342	1,116	1,500	1,674
Crew 156.....	588	1,872	1,101	409	1,872	766	548	1,872	1,026
Crew 188.....	559	2,256	1,261	482	2,256	1,087	529	2,256	1,193
Crew 206.....	1,136	2,472	2,808	1,047	2,472	2,588	1,078	2,472	2,665
Crew 650.....	1,666	7,800	12,995	1,839	7,800	14,344	1,637	7,800	12,769
Crew 840.....	1,619	10,080	16,320	1,768	10,080	17,821	1,597	10,080	16,098
SUBTOTAL.....	6,687		\$ 36,164	7,106		\$ 38,948	6,505		\$ 35,425
TOTAL FLYING DUTY CREW.....	11,591		\$ 68,330	12,125		\$ 73,388	11,295		\$ 67,010
FLYING DUTY NON-CREW MEMBERS.....	94	1,800	169	82	1,800	148	82	1,800	148
AVIATION CONTINUATION PAY.....	1,001	12,000	12,012	1,939	12,000	23,268	1,750	12,000	21,000
CREW-NONRATED.....	0	2,775	0	52	2,775	144	52	2,775	144
TOTAL FLYING DUTY PAY.....	12,686		\$ 80,511	14,198		\$ 96,948	13,179		\$ 88,302
OTHER HAZARDOUS DUTY									
EXPERIMENTAL STRESS	7	1,800	13	20	1,800	36	20	1,800	36
TOXIC PESTICIDES EXPOSURE	1	1,800	2	2	1,800	4	2	1,800	4
CHEMICAL MUNITIONS	3,158	1,800	5,684	618	1,800	1,112	15	1,800	27
OTHER	3,166		\$ 5,699	640		\$ 1,152	37		\$ 67
PARACHUTE JUMP (REGULAR)	5,934	1,800	10,681	5,592	1,800	10,066	5,592	1,800	10,066
PARACHUTE JUMP (HALO)	204	2,700	551	133	2,700	359	133	2,700	359
PARACHUTE JUMP	6,138		\$ 11,232	5,725		\$ 10,425	5,725		\$ 10,425
DEMOLITION OF EXPLOSIVES	226	1,800	407	148	1,800	266	148	1,800	266
TOTAL	9,530		\$ 17,338	6,513		\$ 11,843	5,910		\$ 10,758
TOTAL OFFICER INCENTIVE PAY FOR HAZARDOUS DUTY.....	22,216		\$ 97,849	20,711		\$ 108,791	19,089		\$ 99,060

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 229,751
ESTIMATE FY 2006	\$ 252,271
ACTUAL FY 2005	\$ 360,103

Project: Special Pay - Officers

Part I - Purpose and Scope

The Army continues to attract highly qualified and motivated young people to serve. To maintain the quality force that we have, we must retain good Soldiers. We are proud of the men and women who come into the Armed Forces to make a difference, to be part of something larger than them and to give something back to their country.

The Army continues to adjust policies and incentives to access new Soldiers, to reenlist current Soldiers and to reduce unit attrition rates. This ensures that our Army is manned with top-quality people, and capitalizes on investments in training, education and mentoring.

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 is 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 \$12,000 to \$50,000.

(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 several categories of specialties/pays with different pay levels for two-year, three-year, and four-year contracts. The annual amounts range from \$12,000 to \$50,000.

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 or 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 \$6,000 to \$50,000.

(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 \$15,000 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 can receive a payment of \$50,000 for multi year obligations. The accession bonus up to \$30,000 per individual requires acceptance of a commission as an officer combined with an agreement to remain on active duty for four years.

Diplomat 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 Diplomat 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 (retention special pay not to exceed \$6,000 for any twelve-month period). 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 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. Section 302i of Title 37, USC, the amounts paid to the pharmacy officer is allocated by years of creditable service and ranges from \$7,000 to \$12,000 year.

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 Diplomat. As required by statute, this special pay is effective 1 October 1999. Assistant Secretary of Defense (Health Affairs) policy implemented Veterinary Corps officer Diplomat Pay in a manner that will provide an incentive for Veterinary Corps officers to attain the highest level of professional achievement of Diplomat status in a veterinary medical specialty recognized by the American Veterinary Medical Association. The Diplomat 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 \$500.00 per individual for a single foreign language or \$1,000 for any combination of more than one language.

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 \$225 per month.

Hardship Duty Pay - paid to officers performing duty in a 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.

The net change in special pays requirements is -\$22.3 million between FY 2006 and FY 2007. The decrease is primarily due to the \$35.6 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Increase in payments for Foreign Language Pay: +\$9.4
- (2) Decrease for officers not receiving additional medical pay: -\$31.7 million.

Detailed cost computations are provided by the following table:

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
MEDICAL PAY									
VARIABLE SPECIAL PAY.....	4,363	\$ 7,983	\$ 34,830	4,756	\$ 7,983	\$ 37,967	4,136	\$ 7,983	\$ 33,018
ADDITIONAL SPECIAL PAY.....	2,801	15,000	42,015	3,494	15,000	52,410	3,040	15,000	45,600
BOARD CERTIFIED PAY.....	2,442	3,791	9,258	2,846	3,791	10,789	2,476	3,791	9,387
INCENTIVE SPECIAL PAY.....	4,895	19,440	95,159	3,281	22,000	72,182	2,803	22,000	61,666
MULTI-YEAR SPECIAL PAY.....	1,361	10,290	14,005	1,178	11,641	13,713	1,025	11,641	11,932
SUBTOTAL.....	15,862		\$ 195,267	15,555		\$ 187,061	13,480		\$ 161,603
OTHER SPECIAL PAY									
DENTIST PAY									
VARIABLE SPECIAL PAY.....	826	\$ 8,090	\$ 6,682	1,262	\$ 8,090	\$ 10,210	1,097	\$ 8,090	\$ 8,875
ADDITIONAL SPECIAL PAY.....	643	11,674	7,506	1,054	11,674	12,304	917	11,674	10,705
BOARD CERTIFIED PAY.....	300	5,435	1,631	480	5,435	2,609	418	5,436	2,272
MULTI-YEAR RETENTION BONUS.....	867	10,528	9,128	557	13,000	7,241	485	13,000	6,305
ACCESSION BONUS.....	3	30,000	90	20	30,000	600	20	30,000	600
SUBTOTAL.....	2,639		\$ 25,037	3,373		\$ 32,964	2,937		\$ 28,757
NURSE PAY									
ACCESSION BONUS.....	30	\$ 5,000	\$ 150	159	\$ 10,000	\$ 1,590	138	\$ 10,000	\$ 1,380
ANESTHETIST PAY.....	293	11,286	3,307	264	15,316	4,043	230	15,316	3,523
SUBTOTAL.....	323		\$ 3,457	423		\$ 5,633	368		\$ 4,903
BOARD CERTIFIED PAY FOR NON-PHYSICIAN									
HEALTH CARE PROVIDERS.....	1,171	\$ 2,446	\$ 2,864	654	\$ 2,446	\$ 1,600	660	\$ 2,446	\$ 1,614
DIPLOMATE PAY FOR PSYCHOLOGISTS..	48	3,625	174	48	3,625	174	48	3,625	174
OPTOMETRISTS PAY									
SPECIAL PAY.....	125	\$ 1,200	\$ 150	127	\$ 1,200	\$ 152	127	\$ 1,200	\$ 152
RETENTION PAY.....	0	6,000	0	114	6,000	684	114	6,000	684
SUBTOTAL.....	125		\$ 150	241		\$ 836	241		\$ 836
PHARMACY PAY									
SPECIAL PAY.....	0	\$ 8,000	\$ 0	132	\$ 8,000	\$ 1,056	135	\$ 8,000	\$ 1,080
ACCESSION BONUS.....	0	30,000	0	16	30,000	480	16	30,000	480
SUBTOTAL.....	0		\$ 0	148		\$ 1,536	151		\$ 1,560
VETERINARIAN PAY									
SPECIAL PAY.....	423	\$ 1,200	\$ 508	414	\$ 1,200	\$ 497	414	\$ 1,200	\$ 497
BOARD CERTIFIED PAY.....	0	3,500	0	192	3,500	672	192	3,500	672
SUBTOTAL.....	423		\$ 508	606		\$ 1,169	606		\$ 1,169
TOTAL MEDICAL PAY.....	20,591		\$ 227,457	21,048		\$ 230,973	18,491		\$ 200,616

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PERSONAL MONEY ALLOWANCES -									
GENERAL OFFICERS									
CHAIRMAN, JCS.....	0	\$ 4,000	\$ 0	0	\$ 4,000	\$ 0	0	\$ 4,000	\$ 0
CHIEF OF STAFF.....	1	4,000	4	1	4,000	4	1	4,000	4
SENIOR MEMBER OF STAFF									
COMMITTEE OF UNITED NATIONS..	5	2,700	14	1	2,700	3	1	2,700	3
GENERAL.....	10	2,200	22	9	2,200	20	9	2,200	20
LIEUTENANT GENERAL.....	36	500	18	42	500	21	42	500	21
SUBTOTAL.....	52		\$ 58	53		\$ 48	53		\$ 48
DIVING DUTY PAY.....	57	\$ 2,684	\$ 153	53	\$ 2,642	\$ 140	53	\$ 2,642	\$ 140
HOSTILE FIRE PAY.....	35,180	2,700	94,986	1,053	2,700	2,843	1,062	2,700	2,867
SEA DUTY PAY.....	159	\$ 3,528	\$ 561	114	\$ 5,912	\$ 674	114	\$ 5,912	\$ 674
FOREIGN LANGUAGE PAY.....	2,615	1,623	4,244	2,586	2,035	5,263	7,192	2,035	14,636
HARDSHIP DUTY PAY.....	28,267	1,099	31,065	5,766	1,500	8,649	5,040	1,500	7,560
JUDGE ADVOCATE									
CONTINUATION PAY.....	80	19,741	1,579	172	21,400	3,681	150	21,400	3,210
HIGH-DEPLOYMENT									
PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0
TOTAL OFFICER SPECIAL PAY.....	87,001		\$ 360,103	30,845		\$ 252,271	32,155		\$ 229,751

ESTIMATE FY 2007	\$ 1,191,126
ESTIMATE FY 2006	\$ 1,439,430
ACTUAL FY 2005	\$ 1,386,650

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. BAH inflation rate for FY 07 is 6 percent.

Part II - Justification of Funds Requested

With congressional support, the Army's Residential Communities and Barracks Modernization program initiatives has had dramatic effect on improving quality of life for our Soldiers and their families. The Army already has privatized 64,000 housing units with a projected end state inventory of over 82,500 family housing units. Programs like the Residential Communities initiative will greatly help in cost savings and the Army's efforts to retain soldiers and families.

The net change in the BAH requirement is -\$248.3 million between FY 2006 and FY 2007. The decrease is primarily due to the \$190.0 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Annualization of the 1 Jan 2006 6.0% increase for housing cost growth for BAH Domestic rates (with dependents and without dependents categories): +\$14.4 million.
- (2) The 1 Jan 2007 increase for housing cost growth for BAH Domestic rates (with dependents and without dependents categories): +\$46.0 million.
- (3) Decrease in total man-years: -\$118.9 million.
- (4) Changes in grade structure: -\$0.1 million.
- (5) Increase in BAH Overseas Rate Change: +\$22.2 million.
- (6) Decrease in BAH Domestic payments: -\$189.3 million.
- (7) Decrease in BAH Overseas payments: -\$22.6 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
GENERAL.....	169	24,385	\$ 4,121	121	25,860	\$ 3,129	151	27,444	\$ 4,144
COLONEL.....	2,857	23,243	66,405	3,291	24,675	81,205	2,311	26,155	60,444
LIEUTENANT COLONEL.....	8,164	21,726	177,371	8,115	23,099	187,448	6,277	24,485	153,692
MAJOR.....	11,914	18,650	222,196	11,374	19,857	225,854	9,292	21,049	195,587
CAPTAIN.....	15,009	15,590	233,990	16,291	16,651	271,261	13,069	17,650	230,668
1ST LIEUTENANT.....	4,344	13,320	57,862	3,105	14,266	44,296	2,953	15,122	44,655
2ND LIEUTENANT.....	2,240	12,435	27,854	2,247	13,238	29,746	1,698	14,032	23,826
OFFICER SUBTOTAL.....	44,697		\$ 789,799	44,544		\$ 842,939	35,751		\$ 713,016
WARRANT OFFICER (5).....	383	16,639	6,373	420	17,775	7,466	325	18,842	6,124
WARRANT OFFICER (4).....	1,644	15,086	24,801	1,521	16,145	24,557	1,251	17,114	21,410
WARRANT OFFICER (3).....	2,679	15,226	40,790	2,698	16,294	43,961	2,047	17,271	35,354
WARRANT OFFICER (2).....	3,447	13,840	47,706	3,945	14,789	58,343	3,121	15,676	48,925
WARRANT OFFICER (1).....	1,262	12,159	15,345	1,551	12,970	20,116	1,235	13,749	16,980
WARRANT OFFICER SUBTOTAL...	9,415		\$ 135,015	10,135		\$ 154,443	7,979		\$ 128,793
TOTAL BAH WITH DEPENDENTS.....	54,112		\$ 924,814	54,679		\$ 997,382	43,730		\$ 841,809
BAH DIFFERENTIAL.....	232	1,998	464	0	2,063	0	0	2,151	0
TOTAL.....	54,344		\$ 925,278	54,679		\$ 997,382	43,730		\$ 841,809
BAH WITHOUT DEPENDENTS									
GENERAL.....	10	21,600	\$ 216	6	22,000	\$ 132	9	23,889	\$ 215
COLONEL.....	297	19,576	5,814	338	20,601	6,963	216	21,837	4,717
LIEUTENANT COLONEL.....	1,070	18,452	19,744	1,107	19,544	21,635	740	20,716	15,330
MAJOR.....	2,556	15,921	40,694	2,526	16,900	42,689	1,793	17,914	32,120
CAPTAIN.....	8,157	13,008	106,106	9,169	13,872	127,192	6,391	14,701	93,954
1ST LIEUTENANT.....	5,099	10,922	55,691	4,574	11,712	53,571	3,118	12,415	38,710
2ND LIEUTENANT.....	3,211	9,608	30,851	3,122	10,287	32,116	2,189	10,904	23,869
OFFICER SUBTOTAL.....	20,400		\$ 259,116	20,842		\$ 284,298	14,456		\$ 208,915
WARRANT OFFICER (5).....	42	15,448	649	43	16,467	708	32	17,455	559
WARRANT OFFICER (4).....	143	13,224	1,891	150	14,208	2,131	97	15,060	1,461
WARRANT OFFICER (3).....	377	12,211	4,604	376	13,085	4,920	259	13,871	3,593
WARRANT OFFICER (2).....	783	11,248	8,807	820	12,026	9,861	638	12,747	8,133
WARRANT OFFICER (1).....	477	8,003	3,817	548	8,542	4,681	420	9,054	3,803
WARRANT OFFICER SUBTOTAL...	1,822		\$ 19,768	1,937		\$ 22,301	1,446		\$ 17,549
TOTAL BAH WITHOUT DEPENDENTS.....	22,222		\$ 278,884	22,779		\$ 306,599	15,902		\$ 226,464

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH PARTIAL ALLOWANCE BACHELOR									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	10	475	5	11	475	5	10	475	5
LIEUTENANT COLONEL.....	24	396	10	25	396	10	25	396	10
MAJOR.....	69	320	22	73	320	23	73	320	23
CAPTAIN.....	341	266	91	404	266	107	402	266	107
1ST LIEUTENANT.....	326	212	69	309	212	66	299	212	63
2ND LIEUTENANT.....	1,153	158	182	1,203	158	190	1,180	158	186
OFFICER SUBTOTAL.....	1,923		\$ 379	2,025		\$ 401	1,989		\$ 394
WARRANT OFFICER (5).....	1	302	0	1	302	0	1	302	0
WARRANT OFFICER (4).....	4	302	1	5	302	2	4	302	1
WARRANT OFFICER (3).....	16	248	4	17	248	4	17	248	4
WARRANT OFFICER (2).....	38	191	7	46	191	9	47	191	9
WARRANT OFFICER (1).....	36	166	6	47	166	8	47	166	8
WARRANT OFFICER SUBTOTAL...	95		\$ 18	116		\$ 23	116		\$ 22
TOTAL BAH PARTIAL ALLOWANCE BACHELOR.....	2,018		\$ 397	2,141		\$ 424	2,105		\$ 416
BAH INADEQUATE FAMILY HOUSING									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	0	5,811	0	0	6,169	0	0	6,539	0
LIEUTENANT COLONEL.....	0	5,432	0	0	5,775	0	0	6,121	0
MAJOR.....	0	4,663	0	0	4,964	0	0	5,262	0
CAPTAIN.....	0	3,898	0	0	4,163	0	0	4,413	0
1ST LIEUTENANT.....	0	3,330	0	0	3,567	0	0	3,781	0
2ND LIEUTENANT.....	0	3,109	0	0	3,310	0	0	3,508	0
OFFICER SUBTOTAL.....	0		\$ 0	0		\$ 0	0		\$ 0
WARRANT OFFICER (5).....	0	4,160	0	0	4,444	0	0	4,710	0
WARRANT OFFICER (4).....	0	3,772	0	0	4,036	0	0	4,278	0
WARRANT OFFICER (3).....	0	3,806	0	0	4,073	0	0	4,318	0
WARRANT OFFICER (2).....	0	3,460	0	0	3,697	0	0	3,919	0
WARRANT OFFICER (1).....	0	3,040	0	0	3,243	0	0	3,437	0
WARRANT OFFICER SUBTOTAL...	0		\$ 0	0		\$ 0	0		\$ 0
TOTAL BAH INADEQUATE FAMILY HOUSING.....	0		\$ 0	0		\$ 0	0		\$ 0
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC.....	78,584		1,204,559	79,599		1,304,405	61,737		1,068,689

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	123	35,322	4,345	189	20,054	3,790	153	27,304	4,178
LIEUTENANT COLONEL.....	316	32,065	10,133	703	17,783	12,501	374	24,804	9,277
MAJOR.....	572	29,737	17,010	1,027	17,368	17,837	685	23,015	15,765
CAPTAIN.....	806	24,428	19,689	1,223	13,975	17,091	1,081	18,951	20,486
1ST LIEUTENANT.....	150	21,243	3,186	319	11,685	3,728	157	16,557	2,599
2ND LIEUTENANT.....	143	25,791	3,688	100	14,047	1,405	167	20,754	3,466
OFFICER SUBTOTAL.....	2,110		\$ 58,051	3,561		\$ 56,352	2,617		\$ 55,771
WARRANT OFFICER (5).....	15	28,525	428	31	15,478	480	19	22,033	419
WARRANT OFFICER (4).....	54	28,404	1,534	128	14,222	1,820	63	21,965	1,384
WARRANT OFFICER (3).....	97	25,184	2,443	219	14,437	3,162	114	19,505	2,224
WARRANT OFFICER (2).....	118	24,541	2,896	362	12,809	4,637	165	19,242	3,175
WARRANT OFFICER (1).....	11	24,244	267	73	14,129	1,031	17	18,843	320
WARRANT OFFICER SUBTOTAL...	295		\$ 7,568	813		\$ 11,130	378		\$ 7,522
TOTAL BAH WITH DEPENDENTS.....	2,405		\$ 65,619	4,374		\$ 67,482	2,995		\$ 63,293
BAH WITHOUT DEPENDENTS									
GENERAL.....	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
COLONEL.....	107	25,185	2,695	43	18,340	789	68	19,524	1,328
LIEUTENANT COLONEL.....	424	25,163	10,669	219	17,862	3,912	255	19,577	4,992
MAJOR.....	902	22,890	20,647	464	16,635	7,719	552	17,768	9,808
CAPTAIN.....	1,784	19,813	35,346	1,772	14,567	25,813	1,217	15,353	18,685
1ST LIEUTENANT.....	393	18,038	7,089	1,124	13,375	15,034	209	13,955	2,917
2ND LIEUTENANT.....	118	19,107	2,255	495	13,659	6,761	70	14,863	1,040
OFFICER SUBTOTAL.....	3,728		\$ 78,701	4,117		\$ 60,028	2,371		\$ 38,770
WARRANT OFFICER (5).....	12	18,000	216	13	13,900	181	8	13,875	111
WARRANT OFFICER (4).....	72	19,980	1,439	47	14,198	667	43	15,488	666
WARRANT OFFICER (3).....	407	18,724	7,621	147	13,514	1,987	244	14,558	3,552
WARRANT OFFICER (2).....	1,317	19,385	25,530	301	12,711	3,826	935	15,262	14,270
WARRANT OFFICER (1).....	165	17,971	2,965	61	14,004	854	127	13,978	1,775
WARRANT OFFICER SUBTOTAL...	1,973		\$ 37,771	569		\$ 7,515	1,357		\$ 20,374
TOTAL BAH WITHOUT DEPENDENTS.....	5,701		\$ 116,472	4,686		\$ 67,543	3,728		\$ 59,144
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS.....	8,106		\$ 182,091	9,060		\$ 135,025	6,723		\$ 122,437
TOTAL OFFICER BASIC ALLOWANCE FOR HOUSING.....	86,690		1,386,650	88,659		1,439,430	68,460		1,191,126

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 181,536
ESTIMATE FY 2006	\$ 198,952
ACTUAL FY 2005	\$ 212,850

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 (BAS) at the same rate. BAS inflation rate for FY 07 is 1.9 percent.

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 net change in the basic allowance for subsistence is -\$17.4 million from FY 2006 to FY 2007. The decrease is primarily due to the \$23.7 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Decrease in officer man-years: -\$20.8 million.
- (2) Change in annual pay rate: +\$3.4 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE....	97,566	\$ 2,182	\$ 212,850	88,844	\$ 2,239	\$ 198,952	79,555	\$ 2,282	\$ 181,536

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 112,925
ESTIMATE FY 2006	\$ 116,967
ACTUAL FY 2005	\$ 185,292

Project: Station Allowance Overseas - Officers

Part I - Purpose and Scope

The funds requested will provide payment of 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 overseas station allowances are based on an exchange rate of 0.8530 Euro/\$1 US Dollar.

The FY 2007 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain warrant officers effective 1 April 2007.

The net change in the station allowance overseas requirement is -\$4.0 million between FY 2006 and FY 2007. The decrease is primarily due to the \$11.9 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Annualization of the 1 Jan 2006, 3.1 percent pay raise: +\$.7 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$2.0 million.
- (3) Increase in foreign currency pay rates: +\$0.4 million.
- (4) Temporary lodging allowance decrease in number receiving: -\$7.1 million.

Detailed cost computations are provided by the following table:

OFFICER OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
GENERAL.....	51	\$ 14,118	\$ 720	57	\$ 8,772	\$ 500	55	\$ 7,709	\$ 424
COL.....	650	14,144	9,194	749	8,329	6,238	707	7,878	5,570
LTC.....	1,863	13,516	25,180	2,149	7,236	15,550	2,027	7,524	15,251
MAJ.....	2,912	11,530	33,575	3,358	6,590	22,129	3,167	6,418	20,326
CPT.....	5,311	8,877	47,146	6,126	4,641	28,431	5,777	4,941	28,544
2ND LIEUTENANT.....	2,559	7,087	18,136	2,951	3,446	10,169	2,783	3,945	10,979
1ST LIEUTENANT.....	1,007	5,603	5,642	1,161	3,859	4,480	1,095	3,119	3,415
CW5.....	67	12,671	849	77	7,060	544	73	7,203	526
CW4.....	362	10,389	3,761	417	5,461	2,277	394	5,842	2,302
CW3.....	943	9,734	9,179	1,088	4,983	5,422	1,026	5,531	5,675
CW2.....	1,260	8,581	10,812	1,456	4,910	7,149	1,370	4,901	6,714
WO1.....	322	6,829	2,199	371	3,439	1,276	350	3,883	1,359
SUBTOTAL.....	17,307		\$ 166,393	19,960		\$ 104,165	18,824		\$ 101,085
TEMPORARY LODGING ALLOWANCE....	10,849	\$ 1,742	\$ 18,899	7,241	\$ 1,768	\$ 12,802	6,585	\$ 1,798	\$ 11,840
TOTAL OFFICER STATION ALLOWANCE OVERSEAS..	28,156		\$ 185,292	27,201		\$ 116,967	25,409		\$ 112,925

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 6,429
ESTIMATE FY 2006	\$ 7,299
ACTUAL FY 2005	\$ 11,364

Project: CONUS Cost of Living Allowance - Officers

Part I - Purpose and Scope

The funds requested will provide payment of 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.

The net change for CONUS COLA is -\$0.9 million between FY 2006 and FY 2007. The decrease is primarily due to the \$0.9 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget and a decrease of number receiving CONUS COLA.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	3,876	\$ 2,932	\$ 11,364	3,720	\$ 1,962	\$ 7,299	3,224	\$ 1,994	\$ 6,429

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 5,031
ESTIMATE FY 2006	\$ 5,652
ACTUAL FY 2005	\$ 5,280

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.

The net change in the Uniform Clothing requirement is -\$0.6 million between FY 2006 and FY 2007. The decrease is primarily due to the \$0.7 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget and the number receiving uniform clothing.

Detailed cost computations are provided by the following table:

OFFICER CLOTHING ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNIFORM ALLOWANCES									
INITIAL.....	12,285	\$ 400	\$ 4,914	6,872	\$ 400	\$ 2,749	6,993	\$ 400	\$ 2,797
ADDITIONAL.....	0	200	0	10,800	200	2,160	7,301	200	1,460
SUBTOTAL.....	12,285		4,914	17,672		4,909	14,294		4,257
CIVILIAN CLOTHING.....	429	\$ 853	\$ 366	862	\$ 862	\$ 743	880	\$ 880	\$ 774
TOTAL OFFICER CLOTHING ALLOWANCES.....	12,714		5,280	18,534		5,652	15,174		5,031

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 21,013
ESTIMATE FY 2006	\$ 31,558
ACTUAL FY 2005	\$ 66,097

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 the family and one overseas for member. Payment is made at the monthly quarter's 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 the 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.

The net change in the family separation allowances is -\$10.5 million between FY 2006 and FY 2007. The decrease is primarily due to the \$4.1 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Rate increase for FSA-I: +\$0.2 million.
- (2) Decrease in number of receiving payments for FSA-II: -\$10.7 million.

Detailed cost computations are provided by the following table:

OFFICER FAMILY SEPARATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
COL.....	5	\$ 11,930	\$ 60	6	\$ 12,437	\$ 75	6	\$ 12,934	\$ 78
LTC.....	42	11,482	482	54	11,973	647	47	12,452	585
MAJ.....	86	10,631	914	110	11,094	1,220	95	11,538	1,096
CPT.....	106	8,497	901	135	8,799	1,188	124	9,151	1,135
1LT.....	28	7,024	197	36	7,299	263	31	7,591	235
2LT.....	20	6,272	125	26	6,498	169	22	6,758	149
CW5.....	4	10,823	43	5	11,272	56	4	11,723	47
CW4.....	19	9,597	182	24	10,012	240	21	10,412	219
CW3.....	54	8,078	436	69	8,417	581	60	8,754	525
CW2.....	54	7,161	387	69	7,468	515	60	7,767	466
WO1.....	20	6,003	120	25	6,259	156	22	6,510	143
SUBTOTAL.....	438		3,847	559		5,110	492		4,678
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....	12,481	3,000	37,443	5,161	3,000	15,483	2,266	3,000	6,798
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	8,269	3,000	24,807	3,655	3,000	10,965	3,179	3,000	9,537
TOTAL OFFICER FAMILY SEPARATION ALLOWANCES.....	21,188		\$ 66,097	9,375		\$ 31,558	5,937		\$ 21,013

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 69,415
ESTIMATE FY 2006	\$ 70,183
ACTUAL FY 2005	\$ 44,261

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 benefits (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 September 1990 to 30 September 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 sub-account 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 Special Separation Bonus (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 been paid directly from the Military Personnel appropriation since FY 2001.

The FY 07 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain warrant officers effective 1 April 2007.

The net change in the separation pay requirement is -\$0.8 million between FY 2006 and FY 2007. The decrease is primarily due to the \$9.1 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Annualization of the 1 Jan 2006, 3.1 percent pay raise: +\$1.5 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$.7 million.
- (3) Decrease in office losses reduces requirement for lump sum terminal leave, disability severance pay, and involuntary separation pay: -\$3.0 million.

Detailed cost computations are provided by the following table:

OFFICER SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005				ESTIMATE FY 2006				ESTIMATE FY 2007			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
GENERAL.....	31	49.6	\$ 19,161	\$ 594	53	49.9	\$ 20,075	\$ 1,064	38	49.8	\$ 20,553	\$ 781
COLONEL.....	436	31.3	9,164	3,995	504	31.3	9,582	4,829	446	31.3	9,829	4,384
LIEUTENANT COLONEL.....	698	23.0	5,199	3,629	981	23.0	5,454	5,351	867	23.0	5,614	4,867
MAJOR.....	570	23.5	4,421	2,520	655	23.5	4,605	3,016	583	23.5	4,705	2,743
CAPTAIN.....	1,714	19.2	2,850	4,885	2,338	19.2	2,948	6,893	2,070	19.2	2,992	6,194
1ST LIEUTENANT.....	272	18.2	2,066	562	367	18.2	2,133	783	325	18.2	2,161	702
2ND LIEUTENANT.....	74	17.6	1,492	110	103	17.6	1,566	161	97	17.6	1,613	156
WARRANT OFFICER(5).....	52	28.0	6,045	314	62	28.0	6,281	389	56	28.0	6,535	366
WARRANT OFFICER(4).....	157	20.8	3,682	578	208	20.8	3,838	798	184	20.8	3,968	730
WARRANT OFFICER(3).....	203	18.8	2,722	553	266	18.8	2,842	756	235	18.8	2,972	698
WARRANT OFFICER(2).....	135	26.1	3,046	411	193	26.1	3,152	608	169	26.1	3,283	555
WARRANT OFFICER(1).....	19	21.7	2,168	41	21	21.7	2,266	48	26	21.7	2,372	62
SUBTOTAL.....	4,361			\$ 18,192	5,751			\$ 24,696	5,096			\$ 22,238
SEVERANCE PAY (DISABILITY).....	198		\$ 45,414	\$ 8,992	145		\$ 46,876	\$ 6,797	128		\$ 48,196	\$ 6,169
SEVERANCE PAY (NON-PROMOTION).....	0		0	0	0		0	0	0		0	0
INVOLUNTARY HALF-PAY(5%).....	2		19,333	39	4		19,956	80	4		20,517	82
INVOLUNTARY FULL-PAY(10%).....	37		59,216	2,191	137		61,123	8,374	148		62,844	9,301
SPECIAL SEPARATION BENEFIT(15%).....	0		0	0	0		0	0	0		0	0
15 YEAR RETIREMENT.....	0		0	0	0		0	0	0		0	0
SUBTOTAL SEPARATION PAY (NON-DISABILITY).....	39			\$ 2,230	141			\$ 8,454	152			\$ 9,383
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAYMENTS) 1).....	0			\$ 14,378	0			\$ 25,817	0			\$ 21,625
THRU DEC 31, 1992.....				14,378				25,817				21,625
JAN 1, 1993 AND AFTER.....	0			0	0			0	0			0
\$30,000 LUMP SUM BONUS.....				\$ 469				\$ 4,419				\$ 10,000
TOTAL OFFICER SEPARATION PAY.....	4,598			\$ 44,261	6,037			\$ 70,183	5,376			\$ 69,415

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 2007	\$ 365,133
ESTIMATE FY 2006	\$ 395,154
ACTUAL FY 2005	\$ 419,535

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

Part I - Purpose and Scope

The funds requested provide for 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
2005	\$90,000	No upper limit
2006	\$93,000	No upper limit
2007	\$96,600	No upper limit

The FY 2007 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain warrant officers effective 1 April 2007.

The net change in the FICA tax requirement is -\$33.3 million between FY 2006 and FY 2007. The decrease is primarily due to the \$47.5 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Annualization of the 1 Jan 2006, 3.1 percent pay raise: +\$3.0 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$6.2 million.
- (3) Force manning changes: -\$42.5 million.

Detailed cost computations are provided by the following table:

OFFICER SOCIAL SECURITY TAX
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	97,088	\$ 4,321.18	\$ 419,535	87,513	\$ 4,515.37	\$ 395,154	78,299	\$ 4,663.32	\$ 365,133

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

Pay and Allowance of Enlisted Personnel

FY 2006 Direct Program

\$ 20,434,703

Increases:

Pricing Increases:

a.	Annualization of the FY 2006 3.1% pay raise effective 1 January 2006.	110,827
b.	FY 2007 2.2% pay raise effective 1 Jan 2007.	262,008
c.	Basic Allowance for Housing rates (Housing Cost Growth) - Annualization of FY 2006 6.0% inflation effective 1 Jan 2006.	31,986
d.	Basic Allowance for Housing rates (Housing Cost Growth) - Annualization of FY 2007 6.0% increase effective 1 Jan 2007.	101,746
e.	Inflation rate change for Enlisted Clothing Allowance.	6,004
f.	Increase in rate for Loan Repayment Program.	4,687
g.	Increase in rate for Educational Benefit.	21,125
h.	Increase in rate for Family Separation Allowance Type I.	431
i.	Increase in rate for Enlisted Separation Pay.	4,643
	Total Pricing Increases	543,457

Program Increases:

a.	Grade Structure changes in Basic Pay, RPA & FICA.	192
b.	Increase in number of soldiers receiving Foreign Language Special Pay.	23,570
c.	G.I. Bill offset change.	439
d.	Increase in number of soldiers receiving Enlisted Separation Allowance (half, full, \$30K lump sum Payments).	6,025
e.	Increase in the number of soldiers receiving Enlisted Bonus payments (Residual and Anniversary).	4,818
f.	Increase in the number of soldiers receiving Military Clothing.	1,072
g.	Increase in the number of soldiers receiving overseas - TLA.	378
	Total Program Increases	46,004

Total Increases

\$ 589,461

Decreases:

Pricing Decreases:

a.	Base Pay (Longevity).	(219,758)
b.	Overseas Station allowance COLA.	(726)
c.	Rate percentage change for Selective Reenlistment Bonus.	(234)
	Total Pricing Decreases	(220,718)

Program Decreases:

a.	Strength changes (decrease in man-year and grade structure change).	(1,280,977)
b.	Decrease in the number of soldiers receiving Incentive Pay.	(13,860)
c.	Decrease in the number of soldiers receiving Special Pay (Hardship Duty and Hostile Fire).	(13,518)
d.	Decrease in the number of soldiers receiving Special Duty Assignment Pay.	(16,675)
e.	Decrease in the number of soldiers receiving Enlistment Bonus (Initial).	(42,343)
f.	Decrease numbers of personnel receiving education benefits (Army College Fund).	(3,247)

g.	Decrease in number of soldiers participating in the Loan Repayment Program.	(4,926)
h.	Estimated change in grade structure, man-power and Housing change for BAH-Domestic.	(707,088)
i.	Estimated change in grade structure, man-power and Housing change for BAH-Overseas.	(24,430)
j.	Decrease in the estimated number of soldiers receiving uniform/clothing allowance.	(59,140)
k.	Decrease in number of soldiers receiving Family Separation Allowance.	(12,181)
l.	Decrease in number of soldiers receiving Separation Pay (LSTL and Severance Disability payments).	(23,777)
m.	Decrease in number of soldiers receiving OSA - COLA.	(25,592)
n.	Decrease in Reimbursable man-years.	(1,590)
o.	Decrease in the number of soldiers receiving Selective Reenlistment Bonus.	(316,088)
p.	Decrease in CONUS COLA.	(3,858)
	Total Program Decreases	(2,558,800)

Total Decreases

\$ (2,779,518)

FY 2007 Direct Program

\$ 18,244,646

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 10,514,144
ESTIMATE FY 2006	\$ 11,365,369
ACTUAL FY 2005	\$ 13,518,820

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, including length of service increments for each grade. The FY 2007 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain mid-grade senior enlisted personnel effective 1 April 2007.

The net change in the basic pay is -\$851.2 million between FY 2006 and FY 2007. The decrease is primarily due to the \$1.5 billion in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

- (1) Annualization of the 1 Jan 2006, 3.1% pay raise: +\$81.0 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$187.3 million.
- (3) Increase in Grade structure change: +\$0.1 million.
- (4) Decrease in total enlisted man-years of -35,671: -\$962.0 million.
- (5) Change in basic pay rates (longevity): -\$157.6 million.

Detailed cost computations are provided by the following table:

ENLISTED BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	4,154	\$ 60,854	\$ 252,788	3,489	\$ 61,691	\$ 215,240	3,135	\$ 61,956	\$ 194,232
1ST SGT/MASTER SGT.....	14,885	48,834	726,894	11,652	49,539	577,228	10,663	50,061	533,800
PLATOON SGT/SGT 1ST CLASS	47,492	41,474	1,969,683	40,373	41,695	1,683,352	36,460	42,227	1,539,596
STAFF SERGEANT.....	75,629	33,427	2,528,051	62,846	33,585	2,110,683	56,284	34,019	1,914,725
SERGEANT.....	104,660	26,891	2,814,412	80,217	26,946	2,161,527	72,698	27,117	1,971,352
CORPORAL/SPECIALIST.....	154,389	21,782	3,362,901	122,053	21,925	2,676,012	115,112	22,131	2,547,544
PRIVATE FIRST CLASS.....	64,751	17,804	1,152,827	60,059	18,078	1,085,747	55,704	18,310	1,019,940
PRIVATE E2.....	31,034	16,049	498,065	34,185	16,212	554,207	31,740	16,305	517,521
PRIVATE E1.....	16,677	12,784	213,199	22,795	13,221	301,373	20,202	13,634	275,434
TOTAL ENLSITED BASIC PAY..	513,671		\$ 13,518,820	437,669		\$ 11,365,369	401,998		\$ 10,514,144

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 2,786,578
ESTIMATE FY 2006	\$ 3,011,773
ACTUAL FY 2005	\$ 3,699,723

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 is 26.5 percent for FY 2006 and FY 2007.
- (b) The total amount of the basic pay expected to be paid during the fiscal year to members of the Active Army.

The FY 2007 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain mid-grade senior enlisted personnel effective 1 April 2007.

The net change in the retired pay accrual requirement is -\$229.2 million between FY 2006 and FY 2007. The decrease is primarily due to the \$398 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget. These changes are based on -

- (1) Annualization of the 1 Jan 2006, 3.1% pay raise: +\$21.5 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$49.6 million.
- (3) Increase in Grade structure change: +\$0.4 million.
- (4) Decrease in total man-years: -\$254.9 million.
- (5) Change in basic pay rates (longevity): -\$41.8 million.

Detailed cost computations are provided by the following table:

ENLISTED RETIRED PAY ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RPA.....	513,671	\$ 7,202.51	\$ 3,699,723	437,669	\$ 6,881.39	\$ 3,011,773	401,998	\$ 6,931.82	\$ 2,786,578

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 0
ESTIMATE FY 2006	\$ 0
ACTUAL FY 2005	\$ 2,025,505

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 (HCA) 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 increased from FY 2004 to FY 2005 by +\$265.2 million.

The health care accrual budget for FY 2005, was +\$2,025.5 million in FY 2005. Beginning in FY 2006 and as authorized by the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375), the health care accrual funding was transferred to the Medicare-Eligible Retiree Health Fund Contribution, Army Account.

Detailed cost computations are provided by the following table:

ENLISTED HEALTH CARE ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
HEALTH CARE ACCRUAL.....	\$ 2,025,505	\$ 0	\$ 0

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 85,392
ESTIMATE FY 2006	\$ 99,252
ESTIMATE FY 2005	\$ 85,847

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 (HALO) Jump Pay - 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 - serves 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 Aero medical Center; Fort Rucker, Alabama.

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

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

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

Part II - Justification of Funds Requested

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

The net change in the incentive pay requirement totals -\$13.9 million between FY 2006 and FY 2007. The decrease is primarily due to the \$14.6 million in FY 2006 Title IX funding of which, \$10.7 million was for Parachute Jump pay that is not included in the FY 2007 baseline budget.

These changes are based on -

- (1) Decrease in the number of soldiers receiving Flying Duty Crew pay: -\$ 1.2
- (2) Decrease in the number of soldiers receiving other incentive pay: -\$12.7

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY CREW MEMBERS									
SERGEANT MAJOR.....	13	\$ 2,880	\$ 37	4	\$ 2,880	\$ 12	3	\$ 2,880	\$ 9
1ST SGT/MASTER SGT.....	140	2,880	403	52	2,880	150	32	2,880	92
PLATOON SGT/SGT 1ST CLASS.....	930	2,880	2,678	233	2,880	671	213	2,880	613
STAFF SGT.....	2,922	2,580	7,539	820	2,580	2,116	669	2,580	1,726
SERGEANT.....	3,595	2,280	8,197	975	2,280	2,223	823	2,280	1,876
CPL/SPECIALIST.....	4,294	1,980	8,502	1,133	1,980	2,243	983	1,980	1,946
PRIVATE 1ST CLASS.....	930	1,800	1,674	233	1,800	419	213	1,800	383
PRIVATE E2.....	13	1,800	23	4	1,800	7	3	1,800	5
PRIVATE E1.....	9	1,800	16	2	1,800	4	2	1,800	4
SUBTOTAL.....	12,846		\$ 29,069	3,456		\$ 7,845	2,941		\$ 6,654
FLYING DUTY NON-CREW MEMBERS.....	398	1,800	716	515	1,800	927	515	1,800	927
TOTAL FLYING DUTY PAY.....	13,244		\$ 29,785	3,971		\$ 8,772	3,456		\$ 7,581
OTHER HAZARDOUS DUTY									
EXPERIMENTAL STRESS	45	1,800	81	50	1,800	90	50	1,800	90
TOXIC PESTICIDE	0	1,800	0	4	1,800	7	4	1,800	7
TOXIC FUEL	0	1,800	0	0	1,800	0	0	1,800	0
CHEMICAL MUNITIONS	165	1,800	297	82	1,800	148	82	1,800	148
OTHER	210		\$ 378	136		\$ 245	136		\$ 245
PARACHUTE JUMP (REGULAR)	28,397	1,800	51,115	38,737	1,800	69,727	33,116	1,800	59,609
PARACHUTE JUMP (HALO)	509	2,700	1,374	970	2,700	2,619	970	2,700	2,619
PARACHUTE JUMP	28,906		\$ 52,489	39,707		\$ 72,346	34,086		\$ 62,228
DEMOLITION DUTY	1,775	1,800	3,195	2,552	4,095	10,450	2,183	4,095	8,939
MILITARY FIREFIGHTERS ASSIGNMENT	0	1,800	0	333	1,800	599	333	1,800	599
INCENTIVE PAY (KOREA)	0	1,800	0	3,800	1,800	6,840	3,222	1,800	5,800
TOTAL	30,891		\$ 56,062	46,528		\$ 90,480	39,960		\$ 77,811
TOTAL ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY.....	44,135		\$ 85,847	50,499		\$ 99,252	43,416		\$ 85,392

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 110,431
ESTIMATE FY 2006	\$ 96,913
ACTUAL FY 2005	\$ 611,175

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 for the Sergeant Major of the Army (SMA) and the Senior Enlisted Advisor (SEA) to the Chairman of the Joint Chief of Staff - in addition to other pay and allowances authorized, the SMA and the SEA who is entitled to basic pay is entitled to a personal money allowance of \$2,000 a year while serving in that capacity. The SEA is authorized an increased in base pay per Public Law 90-200(1967) and authorized a personnel allowance per Public Law 106-398(2000).

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 \$500.00 per month for a single language or \$1,000 per month for any combination of more than one language.

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 \$225 per month.

Hardship Duty Pay - paid to personnel performing duty in a 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.

The net change in the Special pay requirements is +\$13.5 million between FY 2006 and FY 2007. These changes are based on -

- (1) Decrease in the number of soldier receiving Hardship Duty pay: -\$7.7 million.
- (2) Increase in the number of soldier receiving Foreign Language Proficiency Pay: +\$23.6 million
- (3) Decrease in the number of soldier receiving Hardship Duty pay: -\$2.4 million.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PERSONAL MONEY ALLOWANCES -SERGEANT MAJOR OF THE ARMY.....	1	2,000	2	2	2,000	4	2	2,000	4
SEA DUTY PAY.....	346	\$ 1,899	\$ 657	417	\$ 2,221	\$ 926	417	\$ 2,221	\$ 926
HARDSHIP DUTY PAY.....	134,578	1,487	200,117	34,851	1,500	52,277	29,721	1,500	44,582
FOREIGN LANGUAGE PAY.....	10,032	\$ 965	\$ 9,681	5,278	\$ 4,309	\$ 22,743	10,748	\$ 4,309	\$ 46,313
DIVING DUTY PAY.....	565	2,411	1,362	354	2,446	866	354	2,446	866
HOSTILE FIRE PAY.....	147,900	2,700	399,330	5,749	2,700	15,522	4,876	2,700	13,165
OVERSEAS EXTENSION PAY.....	27	960	26	2,340	1,955	4,575	2,340	1,955	4,575
HIGH-DEPLOYMENT PER DIEM ALLOWANCE.....	0	0	0	0	0	0	0	0	0
TOTAL ENLISTED SPECIAL PAY.....	293,449		\$ 611,175	48,991		\$ 96,913	48,458		\$ 110,431

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 99,592
ESTIMATE FY 2006	\$ 116,266
ACTUAL FY 2005	\$ 89,045

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, drill sergeants, and Special Forces who perform demanding duties which require special training and extraordinary effort for satisfactory performance.

The net change in the Special Duty Assignment Pay requirement totals -\$16.7 million between FY 2006 and FY 2007.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT									
SD 6 (\$450.00).....	8,272	\$ 5,400	\$ 44,668	9,241	\$ 5,400	\$ 49,901	7,915	\$ 5,400	\$ 42,741
SD 5 (\$375.00).....	6,389	4,500	28,751	3,614	4,500	16,263	3,095	4,500	13,928
SD 4 (\$300.00).....	3,435	3,600	12,367	13,879	3,600	49,964	11,890	3,600	42,804
SD 3 (\$225.00).....	1,207	2,700	3,259	51	2,700	138	44	2,700	119
TOTAL ENLISTED SPECIAL DUTY ASSIGNMENT PAY.....	19,303		\$ 89,045	26,785		\$ 116,266	22,944		\$ 99,592

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 103,567
ESTIMATE FY 2006	\$ 419,889
ACTUAL FY 2005	\$ 505,592

Project: Reenlistment Bonus - Enlisted

Part I - Purpose and Scope

The purpose of the retention program is maintaining the quality force by retaining good Soldiers. The Retention Bonus programs increase the number of reenlistments in critical skills characterized by current or projected strength levels insufficient to adequately man the force. The programs help draw people from overage skills to shortage skills through the bonus extension and retraining program.

The Selective Reenlistment Bonus (SRB) Program is authorized under U.S.C 37, Section 308. Under the law, a member of a uniformed service with at least 17 months of continuous active duty but not more than 18 years of active duty, is qualified in a critical skill and reenlists 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) up to a maximum of \$90,000. Army policy has set the maximum SRB allowed to be paid at \$40,000 and a maximum of 16 years of service.

The Critical Skills Retention Bonus (CSRB) Program is authorized under U.S.C 37, Section 323. Under the law, a member of a uniformed service who is qualified in a critical skill and reenlists for a period of at least one year may be paid a bonus. The member may receive multiple bonuses under this provision; however, the total amount may not exceed \$200,000. OSD policy has set the maximum at \$150,000 for a six year reenlistment for Special Operations Soldiers beyond 20 years of service.

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.

For shortage skills, we continually evaluate the Retention Programs and offer bonuses where appropriate. Other adjustments to align the force include: 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 following are the Army's most critically imbalanced skills as of January 2006 (restricted to MOS with authorizations in at least four grade cells):

Shortage MOS

<u>MOS</u>	<u>Title</u>
13F	Fire Support Specialist
13W	Fiend Artillery Meteorological (FA MET) Crewmember
18	Special Forces (Series)
31E	Internment/Resettlement Specialist
74D	Chemical Operations Specialist
88M	Motor Transport Operator
89D	Explosive Ordnance Disposal (EOD) Specialist
91W	Health Care Specialist
92W	Water Treatment Specialist
96U	Unmanned Aerial Operator
97E	Human Intelligence (HUMINT) Collector
98G	Cryptologic Communications Interceptor/Locator

As of FY 2005, all SRB payments are paid as lump sum and Anniversary payments are for contracts entered into prior to FY 2005.

The net change in the incentive pay requirement is -\$316.3 million between FY 2006 and FY 2007. The decrease is primarily due to the \$319 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget.

Detailed cost computations are provided by the following table:

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SELECTIVE REENLISTMENT BONUS									
INITIAL PAYMENTS.....	44,459	\$ 10,500	\$ 466,818	37,374	\$ 10,600	\$ 396,163	8,550	\$ 10,600	\$ 90,632
ANNIVERSARY PAYMENTS.....	36,510	1,062	38,774	22,341	1,062	23,726	12,402	1,043	12,935
TOTAL REENLISTMENT BONUS.....	80,969		\$ 505,592	59,715		\$ 419,889	20,952		\$ 103,567

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
PRIOR OBLIGATIONS.....	36,510	38,774	22,341	23,726	12,402	12,935	4,700	5,040	1,980	2,130	0	0	0	0	0	0
ACCELERATED PAYMENTS.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2005 INITIAL PAYMENTS.....	44,459	466,818														
ANNIVERSARY PAYMENTS.....			0	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2006 INITIAL PAYMENTS.....			37,374	396,163												
ANNIVERSARY PAYMENTS.....					0	0	0	0	0	0	0	0	0	0	0	0
FY 2007 INITIAL PAYMENTS.....					8,550	90,632										
ANNIVERSARY PAYMENTS.....							0	0	0	0	0	0	0	0	0	0
FY 2008 INITIAL PAYMENTS.....							9,943	105,400								
ANNIVERSARY PAYMENTS.....									0	0	0	0	0	0	0	0
TOTAL INITIAL PAYMENTS.....	44,459	466,818	37,374	396,163	8,550	90,632	9,943	105,400								
ANNIVERSARY PAYMENTS.....	36,510	38,774	22,341	23,726	12,402	12,935	4,700	5,040	1,980	2,130	0	0	0	0	0	0
TOTAL SRB.....	80,969	505,592	59,715	419,889	20,952	103,567	14,643	110,440	12,680	115,553	11,578	122,726	9,110	96,570	0	0

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 200,307
ESTIMATE FY 2006	\$ 237,832
ACTUAL FY 2005	\$ 165,886

Project: Enlistment Bonus - Enlisted

Part I - Purpose and Scope

Enlistment Bonuses are used to attract high quality recruits, as defined by the Armed Service Vocational Aptitude Battery (ASVAB) test scores, into designated Army skills, which are difficult to fill with qualified enlistees. The payment is authorized by 37 U.S.C. 309, which allows up to \$40,000 for an enlistment. The Army pays up to \$10,000 at their first permanent duty station after successful completion of basic and skill training, then equal periodic payments, if required. Army is paying the \$40,000 bonus to recruits who select a selective critical MOS and are willing to ship to the training within 30 days.

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

Residual Payments - payments are made to individuals who entered the service in previous fiscal years. An average of four months elapse before a Soldier completes skill training and payments are authorized.

Anniversary Payments - by Army policy, up to \$10,000 may be paid initially in lump sum. Remaining amounts above \$10,000 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 higher quality markets. The Army offers various different levels (amounts) of the enlistment bonus based upon the criticality of the MOS and length of the enlistment contract. Bonuses compliment the top reasons (pay, tuition for college) for considering enlisting in the Army according to youth polls.

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 reflects Army Leadership and Congressional continued reliance on the enlistment bonus to channel applicants into critical MOS training seats at the required time to accomplish accession requirements.

The net change in the Enlistment Bonuses requirement is -\$37.4 million between FY 2006 and FY 2007. The decrease is primarily due to the \$105 million FY 2006 Title IX funding that is not included in the FY 2007 baseline budget. These changes are based on -

- (1) Decrease in the number of soldiers receiving new payments: -\$42.3 million.
- (2) Increase in the number of soldiers receiving Residual payments: +\$2.1 million.
- (3) Increase in the number of soldiers receiving Anniversary payments: \$2.8 million.

Detailed cost computations are provided by the following table:

ENLISTMENT BONUS PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTMENT BONUS PROGRAM									
NEW PAYMENTS									
UP THRU \$2,000.....	3,603	\$ 1,000	\$ 3,603	1,609	\$ 1,000	\$ 1,609	1,441	\$ 1,000	\$ 1,441
UP THRU \$3,000.....	3,980	2,000	7,960	1,983	2,000	3,966	1,819	2,000	3,638
UP THRU \$4,000.....	3,520	3,000	10,560	1,519	3,000	4,557	2,505	3,000	7,515
UP THRU \$5,000.....	2,509	4,000	10,036	2,509	4,000	10,036	2,477	4,000	9,908
UP THRU \$6,000.....	3,960	5,000	19,800	3,951	5,000	19,755	2,315	5,000	11,575
UP THRU \$7,000.....	6,510	6,000	39,060	6,510	6,000	39,060	1,833	6,000	10,998
UP THRU \$12,000.....	10,322	7,000	72,254	10,322	7,000	72,254	9,117	7,000	63,819
TOTAL	34,404		\$ 163,273	28,403		\$ 151,237	21,507		\$ 108,894
RESIDUAL PAYMENTS									
UP THRU \$2,000.....	0	\$ 1,000	\$ 0	677	\$ 1,000	\$ 677	718	\$ 1,000	\$ 718
UP THRU \$3,000.....	0	2,000	0	1,020	2,000	2,040	1,042	2,000	2,084
UP THRU \$4,000.....	0	3,000	0	1,410	3,000	4,230	1,441	3,000	4,323
UP THRU \$5,000.....	0	4,000	0	1,401	4,000	5,604	1,425	4,000	5,700
UP THRU \$6,000.....	0	5,000	0	1,209	5,000	6,045	1,331	5,000	6,655
UP THRU \$7,000.....	0	6,000	0	1,037	6,000	6,222	1,054	6,000	6,324
UP THRU \$12,000.....	0	7,000	0	5,091	7,000	35,637	5,244	7,000	36,708
TOTAL	0		\$ 0	11,845		\$ 60,455	12,255		\$ 62,512
ANNIVERSARY (INCREMENTAL) PAYMENTS.....	1,428	\$ 1,830	\$ 2,613	14,284	\$ 1,830	\$ 26,140	15,793	\$ 1,830	\$ 28,901
TOTAL ENLISTMENT BONUS PROGRAM.....	35,832		\$ 165,886	54,532		\$ 237,832	49,555		\$ 200,307

ENLISTMENT BONUS INCREMENT PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005		ESTIMATE FY 2006		ESTIMATE FY 2007	
	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS	# PAYMENTS	\$ AMOUNTS
NEW OBLIGATIONS.....	357	\$ 653	3,571	\$ 6,535	3,948	\$ 7,225
PRIOR OBLIGATIONS.....	1,071	1,960	10,713	19,605	11,845	21,676
TOTAL INCREMENT PAYMENTS.....	1,428	\$ 2,613	14,284	\$ 26,140	15,793	\$ 28,901

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 38,601
ESTIMATE FY 2006	\$ 20,721
ACTUAL FY 2005	\$ 46,466

Project: Educational Benefits

Part I - Purpose and Scope

The Army College Fund (ACF) is governed by Title 38 U.S.C., Chapter 30. The ACF is used to attract high 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. Funds are for the payment to the Department of Defense (DOD) Educational Benefits Trust Fund. 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 MOSs and support readiness. It also compliments one of the top reasons -- tuition for college -- for considering enlisting in the Army according to youth polls.

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 P.L. 107-103, Congress increased the amount of the basic GI Bill benefit paid by Veterans Affairs and now the basic benefit increases annually with the Consumer Price Index.

Educational Benefits increased by \$17.9 million between FY 2006 and FY 2007 due to an increase in the per capita amounts and amortization payment amounts for certain educational benefits.

Detailed cost computations are provided by the following table:

ENLISTED EDUCATIONAL BENEFITS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	ELIGIBLES	RATE	AMOUNT	ELIGIBLES	RATE	AMOUNT	ELIGIBLES	RATE	AMOUNT
COLLEGE FUND									
SIX YEAR COMMITMENT (\$50K).....	59	\$ 7,658	\$ 452	64	\$ 3,290	\$ 211	88	\$ 7,283	\$ 641
FIVE YEAR COMMITMENT (\$47K).....	1,159	8,657	10,033	1,300	3,489	4,536	900	7,895	7,106
FOUR YEAR COMMITMENT (\$42K).....	3,442	8,606	29,622	3,774	3,299	12,450	3,274	7,315	23,949
FOUR YEAR COMMITMENT (\$30K).....	0	0	0	0	0	0	0	0	0
FOUR YEAR COMMITMENT (\$40K).....	0	0	0	0	0	0	0	0	0
FOUR YEAR COMMITMENT (\$50K).....	0	0	0	0	0	0	0	0	0
SUBTOTAL FOUR YEAR.....	3,442		\$ 29,622	3,774		\$ 12,450	3,274		\$ 23,949
THREE YEAR COMMITMENT (\$37K).....	1,193	5,256	6,270	1,762	2,000	3,524	1,622	4,257	6,905
THREE YEAR COMMITMENT (\$35K).....	0	0	0	0	0	0	0	0	0
SUBTOTAL THREE YEAR.....	1,193		\$ 6,270	1,762		\$ 3,524	1,622		\$ 6,905
TWO YEAR COMMITMENT (\$30K).....	56	1,586	89	0	581	0	0	1,204	0
TWO YEAR COMMITMENT (\$28.5K).....	0	0	0	0	0	0	0	0	0
SUBTOTAL TWO YEAR.....	56		\$ 89	0		\$ 0	0		\$ 0
TOTAL \$28.5K.....	0		0	0		0	0		0
TOTAL \$30K.....	56		89	0		0	0		0
TOTAL \$35K.....	0		0	0		0	0		0
TOTAL \$37K.....	1,193		6,270	1,762		3,524	1,622		6,905
TOTAL \$40K.....	0		0	0		0	0		0
TOTAL \$42K.....	3,442		29,622	3,774		12,450	3,274		23,949
TOTAL \$47K.....	1,159		10,033	1,300		4,536	900		7,106
TOTAL \$50K.....	59		452	64		211	88		641
GRAND TOTAL COLLEGE FUND.....	5,909		\$ 46,466	6,900		\$ 20,721	5,884		\$ 38,601

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 49,042
ESTIMATE FY 2006	\$ 49,281
ACTUAL FY 2005	\$ 34,280

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 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 and attract recruits into designated Army skills, which are difficult to fill with qualified enlistees. 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.

The LRP is an effective tool for penetrating the college market, especially that segment that have opted out at a point prior to graduation due to financial constraints.

The Loan Repayment Program decreased by $-\$0.2$ million between FY 2006 and FY 2007 due to the number of participants in the program.

Detailed cost computations are provided by the following table:

ENLISTED LOAN REPAYMENT PROGRAM
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005		ESTIMATE FY 2006		ESTIMATE FY 2007	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
LOAN REPAYMENT PROGRAM.....	6,777	\$ 34,280	13,215	\$ 49,281	11,894	\$ 49,042

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 2,524,779
ESTIMATE FY 2006	\$ 3,122,568
ACTUAL FY 2005	\$ 3,796,680

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 -\$597.8 million between FY 2006 and FY 2007. The decrease is primarily due to the \$496 million in FY 2006 Title IX funding that is not included in the FY 2007 baseline budget. These changes are based on -

- (1) Annualization of the 1 Jan 2006, 6.0% housing cost growth: +\$32.0 million.
- (2) The FY 2007, 6.0% housing cost growth: +\$101.7 million.
- (3) Decrease in Grade structure change: -\$0.4 million.
- (4) Decrease in total man-year: -\$227.1 million.
- (5) Decrease in percent receiving: -\$504.0 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
SERGEANT MAJOR.....	3,068	\$ 15,620	\$ 47,922	2,427	\$ 16,718	\$ 40,575	1,902	\$ 17,721	\$ 33,705
1ST SGT/MASTER SGT..	11,312	14,774	167,123	9,382	15,777	148,020	6,676	16,724	111,649
PLTN SGT/SFC.....	34,085	13,722	467,714	28,539	14,655	418,239	21,738	15,534	337,678
STAFF SERGEANT.....	51,144	13,077	668,810	43,579	13,978	609,147	31,137	14,817	461,357
SERGEANT.....	57,307	11,647	667,455	40,393	12,484	504,266	32,239	13,233	426,619
CORPORAL/SPC4.....	59,903	10,586	634,133	47,558	11,359	540,211	36,463	12,041	439,051
PRIVATE, 1ST CL.....	15,949	10,368	165,359	14,369	11,008	158,174	10,791	11,668	125,909
PRIVATE (E2).....	6,130	10,097	61,895	6,319	10,761	67,999	5,185	11,407	59,145
PRIVATE (E1).....	2,494	10,705	26,698	3,620	11,376	41,181	2,677	12,058	32,279
TOTAL BAH WITH DEPENDENTS.....	241,392		\$ 2,907,109	196,186		\$ 2,527,812	148,808		\$ 2,027,392
BAH DIFFERENTIAL.....	10,440	2,455	25,630	0	2,534	0	0	2,642	0
TOTAL.....	251,832		\$ 2,932,739	196,186		\$ 2,527,812	148,808		\$ 2,027,392
BAH WITHOUT DEPENDENTS									
SERGEANT MAJOR.....	457	\$ 11,796	\$ 5,391	340	\$ 12,527	\$ 4,259	230	\$ 13,279	\$ 3,054
1ST SGT/MASTER SGT..	1,858	11,208	20,824	1,325	11,890	15,754	949	12,603	11,960
PLTN SGT/SFC.....	6,781	9,767	66,230	5,321	10,381	55,237	3,758	11,004	41,353
STAFF SERGEANT.....	13,675	9,133	124,894	9,398	9,685	91,020	6,970	10,266	71,554
SERGEANT.....	21,098	8,668	182,877	13,350	9,186	122,633	10,362	9,737	100,895
CORPORAL/SPC4.....	17,119	7,886	135,000	11,070	8,408	93,077	9,089	8,913	81,010
PRIVATE, 1ST CL.....	2,858	8,262	23,613	1,827	8,866	16,198	1,660	9,398	15,601
PRIVATE (E2).....	804	7,832	6,297	586	8,402	4,924	676	8,906	6,020
PRIVATE (E1).....	306	7,617	2,331	296	8,118	2,403	366	8,605	3,149
TOTAL BAH WITHOUT DEPENDENTS....	64,956		\$ 567,457	43,513		\$ 405,505	34,060		\$ 334,596

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH PARTIAL ALLOWANCE BACHELOR									
SERGEANT MAJOR.....	43	\$ 223	\$ 10	14	\$ 223	\$ 3	18	\$ 223	\$ 4
1ST SGT/MASTER SGT..	76	184	14	44	184	8	18	184	3
PLTN SGT/SFC.....	497	144	72	210	144	30	131	144	19
STAFF SERGEANT.....	3,979	119	474	1,823	119	217	1,235	119	147
SERGEANT.....	49,828	104	5,182	11,772	104	1,224	10,348	104	1,076
CORPORAL/SPC4.....	223,119	97	21,643	54,753	97	5,311	47,681	97	4,625
PRIVATE, 1ST CL.....	147,693	94	13,883	41,496	94	3,901	35,479	94	3,335
PRIVATE (E2).....	74,219	86	6,383	24,862	86	2,138	21,510	86	1,850
PRIVATE (E1).....	41,831	83	3,472	16,036	83	1,331	12,998	83	1,079
TOTAL BAH PARTIAL ALLOWANCE BACHELOR....	541,285		\$ 51,133	151,010		\$ 14,163	129,418		\$ 12,138
BAH INADEQUATE FAMILY HOUSING									
SERGEANT MAJOR.....	0	\$ 3,905	\$ 0	0	\$ 4,179	\$ 0	0	\$ 4,430	\$ 0
1ST SGT/MASTER SGT..	252	3,693	931	1	3,944	4	1	4,181	4
PLTN SGT/SFC.....	756	3,431	2,594	0	3,664	0	4	3,884	16
STAFF SERGEANT.....	2,267	3,269	7,411	0	3,494	0	8	3,704	30
SERGEANT.....	3,526	2,912	10,268	7	3,121	22	11	3,308	36
CORPORAL/SPC4.....	7,808	2,647	20,668	45	2,840	128	27	3,010	81
PRIVATE, 1ST CL.....	6,801	2,592	17,628	28	2,752	77	27	2,917	79
PRIVATE (E2).....	1,259	2,524	3,178	9	2,690	24	6	2,852	17
PRIVATE (E1).....	252	2,676	674	5	2,844	14	1	3,015	3
TOTAL BAH INADEQUATE FAMILY HOUSING.....	22,921		\$ 63,352	95		\$ 269	85		\$ 266
TOTAL BASIC ALLOWANCE FOR HOUSING - DOMESTIC	880,994		\$ 3,614,681	390,804		\$ 2,947,749	312,371		\$ 2,374,392

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS									
SERGEANT MAJOR.....	50	\$ 28,308	\$ 1,415	88	\$ 28,308	\$ 2,491	91	\$ 28,308	\$ 2,576
1ST SGT/MASTER SGT..	178	24,771	4,409	287	24,771	7,109	295	24,771	7,307
PLTN SGT/SFC.....	450	22,694	10,212	794	22,694	18,019	819	22,694	18,586
STAFF SERGEANT.....	582	20,805	12,109	1,066	20,805	22,178	1,070	20,805	22,261
SERGEANT.....	554	18,861	10,449	1,143	18,861	21,558	914	18,861	17,239
CORPORAL/SPC4.....	233	17,190	4,005	784	17,190	13,477	455	17,190	7,821
PRIVATE, 1ST CL.....	21	17,626	370	89	17,626	1,569	64	17,626	1,128
PRIVATE (E2).....	2	18,629	37	20	18,629	373	10	18,629	186
PRIVATE (E1).....	0	15,499	0	6	15,499	93	7	15,499	108
TOTAL BAH WITH DEPENDENTS.....	2,070		\$ 43,006	4,277		\$ 86,867	3,725		\$ 77,212
BAH WITHOUT DEPENDENTS									
SERGEANT MAJOR.....	138	\$ 19,866	\$ 2,742	72	\$ 19,866	\$ 1,430	80	\$ 19,866	\$ 1,589
1ST SGT/MASTER SGT..	515	18,896	9,731	295	18,896	5,574	270	18,896	5,102
PLTN SGT/SFC.....	1,515	18,384	27,852	933	18,384	17,152	822	18,384	15,112
STAFF SERGEANT.....	2,357	16,539	38,982	1,413	16,539	23,370	1,292	16,539	21,368
SERGEANT.....	2,780	16,624	46,215	1,891	16,624	31,436	1,398	16,624	23,240
CORPORAL/SPC4.....	793	15,051	11,935	520	15,051	7,827	383	15,051	5,765
PRIVATE, 1ST CL.....	84	14,763	1,240	60	14,763	886	53	14,763	782
PRIVATE (E2).....	17	14,982	255	13	14,982	195	9	14,982	135
PRIVATE (E1).....	3	13,665	41	6	13,665	82	6	13,665	82
TOTAL BAH WITHOUT DEPENDENTS....	8,202		\$ 138,993	5,203		\$ 87,952	4,313		\$ 73,175
TOTAL BASIC ALLOWANCE FOR HOUSING - OVERSEAS	10,272		\$ 181,999	9,480		\$ 174,819	8,038		\$ 150,387
TOTAL ENLISTED BASIC ALLOWANCE FOR HOUSING.....	891,266		\$ 3,796,680	400,284		\$ 3,122,568	320,409		\$ 2,524,779

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 300,586
ESTIMATE FY 2006	\$ 325,404
ACTUAL FY 2005	\$ 509,544

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 €0.8530 Euro/\$1 US.

The FY 2007 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain mid-grade senior enlisted personnel effective 1 April 2007.

The net change in the overseas station allowance requirements decreased by -\$24.8 million between FY 2006 and FY 2007. These changes are based on -

- (1) Annualization of the 1 Jan 2006, 3.1% pay-raise: \$2.1 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$5.0 million.
- (3) Decrease in original number: -\$25.6 million
- (4) Rate change amount: -\$0.8 million.

Detailed cost computations are provided by the following table:

ENLISTED OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
SGM.....	390	\$ 10,331	\$ 4,029	1,045	\$ 5,097	\$ 5,326	733	\$ 5,676	\$ 4,161
1ST SGT/MASTER SGT.....	2,412	9,108	21,968	3,512	4,660	16,366	2,456	5,007	12,297
PLTN SGT/SFC.....	8,691	8,352	72,587	9,594	4,424	42,444	8,400	4,612	38,741
SSG.....	6,882	6,777	46,639	15,778	3,671	57,921	14,446	3,741	54,042
SGT.....	11,195	5,347	59,860	23,522	2,933	68,990	22,016	2,949	64,925
CORPORAL/SPC4.....	34,989	3,791	132,643	36,236	2,162	78,342	34,444	2,085	71,816
PRIVATE, 1ST CL.....	28,939	2,801	81,058	18,050	1,360	24,548	15,690	1,540	24,163
PV2.....	9,383	2,535	23,786	5,868	1,053	6,179	3,931	1,395	5,484
PV1.....	1,702	2,508	4,269	3,061	1,045	3,199	1,519	1,379	2,095
SUBTOTAL.....	104,583		\$ 446,839	116,666		\$ 303,315	103,635		\$ 277,724
TEMPORARY LODGING ALLOWANCE....	111,774	\$ 561	\$ 62,705	38,821	\$ 569	\$ 22,089	39,485	\$ 579	\$ 22,862
TOTAL ENLISTED STATION ALLOWANCE OVERSEAS..	216,357		\$ 509,544	155,487		\$ 325,404	143,120		\$ 300,586

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 21,372
ESTIMATE FY 2006	\$ 25,230
ACTUAL FY 2005	\$ 54,479

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. From FY 2006 and FY 2007 the CONUS COLA requirement decreased by -\$3.9 million based on decreased number of programmatic requirements.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	36,686	\$ 1,485	\$ 54,479	16,990	\$ 1,485	\$ 25,230	14,392	\$ 1,485	\$ 21,372

ESTIMATE FY 2007	302,822
ESTIMATE FY 2006	355,152
ACTUAL FY 2005	258,153

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 net change in the enlisted clothing allowance or in-kind issue requirement decreased by - \$52.3 million between FY 2006 and FY 2007.

- (1) Initial Allowance increased by +\$2.8 million.
- (2) Maintenance Allowance decreased by -\$39.9 million.
- (3) Supplementary allowance decreased by -\$15.6 million.
- (4) Issue-in-kind increased by \$+.4 million.

Detailed cost computations are provided by the following table:

ENLISTED CLOTHING ALLOWANCES

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - INITIAL ALLOWANCE									
INITIAL ALLOWANCE									
MILITARY CLOTHING									
MALE.....	50,282	1,219.69	\$ 61,328	56,799	1,283.49	\$ 72,901	57,353	1,309.25	\$ 75,089
FEMALE.....	10,448	1,486.79	\$ 15,534	14,200	1,551.49	\$ 22,031	14,338	1,582.61	\$ 22,691
ARMY RESERVE W/PARTIAL CLOTHING ALLOWANCE.....	75	567.19	43	75	487.14	37	75	496.91	37
NATIONAL GUARD WITH PARTIAL CLOTHING ALLOWANCE.....	65	557.59	36	65	490.49	32	65	500.30	33
LESS SAVINGS ON DEFERRED CLOTHING ISSUE.....			(1,435)			(3,843)			(3,958)
ADVANCE FUNDING FOR NEW CLOTHING ITEMS.....			0			0			0
LIQUIDATION OF PRIOR YEAR ADVANCES.....			0			0			0
TOTAL MILITARY CLOTHING.....			75,506			91,158			93,892
CIVILIAN CLOTHING.....	3,584	853.00	3,057	3,092	862.35	2,666	3,087	879.60	2,715
TOTAL INITIAL ALLOWANCE.....			78,563			93,824			96,607

ENLISTED CLOTHING ALLOWANCES

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - MAINTENANCE ALLOWANCE									
BASIC MAINTENANCE (PERSONNEL WITH 7-36 MONTHS SERVICE)									
MALE.....	155,121	330	51,164	174,956	356	62,354	147,006	364	53,493
FEMALE.....	34,028	388	13,219	32,600	418	13,614	29,943	426	12,767
TOTAL.....			64,383			75,968			66,260
STANDARD MAINTENANCE (PERSONNEL WITH 37 MONTHS OR MORE OF SERVICE)									
MALE.....	195,214	440.20	85,933	256,945	511.20	131,350	196,420	521.94	102,519
FEMALE.....	33,235	485.00	16,119	40,283	594.00	23,928	37,238	606.47	22,584
TOTAL.....			102,052			155,278			125,103
TOTAL MAINTENANCE ALLOWANCES....			166,435			231,246			191,363
SUPPLEMENTARY ALLOWANCES..			11,017			25,479			9,897
OTHER									
ISS.-IN-KIND-KATUSA.....	314	930.52	292	7,709	467.68	3,605	7,858	477.03	3,749
REPLACEMENT DURING FIRST SIX MONTHS.....	60,730	30.40	1,846	70,999	10.83	769	71,691	11.05	792
CHARGE SALES.....			0			229			414
TOTAL.....			2,138			4,603			4,955
TOTAL CLOTHING ALLOWANCES.....			258,153			355,152			302,822
LESS REIMBURSABLE OBLIGATIONS.....			0			168			217
TOTAL DIRECT ENLISTED CLOTHING OBLIGATIONS.....			258,153			354,984			302,605

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 78,790
ESTIMATE FY 2006	\$ 90,540
ACTUAL FY 2005	\$ 341,319

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 quarter's 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 \$250 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 net change in the family separation allowance requirement decreased by -\$11.8 million between FY 2006 and FY 2007. These changes are based on -

- (1) FSA-I decreased by -\$1.7 million due to a change in the numbers of families receiving separation payments.
- (2) FSA-II (PCS) decreased by -\$5.5 million.
- (3) FSA-II (TDY) decreased by -\$4.5 million.

Detailed cost computations are provided by the following table:

ENLISTED FAMILY SEPARATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
SGM.....	0	\$ 7,898	\$ 0	43	\$ 8,221	\$ 354	25	\$ 8,549	\$ 214
1SG/MSG.....	0	7,252	0	201	7,549	1,517	145	7,851	1,138
PSG/SFC.....	0	6,191	0	543	6,445	3,500	491	6,702	3,291
SSG.....	0	5,603	0	797	5,833	4,649	619	6,066	3,755
SGT.....	0	5,169	0	513	5,380	2,760	487	5,596	2,725
CPL/SFC.....	0	4,496	0	32	4,679	150	22	4,867	107
SUBTOTAL.....	0		0	2,129		12,930	1,789		11,230
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED.....	15,605	3,000	46,815	14,347	3,000	43,041	12,499	3,000	37,497
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	98,168	3,000	294,504	11,523	3,000	34,569	10,021	3,000	30,063
TOTAL ENLISTED FAMILY SEPARATION ALLOWANCES.....	113,773		\$ 341,319	27,999		\$ 90,540	24,309		\$ 78,790

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 305,407
ESTIMATE FY 2006	\$ 318,515
ACTUAL FY 2005	\$ 344,921

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 120 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 benefits (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 sub account 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.

The FY 2005 National Defense Authorization Act (NDAA), Section 641, Subsection (c) of Section 1407 of Title 10, United States Code, requires the computation of high-36 month average retirement pay for reserve component members, retired for disability while on active duty or dying while on active duty, to be similar to the active component.

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 FY 2005 National Defense Authorization Act (NDAA) provides for a member of a reserve component who is entitled to retired pay, the member's high-three average is computed in the same manner for an active duty member entitled to retired pay.

The FY 2007 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain mid-grade senior enlisted personnel effective 1 April 2007. The requirement for separation pay changes by -\$13.2 million between FY 2006 and FY 2007 is based on-

- (1) Annualization of the 3.1%, 1 Jan 2006: +\$1.5 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$4.3 million.
- (3) Decrease in the numbers of soldiers receiving Separation Pay: -\$23.8 million.
- (4) Rate change: +\$4.8 million.

Detailed cost computations are provided by the following table:

ENLISTED SEPARATION PAYMENTS
(AMOUNT IN THOUSANDS OF DOLLARS)

	NUMBER	ACTUAL FY 2005			ESTIMATE FY 2006				ESTIMATE FY 2007			
		AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
SERGEANT MAJOR.....	613	10.2	\$ 1,724	\$ 1,057	306	10.2	\$ 1,748	\$ 535	172	10.2	\$ 1,755	\$ 302
1ST SERGEANT/MASTER SERGEANT.....	2,227	12.2	1,655	3,686	471	12.2	1,679	791	221	12.2	1,697	375
PLATOON SERGEANT/SERGEANT 1ST CLASS..	5,211	16.3	1,878	9,785	5,051	16.3	1,888	9,536	4,551	16.3	1,912	8,701
STAFF SERGEANT.....	5,081	19.3	1,792	9,105	13,727	19.3	1,801	24,716	10,527	19.3	1,824	19,199
SERGEANT.....	14,749	17.3	1,292	19,060	3,357	17.3	1,295	4,347	2,857	17.3	1,303	3,723
CORPRAL/SPECIALIST 4.....	28,193	17.2	1,041	29,340	40,907	17.2	1,048	42,851	37,707	17.2	1,057	39,870
PRIVATE, FIRST CLASS.....	8,096	17.2	851	6,887	3,515	17.2	864	3,036	3,015	17.2	875	2,638
PRIVATE (E2).....	6,691	16.6	740	4,952	4,431	16.6	748	3,312	3,852	16.6	752	2,896
PRIVATE (E1).....	10,725	20.6	732	7,846	8,801	20.6	757	6,658	5,823	20.6	780	4,543
SUBTOTAL.....	81,586			\$ 91,718	80,566			\$ 95,782	68,725			\$ 82,247
SEVERANCE PAY (DISABILITY).....	5,865		\$ 19,935	\$ 116,919	4,517		\$ 20,575	\$ 92,937	4,065		\$ 21,265	\$ 86,442
AUTHORIZED DONATIONS.....	0		0	0	0		0	0	0		0	0
INVOLUNTARY HALF-PAY(5%).....	1,491		12,083	18,016	597		12,472	7,446	793		12,889	10,221
INVOLUNTARY FULL-PAY(10%).....	560		25,921	14,516	579		26,756	15,492	631		27,651	17,448
SPECIAL SEPARATION BENEFIT(15%).....	0		0	0	0		0	0	0		0	0
15 YEAR RETIREMENT.....	0		0	0	0		0	0	0		0	0
SUBTOTAL SEPARATION PAY (NON-DISABILITY).....	2,051			\$ 32,532	1,176			\$ 22,938	1,424			\$ 27,669
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAYMENTS) 1).....	0			\$ 13,152	0			\$ 5,703	0			\$ 5,760
THRU DEC 31, 1992.....				13,152				5,703				5,760
JAN 1, 1993 AND AFTER.....	0			0	0			0	0			0
\$30,000 LUMP SUM BONUS.....				\$ 90,600				\$ 101,155				\$ 103,289
TOTAL ENLISTED SEPARATION PAY.....	89,502			\$ 344,921	86,259			\$ 318,515	74,214			\$ 305,407

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 2007	\$ 804,228
ESTIMATE FY 2006	\$ 859,400
ACTUAL FY 2005	\$ 1,029,371

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
2005	\$90,000	No upper limit
2006	\$93,000	No upper limit
2007	\$96,600	No upper limit

The FY 2007 military pay raise reflects a 2.2% across-the-board increase with selective increases for certain mid-grade senior enlisted personnel effective 1 April 2007. The net change in the FICA requirement is -\$55.2 million between FY 2006 and FY 2007. These changes are based on -

- (1) Annualization of the 1 Jan 2006, 3.1% pay raise: +\$6.2 million.
- (2) The 1 Jan 2007, 2.2 percent pay raise: +\$14.3 million.
- (3) G.I. Bill Offset change from FY 2006 to FY 2007: +\$.4 million
- (4) Decrease in man-year: -\$64.0 million
- (5) FICA adjustment (longevity): -\$12.1million

Detailed cost computations are provided by the following table:

ENLISTED SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	513,671	\$ 2,003.95	1,029,371	437,669	\$ 1,963.58	\$ 859,400	401,998	\$ 2,000.58	\$ 804,228
LESS NON_JUDICIAL FINES AND FORFEITURES.....			\$ 0			\$ 0			\$ 0
TOTAL ENLISTED SOCIAL SECURITY TAX.....	513,671		1,029,371	437,669		\$ 859,400	401,998		\$ 804,228

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

Pay and Allowance of Cadets			
FY 2006 Direct Program			\$ 53,392
Increases:			
Pricing Increases:			
a.	Annualization of pay raise 3.1%	90	
b.	FY 2007 across-the-board pay raise 2.2% effective 1 January 2007	980	
c.	Cost growth for subsistence rate \$6.50 to \$6.65 per day	242	
	Total Pricing Increases	1,312	
Program Increases:			
a.	Dollars associated with number of Cadet increase	830	
b.	Operational Rations	197	
c.	Subsistence allowance	87	
	Total Program Increases	1,114	
Total Increases			\$ 2,426
Decreases:			
Pricing Decreases:			
		0	
		0	
		0	
	Total Pricing Decreases	0	
Program Decreases:			
	Subsistence Allowance	0	
		0	
	Total Program Decreases	0	
Total Decreases			\$ 0
FY 2007 Direct Program			\$ 55,818

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 55,818
ESTIMATE FY 2006	\$ 53,392
ACTUAL FY 2005	\$ 51,510

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 budget also includes the employer's share of the Federal Insurance Contribution Act (FICA) tax.

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 man-years.

The cadet funding requirements change by +\$2.4 million from FY 2006 to FY 2007 is based on:

- (1) Authorized pay raise of 2.2% increase: +\$1.3 million.
- (2) Increased requirement for subsistence: +\$.197 million.
- (3) Operational rations usage change: +\$.087 million.
- (4) Increase in number of cadets: +\$.830 million

Note: FY 2005 Actual does not match official financial records. An additional \$3.7 million was applied to correct cadet base pay. The pay obligation was posted in error to Operational PCS.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
(1) BASIC PAY.....	4,013	\$ 9,701	\$ 38,930	4,026	\$ 9,991	\$ 40,224	4,109	\$ 10,233	\$ 42,047
(2) SUBSISTENCE - COMMUTED-RATION									
A. SUBSISTENCE ALLOWANCE.....	4,013	\$ 2,318	9,302	4,026	\$ 2,376	9,566	4,109	\$ 2,435	10,005
B. OPERATIONAL RATIONS.....			280			534			621
(3) SOCIAL SECURITY TAX -									
EMPLOYER CONTRIBUTION.....	4,041	\$ 742	2,998	4,016	\$ 764	3,068	4,016	\$ 783	3,145
TOTAL ACADEMY CADETS.....	4,013		\$ 51,510	4,026		\$ 53,392	4,109		\$ 55,818

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

Subsistence of Enlisted Personnel

FY 2006 Direct Program		\$ 1,588,210
Increases:		
Pricing Increases:		
a. Basic Allowance Subsistence rates increased (1.9 percent) due to a change in USDA food cost index.	19,358	
b. Subsistence-in-Mess rates increased for trainees and non-trainee Soldiers receiving meals in dining facilities.	5,835	
c. Rates increase for operational rations for MREs, for unitized rations, and for other package operational rations.	5,783	
d. Family Subsistence Supplemental Allowance rate increase due to an expected increase in the annual eligibility cost of this benefit.	46	
Total Pricing Increases	31,022	
Program Increases:		
Participation in the Basic Allowance for Subsistence program increased by 8,470 Soldiers authorized to mess separately.	22,468	
Total Program Increases	22,468	
Total Increases		\$ 53,490
Decreases:		
Pricing Decreases:		
Total Pricing Decreases	0	
Program Decreases:		
a. Program decrease caused by an increase in the number of Soldiers budgeted to receive subsistence-in-mess in FY06 when Title IX (GWOT) were added.	(145,443)	
b. Program decrease caused by an increase in the number of Soldiers budgeted to receive operational rations (MREs, unitized rations and other package rations) in FY06 when Title IX (GWOT) were added.	(86,616)	
c. Program decrease caused by an increase in the aggregate cost of augmentation rations budgeted in FY06 when Title IX funds (GWOT) were added.	(2,659)	
d. A decrease in the direct program caused by an increase in reimbursables.	(1,345)	
Total Program Decreases	(236,063)	
Total Decreases		\$ (236,063)
FY 2007 Direct Program		\$ 1,405,637

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 1,441,445
ESTIMATE FY 2006	\$ 1,622,673
ACTUAL FY 2005	\$ 2,978,774

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 are cash collections from dining facilities made by civilians and by Soldiers who receive Basic Allowance for Subsistence. 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, and (3) when subsistence-in-kind is not available. All enlisted Soldiers are paid their full BAS entitlement, but Single Soldiers who reside on Army installations with dining facilities have a portion of their BAS collected from their pay and are directed to subsist in Army dining facilities. This budget activity is based on the delegation of authority in Title 10 U.S.C, Chap. (435) Sec. 4651(c).

Basic Allowance for Subsistence changed in FY 1998 when 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. Since FY 2002 rate changes have been tied to the annual USDA food cost index. All enlisted members (except recruits and holdees) will be entitled to BAS. Between FY 2006 AND FY 2007 BAS costs increase \$43.8 million.

Subsistence-In-Kind (SIK) funds subsistence to feed enlisted Soldiers their daily food rations in accordance with Title 10 U.S.C. This program funds meals provided in garrison dining facilities (subsistence in messes), operational rations, and augmentation rations. In FY 2004 \$160,000 and in FY 2005 \$260,000 reimbursement for cost of feeding civilians and contractors in OIF/OEF dining facilities was made from Operations and Maintenance, Army accounts. From FY 2006 to FY 2007 the base program for Subsistence-in-Kind costs increased due to inflation; however, the FY 2006 budget shown has been increased by Title IX funds provided early in the fiscal year to provide sufficient resources until supplemental dollars are added to fund the cost of contingency operations.

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 versus the number of SIK Soldiers authorized to subsist without cost (participation

rate), and the cost of subsistence used in preparing meals (food cost). All CONUS 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.

Operational Rations are rations used for field subsistence. Operational rations include the Meal-Ready-to Eat (MRE), Unitized Group Rations (UGR) that include "heat and serve" and A-ration varieties, and other operational rations, such as 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, KATUSA (Korean Augmentation to U.S. Army) rations and Host Nation support meals. Contract meals are furnished by commercial facilities when the payment of 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.

Family Subsistence Supplemental Allowance (FSSA), pursuant to Section 402a of Title 37, United States Code, began 1 May 2001. The program is 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 2006 and FY 2007 the subsistence program has decreased \$182.6 million, primarily due to the \$254 million FY 2006 Title IX funding/requirements that is not included in the FY 2007 baseline budget.

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
A. BASIC ALLOWANCE FOR SUBSISTENCE									
1. WHEN AUTH TO MESS SEP.....	434,880	\$ 3,168	\$ 1,377,701	304,870	\$ 3,252	\$ 991,393	313,340	\$ 3,314	\$ 1,038,292
2. WHEN RATIONS IN KIND NOT AVAILABLE.....	6,533	\$ 3,221	\$ 21,042	0	\$ 3,055	\$ 0	0	\$ 3,058	\$ 0
3. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
4. LESS COLLNS.....	43,657	\$ 2,705	\$ 118,093	65,072	\$ 2,759	\$ 179,534	64,940	\$ 2,813	\$ 182,675
TOTAL ENLISTED BAS.....	441,413		\$ 1,280,650	304,870		\$ 811,859	313,340		\$ 855,617
B. SUBSISTENCE-IN-KIND									
1. SUB-IN-MESS									
A. TRAINEE/ NP STATUS...	37,326	\$ 2,697	\$ 100,667	37,370	\$ 2,763	\$ 103,248	37,346	\$ 2,834	\$ 105,829
B. MEM TAKING MEALS IN MESS..	305,637	\$ 2,953	\$ 902,621	101,822	\$ 3,042	\$ 309,743	53,046	\$ 3,102	\$ 164,523
C. REIMB.....			\$ 24,440			\$ 34,463			\$ 35,808
SUBTOTAL SUB-IN-MESS....	342,963		\$ 1,027,728	139,192		\$ 447,454	90,392		\$ 306,160
2. OP RATIONS									
A. MRES.....	59,013	\$ 7,628	\$ 450,171	25,130	\$ 7,819	\$ 196,498	18,277	\$ 8,015	\$ 146,489
B. UNITIZED RATIONS.....	38,661	\$ 4,222	\$ 163,226	26,550	\$ 4,328	\$ 114,897	19,309	\$ 4,436	\$ 85,656
C. OTHER PACKAGE OP RATIONS..	1,698	\$ 8,391	\$ 14,252	723	\$ 8,600	\$ 6,221	526	\$ 8,821	\$ 4,638
D. REIMB.....			\$ 0			\$ 0			\$ 0
SUBTOTAL OP RATS.....			\$ 627,649			\$ 317,616			\$ 236,783
3. AUG RATS/ OTHER PROG									
A. AUG RATS....			\$ 10,366			\$ 10,547			\$ 9,815
B. OTHER - REGION.....			\$ 27,271			\$ 27,749			\$ 25,822
C. OTHER - MESSING.....			\$ 4,182			\$ 4,255			\$ 3,960
SUBTOTAL AUG RATS/ OTHER PROG.....			\$ 41,819			\$ 42,551			\$ 39,597
TOTAL SIK.....			\$ 1,697,196			\$ 807,621			\$ 582,540
C. FAMILY SUB SUP ALLOW (FSSA)									
TOTAL FSSA.....	398	\$ 2,332	\$ 928	1,332	\$ 2,398	\$ 3,193	1,332	\$ 2,468	\$ 3,288
TOTAL SUBSISTENCE PROGRAM.....									
LESS REIMBURSABLES.....			\$ 24,440			\$ 34,463			\$ 35,808
TOTAL DIRECT SUBSISTENCE.....			\$ 2,954,334			\$ 1,588,210			\$ 1,405,637

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

Permanent Change of Station Travel		
FY 2006 Direct Program		\$ 1,223,215
Increases:		
Pricing Increases:		
a. Annualization of Dislocation Allowance (DLA) FY 2006 3.1% pay raise effective 1 Jan 2006.	264	
b. Dislocation Allowance (DLA) FY 2007 2.2% new pay raise effective 1 Jan 2007.	680	
c. Household Goods - Land/Sea rate change (2.2%).	8,231	
d. Port Handling rate change (2.2%).	118	
e. POV rate increase change (2.2%).	1,094	
f. Temporary Lodging Expense rate change (2.2%).	1,843	
g. Non-Temporary Storage rate change (2.2%).	642	
h. Member Mileage rate change.	14,117	
Total Pricing Increases	26,989	
Program Increases:		
. POV Port/Sealift allowances increase in personnel receiving.	17,091	
Total Program Increases	17,091	
Total Increases		\$ 44,080
Decreases:		
Pricing Decreases:		
Total Pricing Decreases	0	
Program Decreases:		
a. Member Travel decrease in number of moves.	(105,868)	
b. Dependent Travel decrease in number of moves.	(63,331)	
c. Dislocation Allowance decrease in the number of personnel receiving.	(47,406)	
d. Household Goods - Land/Sea decrease in number of moves.	(49,647)	
e. Temporary Lodging Expense decrease in the number receiving.	(4,418)	
f. Reimbursable increase reduces direct program.	(46)	
Total Program Decreases	(270,716)	
Total Decreases		\$ (270,716)
FY 2007 Direct Program		\$ 996,579

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

	ACTUAL FY 2005		ESTIMATE FY 2006		ESTIMATE FY 2007	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
ACCESSION TRAVEL.....	76,427	\$ 94,344	86,736	\$ 205,707	87,964	\$ 203,641
TRAINING TRAVEL.....	8,738	75,676	4,184	36,541	6,048	53,366
OPERATIONAL TRAVEL BETWEEN DUTY STATIONS..	34,254	274,132	32,822	281,395	14,378	138,488
ROTATIONAL TRAVEL TO AND FROM OVERSEAS...	55,510	383,310	76,875	457,404	51,885	361,210
SEPARATION TRAVEL.....	87,538	127,755	85,111	170,685	86,831	173,210
TRAVEL OF ORGANIZED UNITS.....	7,090	15,011	3,881	9,759	1,043	3,709
NON-TEMPORARY STORAGE.....		23,955		40,829		42,121
TEMPORARY LODGING EXPENSE.....		30,856		23,068		23,053
TOTAL OBLIGATIONS.....	269,557	\$ 1,025,039	289,609	\$ 1,225,388	248,149	\$ 998,798
LESS: REIMBURSABLES.....		\$ 2,129		\$ 2,173		\$ 2,219
TOTAL DIRECT.....	269,557	\$ 1,022,910	289,609	\$ 1,223,215	248,149	\$ 996,579

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

	ACTUAL FY 2005		ESTIMATE FY 2006		ESTIMATE FY 2007	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
TRAVEL OF MILITARY MEMBER						
MILEAGE AND PER DIEM.....	269,557	\$ 314,839	289,609	\$ 416,171	248,149	\$ 320,657
AMC.....	698	601	1,713	1,437	964	831
COMMERCIAL AIR.....	86,593	71,145	86,675	74,589	87,621	79,046
TRAVEL OF DEPENDENTS						
MILEAGE AND PER DIEM.....	164,767	119,616	110,529	100,782	65,119	37,323
AMC.....	39	31	203	185	402	380
COMMERCIAL AIR.....	16,058	11,166	20,621	22,628	17,936	19,446
TRANSPORTATION OF HHG						
LAND SHIPMENT.....	90,530	287,025	199,468	423,751	145,226	382,337
ITGBL SHIPMENT.....	417	319	952	776	1,175	1,115
DISLOCATION ALLOWANCE.....	154,179	124,486	77,082	82,370	34,391	35,909
TRAILER ALLOWANCE.....	754	437	650	386	583	354
TRANSPORTATION OF POVS.....	13,310	40,510	11,264	35,004	16,764	53,188
PORT HANDLING (HHG).....	323	53	32,045	3,412	26,190	3,038
NON-TEMPORARY STORAGE.....		23,955		40,829		42,121
TEMP LODGING EXPENSE.....		30,856		23,068		23,053
TOTAL OBLIGATIONS.....		\$ 1,025,039		\$ 1,225,388		\$ 998,798
LESS: REIMBURSABLE.....		\$ 2,129		\$ 2,173		\$ 2,219
TOTAL DIRECT.....		\$ 1,022,910		\$ 1,223,215		\$ 996,579

Project: Permanent Change of Station Travel

Part I - Purpose and Scope of Work

To improve unit cohesion and readiness, while reducing turbulence in units and uncertainty for families, the Army is changing how we man our units. Our objective is to keep Soldiers and leaders in units longer to reduce high turnover rates, to improve cohesion within units, and to increase training proficiency and overall combat readiness. Units that stay together longer function as a team better, understand their duties and their equipment better, require less periodic retraining, and tend to perform better during deployments. This budget includes funding for increased moves due to Integrated Global Presence and Basing Strategy (IGPBS).

The assignment policy, now being implemented, will improve quality of life and increase predictability for Soldiers, families and civilian employers. Stabilizing Soldiers will allow families to build deeper roots within their communities and to enjoy more opportunities for spouse employment, continuity of healthcare, schooling and other benefits. This program also reduces the chance of a Soldier moving from a unit that recently redeployed to a unit preparing to deploy. The Army gains more cohesive, more experienced units; Soldiers and families gain stability and access to stronger support networks, which will enhance well-being.

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 military airlift for members and dependents.
- Transportation of Household Goods (HHG) and baggage by common carrier, AMC, and SDDC. 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 18 percent of the Army's total moves program and 37 percent of total PCS costs.
- Accessions and Separations moves comprise 73 percent of total moves and 43 percent of the dollar requirement.
- The remaining move/dollar requirements consist of Operational, Training and Unit moves which equal 9 percent of total moves and 20 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.

Note: FY 2005 Actual does not match official financial records. A decrease of \$3.7 million was applied to this account to offset correction to cadet's base pay. The cadet pay obligation was posted in error to the Operational PCS account.

Part II - Justification of Funds Requested

The FY 2007 budget estimate decreased by -\$226.6 million from FY 2006 to FY 2007 is based on:

- 1) Decrease in the number of moves yields a -\$270.7 million decrease, which includes \$133.6 million decrease associated with moves funded in FY 2006 Title IX that are not included in the FY 2007 baseline budget.
- 2) 2.2% inflation rate generates costs of +\$26.0 million.
- 3) Authorized pay raise of 2.2% across-the-board with selective increases for certain warrant officers and mid-grade senior enlisted personnel effective 1 April 2007 increases Dislocation Allowance costs by +\$0.9 million.
- 4) POV Shipment program increases +\$17.1 million.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 203,641
ESTIMATE FY 2006	\$ 205,707
ACTUAL FY 2005	\$ 94,344

Project: Accession Travel

Part I - Purpose and Scope

Officers. This program element addresses PCS movements of: (1) officers appointed to a commissioned grade from civilian life, military academies, Reserve Officer Training Corps, 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 Officer Candidate School. This category also includes travel to/from schools less than 20 weeks in duration when they precede completion of travel to the new permanent duty station or training school in excess of 20 weeks.

Enlisted. This program element addresses 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. This program element 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 2007.

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.

The following table provides detailed cost computations:

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER MILEAGE AND PER DIEM..	7,294	\$ 1,402	\$ 10,227	8,079	\$ 1,432	\$ 11,565	8,042	\$ 1,460	\$ 11,743
DEPENDENT MILEAGE.....	897	701	629	2,174	716	1,556	2,678	730	1,955
DISLOCATION ALLOWANCE.....	1,428	1,818	2,596	1,555	1,874	2,914	1,560	1,925	3,003
HHG-LAND SHIPMENT.....	1,127	4,753	5,357	6,155	4,872	29,987	5,809	4,979	28,924
TRAILER ALLOWANCE.....	10	580	6	44	594	26	3	607	2
LAND RATE.....			\$ 18,815			\$ 46,048			\$ 45,627
MEMBER-AMC.....	53	\$ 800	\$ 42	9	\$ 800	\$ 7	56	\$ 800	\$ 45
MEMBER-COMM AIR.....	685	1,464	1,003	1,607	1,501	2,412	1,552	1,534	2,381
DEPENDENT-AMC.....	3	800	2	11	800	9	1	800	1
DEPENDENT-COMM AIR.....	13	1,464	19	684	1,501	1,027	670	1,534	1,028
HHG-ITGBL.....	10	5,249	52	19	5,380	102	22	5,499	121
HHG-PORT HANDLING.....	0	270	0	396	275	109	370	281	104
POV.....	244	3,044	743	589	3,108	1,830	755	3,173	2,395
OVERWATER RATE.....			\$ 1,861			\$ 5,496			\$ 6,075
TOTAL OFFICER.....			\$ 20,676			\$ 51,544			\$ 51,702
TOTAL CADETS.....	1,233	\$ 304	\$ 375	1,160	\$ 179	\$ 208	1,162	\$ 184	\$ 214
TOTAL OFFICER AND CADETS.....			\$ 21,051			\$ 51,752			\$ 51,916

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER MILEAGE AND PER DIEM..	67,900	\$ 450	\$ 30,555	77,497	\$ 459	\$ 35,606	78,760	\$ 469	\$ 36,910
DEPENDENT MILEAGE.....	17,382	225	3,911	18,826	230	4,325	20,361	234	4,771
DISLOCATION ALLOWANCE.....	14,173	657	9,317	9,877	678	6,694	12,546	696	8,733
HHG-LAND SHIPMENT.....	12,662	743	9,404	100,380	761	76,413	45,719	778	35,569
TRAILER ALLOWANCE.....	392	580	227	385	594	229	394	607	239
LAND RATE.....			\$ 53,414			\$ 123,267			\$ 86,222
MEMBER-AMC.....	8	\$ 800	\$ 6	23	\$ 800	\$ 18	276	\$ 800	\$ 221
MEMBER-COMM AIR.....	12,233	854	10,453	15,477	876	13,555	27,291	895	24,428
DEPENDENT-AMC.....	5	800	4	23	800	18	25	800	20
DEPENDENT-COMM AIR.....	624	854	533	2,465	876	2,159	3,832	895	3,430
HHG-ITGBL.....	245	404	99	531	414	220	475	424	201
HHG-PORT HANDLING.....	0	40	0	5,281	41	218	6,904	42	291
POV.....	2,886	3,044	8,784	4,666	3,108	14,500	11,634	3,173	36,912
OVERWATER RATE.....			\$ 19,879			\$ 30,688			\$ 65,503
TOTAL ENLISTED.....			\$ 73,293			\$ 153,955			\$ 151,725
TOTAL PCS ACCESSION TRAVEL.....			\$ 94,344			\$ 205,707			\$ 203,641

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 53,366
ESTIMATE FY 2006	\$ 36,541
ACTUAL FY 2005	\$ 75,676

Project: Training Travel

Part I - Purpose and Scope

Officers. This program element 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. This account excludes academy graduates, Officer Candidate School graduates, Reserve Officer Training Corps 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. This program element 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. Excluded are 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

These funding requirements result from officer and enlisted personnel attending 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 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER MILEAGE AND PER DIEM..	5,743	\$ 1,128	\$ 6,478	2,765	\$ 1,152	\$ 3,184	4,359	\$ 1,176	\$ 5,125
DEPENDENT MILEAGE.....	2,312	1,359	3,142	1,769	1,387	2,454	3,588	1,417	5,082
DISLOCATION ALLOWANCE.....	8,884	1,277	11,346	1,546	1,317	2,036	2,964	1,352	4,008
HHG-LAND SHIPMENT.....	5,470	4,589	25,100	2,831	4,703	13,315	4,915	4,807	23,626
TRAILER ALLOWANCE.....	9	580	5	2	594	1	3	607	2
LAND RATE.....			\$ 46,071			\$ 20,990			\$ 37,843
ENLISTED									
MEMBER MILEAGE AND PER DIEM..	2,995	\$ 571	\$ 1,710	1,419	\$ 583	\$ 827	1,689	\$ 595	\$ 1,005
DEPENDENT MILEAGE.....	12,924	1,390	17,960	7,606	1,419	10,792	5,682	1,449	8,231
DISLOCATION ALLOWANCE.....	4,313	657	2,835	946	678	641	1,450	696	1,009
HHG-LAND SHIPMENT.....	2,257	3,144	7,095	1,020	3,222	3,287	1,599	3,293	5,266
TRAILER ALLOWANCE.....	9	580	5	7	594	4	20	607	12
LAND RATE.....			\$ 29,605			\$ 15,551			\$ 15,523
TOTAL PCS									
TRAINING TRAVEL.....			\$ 75,676			\$ 36,541			\$ 53,366

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 138,488
ESTIMATE FY 2006	\$ 281,395
ACTUAL FY 2005	\$ 274,132

Project: Operational Travel

Part I - Purpose and Scope

Officers. This program element 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. This program element 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 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER MILEAGE AND PER DIEM..	7,005	\$ 4,316	\$ 30,231	10,144	\$ 4,402	\$ 44,653	6,695	\$ 4,490	\$ 30,060
DEPENDENT MILEAGE.....	2,590	2,158	5,589	4,467	2,201	9,833	1,769	2,245	3,972
DISLOCATION ALLOWANCE.....	6,699	2,076	13,910	8,706	2,141	18,638	3,143	2,199	6,910
HHG-LAND SHIPMENT.....	3,612	9,299	33,589	5,570	9,532	53,092	2,642	9,741	25,737
TRAILER ALLOWANCE.....	22	580	13	3	594	2	5	607	3
LAND RATE.....			\$ 83,332			\$ 126,218			\$ 66,682
ENLISTED									
MEMBER MILEAGE AND PER DIEM..	27,249	\$ 856	\$ 23,312	22,678	\$ 873	\$ 19,790	7,683	\$ 890	\$ 6,839
DEPENDENT MILEAGE.....	62,975	856	53,877	39,423	873	34,402	4,473	961	4,297
DISLOCATION ALLOWANCE.....	27,961	1,048	29,317	34,323	1,081	37,103	3,842	1,110	4,265
HHG-LAND SHIPMENT.....	18,012	4,679	84,278	13,318	4,796	63,873	11,507	4,902	56,402
TRAILER ALLOWANCE.....	28	580	16	15	594	9	5	607	3
LAND RATE.....			\$ 190,800			\$ 155,177			\$ 71,806
TOTAL PCS									
OPERATIONAL TRAVEL.....			\$ 274,132			\$ 281,395			\$ 138,488

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 361,210
ESTIMATE FY 2006	\$ 457,404
ACTUAL FY 2005	\$ 383,310

Project: Rotational Travel

Part I - Purpose and Scope

Officers. This program element 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. This program element 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 an appropriate number 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. This budget includes funding for increased moves due to Integrated Global Presence and Basing Strategy (IGPBS).

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER MILEAGE AND PER DIEM..	8,172	\$ 5,924	\$ 48,409	9,000	\$ 8,225	\$ 74,022	7,735	\$ 9,406	\$ 72,752
DEPENDENT MILEAGE.....	1,001	5,975	5,981	1,800	6,094	10,970	433	6,217	2,692
DISLOCATION ALLOWANCE.....	11,009	1,394	15,348	3,972	1,437	5,709	3,297	1,476	4,867
HHG-LAND SHIPMENT.....	2,957	5,905	17,460	4,806	6,052	29,087	7,999	6,185	49,477
TRAILER ALLOWANCE.....	159	579	92	51	593	30	49	606	30
LAND RATE.....			\$ 87,290			\$ 119,818			\$ 129,818
MEMBER-AMC.....	163	\$ 1,049	\$ 171	270	\$ 1,052	\$ 284	232	\$ 1,052	\$ 244
MEMBER-COMM AIR.....	8,009	675	5,408	8,730	692	6,042	7,503	707	5,307
DEPENDENT-AMC.....	3	1,000	3	91	1,055	96	232	1,052	244
DEPENDENT-COMM AIR.....	7,584	662	5,021	8,731	679	5,925	5,567	694	3,861
HHG-ITGBL.....	26	1,615	42	94	1,660	156	212	1,693	359
HHG-PORT HANDLING.....	235	162	38	629	165	104	3,697	184	682
POV.....	4,274	3,044	13,008	1,205	3,108	3,745	774	3,173	2,456
OVERWATER RATE.....			\$ 23,691			\$ 16,352			\$ 13,153
TOTAL OFFICER.....			\$ 110,981			\$ 136,170			\$ 142,971

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER MILEAGE AND PER DIEM..	47,338	\$ 2,946	\$ 139,440	67,875	\$ 3,011	\$ 204,373	44,150	\$ 3,077	\$ 135,849
DEPENDENT MILEAGE.....	8,869	2,473	21,932	8,801	2,522	22,199	1,717	1,873	3,216
DISLOCATION ALLOWANCE.....	75,798	489	37,090	14,125	505	7,126	4,879	518	2,528
HHG-LAND SHIPMENT.....	17,245	1,956	33,737	25,218	2,005	50,568	22,602	2,049	46,320
TRAILER ALLOWANCE.....	45	578	26	12	592	7	45	605	27
LAND RATE.....			\$ 232,225			\$ 284,273			\$ 187,940
MEMBER-AMC.....	473	\$ 806	\$ 381	1,320	\$ 800	\$ 1,056	343	\$ 805	\$ 276
MEMBER-COMM AIR.....	46,865	633	29,651	42,682	649	27,680	34,002	663	22,536
DEPENDENT-AMC.....	0	0	0	35	800	28	117	803	94
DEPENDENT-COMM AIR.....	6,930	567	3,928	2,162	581	1,256	3,400	594	2,019
HHG-ITGBL.....	14	1,714	24	36	1,757	64	31	1,796	55
HHG-PORT HANDLING.....	88	170	15	8,820	178	1,566	6,869	181	1,245
POV.....	2,006	3,043	6,105	1,709	3,108	5,311	1,284	3,173	4,074
OVERWATER RATE.....			\$ 40,104			\$ 36,961			\$ 30,299
TOTAL ENLISTED.....			\$ 272,329			\$ 321,234			\$ 218,239
TOTAL PCS ROTATIONAL TRAVEL.....			\$ 383,310			\$ 457,404			\$ 361,210

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 173,210
ESTIMATE FY 2006	\$ 170,685
ACTUAL FY 2005	\$ 127,755

Project: Separation Travel

Part I - Purpose and Scope

Officers. This program element 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. This program element 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 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER MILEAGE AND PER DIEM..	7,336	\$ 292	\$ 2,141	7,931	\$ 298	\$ 2,363	7,890	\$ 304	\$ 2,398
DEPENDENT MILEAGE.....	4,523	146	660	6,061	149	903	5,521	152	839
HHG-LAND SHIPMENT.....	2,923	4,439	12,975	3,187	4,550	14,501	3,094	4,650	14,388
TRAILER ALLOWANCE.....	5	580	3	0	594	0	2	607	1
LAND RATE.....			\$ 15,779			\$ 17,767			\$ 17,626
MEMBER-AMC.....	0	\$ 800	\$ 0	3	\$ 800	\$ 2	3	\$ 800	\$ 2
MEMBER-COMM AIR.....	1,467	3,985	5,847	1,583	4,085	6,467	1,575	4,175	6,575
DEPENDENT-AMC.....	0	800	0	3	800	2	3	800	2
DEPENDENT-COMM AIR.....	235	3,988	937	1,664	4,088	6,802	1,327	4,178	5,544
HHG-ITGBL.....	15	970	15	44	994	44	44	1,016	45
HHG-PORT HANDLING.....	0	97	0	475	99	47	465	101	47
POV.....	444	3,044	1,351	1,542	3,108	4,792	742	3,173	2,354
OVERWATER RATE.....			\$ 8,150			\$ 18,156			\$ 14,569
TOTAL OFFICER.....			\$ 23,929			\$ 35,923			\$ 32,195
TOTAL CADETS.....	198	\$ 556	\$ 110	182	\$ 1,038	\$ 189	182	\$ 1,005	\$ 183
TOTAL OFFICER AND CADETS.....			\$ 24,039			\$ 36,112			\$ 32,378

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER MILEAGE AND PER DIEM..	80,004	\$ 196	\$ 15,664	76,998	\$ 200	\$ 15,392	78,759	\$ 204	\$ 16,059
DEPENDENT MILEAGE.....	49,341	98	4,830	17,019	100	1,701	18,431	102	1,877
HHG-LAND SHIPMENT.....	22,781	2,329	53,054	36,483	2,387	87,087	39,117	2,440	95,429
TRAILER ALLOWANCE.....	48	580	28	25	594	15	36	607	22
LAND RATE.....			\$ 73,576			\$ 104,195			\$ 113,387
MEMBER-AMC.....	1	\$ 800	\$ 1	88	\$ 800	\$ 70	54	\$ 800	\$ 43
MEMBER-COMM AIR.....	17,334	1,084	18,783	16,596	1,111	18,433	15,698	1,135	17,819
DEPENDENT-AMC.....	28	800	22	40	800	32	24	800	19
DEPENDENT-COMM AIR.....	672	1,084	728	4,915	1,111	5,459	3,140	1,135	3,564
HHG-ITGBL.....	107	815	87	228	835	190	391	854	334
HHG-PORT HANDLING.....	0	81	0	16,444	83	1,368	7,885	85	669
POV.....	3,456	3,044	10,519	1,553	3,108	4,826	1,575	3,173	4,997
OVERWATER RATE.....			\$ 30,140			\$ 30,378			\$ 27,445
TOTAL ENLISTED.....			\$ 103,716			\$ 134,573			\$ 140,832
TOTAL PCS SEPARATION TRAVEL.....			\$ 127,755			\$ 170,685			\$ 173,210

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 3,709
ESTIMATE FY 2006	\$ 9,759
ACTUAL FY 2005	\$15,011

Project: Travel of Organized Units

Part I - Purpose and Scope

Officers. This program element 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. This program element 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 numbers of unit moves are down due to the Army repositioning, and by the fielding of new equipment/units.

The following table provides detailed cost computations:

PCS ORGANIZED UNIT TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER MILEAGE AND PER DIEM..	200	\$ 3,460	\$ 692	310	\$ 3,529	\$ 1,094	236	\$ 3,600	\$ 850
DEPENDENT MILEAGE.....	245	1,730	424	439	1,765	775	143	1,800	257
DISLOCATION ALLOWANCE.....	298	1,174	350	247	1,210	299	168	1,243	209
HHG-LAND SHIPMENT.....	20	10,106	202	124	10,358	1,284	61	10,586	646
TRAILER ALLOWANCE.....	5	580	3	13	594	8	5	607	3
LAND RATE.....			\$ 1,671			\$ 3,460			\$ 1,965
ENLISTED									
MEMBER MILEAGE AND PER DIEM..	6,890	\$ 798	\$ 5,495	3,571	\$ 814	\$ 2,905	807	\$ 830	\$ 670
DEPENDENT MILEAGE.....	1,708	399	681	2,144	407	872	323	415	134
DISLOCATION ALLOWANCE.....	3,616	657	2,377	1,785	678	1,210	542	696	377
HHG-LAND SHIPMENT.....	1,464	3,261	4,774	376	3,342	1,257	162	3,416	553
TRAILER ALLOWANCE.....	22	580	13	93	594	55	16	607	10
LAND RATE.....			\$ 13,340			\$ 6,299			\$ 1,744
TOTAL PCS ORGANIZED UNIT TRAVEL.....									
			\$ 15,011			\$ 9,759			\$ 3,709

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

	ACTUAL FY 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
NON-TEMPORARY STORAGE.....	\$ 23,955	\$ 40,829	\$ 42,121
TEMPORARY LODGING EXPENSE.....	30,856	23,068	23,053
TOTAL OBLIGATIONS.....	\$ 1,025,039	\$ 1,225,388	\$ 998,798
LESS: REIMBURSABLE OBLIGATIONS.....	2,129	2,173	2,219
TOTAL DIRECT OBLIGATIONS.....	\$ 1,022,910	\$ 1,223,215	\$ 996,579

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

Other Military Personnel Costs		
FY 2006 Direct Program		\$ 419,024
Increases:		
Pricing Increases:		
a.	Increase in rates for Death Gratuities.	200
b.	Increase in rates for Partial DLA.	82
	Total Pricing Increases	282
Program Increases:		
a.	Increase in number of personnel receiving Unemployment Benefits.	9,235
b.	Increase in number of personnel receiving Adoption Expense allowances.	300
c.	Increase in number of personnel receiving Mass Transit Subsidy.	35
d.	New mission - ROTC added to active component.	2,281
e.	New mission - JROTC added to active component.	684
	Total Program Increases	12,535
Total Increases		\$ 12,817
Decreases:		
Pricing Decreases:		
a.	Decrease in rates for Unemployment Benefits.	(8,702)
	Total Pricing Decreases	(8,702)
Program Decreases:		
a.	Decrease in number of takers for Interest on Soldiers Deposits.	(92)
b.	Decrease in Death Gratuities. Incremental costs associated with the war not included in the base budget.	(52,366)
c.	Decrease in number of personnel receiving Survivor Benefits.	(299)
d.	Decrease in number of personnel receiving Educational Benefits.	(2,030)
e.	Decrease in number of personnel receiving Partial DLA.	(60)
f.	Decrease in SGLI Extra Hazard payments. Program costs not included in the base budget.	(22,808)
g.	Decrease in SGLI Traumatic Injury Payments.	(57,800)
	Total Program Decreases	(135,455)
Total Decreases		\$ (144,157)
FY 2007 Direct Program		\$ 287,684

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 1,407
ESTIMATE FY 2006	\$ 1,398
ACTUAL FY 2005	\$ 838

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. Expenses are authorized by 10 U.S.C. section 956 "Deserters, Prisoners, Members Absent without Leave: Expenses and Rewards". Expenses includes: 1. the transportation of escorts and prisoners, 2. lodging and subsistence of the escort, 3. subsistence while in civilian detention facilities, 4. rewards and 5. reimbursement of reasonable and actual expenses. Reimbursement may not be made for the same apprehension and detention or delivery for which a reward has been paid. Reimbursements or rewards cannot exceed \$75.00.

Part II - Justification of Funds Requested

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

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
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.....	\$ 838	\$ 1,398	\$ 1,407

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 203
ESTIMATE FY 2006	\$ 294
ACTUAL FY 2005	\$ 10,102

Project: Interest on Soldiers' Deposits

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. Past experience 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 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
INTEREST ON SOLDIERS' DEPOSIT									
OFFICER.....	911	\$ 296	\$ 270	480	\$ 296	\$ 142	333	\$ 295	\$ 98
ENLISTED.....	63,841	154	9,832	987	154	152	681	154	105
TOTAL.....	64,752		\$ 10,102	1,467		\$ 294	1,014		\$ 203

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 6,761
ESTIMATE FY 2006	\$ 58,938
ACTUAL FY 2005	\$ 378,222

Project: Death Gratuities

Part I - Purpose and Scope

The funds requested are for the payment of enhanced death gratuities to beneficiaries of deceased military personnel as authorized by law. Enhanced death gratuities are composed of basic pay, incentive pay, and overseas pay, if applicable. The National Defense Authorization Act for FY 2004 section 646, and the Military Families Tax Relief Act of 2003, P.L. 108-121, section 102 amends Section 1478(a) of Title 10 U.S.C., increasing the amount payable. The National Defense Authorization Act for FY 2005 section 643, increases the death gratuity consistent with increases of rates of basic pay effective on the same date as the basic pay rates under section 204 of title 37 are increased. The Emergency Supplemental Appropriation Act for the GWOT and Tsunami Relief of 2005, P.L. 109-52 increased the amount to \$100,000 for deaths resulting from wounds, injuries, and illness incurred in a combat operation zone. Public Law 109-13 for retroactive payment of death benefits that meet specific date and circumstance criteria outlined in 10 U.S.C. 1478. 38 U.S.C. 1967 authorizes a new \$150,000 Combat addition to SGLI beginning September 1, 2005.

Part II - Justification of Funds Requested

Fund requirements are based on the most recent mortality rates as applied against programmed man-years of personnel and the statutory gratuity payment. Retroactive payments are included in FY 2005, payments are computed retroactively to October 7, 2001.

Detailed cost computations are provided by the following table:

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

Death Gratuity

	Actual FY 2005			Estimate FY 2006			Estimate FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer	160	\$12,337	\$1,974	67	\$12,709	\$851	88	13,065	\$1,147
Enlisted	904	\$12,337	\$11,153	380	\$12,709	\$4,829	428	13,065	\$5,588
Cadet	3	\$12,337	\$37	3	\$12,709	\$38	2	13,065	26
Total	1067		\$13,164	450		\$5,718	518		\$6,761

Enhanced Death Gratuities

Oct - Dec

Officer*	58	\$88,000	\$5,104	17	\$87,663	\$1,490
Enlisted*	337	\$88,000	\$29,656	93	\$87,663	\$8,153

Jan - Sep

Officer	34	\$87,663	\$2,981	51	\$87,291	\$4,452
Enlisted	192	\$87,663	\$16,831	286	\$87,291	\$24,965
Cadets				3	\$87,291	\$262
Total	621		\$54,572	450		\$39,322

SGLI Gratuity

Officer	86	\$150,000	\$12,900	0	\$150,000	\$0
Enlisted	486	\$150,000	\$72,900	93	\$150,000	\$13,898
Total	572		\$85,800	93		

Enhanced Death Gratuities (Retro)

Officer	150	\$88,000	\$13,200	0	\$88,000	\$0
Enlisted	852	\$88,000	\$74,976	0	\$88,000	\$0
Total	1002		\$88,176			

SGLI Retro Gratuity

Officer	150	\$150,000	\$22,500	0	\$150,000	\$0
Enlisted	760	\$150,000	\$114,010	0	\$150,000	\$0
Total	910		\$136,510			

Grand Total			\$378,222			\$58,938			\$6,761
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(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 0
ESTIMATE FY 2006	\$ 57,800
ACTUAL FY 2005	\$ 0

Project: SGLI Traumatic Injury Payments

Part I - Purpose and Scope

The Military Services are required to submit to the Department of Veterans Affairs payments for the program start-up, retroactive, and future costs associated with the recently enacted T-SGLI program, which was established under Section 1032 of the FY 2005 DoD Emergency Supplemental Appropriations for the Global War on terror and Tsunami Relief (P.L. 109-13).

Part II - Justification of Funds Requested

The funds are required to make Traumatic Service Members' Group Life Insurance (TSGLI) payments. TSGLI is a new benefit for Soldiers who incurred a traumatic injury in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). This new traumatic injury protection available under the Service Members' Group Life Insurance (SGLI) plan provides financial assistance to eligible Soldiers and their families, which is vital during their extensive recovery and rehabilitation process.

The following table provides detailed cost computations:

OTHER MILITARY PERSONNEL COSTS
SGLI TRAUMATIC INJURY PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
SGLI TRAUMATIC INJURY PAYMENTS.....	\$ 0	\$ 57,800	\$ 0

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 153,072
ESTIMATE FY 2006	\$ 152,539
ACTUAL FY 2005	\$ 201,932

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-service member 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 and average monthly benefit amounts of compensation actually disbursed in FY 2004. In addition, the Army's cost projections have incorporated U.S. Department of Labor's estimates.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNEMPLOYMENT BENEFITS.....	15,097	\$ 13,376	\$ 201,932	11,562	\$ 13,193	\$ 152,539	12,262	\$ 12,483	\$ 153,072

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 3,378
ESTIMATE FY 2006	\$ 3,677
ACTUAL FY 2005	\$ 5,587

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 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
SURVIVOR BENEFIT COSTS.....	\$ 5,587	\$ 3,677	\$ 3,378

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 2,184
ESTIMATE FY 2006	\$ 4,214
ACTUAL FY 2005	\$ 2,979

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 following table provides detailed cost computations:

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

	ACTUAL FY 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
INVOLUNTARY SEPARATEES.....	\$ 2,979	\$ 4,214	\$ 2,184
UNFUNDED LIABILITY.....	0	0	0
TOTAL AMORTIZATION PAYMENTS.....	\$ 2,979	\$ 4,214	\$ 2,184

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 746
ESTIMATE FY 2006	\$ 446
ACTUAL FY 2005	\$ 442

Project: Adoption Expenses

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 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ADOPTION EXPENSES.....	221	\$ 2,000	\$ 442	223	\$ 2,000	\$ 446	373	\$ 2,000	\$ 746

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 2,489
ESTIMATE FY 2006	\$ 2,468
ACTUAL FY 2005	\$ 610

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 uniformed 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 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
PARTIAL DLA EXPENSES.....	1,177	\$ 518	\$ 610	4,621	\$ 534	\$ 2,468	4,509	\$ 552	\$ 2,489

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 0
ESTIMATE FY 2006	\$ 22,808
ACTUAL FY 2005	\$ 70,869

Project: SGLI Extra Hazard Payments

Part I - Purpose and Scope

These payments are required under section 1969(b) of title 38, United States Code, when actual mortality rates exceed peacetime mortality rates.

Part II - Justification of Funds Requested

The funds are required to make extra hazard payment to the Department of Veterans Affairs to cover an increase in the number of SGLI death claims for policy year 2004/2005.

The following table provides detailed cost computations:

OTHER MILITARY PERSONNEL COSTS
SGLI EXTRA HAZARD PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005 AMOUNT	ESTIMATE FY 2006 AMOUNT	ESTIMATE FY 2007 AMOUNT
SGLI EXTRA HAZARD PAYMENTS.....	\$ 70,869	\$ 22,808	\$ 0

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 84,175
ESTIMATE FY 2006	\$ 81,894
ACTUAL FY 2005	\$ 0

Project: ROTC

Part 1 - Purpose and Scope

Provides for Senior ROTC cadets' pay and allowances as part of the Army's officer accession requirements. Funds scholarship and non-scholarship cadet pay, stipends, subsistence, and uniforms.

Senior ROTC Non-Scholarship Program

The funds requested provide military personnel costs for students enrolled in the Reserve officers Training Corps Senior program authorized by 10 U.S.C. 2101-2111. Provides for Senior ROTC cadets' pay and allowances as part of the Army's officer accession requirements. Provides a stipends allowances of \$350 per month for MS III and \$400 per month for MS IV to students enrolled in Military Science MS III and MS IV courses in accordance with the provisions of 37 U.S.C. 209. This budget also provides a subsistence allowance for ROTC non-scholarship advance course cadets while attending an educational institution, the procurement of individual clothing, a commutation allowance in lieu of uniform issue for schools with distinctive uniforms, and pay and allowances, and subsistence for ROTC nonscholarship advance course cadets while at ROTC summer camps and field training.

The subsistence allowance at educational institutions for Advanced Course payment begins on the date of participation and continues uninterrupted except for the period of field training until completion of instruction, but not more than 20 months (30 months as authorized for extended entitlement for a 5-year program) at the rate of \$250 per month for MSI, \$300 per month for MSII, \$350 per month for MSIII, \$400 per month for MSIV beginning in FY2002 and ending with the academic year.

Cadet Troop Leader Training (CTL) - Each tour consists of 21 days training with an Active Army unit or 14 days training with a Reserve Component unit (average tour is 19 days).

Professional Development Training (PDT) - Includes Airborne, Air Assault, Northern Warfare, and Jungle Warfare Training for periods up to 21 days. Training emphasizes improvement of cadet skills, confidence and readiness in a cost-effective manner with challenging programs that influence cadet enrollment, motivation, and retention.

Practical Field Training (PFT) - Two days training (field exercises/command post exercises) to train, test and validate all ROTC cadets in specific military skills before reporting to their first duty stations. Funds provide for cadet rations and travel (contract bus) to and from tactical training sites.

Senior ROTC Scholarship Program

Funds requested provide military personnel costs for students enrolled in the Reserve Officers Training Corps Scholarship program authorized by 10 U.S.C. 2107. The estimate includes funds for a subsistence allowance for ROTC scholarship cadets while attending an educational institution, the procurement of individual clothing, a commutation allowance in lieu of uniform issue for schools with distinctive uniforms, and pay and allowances, subsistence, and travel for ROTC scholarship cadets while at ROTC summer camps and field training.

The subsistence allowance at educational institutions is based upon the contracted enrollment levels for Basic Course and is computed at \$200 per month for up to 10 months annually, based on the actual contract date and ending with the academic year. The Advance Course payment begins on the contract date and continues uninterrupted except for the period of field training until completion of instruction, but not more than 20 months (30 months as authorized for extended entitlements for a 5-year program) at the rate of \$250 per month for MSI, \$300 per month for MSII, \$350 per month for MSIII, \$400 per month for MSIV courses in accordance with the provisions of 37 U.S.C. 209.

Cadet Troop Leader Training (CTL) - Each tour consists of 21 days training with an Active Army unit or 14 days training with a Reserve Component unit (average tour is 19 days).

Professional Development Training (PDT) - Includes Airborne, Air Assault, Northern Warfare, and Jungle Warfare Training for periods up to 21 days. Training emphasizes improvement of cadet skills, confidence and readiness in a cost-effective manner with challenging programs that influence cadet enrollment, motivation, and retention.

Practical Field Training (PFT) - Two days training (field exercises/command post exercises) to train, test and validate all ROTC cadets in specific military skills before reporting to their first duty stations. Funds provide for cadet rations and travel (contract bus) to and from tactical training sites.

OTHER MILITARY PERSONNEL COSTS
 RESERVE OFFICER TRAINING CANDIDATES (ROTC)
 SENIOR ROTC (NON-SCHOLARSHIP PROGRAM)
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	STRENGTH	RATE	AMOUNT	STRENGTH	RATE	AMOUNT	STRENGTH	RATE	AMOUNT
STIPEND									
BASIC	0	\$ 0	\$ 0	462	\$ 3,240	\$ 1,497	484	\$ 3,246	\$ 1,571
ADVANCED	0	0	0	2,980	5,550	16,539	2,930	5,655	16,566
TOTAL	0		0	3,442		18,036	3,414		18,137
UNIFORMS, ISSUE-IN-KIND									
BASIC COURSE	0	0	0	10,998	237	2,607	12,777	468	5,980
ADVANCED COURSE	0	0	0	2,953	790	2,333	2,854	822	2,346
TOTAL	0		0	13,951		4,939	15,631		8,326
UNIFORMS, COMMUTATION-IN-LIEU									
BASIC COURSE									
MALE	0	0	0	2,148	908	1,950	2,148	947	2,034
FEMALE	0	0	0	251	995	250	251	1,037	260
ADVANCED COURSE									
MALE	0	0	0	338	2,724	921	338	2,840	960
FEMALE	0	0	0	49	2,986	146	49	3,113	153
TOTAL	0		0	2,786		3,267	2,786		3,407
PAY & ALLOWANCES									
BASIC CAMP	0	0	0	1,200	869	1,043	1,200	888	1,066
ADVANCED CAMP	0	0	0	1,843	959	1,768	1,843	979	1,804
CADET TROOP LEADER	0	0	0	1,320	749	989	1,320	765	1,010
TOTAL	0		0	4,363		3,800	4,363		3,880
SUBSISTENCE OF									
RESERVE OFFICER CANDIDATES									
FIELD RATIONS									
BASIC CAMP	0	0	0	1,200	238	286	1,200	243	291
ADVANCED CAMP	0	0	0	1,843	222	409	1,843	226	417
PROFESSIONAL DEVELOPMENT	0	0	0	720	247	178	723	252	182
CADET TROOP LEADER TRAINING	0	0	0	1,320	148	195	1,320	151	199
PRACTICAL FIELD TRAINING	0	0	0	14,427	17	245	14,427	17	245
TOTAL	0		0	19,510		1,313	19,513		1,335
TOTAL									
NON-SCHOLARSHIP PROGRAM	0		\$ 0	44,052		\$ 31,356	45,707		\$ 35,084

OTHER MILITARY PERSONNEL COSTS
RESERVE OFFICER TRAINING CANDIDATES (ROTC)
SENIOR ROTC (SCHOLARSHIP PROGRAM)
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	STRENGTH	RATE	AMOUNT	STRENGTH	RATE	AMOUNT	STRENGTH	RATE	AMOUNT
STIPEND									
BASIC	0	\$ 0	\$ 0	3,000	\$ 3,453	\$ 10,359	3,185	\$ 3,246	\$ 10,339
ADVANCED	0	0	0	5,000	5,760	28,800	5,043	5,586	28,170
TOTAL	0		0	8,000		39,159	8,228		38,509
UNIFORMS, ISSUE-IN-KIND									
BASIC COURSE	0	0	0	759	791	600	868	806	700
ADVANCED COURSE	0	0	0	2,781	791	2,200	2,831	806	2,282
TOTAL	0		0	3,540		2,800	3,699		2,981
UNIFORMS, COMMUTATION-IN-LIEU									
BASIC COURSE									
MALE	0	0	0	486	908	441	486	927	451
FEMALE	0	0	0	57	995	57	57	1,016	58
ADVANCED COURSE									
MALE	0	0	0	370	2,724	1,008	370	2,781	1,029
FEMALE	0	0	0	54	2,986	161	54	3,049	165
TOTAL	0		0	967		1,667	967		1,702
PAY & ALLOWANCES									
ADVANCED CAMP	0	0	0	2,765	959	2,652	2,765	979	2,707
CADET TROOP LEADER	0	0	0	1,980	749	1,484	1,980	765	1,515
ROTC NURSE BONUS	0	0	0	225	5,000	1,125	225	0	0
TOTAL	0		0	4,970		5,261	4,970		4,222
SUBSISTENCE OF									
RESERVE OFFICER CANDIDATES									
FIELD RATIONS									
BASIC CAMP	0	0	0	0	52	0	0	53	0
ADVANCED CAMP	0	0	0	2,765	216	597	2,765	220	608
PROFESSIONAL DEVELOPMENT	0	0	0	1,086	247	268	1,086	252	274
CADET TROOP LEADER TRAINING	0	0	0	1,980	247	489	1,980	252	499
PRACTICAL FIELD TRAINING	0	0	0	8,472	35	297	8,472	35	297
TOTAL	0		0	14,303		1,651	14,303		1,677
TOTAL SCHOLARSHIP PROGRAM	0		\$ 0	31,780		\$ 50,538	32,167		\$ 49,091
TOTAL ROTC PROGRAM	0		\$ 0	75,832		\$ 81,894	77,874		\$ 84,175

MILITARY PERSONNEL, ARMY
RESERVE OFFICER TRAINING CANDIDATES (ROTC) ENROLLMENT

	FY05 Actual			FY06 Estimate*			FY07 Estimate		
	Begin	Average	End	Begin	Average	End	Begin	Average	End
Senior ROTC (Excluding Scholarship Program)									
First Year	0	0	0	6,735	6,101	5,698	8,228	7,228	6,828
Second Year	0	0	0	4,207	3,753	4,360	3,500	3,814	3,920
Total Basic ROTC	0	0	0	10,942	9,854	10,058	11,728	11,042	10,748
Third Year	0	0	0	2,630	2,427	2,219	4,070	3,704	3,619
Fourth Year	0	0	0	2,190	2,059	1,971	2,119	2,023	1,880
Total Advanced ROTC	0	0	0	4,820	4,486	4,190	6,189	5,727	5,499
Total Senior ROTC Enrollment	0	0	0	15,762	14,340	14,248	17,917	16,769	16,247
Scholarship Program									
First Year	0	0	0	903	1,162	1,421	850	2,676	2,477
Second Year	0	0	0	1,985	2,078	2,171	3,077	3,427	3,324
Total Basic ROTC	0	0	0	2,888	3,240	3,592	3,927	6,103	5,801
Third Year	0	0	0	3,061	3,119	3,176	3,324	2,844	2,820
Fourth Year	0	0	0	3,150	3,054	2,959	2,820	2,739	2,621
Total Advanced ROTC	0	0	0	6,211	6,173	6,135	6,144	5,583	5,441
Total Scholarship Enrollment	0	0	0	9,099	9,413	9,727	10,071	11,686	11,242
Total Enrollment									
First Year	0	0	0	7,638	7,263	7,119	9,078	9,904	9,305
Second Year	0	0	0	6,192	5,831	6,531	6,577	7,241	7,244
Total Basic ROTC	0	0	0	13,830	13,094	13,650	15,655	17,145	16,549
Third Year	0	0	0	5,691	5,546	5,395	7,394	6,548	6,439
Fourth Year	0	0	0	5,340	5,113	4,930	4,939	4,762	4,501
Total Advanced ROTC	0	0	0	11,031	10,659	10,325	12,333	11,310	10,940
Total ROTC Enrollment	0	0	0	24,861	23,753	23,975	27,988	28,455	27,489
Completed ROTC and Commissioned Total:			0		4,500			4,500	
AC Commissions					2,750			2,750	
RC Commissions									
Army National Guard					1,100			1,100	
Army Reserve					650			650	
Completed ROTC Commissioned Deferred:									

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 28,925
ESTIMATE FY 2006	\$ 28,241
ACTUAL FY 2005	\$ 0

Project: JROTC

Part I - Purpose and Scope

Junior Reserve Officers' Training Corps (JROTC) is a public service program available to high school students. This program fosters good citizenship, patriotism, and leadership skills for this valuable potential pool of military applicants. This program budget provide funds for the issue-in-kind uniforms and subsistence for students enrolled in the JROTC program at secondary education institutions as provided for in 10 U.S.C. 2031. In FY 2007 these funds supports 1,645 JROTC units in high school in the United States, Europe, Korea, and Japan.

Part II - Justification of Funds Requested

JROTC remains one of the most successful Army programs enabling our ability to have a positive presence & foster citizenship programs in our high schools & communities. MPA funds provide core-level resources to operate the Army's JROTC program in CONUS and OCONUS locations as mandated by the U.S. Congress. It funds costs of cadet issue-in-kind uniforms, accoutrements, meals at summer camp and laundry/alterations. Without these resources, the Army could not continue its JROTC program, which has strong public support.

OTHER MILITARY PERSONNEL COSTS
 JUNIOR RESERVE OFFICER TRAINING CANDIDATES (JROTC)
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	STRENGTH	RATE	AMOUNT	STRENGTH	RATE	AMOUNT	STRENGTH	RATE	AMOUNT
UNIFORMS, ISSUE-IN-KIND	0	\$ 0	\$ 0	246,798	\$ 99	\$ 24,433	247,634	\$ 101	\$ 25,011
SUBSISTENCE OF RESERVE OFFICER CANDIDATES									
FIELD RATIONS	0	0	0	18,079	139	2,513	18,190	142	2,583
OPERATIONAL RATIONS	0	0	0	14,716	88	1,295	14,789	90	1,331
TOTAL	0		0	32,795		3,808	32,979		3,914
TOTAL JROTC PROGRAM	0		\$ 0	279,593		\$ 28,241	280,613		\$ 28,925

MILITARY PERSONNEL, ARMY
 JUNIOR RESERVE OFFICER TRAINING CANDIDATES (JROTC)

Funding provides for issue-in-kind uniforms and subsistence for students enrolled in the Junior ROTC program at secondary education institutions as provided for in 10 U.S.C. 2031.

Uniforms, Issue-in-Kind: Funding provides for uniforms, including replacement items to members of the Junior ROTC program.

	FY05 Actual			FY06 Estimate			FY07 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Uniforms, Issue-in-Kind	-	-	-	246,798	99	24,433	247,634	101	25,011

Subsistence of Reserve Officer Candidates: Funds requested are to provide subsistence for members attending summer camp.

	FY05 Actual			FY06 Estimate			FY07 Estimate		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Field Rations	-	-	-	18,079	139	2,513	18,190	142	2,583
Operational Rations	-	-	-	14,716	88	1,295	14,789	90	1,331
Total	-	-	-	32,795		3,808	32,979		3,914
Travel	-	-	-	-	-	-	-	-	-
TOTAL JROTC PROGRAM			-			28,241			28,925

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2007	\$ 4,344
ESTIMATE FY 2006	\$ 4,308
ACTUAL FY 2005	\$ 5,542

Project: Mass Transit Subsidy

Part I - Purpose and Scope

Executive Order 13150 entitled, "Federal Workforce Transportation," Section One, required Federal Agencies to establish 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.

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MASS TRANSIT EXPENSES.....	4,452	\$ 1,245	\$ 5,542	3,531	\$ 1,220	\$ 4,308	3,560	\$ 1,220	\$ 4,344
TOTAL DIRECT OMPC OBLIGATION AMOUNTS.....			\$ 677,020			\$ 361,225			\$ 287,684

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

Introduction

The Defense Working Capital Funds (DWCF) (formerly the Defense Business Operations Fund (DBOF)) was established 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 the 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 work years 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 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
NONREIMBURSABLE									
CLASSIFIED ACTIVITIES.....	0	0	0	0	0	0	0	0	0
CONGRESSIONAL FELLOWS.....	12	0	12	12	0	12	12	0	12
DENTAL HYGIENE PROGRAM.....	0	11	11	0	11	11	0	11	11
DEPARTMENT OF ENERGY.....	8	0	8	8	0	8	8	0	8
DEPARTMENT OF JUSTICE.....	8	0	8	8	0	8	8	0	8
DEPARTMENT OF STATE.....	29	1	30	29	1	30	29	1	30
DRUG ENFORCEMENT AGENCY.....	3	1	4	3	1	4	3	1	4
FBI.....	1	1	2	1	1	2	1	1	2
FEMA.....	1	1	2	1	1	2	1	1	2
LAW ENFORCEMENT									
SUPPORT OFFICE.....	3	2	5	3	2	5	3	2	5
MILITARY OBSERVERS.....	7	0	7	7	0	7	7	0	7
NSC.....	3	1	4	3	1	4	3	1	4
OFFICE OF NATIONAL DRUG									
CONTROL POLICY.....	10	0	10	10	0	10	10	0	10
PRESIDENTIAL CON PROGRAM.....	1	9	10	1	9	10	1	9	10
SSC FELLOWSHIP.....	30	0	30	30	0	30	30	0	30
TRAINING WITH INDUSTRY.....	109	0	109	109	0	109	109	0	109
WHITE HOUSE									
COMMUNICATIONS AGENCY.....	31	401	432	31	401	432	31	401	432
WHITE HOUSE FELLOWS.....	2	0	2	2	0	2	2	0	2
WHITE HOUSE									
MILITARY OFFICE.....	18	6	24	18	6	24	18	6	24
WHITE HOUSE									
SERVICES AGENCY.....	13	67	80	13	67	80	13	67	80
WHITE HOUSE									
TRANSPORTATION AGENCY.....	0	0	0	0	0	0	0	0	0
OTHER AGENCIES.....	0	0	0	0	0	0	0	0	0
TOTAL NONREIMBURSABLE....	289	501	790	289	501	790	289	501	790

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
REIMBURSABLE									
AMERICAN BATTLE MONUMENTS COMM.....	0	0	0	0	0	0	0	0	0
CLASSIFIED ACTIVITIES.....	13	11	24	13	11	24	13	11	24
DEPARTMENT OF STATE.....	5	0	5	5	0	5	5	0	5
FBI.....	2	0	2	2	0	2	2	0	2
INS.....	0	0	0	0	0	0	0	0	0
LAW ENFORCEMENT									
SUPPORT OFFICE.....	2	0	2	2	0	2	2	0	2
NASA.....	6	0	6	6	0	6	6	0	6
SELECTIVE SERVICE SYSTEM...	7	0	7	7	0	7	7	0	7
US CUSTOMS.....	0	0	0	0	0	0	0	0	0
WHITE HOUSE									
COMMUNICATIONS AGENCY.....	0	35	35	0	35	35	0	35	35
PARTNERSHIP FOR FISCAL INTEGRITY (PFI).....	61	32	93	61	32	93	61	32	93
AIRFORCE SECURITY MISSION (AFS).....	1	0	1	1	0	1	1	0	1
TOTAL REIMBURSABLE.....	97	78	175	97	78	175	97	78	175
TOTAL OUTSIDE DOD.....	386	579	965	386	579	965	386	579	965

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

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	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 NON-DOD FUNCTIONS									
FOREIGN MILITARY SALES....	204	191	395	204	191	395	204	191	395
ASSIGN TO DOD IN SUPPORT OF DOD FUNCTIONS									
DEPOT MAINT.....	19	5	24	19	5	24	19	5	24
INFO SERVICES.....	0	0	0	0	0	0	0	0	0
ORDNANCE.....	15	6	21	15	6	21	15	6	21
SUPPLY MGMT.....	10	6	16	10	6	16	10	6	16
OTHER.....	0	0	0	0	0	0	0	0	0
SUBTOTAL AWCF.....	44	17	61	44	17	61	44	17	61
DECA.....	10	1	11	10	1	11	10	1	11
DFAS.....	60	195	255	60	195	255	60	195	255
DISA.....	6	12	18	6	12	18	6	12	18
DLA.....	130	66	196	130	66	196	130	66	196
TRANSCOM.....	125	25	150	125	25	150	125	25	150
OTHER.....	0	0	0	0	0	0	0	0	0
SUBTOTAL DWCF.....	331	299	630	331	299	630	331	299	630
DEFENSE HEALTH PROGRAM.....	0	0	0	0	0	0	0	0	0
OTHER AGENCIES.....	258	575	833	258	575	833	258	575	833
ENLISTED SUBSISTENCE.....	0	0	0	0	0	0	0	0	0
PCS.....	0	0	0	0	0	0	0	0	0
OMPC.....	0	0	0	0	0	0	0	0	0
MISCELLANEOUS.....	0	0	0	0	0	0	0	0	0
SUBTOTAL OTHER NON-STRENGTH.....	0	0	0	0	0	0	0	0	0
TOTAL ASSIGN TO DOD IN SUPPORT OF DOD FUNCTIONS.....	633	891	1,524	633	891	1,524	633	891	1,524
TOTAL REIMB.....	934	1,160	2,094	934	1,160	2,094	934	1,160	2,094
TOTAL NONREIMB.....	289	501	790	289	501	790	289	501	790
GRAND TOTAL.....	1,223	1,661	2,884	1,223	1,661	2,884	1,223	1,661	2,884

SECTION 5
REIMBURSABLES FOR BUDGET REVIEWS
(IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
OUTSIDE DOD REIMBURSABLE									
AMERICAN BATTLE									
MONUMENTS COMM.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CLASSIFIED ACTIVITIES.....	1,360	563	1,923	1,788	585	2,373	1,848	606	2,454
DEPARTMENT OF STATE.....	523	0	523	688	0	688	710	0	710
FBI.....	209	0	209	275	0	275	284	0	284
INS.....	0	0	0	0	0	0	0	0	0
LAW ENFORCEMENT									
SUPPORT OFFICE.....	209	0	209	275	0	275	284	0	284
NASA.....	627	0	627	825	0	825	852	0	852
SELECTIVE SERVICE SYSTEM...	732	0	732	963	0	963	994	0	994
US CUSTOMS.....	0	0	0	0	0	0	0	0	0
WHITE HOUSE									
COMMUNICATIONS AGENCY.....	0	1,991	1,991	0	1,861	1,861	0	1,927	1,927
PARTNERSHIP FOR									
FISCAL INTGRITY (PFI).....	0	1,791	1,791	0	1,791	1,791	0	1,791	1,791
AIR FORCE									
SECURITY MISSION (AFS).....	105	0	105	137	1,861	1,998	142	0	142
TOTAL OUTSIDE									
DOD REIMBURSABLE.....	\$ 3,765	\$ 4,345	\$ 8,110	\$ 4,951	\$ 6,098	\$ 11,049	\$ 5,114	\$ 4,324	\$ 9,438

SECTION 5
REIMBURSABLES FOR BUDGET REVIEWS
(IN THOUSANDS OF DOLLARS)

	ACTUAL FY 2005			ESTIMATE FY 2006			ESTIMATE FY 2007		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
ASSIGN TO DOD IN SUPPORT OF NON-DOD FUNCTIONS									
FOREIGN MILITARY SALES....	\$ 35,810	\$ 27,153	\$ 62,963	\$ 35,729	\$ 17,768	\$ 53,497	\$ 37,163	\$ 20,499	\$ 57,662
ASSIGN TO DOD IN SUPPORT OF DOD FUNCTIONS									
DEPOT MAINT.....	\$ 1,582	\$ 733	\$ 2,315	\$ 1,582	\$ 733	\$ 2,315	\$ 1,582	\$ 733	\$ 2,315
INFO SERVICES.....	0	0	0	0	0	0	0	0	0
ORDNANCE.....	1,184	265	1,449	1,184	265	1,449	1,184	265	1,449
SUPPLY MGMT.....	833	292	1,125	833	292	1,125	833	292	1,125
OTHER.....	0	0	0	0	0	0	0	0	0
SUBTOTAL AWCf.....	3,599	1,290	4,889	3,599	1,290	4,889	3,599	1,290	4,889
DECA.....	\$ 665	\$ 30	\$ 695	\$ 692	\$ 31	\$ 723	\$ 719	\$ 32	\$ 751
DFAS.....	3,655	10,963	14,618	3,798	11,390	15,188	3,946	11,834	15,780
DISA.....	537	431	968	558	448	1,006	580	465	1,045
DLA.....	12,565	2,563	15,128	13,055	2,663	15,718	13,564	2,767	16,331
TRANSCOM.....	11,918	5,924	17,842	12,383	6,155	18,538	13,892	6,396	20,288
OTHER.....	0	0	0	0	0	0	0	0	0
SUBTOTAL DWCF.....	29,340	19,911	49,251	30,486	20,687	51,173	32,701	21,494	54,195
DEFENSE HEALTH PROGRAM.....	\$ 82,313	\$ 26,343	\$ 108,656	\$ 106,583	\$ 34,347	\$ 140,930	\$ 120,531	\$ 33,852	\$ 154,383
OTHER AGENCIES.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ENLISTED SUBSISTENCE.....	\$ 0	\$ 24,440	\$ 24,440	\$ 0	\$ 34,463	\$ 34,463	\$ 0	\$ 35,808	\$ 35,808
PCS.....	639	1,490	2,129	652	1,521	2,173	666	1,553	2,219
OMPC.....	0	133	133	0	0	0	0	0	0
MISCELLANEOUS.....	0	0	0	0	0	0	0	0	0
SUBTOTAL OTHER NON-STRENGTH.....	639	26,063	26,702	652	35,984	36,636	666	37,361	38,027
TOTAL ASSIGN TO DOD IN SUPPORT OF DOD FUNCTIONS.....	115,891	73,607	189,498	141,320	92,308	233,628	157,497	93,997	251,494
GRAND TOTAL.....	\$ 155,466	\$ 105,105	\$ 260,571	\$ 182,000	\$ 116,174	\$ 298,174	\$ 199,774	\$ 118,820	\$ 318,594