

DEPARTMENT OF THE ARMY

Fiscal Year (FY) 2018 President's Budget Submission



**MILITARY PERSONNEL, ARMY
JUSTIFICATION BOOK
MAY 2017**

The estimated cost of this report for the Department of Defense is approximately \$53,335.00 for Fiscal Year 2018. This includes \$995.00 in expenses and \$52,340.00 in labor.

**DEPARTMENT OF THE ARMY
JUSTIFICATION OF EXHIBITS**

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SECTION 1

SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM

**MILITARY PERSONNEL, ARMY
SECTION 1
M-1 EXHIBIT**

Military Personnel, Army			Actual	Estimate	Estimate
			FY 2016	FY 2017	FY 2018
Budget Activity 01: Pay and Allowances of Officers					
2010A	5	Basic Pay	7,310,693	6,895,700	7,024,696
2010A	10	Retired Pay Accrual	2,249,194	1,991,277	1,998,990
2010A	20	Officer TSP Matching	-	-	76,094
2010A	25	Basic Allowance for Housing	2,227,116	2,105,674	2,178,830
2010A	30	Basic Allowance for Subsistence	299,228	276,985	285,298
2010A	35	Incentive Pays	84,884	85,076	85,272
2010A	40	Special Pays	369,987	358,470	378,874
2010A	45	Allowances	199,585	182,201	182,527
2010A	50	Separation Pay	129,733	107,908	107,732
2010A	55	Social Security Tax	555,032	527,521	534,396
Total Budget Activity 01			13,425,452	12,530,812	12,852,709
Budget Activity 02: Pay and Allowances of Enlisted					
2010A	60	Basic Pay	13,157,274	12,595,750	12,948,769
2010A	65	Retired Pay Accrual	4,054,735	3,637,265	3,686,753
2010A	70	Enlisted TSP Matching	-	-	136,998
2010A	80	Basic Allowance for Housing	4,750,294	4,431,447	4,588,794
2010A	85	Incentive Pays	97,301	93,816	94,105
2010A	90	Special Pays	574,092	1,004,280	1,294,027
2010A	95	Allowances	761,406	698,535	713,047
2010A	100	Separation Pay	489,826	456,234	484,510
2010A	105	Social Security Tax	1,006,582	963,574	990,581
Total Budget Activity 02			24,891,510	23,880,901	24,937,584
Budget Activity 03: Pay and Allowances of Cadets					
2010A	110	Academy Cadets	79,323	80,472	82,393
Total Budget Activity 03			79,323	80,472	82,393
Budget Activity 04: Subsistence of Enlisted Personnel					
2010A	115	Basic Allowance for Subsistence	1,312,424	1,219,644	1,254,144
2010A	120	Subsistence-in-Kind	747,583	574,711	606,660
2010A	121	Family Subsistence Supplementary Allowance	552	560	601
Total Budget Activity 04			2,060,559	1,794,915	1,861,405

**MILITARY PERSONNEL, ARMY
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M-1 EXHIBIT**

			Actual	Estimate	Estimate
			FY 2016	FY 2017	FY 2018
Budget Activity 05: Permanent Change of Station Travel					
2010A	125	Accession Travel	157,295	176,085	179,209
2010A	130	Training Travel	131,871	134,146	150,368
2010A	135	Operational Travel	386,318	367,501	379,251
2010A	140	Rotational Travel	725,275	727,617	730,865
2010A	145	Separation Travel	299,862	275,628	273,871
2010A	150	Travel of Organized Units	4,123	4,149	4,170
2010A	155	Non-Temporary Storage	13,030	12,722	12,653
2010A	160	Temporary Lodging Expense	35,200	35,647	36,983
Total Budget Activity 05			1,752,974	1,733,495	1,767,370
Budget Activity 06: Other Military Personnel Costs					
2010A	170	Apprehension of Military Deserters	302	303	309
2010A	175	Interest on Uniformed Services Savings Deposits	3,031	155	160
2010A	180	Death Gratuities	42,008	40,500	40,700
2010A	185	Unemployment Compensation	194,526	117,083	107,682
2010A	195	Amortization of Education Benefits	4,788	566	16,091
2010A	200	Adoption Expenses	593	590	603
2010A	210	Mass Tran Subsidy	7,025	7,701	7,884
2010A	215	Partial Dislocation Allowance	63	63	64
2010A	216	SGLI Extra Hazard Payments	8,158	-	-
2010A	217	Reserve Officer Training Corps (ROTC)	102,697	97,432	101,008
2010A	218	Junior ROTC	37,169	27,522	28,037
2010A	221	Stop-Loss Retroactive Payments	16	-	-
Total Budget Activity 06			400,376	291,915	302,538
Total Military Personnel, Army			42,610,194	40,312,510	41,803,999
Less Reimbursable			282,242	284,328	270,325
Total Direct - Military Personnel, Army			42,327,952	40,028,182	41,533,674
FY 2017 Continuing Resolution Adjustment*				817,505	
Revised FY 2017 Direct Program				40,845,687	

*Reflects the FY 2017 President's Budget Request with an undistributed adjustment to match the Annualized Continuing Resolution funding level by appropriation

**MILITARY PERSONNEL, ARMY
SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>	<u>ESTIMATE FY 2017</u>	<u>ESTIMATE FY 2018</u>
Direct Baseline Program			
Pay and Allowances of Officers	12,680,871	12,342,791	12,672,141
Pay and Allowances of Enlisted	23,830,438	23,793,207	24,856,919
Pay and Allowances of Cadets	79,323	80,472	82,393
Subsistence of Enlisted Personnel	1,789,846	1,786,302	1,852,313
Permanent Change of Station Travel	1,722,005	1,733,495	1,767,370
Other Military Personnel Costs	330,483	291,915	302,538
TOTAL DIRECT BASELINE PROGRAM	<u>40,432,966</u>	<u>40,028,182</u>	<u>41,533,674</u>
Reimbursable Baseline Program			
Pay and Allowances of Officers	188,145	188,021	180,568
Pay and Allowances of Enlisted	84,220	87,694	80,665
Subsistence of Enlisted Personnel	9,877	8,613	9,092
Permanent Change of Station Travel	0	0	0
Other Military Personnel Costs	0	0	0
TOTAL REIMBURSABLE BASELINE PROGRAM	<u>282,242</u>	<u>284,328</u>	<u>270,325</u>
Total Baseline Program			
Pay and Allowances of Officers	12,869,016	12,530,812	12,852,709
Pay and Allowances of Enlisted	23,914,658	23,880,901	24,937,584
Pay and Allowances of Cadets	79,323	80,472	82,393
Subsistence of Enlisted Personnel	1,799,723	1,794,915	1,861,405
Permanent Change of Station Travel	1,722,005	1,733,495	1,767,370
Other Military Personnel Costs	330,483	291,915	302,538
TOTAL BASELINE PROGRAM	<u>40,715,208</u>	<u>40,312,510</u>	<u>41,803,999</u>

**MILITARY PERSONNEL, ARMY
SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>	<u>ESTIMATE FY 2017</u>	<u>ESTIMATE FY 2018</u>
OCO Funding			
Pay and Allowances of Officers	556,436	0	0
Pay and Allowances of Enlisted	976,852	0	0
Subsistence of Enlisted Personnel	260,836	0	0
Permanent Change of Station Travel	30,969	0	0
Other Military Personnel Costs	69,893	0	0
TOTAL OCO FUNDING	1,894,986	0	0
Total Program			
Pay and Allowances of Officers	13,425,452	12,530,812	12,852,709
Pay and Allowances of Enlisted	24,891,510	23,880,901	24,937,584
Pay and Allowances of Cadets	79,323	80,472	82,393
Subsistence of Enlisted Personnel	2,060,559	1,794,915	1,861,405
Permanent Change of Station Travel	1,752,974	1,733,495	1,767,370
Other Military Personnel Costs	400,376	291,915	302,538
TOTAL PROGRAM	42,610,194	40,312,510	41,803,999
FY 2017 Continuing Resolution Adjustment*	0	817,505	0
REVISED TOTAL PROGRAM	42,610,194	41,130,015	41,803,999
Medicare-Ret Contrib, Army	1,889,889	1,954,925	2,192,903
TOTAL MPA COST	44,500,083	43,084,940	43,996,902

*Reflects the FY2017 President's Budget request with an undistributed adjustment to match the Annualized Continuing Resolution funding level by appropriation

SECTION 2
INTRODUCTION

**MILITARY PERSONNEL, ARMY
SECTION 2
INTRODUCTION**

INTRODUCTION

The FY 2018 Military Personnel, Army (MPA) appropriation budget request directly supports these strategic priorities and sustains the All-Volunteer force of 476,000 end strength and their families. MPA provides pay and benefits for both Active Component (AC) Soldiers and Reserve Component (RC) Soldiers activated for current contingencies. The appropriation plays a critical role in National Military Strategy by enabling the Army to meet its manning objectives -having the right number of high quality Soldiers in the appropriate grades and skills to satisfy force structure requirements- while maintaining the All-Volunteer Force. In addition to manning force structure requirements, the appropriation provides for Soldiers in a variety of individual accounts including Cadets and TTHS (trainees, transients, holdees, and students).

Management Characteristics of MPA

MPA is a centrally managed, single-year appropriation that funds a variety of requirements, to include Soldier pay and allowances, recruiting and retention incentives, subsistence-in-kind (food rations), permanent change of station (PCS) costs, death gratuity and unemployment compensation benefits, and ROTC and West Point Cadet stipends. Entitlements are set by statute, with the biggest cost driver being the average number of Soldiers on active duty (including mobilized Reserve Soldiers). Other factors, such as overseas military stationing, force levels in overseas contingencies, such as Operation Freedom's Sentinel (OFS), Soldier dependent status, propensity to enlist, and new personnel policies heavily influence requirements.

There is minimal discretionary spending within the MPA appropriation. A vast majority of expenditures in MPA are mandated by law and are dictated by the size of the force. Due to the inherently rigid nature of MPA spending, small deviations from funding requirements can pose significant challenges within the appropriation, especially if funding changes materialize within the year of execution.

In an effort to improve management controls, the Military Personnel Division within the Army Budget Office is working closely with functional counterparts across the Army Staff to improve the linkage between budget requests, policies and the dynamic environment impacting the appropriation. A key focus will continue to be on the Permanent Change of Station (PCS) program. In FY 2010, the Army elevated its PCS program to a Department level material weakness. While the implementation of the Integrated Personnel Pay System – Army (IPPS-A) should ultimately provide a full scale systems solution to the material weakness, the Army has developed an interim solution to obligate PCS orders when issued, to develop more accurate cost projections, and to reconcile obligations with disbursements. This solution was implemented beginning in FY 2014 and the Army has asserted that the material weakness is now cleared. With two full fiscal years (FY2015 and FY2016) of execution data from the PCS project currently available, the Army is seeing more precise execution. This is generating cost savings in the PCS program, well as the capability to more accurately identify baseline- and OCO-related PCS moves.

End Strength

Active Component Baseline Force

The Army exceeded its FY 2016 projected end strength of 475,000 by approximately 400 Soldiers. This has been taken into account as the updated FY 2017 requirements were developed. The FY 2017 and FY 2018 AC end strength is projected to 476,000. The FY 2018 request funds all AC man-years in the baseline request.

Personnel Categories by Year

It should be noted that data for FY 2016 in this justification material reflects projected execution for both base and Overseas Contingency Operations (OCO) programs, to include RC Soldiers on active duty). FY 2017 data contained in the detailed exhibits display the baseline program and has been updated from the President's Budget to reflect the FY 2017 Request for Additional Appropriations. The FY 2018 request is based on the latest FY 2016 execution and only includes the baseline requirements.

Due to the complexity of AC and RC strength funding and decisions that have shifted various categories of personnel between the Base and OCO submissions, the following table displays the funding source for major categories of personnel by year:

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INTRODUCTION**

Average Strength														
		FY16 Actuals				FY 2017 Amended Request				FY 2018 Budgeted				
		Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	
BASE	AC	Base	93,282	382,281	4,346	479,909	90,181	374,817	4,386	469,384	90,771	376,500	4,395	471,665
	RC	Mobilization	539	1,289	-	1,828	454	1,121	-	1,575	555	1,445	-	2,000
		ADOS	460	778	-	1,238	373	611	-	985	83	217	-	300
		RC Total	999	2,067	-	3,066	827	1,732	-	2,559	638	1,662	-	2,300
	Base Total		94,281	384,348	4,346	482,974	91,008	376,549	4,386	471,943	91,409	378,162	4,395	473,965
End Strength														
		FY16 Actuals				FY 2017 Amended Request				FY 2018 Budgeted				
		Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	
OCO	AC	Above 490	-	-	-	-	-	-	-	-	-	-	-	
	AC Total		-	-	-	-	-	-	-	-	-	-	-	
	RC	RC on Active Duty	4,087	13,294	-	17,381	-	-	-	-	-	-	-	
	OCO Total		4,087	13,294	-	17,381	-	-	-	-	-	-	-	
BASE and OCO		AC Total	93,282	382,281	4,346	479,909	90,181	374,817	4,386	469,384	90,771	376,500	4,395	471,665
		RC Total	5,086	15,361	-	20,447	827	1,732	-	2,559	638	1,662	-	2,300
		Total	98,368	397,642	4,346	500,356	91,008	376,549	4,386	471,943	91,409	378,162	4,395	473,965
Total Base	AC	Base	92,129	378,778	4,493	475,400	90,909	380,577	4,514	476,000	90,375	381,113	4,512	476,000

DWELL Time Assessment

Senate Armed Services Committee (SASC) Reporting Requirement

In the FY 2013 NDAA, the SASC directs a statement on dwell time and an assessment of whether the requested reductions in active duty end-strength are reversible within 1 year.

Dwell Time Assessment

The AC of the Army measures individual dwell as the median ratio of time spent deployed (Boots On Ground, or BOG) to time spent not deployed (dwell) measured at the start of the subsequent deployment. This median ratio is simply referred to as "BOG:Dwell". The AC goal for individual dwell is a median ratio of 1:2.0, meaning at least half of the Soldiers who deploy on a second or subsequent deployment will have a BOG:Dwell ratio of 1:2.0 or better.

The AC Army achieved its 1:2.0 individual BOG:Dwell goal in second-quarter of FY 2012 and has met the goal every quarter since. The median ratio for FY 2016 was 1:3.8, finishing with a median ratio of 1:4.6 in fourth quarter.

For the Reserve Components (RC), the goal for individual BOG:Dwell is 1:4.0. Both the Army National Guard and the United States Army Reserve achieved this goal in FY 2015, and they finished FY 2016 at 1:4.7 and 1:5.0, respectively.

**MILITARY PERSONNEL, ARMY
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INTRODUCTION**

Other Budget Drivers

Inflationary Rates Include:

Pay Raise

- The FY 2016 request includes a 1.3% military pay raise, effective 1 January 2016 (1.23% over the FY)
- The FY 2017 request includes a 2.1% military pay raise, effective 1 January 2017 (1.90% over the FY)
- The FY 2018 request includes a 2.1% military pay raise, effective 1 January 2018 (2.10% over the FY)

Basic Allowance for Subsistence (indexed to the annual changes in the US Department of the Agriculture food plan)

- The rate for subsistence, effective 1 January 2016, is 0.1% (0.80% over the FY)
- The rate for subsistence, effective 1 January 2017, is 0.0% (0.03% over the FY)
- The rate for subsistence, effective 1 January 2018, is 3.4% (2.55% over the FY)

Basic Allowance for Housing

- Basic Allowance for Housing growth, effective 1 January 2016, is 1.3% (1.33% over the FY)
- Basic Allowance for Housing growth, effective 1 January 2017, is 2.2% (1.98% over the FY)
- Basic Allowance for Housing growth, effective 1 January 2018, is 2.9% (2.73% over the FY)

The Basic Allowance for Housing (BAH) Fiscal Year 2018 average inflation rate is 2.7 percent. The January 1, 2017 and January 1, 2018 average BAH inflation rate assumption are respectively, 2.2 percent and 2.9 percent on-average reflecting the Department's move to slow the growth of pay and benefits. The FY 2018 budget reflects a slowdown of the BAH rates by 1.0 percent per year until the approved out-of-pocket (5 percent cumulative) is reached. However, it should be noted that this 1.0 percent average reduction is a budgetary planning factor and actual rates will continue to be set by the individual location based on the current local rental housing market survey process. Actual implementation of the out-of-pocket adjustment under the proposal will be computed based on a percentage of the national median cost, so that the actual out-of-pocket dollar amount will be the same by pay grade and dependency status in every military housing area.

Retired Pay Accrual

- Retired Pay Accrual as a percentage of Basic Pay is 31.4% for full-time and 23.0% for part-time Soldiers in FY 2016
- Retired Pay Accrual as a percentage of Basic Pay is 28.9% for full-time and 22.8% for part-time Soldiers in FY 2017
- Retired Pay Accrual as a percentage of Basic Pay is 28.5% for full-time and 22.6% for part-time Soldiers in FY 2018

Foreign Currency Fluctuation

Foreign currency adjustments drive rate increases above normal inflation in Overseas Housing and Overseas Station Allowances. The FY 2016 column in the justification material reflects obligations based on actual foreign currency exchange rates while the FY 2017 and FY 2018 columns reflect the following budgetary exchange rate assumptions:

Country	Monetary Unit	FY 2017 Rate	FY 2018 Rate
Denmark	Krone	6.7076	6.9385
European Community	Euro	0.8990	0.9329
Iceland	Krona	130.4519	112.2842
Japan	Yen	122.4519	111.3365
Norway	Krone	8.1758	8.4115
Singapore	Dollar	1.3858	1.4132
South Korea	Won	1,151.5242	1,156.1200
Turkey	Lira	2.8346	3.4789
United Kingdom	Pound	0.6473	0.8072

General Inflation

- General inflation is 1.2% in FY 2016.
- General inflation is 1.8% in FY 2017.
- General inflation is 2.0% in FY 2018.

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TRICARE Accrual (permanent, indefinite authority)

The Ronald W. Reagan National Defense Authorization Act for FY 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance the cost of TRICARE benefits accrued by uniformed service members. Since these costs are actually borne in support of the Department of Defense, they will be shown as part of the DOD discretionary total. The appropriations requested for the military personnel accounts exclude retiree health accrual funding. Total obligations on behalf of military personnel include both the amounts requested for appropriation and amounts paid from the permanent, indefinite authority.

12304B: Selective Reserve: Order to Active Duty for Preplanned Missions in Support of the Combatant Commands

FY2018 Requested Levels: 2,000 Man-Years; \$196.5M

Introduction:

The National Defense Authorization Act (NDAA) 2012, authorizes the use of 10 U.S.C. §12304b, which provides the Secretary of the Army the authority to involuntarily activate members of the Selected Reserves for not more than 365 consecutive days. In FY2018, the Army plans to utilize 12304b in support of pre-planned and base funded missions identified by Combatant Commanders. The Army will use authority granted in 10 U.S.C. §12301(d) for Soldiers volunteering to support of any of these missions.

NORTHCOM – Air Defense (319 Man – Years; \$31.5M)

Funds the continuing efforts to defend the United States from airborne attacks, maintain air sovereignty, and defend critical U.S. facilities from a potentially hostile threat. Soldiers will provide critical air defense and will be placed on orders for a period not more than 365 days.

NORTHCOM – CBRNE Support (199 Man – Years; \$19.5M)

Funds the Chemical, Biological, Radiological, Nuclear, Explosives (CBRNE) mission for the Defense CBRNE Response Force (DCRF) and Command and Control CBRNE Response Elements (C2CRE) missions. Soldiers will be on “prepare to deploy” orders and will be the leading element necessary to active additional Soldiers in response to CBRNE emergencies.

AFRICOM – Counterterrorism Partnerships (12 Man-Years; \$1.2M)

The counterterrorism partnership supports relationships of peace, security, and cooperation among partner nations. During engagement activities, partner nations will perform a variety of activities, such as: Joint Planning Assistance Teams (JPAT), Mobile Training Teams (MTT), Civil-Military Support Elements (CMSE), Military Information Support Teams (MIST), Joint Combined Exchange Training (JCET), International Military Education and Training, and Senior Leader Engagement to gain perspective and build regional cooperation. Activated Soldiers will be placed on orders for a period not more than 365 days.

CENTCOM and EUCOM – Peace Keeping Support (669 Man-Years; \$65.4M)

Provides capability to deter hostility and threats, establish a secure environment and ensure public safety and order, support the international humanitarian effort and coordinate with and support the international civil presence to prevent any violation of established treaties.

SOUTHCOM – Stability Operations (57 Man-Years; \$5.6M)

Provide regional stability to Latin America and the Caribbean. The main mission is the detection of terrorist cells in Belize, El Salvador, Nicaragua, Costa Rica, Honduras, Trinidad & Tobago, Guyana and Suriname. Activated Soldiers will be placed on orders for a period not more than 365 days.

AFRICOM, CENTCOM, EUCOM, SOUTHCOM PACOM and SOCOM – Theater Security Cooperation (774 Man-Years; \$73.4M)

Provide U.S. military advisers and mentors to build a military that is professional, apolitical, subordinate to civilian leadership, and respectful of human rights. The operation focuses on mission sets: disaster response and humanitarian assistance, counter narcoterrorism, search and rescue by land and sea, defense of the nation, support of national law and building partner capabilities to promote regional cooperation and security.

**MILITARY PERSONNEL, ARMY
SECTION 2
PERFORMANCE MEASURES AND EVALUATION SUMMARY**

Activity: Active Military Personnel

Activity Goal: Maintain the correct number of 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. Costs include pay, allowances, individual clothing, subsistence, and permanent changes of station.

PERFORMANCE MEASURES:

Strength

	<u>FY 2016 Actual</u>	<u>FY 2017 Planned</u>	<u>FY 2018 Planned</u>
(1) Average Strength	500,356	471,943	473,966
(2) End Strength	475,400	476,000	476,000
(3) Authorized End Strength	475,000	476,000	

Narrative:

- (1) Average strength includes base- and OCO-funded Active Component (AC) Soldiers and Reserve Component (RC) Soldiers on active duty for operational support (ADOS). In addition, the FY 2016 average strength includes OCO funded RC mobilized Soldiers.
- (2) End strength displays AC Soldiers only.
- (3) Authorized end strength is based on the FY 2016 and FY2017 National Defense Authorizations Act (NDAA).

Recruiting

	<u>FY 2016 Actual</u>	<u>FY 2017 Planned</u>	<u>FY 2018 Planned</u>
1. Numeric goals	62,500	68,500	69,000
Actual	62,795		

Narrative: The Army's recruiting program was successful in FY 2016, exceeding its planned accession mission of 62.5K by 295 recruits. The Army entered FY2017 with a delayed entry pool of 14.9K. Improving economic conditions are proving to be significant challenges to meeting mission goals. The Army expects to accomplish its FY 2017 mission. However, we continue to face significant challenges due to lower entry pools and a more competitive recruiting environment.

	<u>FY 2016 Actual</u>	<u>FY 2017 Planned</u>	<u>FY 2018 Planned</u>
2. Quality goals			
a. HSDG percent (Tier I)	95.96%	> 90%	> 90%
b. Test Score Category I-III			
Percent – Standard	60.00%	> 60%	> 60%
Actual	60.25%		

- a. The percent Tier 1 High School Diploma Graduate (HSDG) is the measure of educational achievement – Total number of Tier 1 (HSDG) non-prior service accessions + Future Soldier Training Program (FSTP) is compared to total number of non-prior service accessions + FSTP for the fiscal year. (Army target is 90%).
- b. Tier One Performance Screen (TOPS) is a program that was designed to determine an applicant's susceptibility for attrition. Currently, United States Army Recruiting Command (USAREC) utilizes the TOPS program to assess non-High School Diploma Graduates (HSDG) who complete a program of secondary education in compliance with the education laws of the State in which the applicant resides (per the National Defense Authorization Act for Fiscal Year 2012). USAREC processes Non-HSDG applicants provided they score in the top 50th percentile on the Armed Service's Vocational Aptitude Battery (ASVAB) test and pass two non-cognitive personality tests: (1) the Tailored Adaptive Personality Assessment Screen (TAPAS) and (2) the Assessment of Individual Motivation (AIM).

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SECTION 2
PERFORMANCE MEASURES AND EVALUATION SUMMARY

Narrative: Quality goals serve as a screening mechanism; the Army does not directly resource to quality levels. Recruiting efforts focus on high school diploma graduates and graduating seniors who are Category (CAT) I-III. Nationally, the decline in high school graduation rates and increasing obesity levels have challenged the Army to strategically deal with the changing societal norms.

- c. The percent of CAT I-III is the measure of the total number of non-prior service accessions + FSTP who scored at or above 50th percentile. (Army 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 diploma 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. In FY 2017, the Army expects to meet its goal for test category I-III.

SECTION 3
SUMMARY TABLES

**MILITARY PERSONNEL, ARMY
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MILITARY PERSONNEL STRENGTH SUMMARIES
SUMMARY OF MILITARY PERSONNEL STRENGTH**

	<u>ACTUAL FY 2016</u>		<u>ESTIMATE FY 2017</u>		<u>ESTIMATE FY 2018</u>	
	<u>AVERAGE STRENGTH</u>	<u>END STRENGTH 30 SEP 2016</u>	<u>AVERAGE STRENGTH</u>	<u>END STRENGTH 30 SEP 2017</u>	<u>AVERAGE STRENGTH</u>	<u>END STRENGTH 30 SEP 2018</u>
DIRECT BASELINE PROGRAM						
OFFICER	93,453	91,301	90,228	90,129	90,701	89,667
ENLISTED	383,734	378,164	375,993	380,021	377,669	380,620
CADET	4,346	4,493	4,386	4,514	4,395	4,512
TOTAL DIRECT BASELINE PROGRAM	481,533	473,958	470,607	474,664	472,765	474,799
REIMBURSABLE BASELINE PROGRAM						
OFFICER	828	828	780	780	708	708
ENLISTED	614	614	556	556	493	493
CADET	0	0	0	0	0	0
TOTAL REIMBURSABLE BASELINE PROGRAM	1,442	1,442	1,336	1,336	1,201	1,201
BASELINE PROGRAM						
OFFICER	94,281	92,129	91,008	90,909	91,409	90,375
ENLISTED	384,348	378,778	376,549	380,577	378,162	381,113
CADET	4,346	4,493	4,386	4,514	4,395	4,512
TOTAL BASELINE PROGRAM	482,975	475,400	471,943	476,000	473,966	476,000
SUPPLEMENTAL						
OFFICER	4,087	0	0	0	0	0
ENLISTED	13,294	0	0	0	0	0
TOTAL SUPPLEMENTAL PROGRAM	17,381	0	0	0	0	0
TOTAL PROGRAM	500,356	475,400	471,943	476,000	473,966	476,000

/1 Direct baseline average strength includes base Active Duty Operational Support (ADOS) man-year for Administrative-ADOS and Contingency-ADOS

/2 End strength is only reported for the Active Component

/3 Figures listed are for Reserve Component Soldiers on OCO active duty orders

**MILITARY PERSONNEL, ARMY
SECTION 3
MILITARY PERSONNEL STRENGTH SUMMARIES
END STRENGTHS BY GRADE (TOTAL PROGRAM)**

	<u>ACTUAL FY 2016</u>		<u>ESTIMATE FY 2017</u>		<u>ESTIMATE FY 2018</u>	
	<u>30 SEP</u>	<u>REIMB INCLUDED</u>	<u>30 SEP</u>	<u>REIMB INCLUDED</u>	<u>30 SEP</u>	<u>REIMB INCLUDED</u>
OFFICER						
COMMISSIONED OFFICERS						
GENERAL	12	0	12	0	12	0
LIEUTENANT GENERAL	44	0	43	0	43	0
MAJOR GENERAL	125	1	123	1	122	1
BRIGADIER GENERAL	131	1	129	1	128	1
COLONEL	4,139	219	4,037	204	4,041	188
LIEUTENANT COLONEL	8,997	103	8,715	100	8,692	92
MAJOR	15,578	136	14,988	132	14,907	122
CAPTAIN	28,809	242	28,664	235	28,426	217
1ST LIEUTENANT	11,340	46	11,422	45	11,345	41
2ND LIEUTENANT	8,386	39	8,447	23	8,389	22
SUBTOTAL COMMISSIONED OFFICERS	77,561	787	76,580	741	76,105	684
WARRANT OFFICERS						
WARRANT OFFICER (W-5)	591	5	555	3	583	3
WARRANT OFFICER (W-4)	1,957	9	2,011	10	1,974	9
WARRANT OFFICER (W-3)	4,171	15	4,147	15	4,070	6
WARRANT OFFICER (W-2)	5,897	11	5,104	11	5,677	6
WARRANT OFFICER (W-1)	1,952	1	2,512	0	1,966	0
SUBTOTAL WARRANT OFFICERS	14,568	41	14,329	39	14,270	24
SUBTOTAL OFFICER	92,129	828	90,909	780	90,375	708
ENLISTED PERSONNEL						
SERGEANT MAJOR	3,379	55	3,348	89	3,303	82
1ST SERGEANT/MASTER SERGEANT	10,778	78	10,907	37	10,740	25
PLATOON SERGEANT/SERGEANT 1ST CLASS	35,212	6	35,830	6	35,331	5
STAFF SERGEANT	54,189	98	55,129	109	56,292	102
SERGEANT	64,861	141	68,887	118	68,931	110
CORPORAL/SPECIALIST	114,509	230	107,314	185	100,594	158
PRIVATE FIRST CLASS	47,289	5	49,495	11	52,869	10
PRIVATE E2	26,699	1	29,413	1	31,418	1
PRIVATE E1	21,862	0	20,254	0	21,635	0
SUBTOTAL ENLISTED PERSONNEL	378,778	614	380,577	556	381,113	493
CADET	4,493	0	4,514	0	4,512	0
TOTAL END STRENGTH	475,400	1,442	476,000	1,336	476,000	1,201

PB-30C END STRENGTHS BY GRADE (TOTAL PROGRAM)

**MILITARY PERSONNEL, ARMY
SECTION 3
MILITARY PERSONNEL STRENGTH SUMMARIES
AVERAGE STRENGTHS BY GRADE (TOTAL PROGRAM)**

	<u>ACTUAL FY 2016</u>		<u>ESTIMATE FY 2017</u>		<u>ESTIMATE FY 2018</u>	
	30 SEP	REIMB INCLUDED	30 SEP	REIMB INCLUDED	30 SEP	REIMB INCLUDED
OFFICER						
COMMISSIONED OFFICERS						
GENERAL	12	0	11	0	11	0
LIEUTENANT GENERAL	47	0	45	0	45	0
MAJOR GENERAL	139	1	135	1	124	1
BRIGADIER GENERAL	149	1	141	1	129	1
COLONEL	4,386	219	4,202	204	4,152	188
LIEUTENANT COLONEL	9,904	103	9,032	100	8,913	92
MAJOR	16,835	136	15,354	132	14,902	122
CAPTAIN	30,679	242	28,992	235	28,870	217
1ST LIEUTENANT	13,387	46	11,754	45	12,587	41
2ND LIEUTENANT	7,212	39	6,988	23	7,301	22
SUBTOTAL COMMISSIONED OFFICERS	82,750	787	76,654	741	77,034	684
WARRANT OFFICERS						
WARRANT OFFICER (W-5)	651	5	591	3	592	3
WARRANT OFFICER (W-4)	2,160	9	1,999	10	1,991	9
WARRANT OFFICER (W-3)	4,394	15	4,225	15	4,105	6
WARRANT OFFICER (W-2)	6,506	11	5,136	11	5,720	6
WARRANT OFFICER (W-1)	1,907	1	2,403	0	1,967	0
SUBTOTAL WARRANT OFFICERS	15,618	41	14,354	39	14,375	24
SUBTOTAL OFFICER	98,368	828	91,008	780	91,409	708
ENLISTED PERSONNEL						
SERGEANT MAJOR	3,580	55	3,324	89	3,330	82
1ST SERGEANT/MASTER SERGEANT	11,736	78	10,768	37	10,830	25
PLATOON SERGEANT/SERGEANT 1ST CLASS	37,505	6	35,103	6	35,465	5
STAFF SERGEANT	58,500	98	53,924	109	56,648	102
SERGEANT	71,140	141	66,465	118	70,335	110
CORPORAL/SPECIALIST	122,980	230	111,891	185	100,707	158
PRIVATE FIRST CLASS	46,305	5	47,462	11	50,386	10
PRIVATE E2	27,266	1	28,112	1	29,883	1
PRIVATE E1	18,630	0	19,500	0	20,578	0
SUBTOTAL ENLISTED PERSONNEL	397,642	614	376,549	556	378,162	493
CADET	4,346	0	4,386	0	4,395	0
TOTAL AVERAGE STRENGTH	500,356	1,442	471,943	1,336	473,966	1,201

Direct baseline average strength includes base Active Duty Operational Support (ADOS) man-year for Administrative-ADOS and Contingency -ADOS Figures listed for FY2016 include 17,381 man-years for Reserve Component Soldiers on OCO active duty orders.

**MILITARY PERSONNEL, ARMY
SECTION 3
MILITARY PERSONNEL STRENGTH SUMMARIES
ACTIVE DUTY STRENGTHS BY MONTH
(IN THOUSANDS OF DOLLARS)**

Monthly End Strengths ^{1/}	FY 2016				FY 2017				FY 2018			
	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL
September	94,610	392,327	4,428	491,365	92,129	378,778	4,493	475,400	90,909	380,577	4,514	476,000
October	94,336	389,946	4,419	488,701	91,568	376,977	4,483	473,028	90,711	379,693	4,501	474,905
November	93,929	388,793	4,412	487,134	91,199	374,786	4,481	470,466	90,691	378,954	4,494	474,139
December	93,584	384,301	4,379	482,264	90,493	370,124	4,455	465,072	90,588	373,065	4,468	468,121
January	93,218	385,233	4,366	482,817	90,409	372,596	4,439	467,444	90,583	376,373	4,452	471,408
February	93,082	384,306	4,353	481,741	90,009	373,337	4,426	467,772	90,349	376,867	4,439	471,655
March	92,900	381,951	4,321	479,172	89,709	373,115	4,420	467,244	90,269	375,360	4,433	470,062
April	92,402	378,850	4,302	475,554	89,492	372,472	4,412	466,376	89,814	374,093	4,424	468,331
May	93,327	377,663	3,328	474,318	90,548	374,687	3,364	468,599	91,403	374,395	3,372	469,170
June	93,456	376,432	4,584	474,472	91,065	374,655	4,589	470,309	91,770	373,984	4,587	470,341
July	93,123	376,192	4,529	473,844	91,001	375,930	4,534	471,465	91,495	375,957	4,532	471,984
August	92,627	378,193	4,513	475,333	90,634	379,421	4,529	474,584	91,071	378,141	4,527	473,739
September	92,129	378,778	4,493	475,400	90,909	380,577	4,514	476,000	90,375	381,113	4,512	476,000

	SUMMARY OF AVERAGE STRENGTH FY 2016				FY 2017				FY 2018			
	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL
Active Component (AC) Avg Strength [BASE]	93,280	382,285	4,346	479,911	90,181	374,817	4,386	469,384	90,771	376,500	4,395	471,665
<i>Active Duty for Operational Support (ADOS) ^{2/}</i>												
Administrative-ADOS	460	778	-	1,238	373	611	-	984	83	217	-	300
Contingency-ADOS ^{3/}	48	175	-	223	-	-	-	-	-	-	-	-
12304B Contingency-ADOS	491	1,114	-	1,605	454	1,121	-	1,575	555	1,445	-	2,000
Total ADOS Average Strength [BASE]	999	2,067	-	3,066	827	1,732	-	2,559	638	1,662	-	2,300
Reserve Component (RC) Mobilization [OCO]	4,087	13,294	-	17,381	-	-	-	-	-	-	-	-
Average Strength [BASE TOTAL]	94,279	384,352	4,346	482,977	91,008	376,549	4,386	471,943	91,409	378,162	4,395	473,965
Average Strength [OCO TOTAL]	4,087	13,294	-	17,381	-	-	-	-	-	-	-	-
Total Average Strength	98,366	397,646	4,346	500,358	91,008	376,549	4,386	471,943	91,409	378,162	4,395	473,965

	ADOS and RC Mobilization (\$M)				FY 2017 Budgeted				FY 2018 Requested			
	FY 2016 Actuals				OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL
Administrative-ADOS [BASE]	\$66.3	\$58.6	\$0.0	\$124.9	\$54.8	\$46.9	\$0.0	\$101.7	\$12.5	\$17.0	\$0.0	\$29.5
Contingency-ADOS [BASE]	\$7.0	\$13.2	\$0.0	\$20.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
12304B Contingency-ADOS [BASE]	\$70.8	\$83.9	\$0.0	\$154.7	\$66.7	\$86.0	\$0.0	\$152.7	\$83.3	\$113.2	\$0.0	\$196.5
Total ADOS/RC Mobilization [BASE]	\$144.1	\$155.6	\$0.0	\$299.7	\$121.5	\$132.9	\$0.0	\$254.4	\$95.7	\$130.2	\$0.0	\$225.9

^{1/} The FY 2016 end strengths reflects actual monthly Active Component (AC) strength through September 2016. The FY2017 and FY 2018 end strengths are AC strength projections as of January 2017

^{2/} Active Duty Operational Support (ADOS) represents manyears for Administrative-ADOS (a program managed by the Army G-1 in which Reserve Component Soldiers backfill a valid AC billet that the Human Resources Command does not plan to fill) and manyears for Operational-ADOS (where a Reserve Component Soldier supports an AC operational mission beyond the unit's normal mission).

^{3/} Contingency includes manyears for National Capitol Region-Integrated Air Defense System (NCR-IADS) (formerly known as Operation Noble Eagle (ONE)), Joint Forge and Joint Guardian.

**MILITARY PERSONNEL, ARMY
SECTION 3
GAINS AND LOSSES BY TYPE
GAINS AND LOSSES BY SOURCE AND TYPE**

OFFICER	<u>ACTUAL FY 2016</u>	<u>ESTIMATE FY 2017</u>	<u>ESTIMATE FY 2018</u>
Beginning Strength	94,610	92,129	90,909
Gains:			
Service Academies	1,003	1,267	1,278
ROTC	2,815	3,850	3,218
Officer Candidate School	1,117	539	496
Warrant Officer Programs	1,059	1,267	1,278
Other Gains (Medical & JAG)	1,347	993	1,274
Total Officer Gains	7,341	7,916	7,544
Losses:			
Expiration of Contract	7,456	6,358	5,948
15 Year Retirement	460	419	421
Involuntary Separation of Regular	705	481	484
Attrition	63	58	57
Other Losses	1,138	1,820	1,168
Total Officer Losses	9,822	9,136	8,078
End Strength	92,129	90,909	90,375

**MILITARY PERSONNEL, ARMY
SECTION 3
GAINS AND LOSSES BY TYPE
GAINS AND LOSSES BY SOURCE AND TYPE**

ENLISTED	<u>ACTUAL FY 2016</u>	<u>ESTIMATE FY 2017</u>	<u>ESTIMATE FY 2018</u>
Beginning Strength	392,327	378,778	380,577
Gains:			
Males (NPS)	48,886	54,720	56,925
Females (NPS)	10,194	9,656	10,045
Prior Service Enlistments	3,715	4,124	2,000
Reenlistment (IMM)	59,776	61,343	55,032
Returned to Military Control	379	570	583
Other Gains	229	300	0
Total Enlisted Gains	123,179	130,713	124,585
Losses:			
Estimated Termination of Service	29,265	21,294	24,415
Normal Early Release	0	4,494	4,385
Programmed Early Release	1,887	1,176	139
To Commissioned Officer and Warrant Officer	2,176	1,806	1,774
Reenlistment	59,776	61,343	55,032
Retirement	7,002	6,585	6,982
15 Year Retirement	18	15	16
Dropped from Rolls	551	659	778
Attrition Adverse Causes	16,132	15,084	14,913
Other Attrition	19,921	16,458	15,615
Total Enlisted Losses	136,728	128,914	124,049
End Strength	378,778	380,577	381,113

**MILITARY PERSONNEL, ARMY
SECTION 3
GAINS AND LOSSES BY TYPE
GAINS AND LOSSES BY SOURCE AND TYPE**

CADET	<u>ACTUAL FY 2016</u>	<u>ESTIMATE FY 2017</u>	<u>ESTIMATE FY 2018</u>
Beginning Strength	4,428	4,493	4,514
Entering Cadets	1,256	1,288	1,276
Losses:			
Attrition	188	0	0
Graduates	1,003	1,267	1,278
	<hr/>	<hr/>	<hr/>
Total Cadet Losses	1,191	1,267	1,278
End Strength	4,493	4,514	4,512

**MILITARY PERSONNEL, ARMY
SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
1. Basic Pay									
Basic Pay	7,310,693	13,157,274	20,467,967	6,895,700	12,595,750	19,491,450	7,024,696	12,948,769	19,973,465
2. Retired Pay Accrual									
Retired Pay Accrual	2,249,194	4,054,735	6,303,929	1,991,277	3,637,265	5,628,542	1,998,990	3,686,753	5,685,743
3. Thrift Savings Plan (TSP) Matching									
Thrift Savings Plan (TSP) Matching	0	0	0	0	0	0	76,094	136,998	213,092
4. Basic Allowance for Housing									
With Dependents - Domestic	1,600,362	3,999,172	5,599,534	1,514,279	3,796,869	5,311,148	1,562,725	3,932,075	5,494,800
Without Dependents - Domestic	465,188	555,414	1,020,602	433,712	450,714	884,426	458,754	467,634	926,388
Partial Allowance for Bachelors - Domestic	210	10,664	10,874	200	10,533	10,733	215	10,797	11,012
Substandard Housing - Domestic	0	0	0	0	0	0	0	0	0
BAH Differential - Domestic	71	4,303	4,374	76	4,213	4,289	75	4,243	4,318
With Dependents - Overseas	105,773	137,584	243,357	103,383	128,474	231,857	102,375	132,211	234,586
Without Dependents - Overseas	55,512	43,157	98,669	54,024	40,644	94,668	54,686	41,834	96,520
TOTAL BASIC ALLOWANCE FOR HOUSING	2,227,116	4,750,294	6,977,410	2,105,674	4,431,447	6,537,121	2,178,830	4,588,794	6,767,624
5. Subsistence									
Basic Allowance for Subsistence	299,228	0	299,228	276,985	0	276,985	285,298	0	285,298
When Authorized to Mess Separately	0	1,663,067	1,663,067	0	1,580,483	1,580,483	0	1,625,174	1,625,174
Less Collections	0	(350,643)	(350,643)	0	(360,839)	(360,839)	0	(371,030)	(371,030)
Subsistence in Kind									
Subsistence in Messes	0	453,111	453,111	0	285,706	285,706	0	302,097	302,097
Operational Rations	0	291,876	291,876	0	286,321	286,321	0	301,491	301,491
Augmentation Rations/Other Programs	0	2,596	2,596	0	2,684	2,684	0	3,072	3,072
SUBTOTAL SUBSISTENCE IN KIND	0	747,583	747,583	0	574,711	574,711	0	606,660	606,660
Family Subsistence Supplemental Allowance	0	552	552	0	560	560	0	601	601
TOTAL SUBSISTENCE	299,228	2,060,559	2,359,787	276,985	1,794,915	2,071,900	285,298	1,861,405	2,146,703
6. Incentive Pay, Hazardous Duty and Aviation Career									
Flying Duty	70,346	13,193	83,539	70,325	12,240	82,565	70,449	12,482	82,931
Parachute Jumping	12,477	70,924	83,401	12,611	68,959	81,570	12,673	68,951	81,624
Experimental Stress	30	91	121	35	89	124	35	90	125
Demolition Duty	2,025	13,056	15,081	2,099	12,492	14,591	2,109	12,546	14,655
Chemical Munitions	6	33	39	6	32	38	6	32	38
Toxic Pesticides	0	2	2	0	2	2	0	2	2
Toxic Fuel/Waste	0	2	2	0	2	2	0	2	2
TOTAL INCENTIVE PAY, HAZARDOUS DUTY AND AVIATION CAREER	84,884	97,301	182,185	85,076	93,816	178,892	85,272	94,105	179,377

**MILITARY PERSONNEL, ARMY
SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
7. Special Pays									
Special Pay									
Medical Pay	202,753	0	202,753	201,313	0	201,313	201,295	0	201,295
Dental Pay	43,550	0	43,550	41,709	0	41,709	41,670	0	41,670
Nurse Pay	31,215	0	31,215	22,897	0	22,897	22,877	0	22,877
Optometrists Pay	1,195	0	1,195	1,122	0	1,122	1,120	0	1,120
Veterinarians Pay	4,353	0	4,353	4,139	0	4,139	4,134	0	4,134
Diplomate Pay for Psychologists	2,227	0	2,227	2,026	0	2,026	2,023	0	2,023
Korea Assignment	14,667	16,340	31,007	22,697	45,805	68,502	22,660	45,874	68,534
Personal Money Allowances for General/Flag Officer	57	0	57	62	0	62	63	0	63
Pharmacy Pay	2,395	0	2,395	2,263	0	2,263	2,258	0	2,258
Physician Assistant	15,078	0	15,078	14,053	0	14,053	14,041	0	14,041
Social Work	696	0	696	2,389	0	2,389	2,379	0	2,379
Diving Duty Pay	294	1,430	1,724	276	1,401	1,677	274	1,407	1,681
Board Certified Pay Non-Physician Health Care	0	0	0	0	0	0	0	0	0
Hostile Fire Pay	10,919	58,707	69,626	8,220	16,132	24,352	8,218	16,201	24,419
Sea Duty Pay	404	731	1,135	378	716	1,094	375	719	1,094
Hardship Duty Pay	11,925	19,144	31,069	9,499	18,185	27,684	9,496	18,263	27,759
Overseas Extension Pay	0	20	20	0	20	20	0	20	20
Foreign Language Proficiency Pay	8,528	33,800	42,328	8,427	32,819	41,246	8,423	32,972	41,395
Judge Advocate Continuation Pay	8,019	0	8,019	7,500	0	7,500	7,496	0	7,496
Other Special Pay	0	2	2	0	2	2	0	2	2
Continuation Pay	0	0	0	0	0	0	20,572	37,306	57,878
SUBTOTAL SPECIAL PAY	358,275	130,174	488,449	348,970	115,080	464,050	369,374	152,764	522,138
Special Duty Assignment Pay (SDAP)	0	96,328	96,328	0	105,683	105,683	0	112,229	112,229
Reenlistment Bonus	0	156,131	156,131	0	383,466	383,466	0	416,000	416,000
Enlistment Bonus									
New Payments	0	163,423	163,423	0	340,917	340,917	0	474,951	474,951
Residual New	0	0	0	0	0	0	0	0	0
Anniversary	0	6,477	6,477	0	44,000	44,000	0	125,489	125,489
Recruiting	0	0	0	0	0	0	0	0	0
SUBTOTAL ENLISTMENT BONUS	0	169,900	169,900	0	384,917	384,917	0	600,440	600,440
Officer Bonus - Other than Medical	11,712	0	11,712	9,500	0	9,500	9,500	0	9,500
Loan Repayment Program	0	21,104	21,104	0	14,688	14,688	0	12,146	12,146
Education Benefits (College Fund)	0	0	0	0	0	0	0	0	0
TOTAL SPECIAL PAYS	369,987	573,637	943,624	358,470	1,003,834	1,362,304	378,874	1,293,579	1,672,453

**MILITARY PERSONNEL, ARMY
SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
8. Allowance									
Overseas Station Allowances									
Cost of Living	144,041	347,727	491,768	134,806	320,842	455,648	135,766	328,444	464,210
Temporary Lodging	26,210	46,280	72,490	25,939	45,607	71,546	25,153	45,633	70,786
SUBTOTAL OVERSEAS STATION ALLOWANCES	170,251	394,007	564,258	160,745	366,449	527,194	160,919	374,077	534,996
Clothing Allowances									
Initial Issue	0	149,385	149,385	0	159,523	159,523	0	163,594	163,594
Initial Military Allowance	3,672	0	3,672	3,665	0	3,665	3,683	0	3,683
Additional Military Allowance	176	0	176	166	0	166	167	0	167
Maintenance Allowances	0	111,742	111,742	0	109,355	109,355	0	111,910	111,910
Civilian Clothing Allowance	310	0	310	299	0	299	306	0	306
Supplementary Allowances	0	9,932	9,932	0	9,932	9,932	0	9,932	9,932
Other Allowances	0	10,680	10,680	0	2,619	2,619	0	2,619	2,619
SUBTOTAL CLOTHING ALLOWANCES	4,158	281,739	285,897	4,130	281,429	285,559	4,156	288,055	292,211
Family Separation Allowances									
PCS w/Dependents Not Authorized;Gvmt qtr not avail	0	0	0	0	0	0	0	0	0
PCS w/Dependents Not Authorized	4,796	17,819	22,615	2,596	17,458	20,054	2,609	17,532	20,141
Temporary Duty >30 Days w/Dep not near TD station	17,060	61,336	78,396	12,780	31,157	43,937	12,842	31,291	44,133
SUBTOTAL FAMILY SEPARATION ALLOWANCES	21,856	79,155	101,011	15,376	48,615	63,991	15,451	48,823	64,274
Aid and Attendance for Catastrophically Injured CONUS, Cost-of-Living Allowance	0	455	455	0	446	446	0	448	448
	3,320	6,505	9,825	1,950	2,042	3,992	2,001	2,092	4,093
TOTAL ALLOWANCE	199,585	761,861	961,446	182,201	698,981	881,182	182,527	713,495	896,022
9. Separation Pay									
Lump Sum Terminal Leave Payments	30,800	132,477	163,277	28,596	115,201	143,797	28,664	137,746	166,410
Authorized Donations	0	0	0	0	0	0	0	0	0
Severance Pay, Disability	10,785	158,833	169,618	10,013	153,273	163,286	10,273	169,485	179,758
Severance Pay, Failure of Promotion	0	0	0	0	0	0	0	0	0
Separation Pay - Involuntary Half Pay (5%)	0	39,972	39,972	0	35,483	35,483	0	42,428	42,428
Separation Pay - Involuntary Full Pay (10%)	48,474	109,980	158,454	33,721	107,629	141,350	36,104	116,737	152,841
Voluntary Separation Incentive (VSI)	16,890	3,910	20,800	14,436	3,664	18,100	12,521	3,179	15,700
Special Separation Benefit (SSB)	0	0	0	0	0	0	0	0	0
15 Year Temporary Early Retirement Authority	19,513	817	20,330	18,116	725	18,841	19,397	867	20,264
\$30,000 Lump Sum Bonus	3,271	43,837	47,108	3,026	40,259	43,285	773	14,069	14,842
TOTAL SEPARATION PAY	129,733	489,826	619,559	107,908	456,234	564,142	107,732	484,510	592,242

**MILITARY PERSONNEL, ARMY
SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
10. Social Security Tax Payments									
Social Security Tax Employer Contribution	555,032	1,006,582	1,561,614	527,521	963,574	1,491,095	534,396	990,581	1,524,977
11. Permanent Change of Station Travel									
Accession Travel	17,726	141,328	159,054	21,274	156,688	177,962	20,316	160,900	181,216
Training Travel	118,335	18,633	136,968	120,380	18,948	139,328	122,016	34,350	156,366
Operational Travel	132,970	265,753	398,723	121,411	258,615	380,026	123,044	269,110	392,154
Rotational Travel To/From Overseas	207,026	540,747	747,773	205,979	544,367	750,346	208,270	545,447	753,717
Separation Travel	73,927	232,318	306,245	75,525	206,071	281,596	64,349	215,310	279,659
Organized Unit Travel	493	3,718	4,211	496	3,741	4,237	499	3,759	4,258
TOTAL PERMANENT CHANGE OF STATION TRAVEL	550,477	1,202,497	1,752,974	545,065	1,188,430	1,733,495	538,494	1,228,876	1,767,370
12. Other Military Personnel Costs									
Apprehension Deserters, Absentees, Escaped Prisoners	0	302	302	0	303	303	0	309	309
Interest on Uniformed Services Savings Deposits	1,599	1,432	3,031	88	67	155	91	69	160
Death Gratuities	6,600	35,408	42,008	6,300	34,200	40,500	6,300	34,400	40,700
Unemployment Compensation Benefits	0	194,526	194,526	0	117,083	117,083	0	107,682	107,682
Survivor Benefits	0	0	0	0	0	0	0	0	0
Special Compensation for Severely Disabled	0	0	0	0	0	0	0	0	0
Adoption Expenses	168	425	593	166	424	590	170	433	603
Amortization of Education Benefits	0	4,788	4,788	0	566	566	0	16,091	16,091
Partial Dislocation Allowance	11	52	63	11	52	63	11	53	64
Mass Transit Subsidy	4,566	2,459	7,025	4,984	2,717	7,701	5,106	2,778	7,884
Stop-Loss Special Compensation	1	15	16	0	0	0	0	0	0
Reserve Income Replacement Program(RIRP)	0	0	0	0	0	0	0	0	0
ROTC	102,697	0	102,697	97,432	0	97,432	101,008	0	101,008
JROTC	37,169	0	37,169	27,522	0	27,522	28,037	0	28,037
Preventive Health Allowance	0	0	0	0	0	0	0	0	0
SGLI Extra Hazard Payments	1,944	6,214	8,158	0	0	0	0	0	0
TOTAL OTHER MILITARY PERSONNEL COSTS	154,755	245,621	400,376	136,503	155,412	291,915	140,723	161,815	302,538
SUBTOTAL MILITARY PERSONNEL APPROPRIATION	14,130,684	28,400,187	42,530,871	13,212,380	27,019,658	40,232,038	13,531,926	28,189,680	41,721,606

**MILITARY PERSONNEL, ARMY
SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
13. Cadet									
Academy Cadets	79,323	0	79,323	80,472	0	80,472	82,393	0	82,393
14. Less Reimbursables									
Basic Pay	(103,199)	(46,628)	(149,827)	(103,388)	(49,100)	(152,488)	(99,890)	(45,592)	(145,482)
Retired Pay Accrual	(32,405)	(14,641)	(47,046)	(32,360)	(15,368)	(47,728)	(28,457)	(12,990)	(41,447)
Basic Allowance for Housing	(29,571)	(15,329)	(44,900)	(29,559)	(15,852)	(45,411)	(28,491)	(14,314)	(42,805)
Basic Allowance for Subsistence	(3,661)	(9,477)	(13,138)	(3,866)	(8,613)	(12,479)	(4,286)	(7,592)	(11,878)
Subsistence in Kind	0	(400)	(400)	0	0	0	0	(1,500)	(1,500)
Incentive Pay for Hazardous Duty	(11,414)	(4,055)	(15,469)	(10,939)	(3,618)	(14,557)	(11,845)	(4,300)	(16,145)
Social Security Tax Employer Contribution	(7,895)	(3,567)	(11,462)	(7,909)	(3,756)	(11,665)	(7,599)	(3,469)	(11,068)
TOTAL LESS REIMBURSABLES	(188,145)	(94,097)	(282,242)	(188,021)	(96,307)	(284,328)	(180,568)	(89,757)	(270,325)
TOTAL DIRECT PROGRAM	14,021,862	28,306,090	42,327,952	13,104,831	26,923,351	40,028,182	13,433,751	28,099,923	41,533,674
FY 2017 Continuing Resolution Adjustment*						817,505			
Revised FY 2017 Direct Program						40,845,687			

*Reflects the FY 2017 President's Budget Request with an undistributed adjustment to match the Annualized Continuing Resolution funding level by appropriation

**MILITARY PERSONNEL, ARMY
SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(IN THOUSANDS OF DOLLARS)**

	FY 2017 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	REQUEST FOR ADDITIONAL APPROPRIATIONS	FY 2017 REVISED
PAY AND ALLOWANCES OF OFFICERS									
BASIC PAY	6,743,488	0	0	0	6,743,488	0	6,792,312	48,824	6,792,312
RETIRED PAY ACCRUAL	1,983,194	0	0	0	1,983,194	0	1,958,917	-24,277	1,958,917
INCENTIVE PAY FOR HAZARDOUS DUTY	74,603	0	0	0	74,603	0	74,137	-466	74,137
SPECIAL PAY	358,169	0	0	0	358,169	0	348,970	-9,199	348,970
OFFICER BONUS - OTHER THAN MEDICAL	9,006	0	0	0	9,006	0	9,500	494	9,500
BASIC ALLOWANCE FOR HOUSING	2,212,004	0	0	0	2,212,004	0	2,076,115	-135,889	2,076,115
BASIC ALLOWANCE FOR SUBSISTENCE	281,622	0	0	0	281,622	0	273,119	-8,503	273,119
OVERSEAS STATION ALLOWANCES	190,707	0	0	0	190,707	0	160,745	-29,962	160,745
CLOTHING ALLOWANCES	4,130	0	0	0	4,130	0	4,130	0	4,130
FAMILY SEPARATION ALLOWANCES	15,376	0	0	0	15,376	0	15,376	0	15,376
SEPARATION PAYMENTS	201,125	0	0	0	201,125	0	107,908	-93,217	107,908
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION	513,309	0	0	0	513,309	0	519,612	6,303	519,612
CONUS COST OF LIVING ALLOWANCE	2,179	0	0	0	2,179	0	1,950	-229	1,950
REIMBURSABLES	188,021	0	0	0	188,021	0	188,021	0	188,021
TOTAL OBLIGATIONS	12,776,933	0	0	0	12,776,933	0	12,530,812	-246,121	12,530,812
LESS REIMBURSABLES	188,021	0	0	0	188,021	0	188,021	0	188,021
TOTAL PAY AND ALLOWANCES OF OFFICERS DIRECT OBLIGATIONS	12,588,912	0	0	0	12,588,912	0	12,342,791	-246,121	12,342,791

**MILITARY PERSONNEL, ARMY
SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(IN THOUSANDS OF DOLLARS)**

	FY 2017 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	REQUEST FOR ADDITIONAL APPROPRIATIONS	FY 2017 REVISED
PAY AND ALLOWANCES OF ENLISTED									
BASIC PAY	12,380,786	0	0	0	12,380,786	0	12,546,650	165,864	12,546,650
RETIRED PAY ACCRUAL	3,647,960	0	0	0	3,647,960	0	3,621,897	-26,063	3,621,897
INCENTIVE PAY FOR HAZARDOUS DUTY	86,724	0	0	0	86,724	0	90,198	3,474	90,198
SPECIAL PAY	77,833	0	0	0	77,833	0	115,080	37,247	115,080
SPECIAL DUTY ASSIGNMENT PAY (SDAP)	93,800	0	0	0	93,800	0	105,683	11,883	105,683
REENLISTMENT BONUS	114,285	0	0	0	114,285	0	383,466	269,181	383,466
ENLISTMENT BONUS	85,917	0	0	0	85,917	0	384,917	299,000	384,917
BASIC ALLOWANCE FOR HOUSING AID AND ATTENDANCE FOR CATASTROPHICALLY INJURED	4,685,512	0	0	0	4,685,512	0	4,415,595	-269,917	4,415,595
LOAN REPAYMENT PROGRAM	967	0	0	0	967	0	446	-521	446
OVERSEAS STATION ALLOWANCES	23,038	0	0	0	23,038	0	14,688	-8,350	14,688
CLOTHING ALLOWANCES	392,784	0	0	0	392,784	0	366,449	-26,335	366,449
FAMILY SEPARATION ALLOWANCES	261,601	0	0	0	261,601	0	281,429	19,828	281,429
SEPARATION PAYMENTS	49,182	0	0	0	49,182	0	48,615	-567	48,615
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION	523,385	0	0	0	523,385	0	456,234	-67,151	456,234
CONUS COST OF LIVING ALLOWANCE	947,131	0	0	0	947,131	0	959,818	12,687	959,818
REIMBURSABLES	3,553	0	0	0	3,553	0	2,042	-1,511	2,042
	87,694	0	0	0	87,694	0	87,694	0	87,694
TOTAL OBLIGATIONS	23,462,152	0	0	0	23,462,152	0	23,880,901	418,749	23,880,901
LESS REIMBURSABLES	87,694	0	0	0	87,694	0	87,694	0	87,694
TOTAL PAY AND ALLOWANCES OF ENLISTED DIRECT OBLIGATIONS	23,374,458	0	0	0	23,374,458	0	23,793,207	418,749	23,793,207
PAY AND ALLOWANCES OF CADETS									
ACADEMY CADETS	81,184	0	0	0	81,184	0	80,472	-712	80,472
TOTAL PAY AND ALLOWANCES OF CADETS DIRECT OBLIGATIONS	81,184	0	0	0	81,184	0	80,472	-712	80,472

**MILITARY PERSONNEL, ARMY
SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(IN THOUSANDS OF DOLLARS)**

	FY 2017 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	REQUEST FOR ADDITIONAL APPROPRIATIONS	FY 2017 REVISED
SUBSISTENCE OF ENLISTED PERSONNEL									
BASIC ALLOWANCE FOR SUBSISTENCE	1,231,499	0	0	0	1,231,499	0	1,211,031	-20,468	1,211,031
SUBSISTENCE IN KIND	594,481	0	0	0	594,481	0	574,711	-19,770	574,711
FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	813	0	0	0	813	0	560	-253	560
REIMBURSABLES	8,613	0	0	0	8,613	0	8,613	0	8,613
TOTAL OBLIGATIONS	1,835,406	0	0	0	1,835,406	0	1,794,915	-40,491	1,794,915
LESS REIMBURSABLES	8,613	0	0	0	8,613	0	8,613	0	8,613
TOTAL SUBSISTENCE OF ENLISTED PERSONNEL DIRECT OBLIGATIONS	1,826,793	0	0	0	1,826,793	0	1,786,302	-40,491	1,786,302
PERMANENT CHANGE OF STATION TRAVEL									
ACCESSION TRAVEL	158,574	0	0	0	158,574	0	177,962	19,388	177,962
TRAINING TRAVEL	156,206	0	0	0	156,206	0	139,328	-16,878	139,328
OPERATIONAL TRAVEL	446,553	0	0	0	446,553	0	380,026	-66,527	380,026
ROTATIONAL TRAVEL TO/FROM OVERSEAS	739,328	0	0	0	739,328	0	750,346	11,018	750,346
SEPARATION TRAVEL	307,083	0	0	0	307,083	0	281,596	-25,487	281,596
ORGANIZED UNIT TRAVEL	4,053	0	0	0	4,053	0	4,237	184	4,237
TOTAL PERMANENT CHANGE OF STATION TRAVEL DIRECT OBLIGATIONS	1,811,797	0	0	0	1,811,797	0	1,733,495	-78,302	1,733,495

**MILITARY PERSONNEL, ARMY
SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(IN THOUSANDS OF DOLLARS)**

	FY 2017 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	REQUEST FOR ADDITIONAL APPROPRIATIONS	FY 2017 REVISED
OTHER MILITARY PERSONNEL COSTS									
APPREHENSION									
DESERTERS, ABSENTEES, ESCAPED PRISONERS	621	0	0	0	621	0	303	-318	303
INTEREST ON UNIFORMED SERVICES SAVINGS									
DEPOSITS	132	0	0	0	132	0	155	23	155
DEATH GRATUITIES	38,000	0	0	0	38,000	0	40,500	2,500	40,500
UNEMPLOYMENT COMPENSATION BENEFITS	168,656	0	0	0	168,656	0	117,083	-51,573	117,083
ADOPTION EXPENSES	576	0	0	0	576	0	590	14	590
AMORTIZATION OF EDUCATION BENEFITS	634	0	0	0	634	0	566	-68	566
PARTIAL DISLOCATION ALLOWANCE	251	0	0	0	251	0	63	-188	63
MASS TRANSIT SUBSIDY	11,284	0	0	0	11,284	0	7,701	-3,583	7,701
ROTC	97,362	0	0	0	97,362	0	97,432	70	97,432
JROTC	27,522	0	0	0	27,522	0	27,522	0	27,522
TOTAL OTHER MILITARY PERSONNEL COSTS									
DIRECT OBLIGATIONS	345,038	0	0	0	345,038	0	291,915	-53,123	291,915
TOTAL DIRECT OBLIGATIONS	40,028,182	0	0	0	40,028,182	0	40,028,182	0	40,028,182

MILITARY PERSONNEL, ARMY
SECTION 3
SCHEDULE OF INCREASES AND DECREASES
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(IN THOUSANDS OF DOLLARS)

	BA1	BA2	BA3	BA4	BA5	BA6	Total
FY2017 Direct Program	12,342,791	23,793,207	80,472	1,786,302	1,733,495	291,915	40,028,182
Increases Pricing:							
Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	35,587	65,415	297	0	0	0	101,299
Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	106,912	196,581	889	0	0	0	304,382
Retired Pay Accrual increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	10,590	19,223	0	0	0	0	29,813
Retired Pay Accrual increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	31,680	56,542	0	0	0	0	88,222
Basic Allowance for Housing increase due to the housing cost growth of 2.2% effective 1 January 2017	14,638	24,036	0	0	0	0	38,674
Basic Allowance for Housing increase due to the housing cost growth of 2.9% effective 1 January 2018	57,883	95,061	0	0	0	0	152,944
Basic Allowance for Subsistence increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2018	7,093	0	0	31,181	0	0	38,274
Overseas Station Allowance - COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	818	2,694	0	0	0	0	3,512
Overseas Station Allowance - COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	2,689	8,628	0	0	0	0	11,317
Reenlistment Bonus increase due to rate changes	0	81,224	0	0	0	0	81,224
Enlistment Bonus increase due to rate changes	0	38,290	0	0	0	0	38,290
Separation Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	423	1,699	0	0	0	0	2,122
Separation Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	1,410	6,465	0	0	0	0	7,875
CONUS COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017 and 1 January 2018	51	43	0	0	0	0	94
Clothing increase due to rate changes	0	5,171	0	0	0	0	5,171
FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	3,784	5,004	22	0	0	0	8,810
FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	10,991	15,039	67	0	0	0	26,097
Subsistence in Messes increase due to dining facility cost inflation	0	0	0	9,934	0	0	9,934
Operational Rations increase due to manufacturer price inflation	0	0	0	6,496	0	0	6,496

MILITARY PERSONNEL, ARMY
SECTION 3
SCHEDULE OF INCREASES AND DECREASES
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(IN THOUSANDS OF DOLLARS)

	BA1	BA2	BA3	BA4	BA5	BA6	Total
Unitized Group Rations increase due to manufacturer price inflation	0	0	0	1,011	0	0	1,011
Cadet ration increase due to rate increase in 2018	0	0	486	0	0	0	486
Other Rations increase due to annual eligibility cost	0	0	0	319	0	0	319
Member travel increase due to cost inflation	0	0	0	0	7,246	0	7,246
Family Subsistence Supplemental Allowance increase due to higher per claim rate	0	0	0	20	0	0	20
Dependent travel increase due to cost inflation	0	0	0	0	1,472	0	1,472
Unitized Group Ration (A) increase due to manufacturer price inflation	0	0	0	2,088	0	0	2,088
Household goods shipment increase due to cost inflation	0	0	0	0	19,380	0	19,380
Dislocation allowance increase due to annualization of 2017 and 2018 pay raise	0	0	0	0	3,742	0	3,742
Non-temporary storage increase due to cost inflation	0	0	0	0	242	0	242
Temporary lodging expense increase due to cost inflation	0	0	0	0	677	0	677
Trailer allowance increase due to cost inflation	0	0	0	0	3	0	3
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to rate change	0	0	0	0	0	5	5
Interest on Uniformed Services Savings Deposits increase due to rate change	0	0	0	0	0	4	4
Privately owned vehicle increase due to cost inflation	0	0	0	0	425	0	425
Port handling increase due to cost inflation	0	0	0	0	1	0	1
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	0	0	0	0	0	10	10
Partial Dislocation Allowance increase due to annualization of pay raise inflation	0	0	0	0	0	1	1
ROTC increase due to inflation rate change in pay raise, Cadet clothing and subsistence	0	0	0	0	0	1,884	1,884
JROTC increase due to inflation rate change in Cadet clothing and subsistence	0	0	0	0	0	525	525
Mass Transit Subsidy increase due to change in monthly benefit amount and inflation	0	0	0	0	0	139	139
Unemployment Benefits increase due to annualized basic pay inflation	0	0	0	0	0	2,059	2,059
Education Benefit increase due to revised amortization payment amounts	0	0	0	0	0	15,525	15,525
Total Increases Pricing	284,549	621,115	1,761	51,049	33,188	20,152	1,011,814
Increases Program:							

MILITARY PERSONNEL, ARMY
SECTION 3
SCHEDULE OF INCREASES AND DECREASES
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(IN THOUSANDS OF DOLLARS)

	BA1	BA2	BA3	BA4	BA5	BA6	Total
Temporary lodging expense increase due to change in move requirements	0	0	0	0	659	0	659
Basic Allowance for Subsistence increase due to number of personnel estimated to receive benefit	0	0	0	3,319	0	0	3,319
Basic Pay increase due to man-year growth	30,384	53,956	112	0	0	0	84,452
Basic Pay increase due to shifts in grade structure	0	37,070	0	0	0	0	37,070
FICA increase due to man-year growth	17,776	4,128	9	0	0	0	21,913
Member travel increase due to change in move requirements	0	0	0	0	2,766	0	2,766
Subsistence in Messes increase due to number of personnel estimated to receive benefit	0	0	0	5,978	0	0	5,978
Operational Rations increase due to number of personnel estimated to receive benefit	0	0	0	3,443	0	0	3,443
Retired Pay Accrual increase due to man-year growth	8,774	15,581	0	0	0	0	24,355
Dislocation allowance increase due to change in move requirements	0	0	0	0	2,879	0	2,879
Dependent travel increase due to change in move requirements	0	0	0	0	1,119	0	1,119
Cadet ration increase due to man-year growth	0	0	39	0	0	0	39
Special Pay increase due to changes in the number of Soldiers expected to receive pay	20,404	0	0	0	0	0	20,404
Unitized Group Rations-Heat and Serve increase due to number of personnel estimated to receive benefit	0	0	0	536	0	0	536
Unitized Group Rations (A) increase due to number of personnel estimated to receive benefit	0	0	0	1,106	0	0	1,106
Retired Pay Accrual increase due to shifts in grade structure	0	10,705	0	0	0	0	10,705
Basic Allowance for Housing increase due to man-year growth	9,278	18,706	0	0	0	0	27,984
Basic Allowance for Subsistence increase due to man-year growth	1,220	0	0	0	0	0	1,220
Incentive Pay increase due to changes in the number of Soldiers expected to receive pay	196	316	0	0	0	0	512
Augmentation Ration increase due to number of personnel estimated to receive benefit	0	0	0	388	0	0	388
Clothing increase due to changes in the number of Soldiers expected to receive allowance	26	1,455	0	0	0	0	1,481
Special Pay increase due to Continuation Pay within the new Blended Retirement System Starting in FY 2018	0	37,306	0	0	0	0	37,306
Family Subsistence Supplemental Allowance increase due to number of personnel estimated to receive benefit	0	0	0	21	0	0	21
Special Pay increase due to changes in the number of Soldiers expected to receive pay	0	351	0	0	0	0	351
Other Rations increase due to number of personnel estimated to receive benefit	0	0	0	171	0	0	171

MILITARY PERSONNEL, ARMY
SECTION 3
SCHEDULE OF INCREASES AND DECREASES
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(IN THOUSANDS OF DOLLARS)

	BA1	BA2	BA3	BA4	BA5	BA6	Total
Family Separation Allowance increase due to changes in the number of Soldiers expected to receive allowance	75	208	0	0	0	0	283
Special Duty Assignment Pay increase due to changes in the number of Soldiers expected to receive pay	0	6,546	0	0	0	0	6,546
TSP Matching increase due to new blended retirement system entitlements starting in FY 2018	76,094	136,998	0	0	0	0	213,092
Enlistment Bonus increase due to changes in the number of Soldiers expected to receive pay	0	177,233	0	0	0	0	177,233
Increase in direct resources due to a decrease in reimbursable requirements	7,453	7,029	0	0	0	0	14,482
Basic Allowance for Housing increase due to shifts in grade structure	0	22,442	0	0	0	0	22,442
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to increased deserter ratio	0	0	0	0	0	1	1
Interest on Uniformed Services Savings Deposits change due to increased program utilization	0	0	0	0	0	1	1
Overseas Station Allowance increase due to changes in the number of Soldiers expected to receive allowance	0	1,773	0	0	0	0	1,773
Death Gratuities increase due to change in non-combat deaths	0	0	0	0	0	200	200
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	0	0	0	0	0	3	3
ROTC increase due to number of program participants	0	0	0	0	0	1,692	1,692
Separation Pay increase due to changes in the number of Soldiers expected to receive allowance	0	20,111	0	0	0	0	20,111
Mass Transit Subsidy increase due to slight increase in number of Soldiers receiving benefit	0	0	0	0	0	44	44
CONUS COLA increase due to changes in the number of Soldiers expected to receive allowance	0	7	0	0	0	0	7
FICA increase due to shifts in grade structure	0	2,836	0	0	0	0	2,836
Aid and Attendance Allowance for the Catastrophically Injured increase due to allowance utilization	0	2	0	0	0	0	2
Total Increases Program	171,680	554,759	160	14,962	7,423	1,941	750,925
Total Increases	456,229	1,175,874	1,921	66,011	40,611	22,093	1,762,739
Decreases Pricing:							
Retired Pay Accrual decrease due to the Normal Cost Percentage (NCP) rate decrease to 28.5%, effective 1 October 2017	(30,654)	(52,562)	0	0	0	0	(83,216)
Overseas Station Allowance - COLA decrease due to changes in foreign currency exchange rates	(2,024)	(5,467)	0	0	0	0	(7,491)
Basic Allowance for Housing - OHA decrease due to changes in foreign currency exchange rates	(2,619)	(2,901)	0	0	0	0	(5,520)

**MILITARY PERSONNEL, ARMY
SECTION 3
SCHEDULE OF INCREASES AND DECREASES
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(IN THOUSANDS OF DOLLARS)**

	BA1	BA2	BA3	BA4	BA5	BA6	Total
Total Decreases Pricing	(35,297)	(60,930)	0	0	0	0	(96,227)
Decreases Program:							
Basic Pay decrease due to shifts in grade structure	(43,891)	0	0	0	0	0	(43,891)
Retired Pay Accrual decrease due to shifts in grade structure	(12,673)	0	0	0	0	0	(12,673)
Basic Allowance for Housing decrease due to shifts in grade structure	(6,025)	0	0	0	0	0	(6,025)
Overseas Station Allowance decrease due to changes in the number of Soldiers expected to receive allowance	(1,308)	0	0	0	0	0	(1,308)
Separation Pay decrease due to changes in the number of Soldiers expected to receive allowance	(2,009)	0	0	0	0	0	(2,009)
Reenlistment Bonus decrease due to changes in the number of Soldiers expected to receive pay	0	(48,690)	0	0	0	0	(48,690)
FICA decrease due to shifts in grade structure	(25,676)	0	0	0	0	0	(25,676)
Loan Repayment Program decrease due to changes in the number of Soldiers expected to receive pay	0	(2,542)	0	0	0	0	(2,542)
Household goods shipment decrease due to change in move requirements	0	0	0	0	(6,150)	0	(6,150)
Non-temporary storage decrease due to change in move requirements	0	0	0	0	(311)	0	(311)
Privately owned vehicle decrease due to change in move requirements	0	0	0	0	(270)	0	(270)
Port handling decrease due to change in move requirements	0	0	0	0	(5)	0	(5)
Unemployment Benefits decrease due to fewer projected number of active duty separations	0	0	0	0	0	(11,460)	(11,460)
JROTC decrease due to anticipated school closures and attrition	0	0	0	0	0	(10)	(10)
Total Decreases Program	(91,582)	(51,232)	0	0	(6,736)	(11,470)	(161,020)
Total Decreases	(126,879)	(112,162)	0	0	(6,736)	(11,470)	(257,247)
FY2018 Direct Program	12,672,141	24,856,919	82,393	1,852,313	1,767,370	302,538	41,533,674

SECTION 4

DETAIL OF MILITARY PERSONNEL ENTITLEMENTS

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SCHEDULE OF INCREASES AND DECREASES - OFFICERS
(IN THOUSANDS OF DOLLARS)**

FY2017 Direct Program		12,342,791
	Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	35,587
	Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	106,912
	Retired Pay Accrual increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	10,590
	Retired Pay Accrual increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	31,680
	Basic Allowance for Housing increase due to the housing cost growth of 2.2% effective 1 January 2017	14,638
	Basic Allowance for Housing increase due to the housing cost growth of 2.9% effective 1 January 2018	57,883
	Basic Allowance for Subsistence increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2018	7,093
	Overseas Station Allowance - COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	818
	Overseas Station Allowance - COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	2,689
	Separation Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	423
	Separation Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	1,410
	CONUS COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017 and 1 January 2018	51
	FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	3,784
	FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	10,991
Total Increases Pricing		284,549
	Basic Pay increase due to man-year growth	30,384
	Retired Pay Accrual increase due to man-year growth	8,774
	Special Pay increase due to changes in the number of Soldiers expected to receive pay	20,404
	Basic Allowance for Housing increase due to man-year growth	9,278
	Basic Allowance for Subsistence increase due to man-year growth	1,220
	Clothing increase due to changes in the number of Soldiers expected to receive allowance	26
	Family Separation Allowance increase due to changes in the number of Soldiers expected to receive allowance	75
	FICA increase due to man-year growth	17,776
	TSP Matching increase due to new blended retirement system entitlements starting in FY 2018	76,094
	Increase in direct resources due to a decrease in reimbursable requirements	7,453
	Incentive pay increase due to changes in the number of Soldiers expected to receive pay	196
Total Increases Program		171,680
Total Increases		456,229
	Retired Pay Accrual decrease due to the Normal Cost Percentage (NCP) rate decrease to 28.5%, effective 1 October 2017	(30,654)
	Basic Allowance for Housing - OHA decrease due to changes in foreign currency exchange rates	(2,619)
	Overseas Station Allowance - COLA decrease due to changes in foreign currency exchange rates	(2,024)
Total Decreases Pricing		(35,297)
	Basic Pay decrease due to shifts in grade structure	(43,891)
	Retired Pay Accrual decrease due to shifts in grade structure	(12,673)
	Basic Allowance for Housing decrease due to shifts in grade structure	(6,025)
	Overseas Station Allowance decrease due to changes in the number of Soldiers expected to receive allowance	(1,308)
	Separation Pay decrease due to changes in the number of Soldiers expected to receive allowance	(2,009)
	FICA decrease due to shifts in grade structure	(25,676)
Total Decreases Program		(91,582)
Total Decreases		(126,879)
FY2018 Direct Program		12,672,141

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC PAY - OFFICER**

ESTIMATE FY 2018	\$7,024,696
ESTIMATE FY 2017	\$6,895,700
ACTUAL FY 2016	\$7,310,693

PROJECT: BASIC PAY - OFFICER

PART I - PURPOSE AND SCOPE

Basic pay provides compensation and length of service pay increments for active component officer personnel under provisions of 37 U.S.C. 201, 203, 204, 205, and 1009. Basic pay also provides compensation of reserve component officer personnel on active duty status under provisions of 10 U.S.C. 12301, 12302 and 12304b.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Basic pay is determined by multiplying the projected average number of personnel by grade and the estimated average annual rate, including length of service increments, for each grade.

The FY 2018 rates were built by applying inflation assumptions to FY 2016 active component rates. The basic pay rates reflect a 2.1% pay raise, effective 1 January 2017 and a 2.1% pay raise, effective 1 January 2018.

There is a +\$129.0 million increase in the officer basic pay requirement between FY 2017 and FY 2018. This change is due to:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$35.6 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$106.9 million
- (3) Program increase due to growth in total officer man-years: +\$30.4 million
- (4) Program decrease due to shifts in officer grade structure: -\$43.9 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC PAY - OFFICER
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC PAY - OFFICER									
OFFICER- ACTIVE DUTY									
GENERAL	12	\$183,323	2,017	11	\$186,421	2,140	11	\$190,449	2,169
LIEUTENANT GENERAL	47	\$183,323	8,433	45	\$186,421	8,449	45	\$190,449	8,631
MAJOR GENERAL	139	\$176,489	24,532	135	\$180,089	24,312	124	\$183,597	22,766
BRIGADIER GENERAL	149	\$153,671	22,897	141	\$156,702	22,095	129	\$160,132	20,657
COLONEL	4,386	\$130,678	573,153	4,202	\$133,175	559,601	4,152	\$135,965	564,527
LIEUTENANT COLONEL	9,904	\$105,174	1,041,647	9,032	\$107,205	968,274	8,913	\$109,419	975,249
MAJOR	16,835	\$87,936	1,480,409	15,354	\$89,636	1,376,268	14,902	\$91,489	1,363,368
CAPTAIN	30,679	\$70,153	2,152,228	28,992	\$71,505	2,073,084	28,870	\$72,986	2,107,115
1ST LIEUTENANT	13,387	\$51,452	688,794	11,754	\$52,446	616,448	12,587	\$53,532	673,804
2ND LIEUTENANT	7,212	\$38,972	281,069	6,988	\$39,722	277,577	7,301	\$40,546	296,024
SUBTOTAL OFFICER- ACTIVE DUTY	82,750		6,275,179	76,654		5,928,248	77,034		6,034,310
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	651	\$103,186	67,174	591	\$105,102	62,115	592	\$107,265	63,501
WARRANT OFFICER (W-4)	2,160	\$85,152	183,928	1,999	\$86,790	173,493	1,991	\$88,577	176,356
WARRANT OFFICER (W-3)	4,394	\$70,439	309,509	4,225	\$71,808	303,389	4,105	\$73,287	300,842
WARRANT OFFICER (W-2)	6,506	\$58,145	378,294	5,136	\$59,265	304,386	5,720	\$60,492	346,017
WARRANT OFFICER (W-1)	1,907	\$50,660	96,609	2,403	\$51,631	124,069	1,967	\$52,705	103,670
SUBTOTAL OFFICER- WARRANT ACTIVE	15,618		1,035,514	14,354		967,452	14,375		990,386
TOTAL BASIC PAY - OFFICER	98,368		7,310,693	91,008		6,895,700	91,409		7,024,696

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
RETIRED PAY ACCRUAL- OFFICER**

ESTIMATE FY 2018	\$1,998,990
ESTIMATE FY 2017	\$1,991,277
ACTUAL FY 2016	\$2,249,194

PROJECT: RETIRED PAY ACCRUAL- OFFICER

PART I - PURPOSE AND SCOPE

Retired Pay Accrual provides payment to the Department of Defense Military Retirement Fund in accordance with 10 U.S.C. 74.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Retired Pay Accrual (RPA) budget estimate is a product of the Department of Defense Retirement Board of Actuary approved Normal Cost Percentage (NCP) and the total amount of basic pay expected to be paid during the fiscal year to members of the Active Army. The approved NCP rates for FY 2017 are 28.9% (Active Component (AC) full-time) and 22.8% (Reserve Component (RC) part-time). The rates for FY 2018 are 28.5% for (Active Component full-time) and 22.6% (Reserve Component part-time).

There is a -\$7.7 million increase in the RPA requirement between FY 2017 and FY 2018. This change is due to:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$10.6 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$31.7 million
- (3) Program increase due to officer man-year growth: +\$8.8 million
- (4) Price decrease due to the Normal Cost Percentage (NCP) rate decreased to 28.5% effective 1 October 2017: -\$30.7 million
- (5) Program decrease due to shifts in office grade structure: -\$12.7 million

Detailed cost computations are provided by the following table:

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
RETIRED PAY ACCRUAL- OFFICER
(IN THOUSANDS OF DOLLARS)

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
RETIRED PAY ACCRUAL- OFFICER									
OFFICER RETIRED PAY ACCRUAL	93,282	\$23,249	2,168,742	90,181	\$21,913	1,976,098	90,771	\$21,894	1,987,315
OFFICER RETIRED PAY ACCRUAL-RC ONLY	5,086	\$15,818	80,452	827	\$18,354	15,179	638	\$18,299	11,675
TOTAL RETIRED PAY ACCRUAL- OFFICER	98,368		2,249,194	91,008		1,991,277	91,409		1,998,990

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
OFFICER-TSP MATCHING
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$76,094
ESTIMATE FY 2017	\$0
ACTUAL FY 2016	\$0

PROJECT: OFFICER-TSP MATCHING

PART I - PURPOSE AND SCOPE

The National Defense Authorization Act (NDAA) 2016, Public Law 114-92, Section 632(2), authorized the Secretary to make contributions to the Thrift Savings Fund, in accordance with the section 8432 for the benefit of the member who falls under the new modernized requirements system. Automatic contributions of one-percent of basic pay for the benefit of the member will begin on or after the day that is 60 days after the date the member enters a uniformed service, or on or after the date the member elects the new modernized retirement system. Once the member either reaches two years and one day after first entering uniformed service, or elects the new retirement system, the Service will provide matching contributions of no more than five percent of the member's basic pay. The matching will continue until the member completes 26 years of service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The amount the Service contributes is based on the percentage of basic pay the member elects to contribute to the Thrift Savings Fund. The Services will begin making automatic and matching TSP contributions payments in FY 2018 pursuant to the 1 January 2018 effective date of the modernized retirement system.

There is a +\$76.1 million change in the officer TSP Matching requirement between FY 2017 and FY 2018 due to the implementation of the new blended retirement system effective 1 January 2018.

	<u>ACTUAL FY 2016</u> AMOUNT	<u>ESTIMATE FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT
OFFICER TSP MATCHING	0	0	76,094

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER**

ESTIMATE FY 2018	\$85,272
ESTIMATE FY 2017	\$85,076
ACTUAL FY 2016	\$84,884

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER

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 Crew Member/Non-Crew Member (Non-rated) - Paid to officers assigned to a position that requires at least four hours of 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. (37 U.S.C. 301a)

Aviation Continuation Pay (ACP) - Paid to officers as a financial incentive to retain qualified experienced aviators. The FY 2000 NDAA gave the services the discretion to pay aviators up to \$25,000 annually.

Aviation Career Incentive Pay (ACIP) (Rated) - Paid to officers as a financial incentive for members to serve as military aviators throughout their military career as prescribed by the Aviation Career Incentive Act of 1974. Rate changes were directed by the FY 1998 NDAA (to establish \$840 rate level) and FY 1999 NDAA (to facilitate payments of ACIP to Warrant Officers). Payments range from \$125 to \$840 per month, as determined by years of aviation service. (37 U.S.C. 301a)

Parachute Jumping - Paid to officers assigned to a permanent parachute position or airborne unit which requires parachute jumping as an essential part of military duty, while undergoing related training, or performing short-term parachute duty. Continuous payment of parachute duty pay requires at least one parachute jump every three months. Payment is \$150 per month for regular jumps. Members who perform parachute jumping at high altitudes with low openings (HALO) as an essential part of duty are entitled to \$225 per month. (37 U.S.C. 301 (a) (3))

Experimental Stress (Inside Observer or Test Subject Duty) - Paid to officers serving in duties involving an unusually high level of physiological or other stress; specifically (a) duty inside a high (hyperbaric) or low (altitude) pressure chamber, (b) duty as a human acceleration/deceleration test subject, and (c) duty as a human test subject in thermal stress experiments. Payment is \$150 per month. (37 U.S.C. 301 (a) (5), (6), (7))

Demolition Duty Pay - Paid to officers performing duties involving demolition of explosives as a primary part of duty. Demolition Duty pay is also given to soldiers who are training for such duty. Payment is \$150 per month. (37 U.S.C. 301 (a) (4))

Toxic Pesticides - Paid to officers for duty involving exposure to toxic fuels and laboratory work that utilizes live dangerous viruses or bacteria. Payment is \$150 per month. (37 U.S.C. 301 (a) (9), (10))

PART II - JUSTIFICATION OF FUNDS REQUESTED

PB-30X INCENTIVE PAY FOR HAZARDOUS DUTY- PURPOSE/SCOPE & JUSTIFICATION

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER**

The incentive pay budget estimate is based on the projected average number of officers eligible for each type of incentive pay and the statutory rate.

There is a +0.2 million decrease in the officer incentive pay requirement between FY 2017 and FY 2018. This change is primarily due to a slight increase in aviators receiving Aviation Continuation pay.

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER									
FLYING DUTY - OFFICER									
CREW (NON-RATED)	49	\$2,775	136	50	\$2,775	138	50	\$2,775	139
NONCREW MEMBER	77	\$1,800	138	78	\$1,800	141	79	\$1,800	142
AVIATION CONTINUATION PAY	464	\$18,159	8,419	451	\$18,159	8,189	441	\$18,159	8,010
CREW (RATED)									
COMMISSIONED OFFICER CREW 125	443	\$1,500	664	267	\$1,500	401	269	\$1,500	403
COMMISSIONED OFFICER CREW 156	282	\$1,874	528	303	\$1,874	567	304	\$1,874	570
COMMISSIONED OFFICER CREW 188	304	\$2,256	686	296	\$2,256	668	297	\$2,256	671
COMMISSIONED OFFICER CREW 206	586	\$2,473	1,448	428	\$2,473	1,059	430	\$2,473	1,064
COMMISSIONED OFFICER CREW 250	2,374	\$3,000	7,123	2,545	\$3,000	7,634	2,557	\$3,000	7,671
COMMISSIONED OFFICER CREW 385	64	\$4,620	296	51	\$4,620	237	52	\$4,620	238
COMMISSIONED OFFICER CREW 495	48	\$5,940	283	64	\$5,940	380	64	\$5,940	382
COMMISSIONED OFFICER CREW 585	46	\$7,020	326	86	\$7,020	602	86	\$7,020	605
COMMISSIONED OFFICER CREW 650	1,323	\$7,800	10,323	1,595	\$7,800	12,442	1,603	\$7,800	12,503
COMMISSIONED OFFICER CREW 840	790	\$10,080	7,961	961	\$10,080	9,690	966	\$10,080	9,737
WARRANT OFFICER CREW 125	451	\$1,500	676	749	\$1,500	1,123	752	\$1,500	1,128
WARRANT OFFICER CREW 156	300	\$1,872	561	419	\$1,872	784	421	\$1,872	788
WARRANT OFFICER CREW 188	295	\$2,256	665	342	\$2,256	771	344	\$2,256	775
WARRANT OFFICER CREW 206	559	\$2,472	1,381	808	\$2,472	1,997	812	\$2,472	2,007
WARRANT OFFICER CREW 650	2,187	\$7,800	17,058	1,659	\$7,800	12,941	1,667	\$7,800	13,004
WARRANT OFFICER CREW 840	1,158	\$10,080	11,674	1,048	\$10,080	10,561	1,053	\$10,080	10,612
SUBTOTAL CREW (RATED)	11,210		61,653	11,621		61,857	11,677		62,158
SUBTOTAL FLYING DUTY - OFFICER	11,800		70,346	12,200		70,325	12,247		70,449
PARACHUTE JUMPING - OFFICER									
PARACHUTE JUMPING (REGULAR)	6,450	\$1,800	11,610	6,564	\$1,800	11,816	6,597	\$1,800	11,874
PARACHUTE JUMPING (HIGH ALTITUDE/LOW OPENING)	321	\$2,700	867	294	\$2,700	795	296	\$2,700	799
SUBTOTAL PARACHUTE JUMPING - OFFICER	6,771		12,477	6,858		12,611	6,893		12,673
INSIDE OBSERVER OR TEST SUBJECT DUTY	17	\$1,800	30	19	\$1,800	35	19	\$1,800	35
DEMOLITION DUTY	1,125	\$1,800	2,025	1,166	\$1,800	2,099	1,172	\$1,800	2,109
CHEMICAL MUNITIONS PAY	3	\$1,800	6	3	\$1,800	6	3	\$1,800	6
TOTAL INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER	19,716		84,884	20,246		85,076	20,334		85,272

PB-30X INCENTIVE PAY FOR HAZARDOUS DUTY

**MILITARY PERSONNEL, ARMY
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INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER
(IN THOUSANDS OF DOLLARS)**

Program: Aviation Bonus – Business Case Analysis

Estimate FY 2018	\$6,010
Estimate FY 2017	\$5,269
Estimate FY 2016	\$4,341

Part I - Purpose and Scope

The National Defense Authorization Act (NDAA) for FY 2017, Public Law 114-328, Section 616(b)(2)(B), directs the Secretary concerned to provide the business case analysis of the amount required to address manning shortfalls by aircraft type category in the budget justification documents.

Part II-Justification of Funds Requested

The aviation bonus program authorized in title 37 §334(c) remains a flexible and cost effective tool to shape the aviation community. The amount requested for each aircraft type category is necessary to influence the retention behavior of specific experienced aviators in order to meet emerging Service requirements and increased demand.

In addition to offering the aviation bonus, the Army is also providing non-monetary incentives to maximize combat readiness now and in the future. A few examples of non-monetary incentives include the choice of follow-on orders and additional education opportunities. For a more detailed explanation on the use of non-monetary incentives to address manning shortfalls and the business case analysis supporting the amount requested by aircraft type refer to the Department’s annual report to Congress on the Aviation Continuation Pay Programs pursuant to title 37 §301b(i).

	<u>FY2016</u>			<u>FY2017</u>			<u>FY2018</u>		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
<u>Aircraft Type category:</u>									
Jet	167	25,000	4,175	168	25,000	4,200	104	25,000	2,600
Prop	4	18,000	72	5	18,000	90	0	18,000	0
Helo	7	13,524	95	78	12,556	979	202	16,880	3,410
Total	178		4,341	251		5,269	306		6,010

**MILITARY PERSONNEL, ARMY
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PAY AND ALLOWANCES OF OFFICERS
SPECIAL PAY - OFFICER**

ESTIMATE FY 2018	\$369,374
ESTIMATE FY 2017	\$348,970
ACTUAL FY 2016	\$358,275

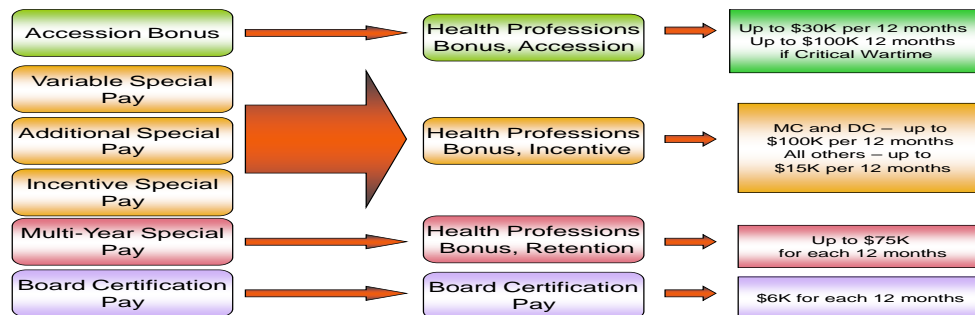
PROJECT: SPECIAL PAY - OFFICER

PART I - PURPOSE AND SCOPE

Funds requested in this account are authorized to provide incentives for the recruiting 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. This account also covers special pays authorized for officers who are assigned to sea duty and those who are on duty subject to hostile fire or imminent danger.

Special pay for health professionals on active duty are authorized under provisions of Title 37 U.S.C. 301 through 355 of the FY 2008 National Defense Authorization Act (NDAA) (P.L. 110-181) and policies of the Office of the Assistant Secretary of Defense for Health Affairs (OSD(HA)) and the Undersecretary of Defense. New policies under Title 37 U.S.C. 335 will restructure health professions officer special pays by standardizing and consolidating health professions officer special pay categories from six to four pay categories. Additionally, the new structure will allow payment of all four health professional pay categories to health professions officers not previously authorized to receive special pays. These health specialties include physician assistants, licensed clinical psychologists, and licensed clinical social workers. The chart below illustrates the re-structure of the health professions officer special pay category.

Section 335 of Title 37



Health professions officer special pays will transition to the new structure as authorized in FY 2008 National Defense Authorization Act in phases. Currently only Veterinarian, Physician Assistant, General Dentist, Social Work and Clinical Psychologist have fully converted to the new structure. Full implementation of the new health professions officer special pay will be complete by 2018.

**MILITARY PERSONNEL, ARMY
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SPECIAL PAY - OFFICER**

Medical Special Pay

- (1) **Critical Wartime Skills Accession Bonus (CWSAB)** – Equal annual payment for critically wartime specialties. Bonus will not exceed \$400,000 with a four-year active duty agreement.
- (2) **Variable Special Pay (VSP)** - Monthly pay authorized for all physicians based on years of creditable service. Payment ranges from \$1,200 to \$12,000 per year.
- (3) **Additional Special Pay (ASP)** - Lump sum annual payment for physicians not in an internship or initial residency training who execute an agreement to remain on active duty for at least one year. Payment is \$15,000 per year.
- (4) **Incentive Pay (IP)** – Incentive designed to recognize the higher education and training level required for health professions officer specialists. Payable to designated specialty physicians who execute an agreement to remain on active duty for at least one year. Payment will not exceed \$100,000 per year on a single-year contract.
- (5) **Retention Bonus (RB)** – Bonus designed to retain quality health professionals. Paid to physicians who execute an agreement to remain on active duty for two to four years. Bonus will not exceed \$75,000 per year on a multi-year contract.
- (6) **Board Certification Pay (BCP)** - Monthly payment to specialty trained physicians who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Officers receive \$6,000 per year.

Dental Special Pay

- (7) **Accession Bonus (AB)** – Equal annual payment to dentists for a written agreement to accept commission and remain on active duty for a minimum of four years. Payment will not exceed \$200,000.
- (8) **Critical Wartime Skills Accession Bonus (CWSAB)** – Equal annual payment for critically wartime specialties. Bonus will not exceed \$400,000 with a 4-year active duty agreement.
- (9) **Variable Special Pay (VSP)** - Monthly pay authorized for all dentists based on years of creditable service. Payment ranges from \$3,000 to \$12,000 per year.
- (10) **Additional Special Pay (ASP)** - Lump sum annual payment to dentists who execute an agreement to remain on active duty for at least one year. Payment ranges from \$10,000 to \$15,000 per year based on years of creditable service.
- (11) **Incentive Pay (IP)** - Incentive designed to recognize the higher education and training level required for health professions officer specialists. Payable to designated specialty dentists who execute an agreement to remain on active duty for at least one year. Payment will not exceed \$100,000 per year on a single-year contract.
- (12) **Retention Bonus (RB)** - Bonus designed to retain quality health professionals. Payable to designated specialty dentists who execute an agreement to remain on active duty for two to four years. Bonus will not exceed \$75,000 per year on a multi-year contract.
- (13) **Board Certification Pay (BCP)** - Monthly payment to specialty trained dentists who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Officers receive \$6,000 per year.

Nurse Special Pay

- (14) **Accession Bonus (AB)** - Lump sum bonus payable to licensed registered nurses in designated specialties who execute a written agreement to accept commission and remain on active duty for a minimum of four years. Bonus amount is \$30,000.
- (15) **Retention Bonus (RB)** – Bonus designed to retain quality health professionals. Payable to designated nurse specialties who execute a one to four- year active duty agreement. Bonus will not exceed \$75,000 per year on a multi-year contract.
- (16) **Board Certification Pay (BCP)** – Monthly payment to specialty trained nurses at the Masters level who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Payment is \$6,000 per year.
- (17) **Incentive Pay (IP)** - Incentive designed to recognize the higher education and training level required for health professions officer specialists. Payable

PB-30X SPECIAL PAY- PURPOSE/SCOPE & JUSTIFICATION

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SPECIAL PAY - OFFICER**

to designated nurse specialties who execute a written agreement to remain on active duty for a period of not less than 12 months. Payment may not exceed \$15,000 per year on a single-year contract.

Optometrists Special Pay

(18) Variable Special Pay (VSP) - Monthly pay authorized for all optometrists. Payment is \$1,200 per year.

(19) Retention Bonus (RB) – Bonus designed to retain quality health professionals. Payable to optometrists who execute a two-year active duty agreement. Bonus will not exceed \$75,000 per year on a multi-year contract.

(20) Incentive Pay (IP) – Monthly incentive payable to all optometrists. Payment is \$1,200 per year

(21) Board Certification Pay (BCP) – Monthly payment to optometrists who become certified or recertified as having successfully met specified post-graduate education, training and experience requirements. Officers receive \$6,000 per year.

Veterinarians Special Pay

(22) Accession Bonus (AB) – Equal annual payments to veterinarians who execute a four year active duty agreement. Payment is \$5,000 per year.

(23) Incentive Pay (IP) - Monthly incentive payable to all veterinarians designed to recognize the higher education and training level required for health professions officer specialists. Payment will not exceed \$15,000 per year on a single-year contract.

(24) Retention Bonus (RB) – Bonus designed to retain quality health professionals. Payable to veterinarian who execute a two- to four-year active duty agreement. Bonus will not exceed \$75,000 per year on a multi-year contract.

(25) Board Certification Pay (BCP) – Monthly payment to specialty trained veterinarians who become certified or recertified as having successfully met specified post- graduate education, training, and experience requirements. Officers receive \$6,000 per year.

Psychologist Special Pay

(26) Accession Bonus (AB) – Equal annual payments to clinical psychologists who execute a four-year active duty agreement. Payment is \$15,000 per year.

(27) Incentive Pay (IP) – Incentive designed to recognize the higher education and training level required for health professions officer specialists. Payment will not exceed \$15,000 per year on a single-year contract.

(28) Retention Bonus (RB) - Bonus designed to retain quality health professionals. Payable to clinical psychologists who execute a two to four year active duty service agreement. Bonus will not exceed \$75,000 per year on multi-year contract.

(29) Board Certification Pay (BCP) – Monthly payment to clinical psychologists who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Officers receive \$6,000 per year.

Pharmacy Special Pay

(30) Accession Bonus (AB) - Lump sum bonus payable to pharmacists who execute a four-year active duty agreement. Bonus amount is \$30,000.

(31) Retention Bonus (RB) – Bonus designed to retain quality health professionals. Payable to pharmacists who execute a two-year active duty service agreement. Bonus will not exceed \$75,000 per year on a multi-year contract.

(32) Board Certification Pay (BCP) – Monthly payment to pharmacists who become certified or recertified as having successfully met specified post- graduate education, training, and experience requirements. Officers receive \$6,000 per year.

Physician Assistant Special Pay

(33) Accession Bonus (AB) – Equal annual payments to physician assistants who execute a four-year active duty agreement. Payment is \$15,000 per year.

(34) Incentive Pay (IP) - Incentive designed to recognize the higher education and training level required for health professions officer specialists. Payment will

PB-30X SPECIAL PAY- PURPOSE/SCOPE & JUSTIFICATION

**MILITARY PERSONNEL, ARMY
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SPECIAL PAY - OFFICER**

not exceed \$15,000 per year on a single-year contract.

(35) Retention Bonus (RB) – Bonus designed to retain quality health professionals. Payable to physician assistants who execute a two to four year active duty service agreement. Bonus will not exceed \$75,000 per year on a multi-year contract.

(36) Board Certification Pay (BCP) – Monthly payment to physician assistants trained at the Masters level that become certified or recertified as having successfully met specified post- graduate education, training, and experience requirements. Officers receive \$6,000 per year.

Social Work Special Pay

(37) Accession Bonus (AB) – Equal annual payments to clinical social workers who execute a four-year active duty agreement. Payment is \$8,000 per year.

(38) Retention Bonus (RB) – Bonus designed to retain quality health professionals. Payable to clinical social workers who execute a two to four year active duty service agreement. Bonus will not exceed \$75,000 per year on a multi-year contract.

(39) Board Certification Pay (BCP) – Monthly payment to clinical social workers who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Officers receive \$6,000 per year.

Personal Allowance, General Officers

(40) General Officers are entitled to a personal money allowance of (1) \$500 per 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. 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 (37 U.S.C. 413).

Diving Duty Pay

(41) A monthly amount not to exceed \$240 per 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).

Hostile Fire Pay

(42) Paid to officers on duty subject to hostile fire or imminent danger. Paid at the rate of \$225 per month (37 U.S.C. 310).

Sea Duty Pay

(43) Officers who are entitled to basic pay are also entitled to special pay while on sea duty at a monthly rate not to exceed \$750. The term "sea duty" refers to 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).

Hardship Duty Pay

(44) Authorized in 37 U.S.C. 305 and 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 \$1,500 per individual from three sources: hardship duty (location), hardship duty (mission), and hardship duty (involuntary extension).

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SPECIAL PAY - OFFICER

Foreign Language Proficiency Pay (FLPP)

(45) Monthly incentive paid to all military personnel who qualify for and maintain the required proficiency in designated foreign languages. The monthly rate may not exceed \$500 per individual for a single foreign language or \$1,000 for any combination of languages (37 U.S.C. 316).

Judge Advocate Continuation Pay (JACP)

(46) The FY2000 National Defense Authorization Act, section 629, provided Service 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 (37 U.S.C. 321).

Assignment Incentive Pay (AIP) – Monthly incentive paid to officers in designated assignment locations as determined by the Army. Monthly payments should not exceed \$3,000 (37 U.S.C. 307).

(47) Korea AIP - offered to officer personnel who extend beyond a 12-month tour in Korea. Payment is \$300 per month for an extension of 24 unaccompanied-months or 36-accompanied-months.

(48) Deployment Extension Stabilization Pay (DESP) - Program designed to replace involuntary "Stop Loss" and authorized in 37 U.S.C. Sec 307a for mobilized Army National Guard Soldiers who choose to remain with a deploying unit past end-of-service date. Soldiers that extend from 180 days to 365 days prior to the mobilization date receive \$500 a month for each month under Title 10 mobilization status. \$350 will be paid for Soldiers that extend between 179 days and 90 days before the mobilization date.

(49) Deployment Extension Incentive Pay (DEIP) - is designed to replace involuntary "Stop Loss" and authorized in 37 U.S.C. Sec 307a for active Army Soldiers who choose to remain with their deployed unit. Soldiers who execute an extension between 9 months prior to unit Latest Arrival Date (LAD -270) and 6 months prior to unit LAD (LAD-180) will receive \$500 per month for each full month they extend their service commitment. Soldiers who execute an extension after unit LAD-180 and before Expiration Term of Service (ETS) (ETS – 90) will receive \$350 per month for each full month they extend their service commitment.

(50) Other AIP - provides incentives for enlisted personnel in designated skill areas such as Explosive Ordnance Disposal (EOD) and Special Operation Forces (SOF). It also includes payment to enlisted Soldiers who agree to extend beyond a 12-month tour in Iraq or Afghanistan. Payment ranges from \$50 to \$1000 per month.

(51) Officer Continuation Pay - A direct cash payout to eligible Soldiers who have served at least 12 years as a way to encourage continued service. Active Component members are eligible for cash incentives of 2.5 to 13 times their regular monthly basic pay and Reserve Component members will be eligible for 0.5 to 6 times their monthly basic pay (as if serving on active duty) in return for a commitment of four more years of service. This continuation pay is not part of Soldiers retirement package.

(52) Operational Deployment Assignment Incentive Pay (AIP-OD) - Paid to Active Duty Soldiers who physically deploy and perform duties as part of a rotational force away from their permanent duty stations (subject to 37 U.S.C. Sec 307a). Soldiers may receive up to \$200 per month which will be prorated for the month in which deployment commences and the month in which Soldiers return to their permanent duty stations. Service members may receive more than one AIP payment simultaneously for the same period of service under AIP-OD as long as pays are not for the same purpose (exception to Para 10.a. of enclosure 2 of DoDI 1340.26) as long as payments do not exceed a total monthly AIP amounts set by Deputy Assistant Secretary of Defense for Military Personnel Policy

**MILITARY PERSONNEL, ARMY
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PAY AND ALLOWANCES OF OFFICERS
SPECIAL PAY - OFFICER**

PART II - JUSTIFICATION OF FUNDS REQUESTED

The special pay budget estimate is based on the projected average number of personnel eligible for each type of special pay and the statutory rate.

There is a +\$20.4 million increase from FY 2017 to FY 2018. This change is primarily due to the inclusion of Officer Continuation pay and the number of soldiers expected to receive the entitlement.

Detailed cost computations are provided by the following table:

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SPECIAL PAY - OFFICER
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY - OFFICER									
MEDICAL PAY									
CRITICAL WARTIME SKILLS ACCESSION BONUS (CWSAB)	27	\$64,000	1,734	60	\$69,000	4,148	60	\$69,000	4,148
VARIABLE SPECIAL PAY (VSP)	4,130	\$7,983	32,973	0	\$7,983	0	0	\$7,983	0
ADDITIONAL SPECIAL PAY (ASP)	3,430	\$15,000	51,454	0	\$15,000	0	0	\$15,000	0
INCENTIVE PAY (IP)	3,300	\$22,000	72,606	3,015	\$47,788	144,074	3,015	\$47,788	144,061
RETENTION BONUS (RB)	1,601	\$22,000	35,225	1,206	\$31,672	38,206	1,206	\$31,672	38,202
BOARD CERTIFICATION PAY (BCP)	1,460	\$6,000	8,761	2,481	\$6,000	14,885	2,481	\$6,000	14,884
SUBTOTAL MEDICAL PAY	13,948		202,753	6,762		201,313	6,762		201,295
DENTAL PAY									
ACCESSION BONUS (AB)	12	\$37,000	452	11	\$37,500	431	11	\$37,500	431
CRITICAL WARTIME SKILLS ACCESSION BONUS (CWSAB)	1	\$75,000	82	1	\$75,000	72	1	\$75,000	72
VARIABLE SPECIAL PAY (VSP)	1,066	\$8,715	9,290	1,021	\$8,715	8,896	1,020	\$8,715	8,888
ADDITIONAL SPECIAL PAY (ASP)	981	\$15,000	14,722	940	\$15,000	14,105	939	\$15,000	14,091
INCENTIVE PAY (IP)	42	\$40,000	1,682	61	\$26,284	1,610	61	\$26,284	1,609
RETENTION BONUS (RB)	456	\$35,247	16,082	465	\$33,160	15,410	464	\$33,160	15,395
BOARD CERTIFICATION PAY (BCP)	207	\$6,000	1,240	198	\$6,000	1,185	197	\$6,000	1,184
SUBTOTAL DENTAL PAY	2,765		43,550	2,697		41,709	2,693		41,670
NURSE PAY									
ACCESSION BONUS (AB)	25	\$30,000	761	18	\$30,000	551	18	\$30,000	550
RETENTION BONUS (RB)	96	\$50,000	4,792	178	\$19,792	3,516	177	\$19,792	3,510
BOARD CERTIFICATION PAY (BCP)	3,949	\$6,000	23,693	2,898	\$6,000	17,386	2,896	\$6,000	17,375
INCENTIVE PAY (IP)	98	\$20,000	1,969	161	\$8,952	1,444	161	\$8,952	1,442
SUBTOTAL NURSE PAY	4,168		31,215	3,255		22,897	3,252		22,877
OPTOMETRISTS PAY									
INCENTIVE PAY (IP)	0	\$6,000	0	96	\$1,200	115	143	\$1,200	172
BOARD CERTIFICATION PAY (BCP)	20	\$6,000	120	29	\$6,000	173	19	\$6,000	115
VARIABLE SPECIAL PAY (VSP)	150	\$1,200	180	0	\$1,200	0	0	\$1,200	0
RETENTION PAY (RB)	149	\$6,000	895	94	\$8,840	834	94	\$8,840	833
SUBTOTAL OPTOMETRISTS PAY	319		1,195	219		1,122	256		1,120
VETERINARIANS PAY									
ACCESSION BONUS (AB)	6	\$5,000	30	5	\$5,000	24	5	\$5,000	24
INCENTIVE PAY (IP)	440	\$5,000	2,202	442	\$4,751	2,099	441	\$4,751	2,096
RETENTION BONUS (RB)	205	\$5,000	1,023	228	\$4,252	969	228	\$4,252	968
BOARD CERTIFICATION PAY (BCP)	183	\$6,000	1,098	175	\$6,000	1,047	174	\$6,000	1,046
SUBTOTAL VETERINARIANS PAY	834		4,353	850		4,139	848		4,134

PB-30X SPECIAL PAY

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SPECIAL PAY - OFFICER
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY - OFFICER									
PSYCHOLOGIST									
ACCESSION BONUS (AB)	1	\$15,000	22	1	\$15,000	14	1	\$15,000	14
INCENTIVE PAY (IP)	239	\$5,000	1,195	210	\$5,000	1,050	210	\$5,000	1,048
RETENTION BONUS (RB)	46	\$20,000	915	52	\$16,991	877	52	\$16,991	876
BOARD CERTIFICATION PAY (BCP)	16	\$6,000	95	14	\$6,000	85	14	\$6,000	85
SUBTOTAL PSYCHOLOGIST	302		2,227	277		2,026	277		2,023
PHARMACY PAY									
ACCESSION BONUS (AB)	13	\$30,000	400	12	\$30,000	374	12	\$30,000	373
RETENTION BONUS (RB)	241	\$8,000	1,930	122	\$15,000	1,831	122	\$15,000	1,828
BOARD CERTIFICATION PAY (BCP)	11	\$6,000	65	10	\$6,000	58	10	\$6,000	57
SUBTOTAL PHARMACY PAY	265		2,395	144		2,263	144		2,258
PHYSICIAN ASSISTANT									
ACCESSION BONUS (AB)	5	\$15,000	77	5	\$15,000	72	5	\$15,000	72
INCENTIVE PAY (IP)	823	\$5,000	4,113	767	\$5,000	3,834	766	\$5,000	3,831
RETENTION BONUS (RB)	297	\$20,000	5,940	326	\$17,000	5,535	325	\$17,000	5,530
BOARD CERTIFICATION PAY (BCP)	825	\$6,000	4,948	769	\$6,000	4,612	768	\$6,000	4,608
SUBTOTAL PHYSICIAN ASSISTANT	1,950		15,078	1,867		14,053	1,864		14,041
SOCIAL WORK									
ACCESSION BONUS (AB)	1	\$7,500	8	1	\$7,500	8	1	\$7,500	8
RETENTION BONUS (RB)	0	\$15,000	0	210	\$8,245	1,730	209	\$8,245	1,722
BOARD CERTIFICATION PAY (BCP)	115	\$6,000	688	109	\$6,000	651	108	\$6,000	649
SUBTOTAL SOCIAL WORK	116		696	320		2,389	318		2,379
PERSONAL MONEY ALLOWANCES FOR GENERAL/FLAG OFFICER									
CHAIRMAN, JCS	1	\$4,000	4	1	\$4,000	4	1	\$4,000	4
CHIEF OF STAFF	1	\$4,000	4	1	\$4,000	4	1	\$4,000	4
GENERAL	11	\$2,200	24	12	\$2,200	26	12	\$2,200	27
LIEUTENANT GENERAL	50	\$500	25	56	\$500	28	56	\$500	28
SUBTOTAL PERSONAL MONEY ALLOWANCES FOR GENERAL/FLAG OFFICER	63		57	70		62	70		63

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SPECIAL PAY - OFFICER
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
SPECIAL PAY - OFFICER									
DIVING DUTY PAY	116	\$2,530	294	109	\$2,530	276	108	\$2,530	274
HOSTILE FIRE PAY	4,044	\$2,700	10,919	3,044	\$2,700	8,220	3,044	\$2,700	8,218
SEA DUTY PAY	89	\$4,538	404	83	\$4,538	378	83	\$4,538	375
HARDSHIP DUTY PAY	6,625	\$1,800	11,925	5,277	\$1,800	9,499	5,276	\$1,800	9,496
FOREIGN LANGUAGE PROFICIENCY PAY	3,125	\$2,729	8,528	3,088	\$2,729	8,427	3,086	\$2,729	8,423
JUDGE ADVOCATE CONTINUATION PAY	391	\$20,491	8,019	366	\$20,491	7,500	366	\$20,491	7,496
ASSIGNMENT INCENTIVE PAY									
KOREA ASSIGNMENT INCENTIVE PAY	1,083	\$3,600	3,899	1,014	\$3,600	3,651	1,013	\$3,600	3,647
OTHER ASSIGNMENT INCENTIVE PAY	1,051	\$10,237	10,761	934	\$10,237	9,562	931	\$10,237	9,529
DEPLOYMENT EXTENSION INCENTIVE PAY	1	\$6,000	7	0	\$6,000	0	0	\$6,000	0
OPERATIONAL DEPLOY ASSIGN INCENTIVE PAY	0	\$0	0	3,952	\$2,400	9,484	3,952	\$2,400	9,484
SUBTOTAL ASSIGNMENT INCENTIVE PAY	2,135		14,667	5,900		22,697	5,896		22,660
OFF CONTINUATION PAY			0			0			20,572
TOTAL SPECIAL PAY - OFFICER	41,255		358,275	34,328		348,970	34,343		369,374

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
OFFICER BONUS - OTHER THAN MEDICAL
(IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2018 \$9,500
ESTIMATE FY 2017 \$9,500
ACTUAL FY 2016 \$11,712

PROJECT: OFFICER BONUS - OTHER THAN MEDICAL

PART I - PURPOSE AND SCOPE

Critical Skills Accession Bonus (CSAB) / Critical Skills Retention Bonus (CSRB) - Provisions are authorized under U.S.C. 37, Section 324 and 355, and allow services to pay critical skills bonuses to officers and warrant officers who accept a commission in the armed forces or agree to remain on active duty and serve in a designated critical officer skill. The amount of an accession bonus may not exceed \$60,000. Retention bonuses may not exceed a total of more than \$200,000 in a career.

PART II - JUSTIFICATION OF FUNDS REQUESTED

There is no change in Officer Bonus - other than Medical requirement from FY 2017 to FY 2018.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
OFFICER BONUS - OTHER THAN MEDICAL									
WARRANT OFFICER CSRB	593	\$19,758	11,712	481	\$19,758	9,500	481	\$19,758	9,500
TOTAL OFFICER BONUS - OTHER THAN MEDICAL	593		11,712	481		9,500	481		9,500

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC ALLOWANCE FOR HOUSING - OFFICER**

ESTIMATE FY 2018	\$2,178,830
ESTIMATE FY 2017	\$2,105,674
ACTUAL FY 2016	\$2,227,116

PROJECT: BASIC ALLOWANCE FOR HOUSING - OFFICER

PART I - PURPOSE AND SCOPE

Basic Allowance for Housing (BAH) provides Officer's a monthly allowance for housing and consists of BAH-Domestic, BAH Differential, Partial BAH, and Overseas Housing Allowance (OHA). BAH combines housing payments formerly provided by Basic Allowances for Quarters (BAQ) and Variable Housing Allowance (VHA). In accordance with the Joint Federal Travel Regulation (JTFR), Chapter 10, BAH also includes Family Separation Housing (FSH) allowance, which is integrated in the without dependent housing allowance sections. Payment to service members is authorized under provisions of 37 U.S.C. 403.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The BAH budget estimate is a product of the average number of officers projected to receive BAH and estimated average annual rate for each grade and BAH category.

The FY 2018 rates were built by applying inflation assumptions to the FY 2016 Active Component BAH rates. The BAH rates reflect a 2.9% housing rate increase, effective 1 January 2017 and 2.9% increase, effective 1 January 2018.

There is a +\$73.2 million increase in the officer BAH requirement between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to the annualization of the housing cost growth of 2.2%, effective 1 January 2017: +\$14.6 million
- (2) Price increase due to the annualization of the housing cost growth of 2.9%, effective 1 January 2018: +\$57.9 million
- (3) Program increase due to growth in officer man-years: +\$9.3 million
- (4) Price decrease due to changes in OHA foreign currency exchange rates: -\$2.6 million
- (5) Program decrease due to shifts in officer grade structure: -\$6.0 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC ALLOWANCE FOR HOUSING - OFFICER
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - OFFICER									
WITH DEPENDENTS - DOMESTIC									
OFFICER- ACTIVE DUTY									
GENERAL	6	\$34,000	204	7	\$34,672	231	7	\$35,616	239
LIEUTENANT GENERAL	27	\$32,778	885	28	\$33,425	924	27	\$34,336	943
MAJOR GENERAL	115	\$33,026	3,798	101	\$33,678	3,416	105	\$34,596	3,644
BRIGADIER GENERAL	129	\$33,047	4,263	122	\$33,699	4,112	120	\$34,617	4,137
COLONEL	3,721	\$33,130	123,277	3,569	\$33,784	120,571	3,581	\$34,705	124,266
LIEUTENANT COLONEL	8,081	\$31,275	252,733	7,380	\$31,893	235,384	7,393	\$32,762	242,199
MAJOR	12,646	\$27,714	350,473	11,567	\$28,261	326,885	11,400	\$29,032	330,951
CAPTAIN	19,105	\$23,681	452,434	18,103	\$24,149	437,160	18,296	\$24,807	453,860
1ST LIEUTENANT	4,774	\$20,555	98,129	4,198	\$20,961	87,987	4,566	\$21,532	98,312
2ND LIEUTENANT	1,602	\$18,971	30,391	1,498	\$19,345	28,987	1,595	\$19,872	31,695
SUBTOTAL OFFICER- ACTIVE DUTY	50,206		1,316,587	46,573		1,245,657	47,090		1,290,246
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	582	\$26,301	15,307	549	\$26,820	14,722	533	\$27,551	14,690
WARRANT OFFICER (W-4)	1,808	\$24,683	44,627	1,693	\$25,171	42,606	1,713	\$25,856	44,282
WARRANT OFFICER (W-3)	3,621	\$23,471	84,989	3,487	\$23,935	83,462	3,443	\$24,587	84,658
WARRANT OFFICER (W-2)	5,138	\$21,666	111,322	4,551	\$22,094	100,560	4,646	\$22,696	105,446
WARRANT OFFICER (W-1)	1,471	\$18,715	27,530	1,429	\$19,085	27,272	1,194	\$19,605	23,403
SUBTOTAL OFFICER- WARRANT ACTIVE	12,620		283,775	11,709		268,622	11,529		272,479
SUBTOTAL WITH DEPENDENTS - DOMESTIC	62,826		1,600,362	58,282		1,514,279	58,619		1,562,725

PB-30X BASIC ALLOWANCE FOR HOUSING (BAH)

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC ALLOWANCE FOR HOUSING - OFFICER
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - OFFICER									
WITHOUT DEPENDENTS - DOMESTIC									
OFFICER- ACTIVE DUTY									
GENERAL		\$0	0		\$0	0		\$0	0
LIEUTENANT GENERAL	1	\$16,000	16	1	\$16,316	15	1	\$16,761	14
MAJOR GENERAL	3	\$39,000	117	3	\$39,770	120	3	\$40,854	105
BRIGADIER GENERAL	4	\$32,250	129	3	\$32,887	83	2	\$33,783	54
COLONEL	287	\$28,533	8,189	267	\$29,097	7,776	268	\$29,890	8,003
LIEUTENANT COLONEL	853	\$26,162	22,316	739	\$26,678	19,722	739	\$27,405	20,240
MAJOR	2,297	\$23,628	54,273	2,017	\$24,094	48,589	1,984	\$24,751	49,101
CAPTAIN	8,375	\$20,177	168,984	7,886	\$20,576	162,262	7,967	\$21,136	168,393
1ST LIEUTENANT	6,704	\$17,598	117,979	5,988	\$17,946	107,468	6,512	\$18,435	120,056
2ND LIEUTENANT	3,982	\$15,781	62,838	3,746	\$16,092	60,285	3,988	\$16,531	65,925
SUBTOTAL OFFICER- ACTIVE DUTY	22,506		434,841	20,650		406,320	21,464		431,891
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	46	\$23,717	1,091	43	\$24,186	1,032	44	\$24,845	1,105
WARRANT OFFICER (W-4)	168	\$21,940	3,686	154	\$22,374	3,455	156	\$22,983	3,590
WARRANT OFFICER (W-3)	335	\$19,725	6,608	314	\$20,115	6,318	310	\$20,663	6,404
WARRANT OFFICER (W-2)	781	\$18,948	14,798	646	\$19,322	12,482	617	\$19,848	12,241
WARRANT OFFICER (W-1)	279	\$14,925	4,164	270	\$15,219	4,105	225	\$15,634	3,523
SUBTOTAL OFFICER- WARRANT ACTIVE	1,609		30,347	1,427		27,392	1,352		26,863
SUBTOTAL WITHOUT DEPENDENTS - DOMESTIC	24,115		465,188	22,077		433,712	22,816		458,754

PB-30X BASIC ALLOWANCE FOR HOUSING (BAH)

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC ALLOWANCE FOR HOUSING - OFFICER
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - OFFICER									
PARTIAL ALLOWANCE FOR BACHELORS - DOMESTIC									
OFFICER- ACTIVE DUTY									
GENERAL		\$0	0		\$0	0		\$0	0
LIEUTENANT GENERAL		\$0	0		\$0	0		\$0	0
MAJOR GENERAL		\$0	0		\$0	0		\$0	0
BRIGADIER GENERAL		\$0	0		\$0	0		\$0	0
COLONEL	14	\$357	5	14	\$364	5	13	\$374	5
LIEUTENANT COLONEL	18	\$278	5	14	\$283	4	14	\$291	4
MAJOR	68	\$191	13	56	\$195	11	55	\$200	11
CAPTAIN	263	\$198	52	252	\$202	51	256	\$207	53
1ST LIEUTENANT	190	\$137	26	171	\$140	24	189	\$143	27
2ND LIEUTENANT	825	\$114	94	784	\$116	91	840	\$119	100
SUBTOTAL OFFICER- ACTIVE DUTY	1,378		195	1,291		186	1,367		200
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	2	\$500	1	2	\$510	1	2	\$524	1
WARRANT OFFICER (W-4)	5	\$200	1	5	\$204	1	5	\$210	1
WARRANT OFFICER (W-3)	15	\$400	6	15	\$408	6	14	\$419	6
WARRANT OFFICER (W-2)	43	\$116	5	34	\$119	4	41	\$122	5
WARRANT OFFICER (W-1)	16	\$125	2	16	\$127	2	15	\$131	2
SUBTOTAL OFFICER- WARRANT ACTIVE	81		15	72		14	77		15
SUBTOTAL PARTIAL ALLOWANCE FOR BACHELORS - DOMESTIC	1,459		210	1,363		200	1,444		215
BAH DIFFERENTIAL	29	\$2,448	71	30	\$2,496	76	29	\$2,564	75

PB-30X BASIC ALLOWANCE FOR HOUSING (BAH)

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC ALLOWANCE FOR HOUSING - OFFICER
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - OFFICER									
WITH DEPENDENTS - OVERSEAS									
OFFICER- ACTIVE DUTY									
GENERAL		\$0	0		\$0	0		\$0	0
LIEUTENANT GENERAL		\$0	0		\$0	0		\$0	0
MAJOR GENERAL	1	\$36,275	39	1	\$36,012	50		\$0	0
BRIGADIER GENERAL	2	\$14,319	32	3	\$14,215	39	2	\$14,165	34
COLONEL	201	\$40,658	8,182	204	\$40,363	8,215	202	\$40,220	8,106
LIEUTENANT COLONEL	584	\$32,119	18,750	573	\$31,886	18,257	558	\$31,773	17,730
MAJOR	805	\$28,673	23,085	781	\$28,465	22,232	755	\$28,364	21,411
CAPTAIN	1,041	\$24,333	25,331	1,049	\$24,157	25,345	1,035	\$24,071	24,915
1ST LIEUTENANT	254	\$25,102	6,387	248	\$24,920	6,177	257	\$24,831	6,385
2ND LIEUTENANT	95	\$24,484	2,327	91	\$24,306	2,206	96	\$24,220	2,337
SUBTOTAL OFFICER- ACTIVE DUTY	2,983		84,133	2,950		82,521	2,905		80,918
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	24	\$33,536	804	23	\$33,293	779	23	\$33,174	758
WARRANT OFFICER (W-4)	91	\$33,558	3,069	90	\$33,315	2,989	91	\$33,196	3,012
WARRANT OFFICER (W-3)	224	\$30,484	6,832	225	\$30,263	6,796	221	\$30,155	6,675
WARRANT OFFICER (W-2)	316	\$28,442	8,977	295	\$28,236	8,333	333	\$28,135	9,376
WARRANT OFFICER (W-1)	66	\$29,740	1,958	67	\$29,524	1,965	56	\$29,419	1,636
SUBTOTAL OFFICER- WARRANT ACTIVE	721		21,640	700		20,862	724		21,457
SUBTOTAL WITH DEPENDENTS - OVERSEAS	3,704		105,773	3,650		103,383	3,629		102,375

PB-30X BASIC ALLOWANCE FOR HOUSING (BAH)

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC ALLOWANCE FOR HOUSING - OFFICER
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - OFFICER									
WITHOUT DEPENDENTS - OVERSEAS									
OFFICER- ACTIVE DUTY									
GENERAL		\$0	0		\$0	0		\$0	0
LIEUTENANT GENERAL		\$0	0		\$0	0		\$0	0
MAJOR GENERAL		\$0	0		\$0	0		\$0	0
BRIGADIER GENERAL		\$0	0		\$0	0		\$0	0
COLONEL	50	\$33,836	1,693	50	\$33,591	1,695	51	\$33,471	1,694
LIEUTENANT COLONEL	181	\$26,652	4,817	179	\$26,459	4,729	174	\$26,365	4,575
MAJOR	322	\$26,706	8,606	315	\$26,512	8,344	301	\$26,418	7,959
CAPTAIN	858	\$21,017	18,025	854	\$20,865	17,815	859	\$20,790	17,857
1ST LIEUTENANT	535	\$19,108	10,217	516	\$18,969	9,783	556	\$18,902	10,504
2ND LIEUTENANT	215	\$22,551	4,846	206	\$22,387	4,604	219	\$22,308	4,886
SUBTOTAL OFFICER- ACTIVE DUTY	2,161		48,204	2,120		46,970	2,160		47,475
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	17	\$32,457	541	17	\$32,222	545	16	\$32,107	526
WARRANT OFFICER (W-4)	34	\$31,831	1,096	33	\$31,600	1,056	34	\$31,488	1,062
WARRANT OFFICER (W-3)	82	\$26,407	2,160	82	\$26,215	2,148	81	\$26,122	2,103
WARRANT OFFICER (W-2)	115	\$24,143	2,784	108	\$23,968	2,583	122	\$23,883	2,919
WARRANT OFFICER (W-1)	31	\$23,157	727	31	\$22,989	722	26	\$22,907	601
SUBTOTAL OFFICER- WARRANT ACTIVE	279		7,308	271		7,054	279		7,211
SUBTOTAL WITHOUT DEPENDENTS - OVERSEAS	2,440		55,512	2,391		54,024	2,439		54,686
TOTAL BASIC ALLOWANCE FOR HOUSING - OFFICER	94,573		2,227,116	87,793		2,105,674	88,976		2,178,830

PB-30X BASIC ALLOWANCE FOR HOUSING (BAH)

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
BASIC ALLOWANCE FOR SUBSISTENCE - OFFICER
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$285,298
ESTIMATE FY 2017	\$276,985
ACTUAL FY 2016	\$299,228

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE - OFFICER

PART I - PURPOSE AND SCOPE

Basic Allowance for Subsistence provides payment for active component officer personnel under provisions of 37 U.S.C. 402. All officers, regardless of dependency status and pay grade, are paid the same monthly Basic Allowance for Subsistence (BAS).

PART II - JUSTIFICATION OF FUNDS REQUESTED

Subsistence allowance costs are calculated by multiplying the projected average number eligible for the allowance by the annual statutory rate.

The BAS inflation rate is 0.0%, effective 1 January 2017. The BAS inflation rate is 3.4%, effective 1 January 2018. The FY 2017 and FY 2018 BAS yearly composite rates are \$3,043.56 and \$3,121.14, respectively.

There is a +\$8.3 million increase in the officer BAS requirement between FY 2017 and FY 2018. The change is due to:

- (1) Price increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2018: +\$7.0 million
- (2) Program increase due to officer man-year growth: +\$1.3 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
OFFICER BASIC ALLOWANCE FOR SUBSISTENCE	98,368	\$3,042	299,228	91,008	\$3,044	276,985	91,409	\$3,121	285,298

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
OVERSEAS STATION ALLOWANCES - OFFICER**

ESTIMATE FY 2018	\$160,919
ESTIMATE FY 2017	\$160,745
ACTUAL FY 2016	\$170,251

PROJECT: OVERSEAS STATION ALLOWANCES - OFFICER

PART I - PURPOSE AND SCOPE

Overseas Station Allowance (OSA) provides a per diem allowance to officer personnel stationed Outside the Continental United States (OCONUS). The allowance considers 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. The OCONUS Cost of Living adjustment (COLA) rates are determined by Defense Travel Management Office (DTMO), utilizing currency exchange rate data and local surveys to determine COLA rates.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The OSA request includes COLA and Temporary Lodging Allowances (TLA). OSA payments are determined by multiplying the projected number of personnel eligible for each type of allowance by the estimated average rate. The FY 2018 OSA rates were built by applying basic pay raise inflation to FY 2016 Active Component rates and projected foreign currency exchange rates.

There is a +\$0.2 million increase in the officer OSA requirement between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$0.8 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$2.6 million
- (3) Price decrease due to OSA COLA decrease due to changes in foreign currency exchange rates: -\$2.2 million
- (4) Program decrease due to the changes in number of officers expected to receive allowance: -\$1.4 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
OVERSEAS STATION ALLOWANCES - OFFICER
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
OVERSEAS STATION ALLOWANCES - OFFICER									
COST OF LIVING									
OFFICER- ACTIVE DUTY									
GENERAL	4	\$5,211	23	4	\$5,021	21	4	\$5,049	21
LIEUTENANT GENERAL	7	\$7,467	49	6	\$7,195	45	6	\$7,235	46
MAJOR GENERAL	24	\$10,218	248	24	\$9,846	232	22	\$9,900	213
BRIGADIER GENERAL	38	\$10,127	384	37	\$9,758	359	34	\$9,813	331
COLONEL	991	\$10,065	9,975	963	\$9,699	9,336	951	\$9,753	9,279
LIEUTENANT COLONEL	2,472	\$8,711	21,535	2,401	\$8,394	20,154	2,369	\$8,440	19,998
MAJOR	3,949	\$7,637	30,158	3,835	\$7,359	28,224	3,722	\$7,400	27,545
CAPTAIN	6,359	\$5,869	37,320	6,176	\$5,656	34,927	6,150	\$5,687	34,975
1ST LIEUTENANT	2,829	\$4,896	13,851	2,748	\$4,718	12,963	2,942	\$4,744	13,958
2ND LIEUTENANT	1,202	\$3,930	4,722	1,167	\$3,787	4,420	1,220	\$3,808	4,644
SUBTOTAL OFFICER- ACTIVE DUTY	17,875		118,265	17,361		110,681	17,420		111,010
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	138	\$8,410	1,163	134	\$8,104	1,089	134	\$8,149	1,096
WARRANT OFFICER (W-4)	524	\$8,207	4,300	509	\$7,909	4,025	507	\$7,953	4,031
WARRANT OFFICER (W-3)	1,140	\$7,008	7,990	1,107	\$6,753	7,477	1,076	\$6,790	7,305
WARRANT OFFICER (W-2)	1,708	\$5,965	10,187	1,659	\$5,748	9,535	1,848	\$5,780	10,679
WARRANT OFFICER (W-1)	396	\$5,391	2,136	385	\$5,194	1,999	315	\$5,223	1,645
SUBTOTAL OFFICER- WARRANT ACTIVE	3,906		25,776	3,794		24,125	3,880		24,756
SUBTOTAL COST OF LIVING	21,781		144,041	21,155		134,806	21,300		135,766
TEMPORARY LODGING	3,810	\$6,880	26,210	3,624	\$7,158	25,939	3,514	\$7,158	25,153
TOTAL OVERSEAS STATION ALLOWANCES - OFFICER	25,591		170,251	24,779		160,745	24,814		160,919

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
CONUS COST OF LIVING ALLOWANCE - OFFICER
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$2,001
ESTIMATE FY 2017 \$1,950
ACTUAL FY 2016 \$3,320

PROJECT: CONUS COST OF LIVING ALLOWANCE - OFFICER

PART I - PURPOSE AND SCOPE

Continental United States (CONUS) Cost of Living Allowance (COLA) provides payment to Soldiers to high cost Military Housing Areas (MHA) inside the United States. A high cost area is defined as a locality where the cost of living exceeds the average cost of living by an established threshold percentage during a base period. The threshold percentage is established by the Secretary of Defense and cannot be less than eight percent of the national cost of living average. The current threshold is 108% of the national cost of living average. Payment to Soldiers is authorized under the provisions of Title 37 U.S.C. 403b.

The following locations receive CONUS COLA as of January 2017:

Military Housing Areas		
CALIFORNIA	MASSACHUSETTS	NEW YORK
China Lake	Boston	Long Island
El Centro		New York City
Fresno	MARYLAND	Staten Island
Los Angeles	Indian Head	West Point
Marin/Sonoma	Navordsta	Westchester County
Oakland	Ocean City	
Riverside		PENNSYLVANIA
San Bernadino	MICHIGAN	Philadelphia, PA
San Francisco	Detroit	Camden, NJ
San Luis Obispo	Grand Rapids	Wilkes - Barre / Scranton
Santa Clara County	Lansing	Willow Grove
Stockton	Saginaw	
		Washington
CONNECTICUT	NEW JERSEY	Port Angeles
Hartford	Atlantic City	Whidbey Island
	Fort Monmouth / Earls NWS	Yakima
ILLINOIS	Northern New Jersey	
Chicago		

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
CONUS COST OF LIVING ALLOWANCE - OFFICER
(IN THOUSANDS OF DOLLARS)

PART II - JUSTIFICATION OF FUNDS REQUESTED

The CONUS COLA budget estimate is a product of the projected number of personnel eligible to receive the allowance and the average annual COLA rate.

There is a +\$51.0 thousand increase in CONUS COLA between FY 2017 and FY 2018. This change is based on a price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017 and the 2.1% pay raise, effective 1 January 2018.

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CONUS, COST-OF-LIVING ALLOWANCE	1,320	\$2,515	3,320	761	\$2,563	1,950	765	\$2,617	2,001

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
CLOTHING ALLOWANCES - OFFICER
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$4,156
ESTIMATE FY 2017 \$4,130
ACTUAL FY 2016 \$4,158

PROJECT: CLOTHING ALLOWANCES - OFFICER

PART I - PURPOSE AND SCOPE

The requested funds will provide for the initial payment and additional allowance for purchases of required uniforms under provisions of 37 U.S.C. 415 and 416. In addition to any other clothing allowance authorized, an officer directed by competent authority to dress in civilian clothing more than half the time when performing official duty, as a military requirement, may be authorized a civilian clothing allowance. Civilian clothing allowance for officers is authorized only if the permanent duty station is outside the United States in accordance with 37 U.S.C. 419.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for uniform and clothing purchases are developed by multiplying the projected number eligible for each type of allowance by the applicable statutory rate. The statutory rates for initial and additional clothing allowances are \$400 and \$200, respectively. The civilian clothing allowance rate is a composite rate based on the weighted averages of three civilian clothing payment levels. The three payment rates are: (1) permanent duty initial payment, \$1,041.12; (2) permanent duty annual replacement and temporary duty of at least 15 days in a 30-day period, \$347.04; and (3) temporary duty of at least 30 days in a 36-day period \$694.08. The FY 2017 and the FY 2018 civilian clothing rate is increased by general inflation.

There is a +\$26.0 thousand increase in the officer clothing allowance requirement between FY 2017 and FY 2018. This change is based on a growth in officer man-years.

Detailed computations are provided by the following table:

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING ALLOWANCES - OFFICER									
INITIAL MILITARY ALLOWANCE	9,180	\$400	3,672	9,163	\$400	3,665	9,208	\$400	3,683
ADDITIONAL MILITARY ALLOWANCE	880	\$200	176	830	\$200	166	835	\$200	167
CIVILIAN CLOTHING ALLOWANCE	497	\$624	310	471	\$635	299	473	\$647	306
TOTAL CLOTHING ALLOWANCES - OFFICER	10,557		4,158	10,464		4,130	10,516		4,156

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
FAMILY SEPARATION ALLOWANCES - OFFICER
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$15,451
ESTIMATE FY 2017	\$15,376
ACTUAL FY 2016	\$21,856

PROJECT: FAMILY SEPARATION ALLOWANCES - OFFICER

PART I - PURPOSE AND SCOPE

Family Separation Allowances (FSA) is authorized in accordance with 37 U.S.C. 427. It provides compensation for added expense incurred due to an enforced family separation. FSA is payable to qualified members serving inside or outside the United States. Payment is \$250 per month. There are two types of FSA payments:

Family Separation Allowance - Restricted (FSA-R) - FSA-R is payable when a member with dependents makes a permanent change of station move, and travel of dependents to the duty station is not authorized and dependents do not reside at or near the duty station.

Family Separation Allowance - Temporary Duty (FSA-T) - FSA-T is payable when a member with dependents is on temporary duty (TDY) travel continuously for more than 30 days, and dependents do not reside near the TDY location.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FSA budget estimate is a product of the estimated number of personnel for each type of family separation allowance and the applicable statutory rate. The FY 2018 takers for FSA were forecasted based on FY 2016 base-level execution.

There is a +\$75.0 thousand increase in the officer FSA requirement between FY 2017 and FY 2018. This change is based on program increases due to the growth in officer man-years associated with the Army end strength for FY 2018.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
FAMILY SEPARATION ALLOWANCES - OFFICER									
FSA - RESTRICTED	1,599	\$3,000	4,796	865	\$3,000	2,596	870	\$3,000	2,609
FSA - TEMPORARY	5,687	\$3,000	17,060	4,260	\$3,000	12,780	4,281	\$3,000	12,842
TOTAL FAMILY SEPARATION ALLOWANCES - OFFICER	7,286		21,856	5,125		15,376	5,151		15,451

PB-30X FAMILY SEPARATION ALLOWANCE

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SEPARATION PAYMENTS - OFFICER

ESTIMATE FY 2018	\$107,732
ESTIMATE FY 2017	\$107,908
ACTUAL FY 2016	\$129,733

PROJECT: SEPARATION PAYMENTS - OFFICER

PART I - PURPOSE AND SCOPE

Funds requested provide for:

Accrued Leave Pay (Lump Sum Terminal Leave Payments) - Pays for unused accrued leave at time of discharge, retirement, or death under provisions in 37 U.S.C. 501 and 10 U.S.C. 701. Leave payments will not exceed the career total of 60 days.

Severance Pay, Disability and Severance Pay, Failure to Promotion - Payments made to officers who are involuntarily discharged or released from active duty. Disability severance pay is paid to a member separated from service for a physical disability under provisions in 10 U.S.C. 1212. Failure to promotion severance pay is pay to officers not eligible for retirement under any provision of the law on the date of elimination by promotion list passover under provisions in 10 U.S.C. 637 (a).

Involuntary - Half Severance Pay - Payments authorized to members not fully qualified for retention and denied reenlistment or continuation. Payment is 5% of the product of the number of years the member has been in active service plus fractions of years based on full months and 12 times monthly basic pay.

Involuntary - Full Severance Pay - Payments are authorized to members involuntarily separated from active duty who are fully qualified for retention, but are denied reenlistment or continuation. Payment is 10% of the product of the number of years the member has in active service plus fractions of years based on full months and 12 times monthly basic pay.

Voluntary Separation Incentive (VSI) Trust Fund - 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 under the provision of 10 U.S.C. 1175. 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 reinstated for use from 31 December 2012 to 31 December 2018 by the FY 2012 National Defense Authorization Act.

15 Year Early Retirement Authority - The FY 1993 National Defense Authorization Act, section 4403, (P.L. 102-484) approved an active duty early retirement program for use during the force drawdown. The early retirement program was used to shape the 15-20 year segment of the force under the provisions of the 10 U.S.C. 1293, 3911, 3914, 6323, 6330, 8911, and 8914. It 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 calculated as 2.5 percent of basic pay multiplied by years of service and a reduction factor. For 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 to cover the entire initial period. This is defined as that period equal to the

PB-30X SEPARATION PAYMENTS- PURPOSE/SCOPE & JUSTIFICATION

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SEPARATION PAYMENTS - OFFICER**

difference between 20 years and the number of years completed by the member. The authority to use the early retirement program was reinstated for use from 31 December 2012 to 31 December 2025 by the FY 2017 National Defense Authorization Act.

\$30,000 Lump Sum Bonus - Paid to Officers who entered the uniform services on or after August 1, 1986 who choose the option to retire under pre - 1986 military plan (50% retirement benefit at 20 years of service, with full COLA) or to accept a one-time \$30,000 lump sum bonus and remain under redux retirement plan. Payment is authorized by the FY 2000 National Defense Authorization Act. Pursuant to Title 37, Section 354 the CSB program will sunset after December 31, 2017.

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.

There is a -\$0.2 million decrease in the officer separation pay requirement between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to annualization of the 2.1% pay raise, effective 1 January 2017: +\$0.4 million
- (2) Price increase due to annualization of the 2.1% pay raise, effective 1 January 2018: +\$1.4 million
- (3) Program decrease due to the projected number of Officer separations from FY 2017 TO FY 2018: -\$2.0 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SEPARATION PAYMENTS - OFFICER
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016				ESTIMATE FY 2017				ESTIMATE FY 2018			
	AVG NUMBER	AVG DAYS	RATE	AMOUNT	AVG NUMBER	AVG DAYS	RATE	AMOUNT	AVG NUMBER	AVG DAYS	RATE	AMOUNT
SEPARATION PAYMENTS - OFFICER												
LUMP SUM TERMINAL LEAVE PAYMENTS												
OFFICER- ACTIVE DUTY												
GENERAL	5	46	\$14,400	72	5	60	\$15,000	75	5	46	\$15,000	75
LIEUTENANT GENERAL	5	55	\$29,000	145	5	59	\$30,400	152	5	55	\$30,400	152
MAJOR GENERAL	3	44	\$18,667	56	3	60	\$19,667	59	3	44	\$19,667	59
BRIGADIER GENERAL	19	16	\$6,737	128	18	26	\$6,833	123	18	16	\$6,889	124
COLONEL	386	23	\$7,837	3,025	196	23	\$7,985	1,565	192	23	\$8,167	1,568
LIEUTENANT COLONEL	719	18	\$4,675	3,361	696	21	\$4,764	3,316	683	18	\$4,867	3,324
MAJOR	1,321	23	\$5,488	7,250	1,273	25	\$5,591	7,117	1,249	23	\$5,711	7,133
CAPTAIN	3,376	15	\$2,831	9,556	3,397	19	\$2,885	9,801	3,335	15	\$2,946	9,825
1ST LIEUTENANT	693	19	\$2,900	2,010	660	18	\$2,956	1,951	648	19	\$3,019	1,956
2ND LIEUTENANT	37	27	\$3,081	114	37	23	\$3,162	117	37	27	\$3,162	117
SUBTOTAL OFFICER- ACTIVE DUTY	6,564			25,717	6,290			24,276	6,175			24,333
OFFICER- WARRANT ACTIVE												
WARRANT OFFICER (W-5)	100	20	\$5,470	547	84	18	\$5,548	466	82	20	\$5,695	467
WARRANT OFFICER (W-4)	485	18	\$4,148	2,012	405	22	\$4,222	1,710	397	18	\$4,320	1,715
WARRANT OFFICER (W-3)	314	17	\$3,312	1,040	262	20	\$3,378	885	257	17	\$3,451	887
WARRANT OFFICER (W-2)	449	20	\$3,187	1,431	374	20	\$3,246	1,214	367	20	\$3,316	1,217
WARRANT OFFICER (W-1)	16	31	\$3,313	53	13	43	\$3,462	45	13	31	\$3,462	45
SUBTOTAL OFFICER- WARRANT ACTIVE	1,364			5,083	1,138			4,320	1,116			4,331
SUBTOTAL LUMP SUM TERMINAL LEAVE PAYMENTS	7,928			30,800	7,428			28,596	7,291			28,664
SEVERANCE PAY, DISABILITY SEPARATION PAY - INVOLUNTARY FULL PAY (10%)	143		\$75,420	10,785	130		\$77,023	10,013	131		\$78,420	10,273
VOLUNTARY SEPARATION INCENTIVE (VSI) 15 YEAR TEMPORARY EARLY RETIREMENT AUTHORITY	705		\$68,757	48,474	481		\$70,106	33,721	505		\$71,481	36,104
				16,890				14,436				12,521
\$30,000 LUMP SUM BONUS	460		\$42,420	19,513	419		\$43,236	18,116	439		\$44,150	19,397
				3,271				3,026				773
TOTAL SEPARATION PAYMENTS - OFFICER	9,236			129,733	8,458			107,908	8,366			107,732

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION-OFFICER**

ESTIMATE FY 2018	\$534,396
ESTIMATE FY 2017	\$527,521
ACTUAL FY 2016	\$555,032

PROJECT: SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION-OFFICER

PART I - PURPOSE AND SCOPE

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
2016	\$118,500	No upper limit
2017	\$127,200	No upper limit
2018	\$129,900	No upper limit

Because the pay of senior Officers (Colonels and General Officers) is above the maximum cap on the OASDI contributions, the ratio of FICA to basic pay is slightly under the anticipated rate of 7.65%.

There is a +\$6.9 million increase in the officer FICA requirement between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$3.8 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$11.0 million
- (3) Program increase due to growth in officer man-years: +\$17.8 million
- (4) Program decrease due to shift in officer grade structure: -\$25.7 million

Detailed cost computations are provided by the following table:

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF OFFICERS
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION-OFFICER
(IN THOUSANDS OF DOLLARS)

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	98,368	\$5,642	555,032	91,008	\$5,796	527,521	91,409	\$5,846	534,396

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SCHEDULE OF INCREASES AND DECREASES - ENLISTED
(IN THOUSANDS OF DOLLARS)**

FY2017 Direct Program			23,793,207
	Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	65,415	
	Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	196,581	
	Retired Pay Accrual increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	19,223	
	Retired Pay Accrual increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	56,542	
	Reenlistment Bonus increase due to rate changes	81,224	
	Enlistment Bonus increase due to rate changes	38,290	
	Basic Allowance for Housing increase due to the housing cost growth of 2.2% effective 1 January 2017	24,036	
	Basic Allowance for Housing increase due to the housing cost growth of 2.9% effective 1 January 2018	95,061	
	Overseas Station Allowance - COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	2,694	
	Overseas Station Allowance - COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	8,628	
	CONUS COLA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017 and 1 January 2018	43	
	Clothing increase due to rate changes	5,171	
	Separation Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	1,699	
	Separation Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	6,465	
	FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017	5,004	
	FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2018	15,039	
Total Increases Pricing			621,115
	Basic Pay increase due to man-year growth	53,956	
	Basic Pay increase due to shifts in grade structure	37,070	
	Retired Pay Accrual increase due to man-year growth	15,581	
	Retired Pay Accrual increase due to shifts in grade structure	10,705	
	Incentive Pay increase due to changes in the number of Soldiers expected to receive pay	316	
	Special Pay increase due to Continuation Pay within the new Blended Retirement System Starting in FY 2018	37,306	
	Special Pay increase due to changes in the number of Soldiers expected to receive pay	351	
	Special Duty Assignment Pay increase due to changes in the number of Soldiers expected to receive pay	6,546	
	Enlistment Bonus increase due to changes in the number of Soldiers expected to receive pay	177,233	
	Basic Allowance for Housing increase due to man-year growth	18,706	
	Basic Allowance for Housing increase due to shifts in grade structure	22,442	
	Overseas Station Allowance increase due to changes in the number of Soldiers expected to receive allowance	1,773	
	Clothing increase due to changes in the number of Soldiers expected to receive allowance	1,455	
	Family Separation Allowance increase due to changes in the number of Soldiers expected to receive allowance	208	
	Separation Pay increase due to changes in the number of Soldiers expected to receive allowance	20,111	
	CONUS COLA increase due to changes in the number of Soldiers expected to receive allowance	7	
	FICA increase due to man-year growth	4,128	
	FICA increase due to shifts in grade structure	2,836	
	Increase in direct resources due to a decrease in reimbursable requirements	7,029	
	Aid and Attendance Allowance for the Catastrophically Injured increase due to allowance utilization	2	
	TSP Matching increase due to new blended retirement system entitlements starting in FY 2018	136,998	
Total Increases Program			554,759

PB-30P SCHEDULE OF INCREASES AND DECREASES - ENLISTED

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SCHEDULE OF INCREASES AND DECREASES - ENLISTED
(IN THOUSANDS OF DOLLARS)**

Total Increases			1,175,874
	Overseas Station Allowance - COLA decrease due to changes in foreign currency exchange rates	(5,467)	
	Basic Allowance for Housing - OHA decrease due to changes in foreign currency exchange rates	(2,901)	
	Retired Pay Accrual decrease due to the Normal Cost Percentage (NCP) rate decrease to 28.5%, effective 1 October 2017	(52,562)	
Total Decreases Pricing			(60,930)
	Reenlistment Bonus decrease due to changes in the number of Soldiers expected to receive pay	(48,690)	
	Loan Repayment Program decrease due to changes in the number of Soldiers expected to receive pay	(2,542)	
Total Decreases Program			(51,232)
Total Decreases			(112,162)
FY2018 Direct Program			24,856,919

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
BASIC PAY - ENLISTED**

ESTIMATE FY 2018	\$12,948,769
ESTIMATE FY 2017	\$12,595,750
ACTUAL FY 2016	\$13,157,274

PROJECT: BASIC PAY - ENLISTED

PART I - PURPOSE AND SCOPE

Basic pay provides compensation and length of service pay increments for active component enlisted personnel under provisions of 37 U.S.C. 201, 203, 205, and 1009. Basic pay also provides compensation of reserve component enlisted personnel on active duty status under provisions of 10 U.S.C. 12301, 12302 and 12304b.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The basic pay budget estimate is a product of the projected average number of enlisted personnel and the average annual basic pay rate for each grade.

The FY 2018 rates were built by applying inflation assumptions to FY 2016 Active Component rates. The basic pay rates reflect a 2.1% pay raise, effective 1 January 2017 and a 2.1% pay raise, effective 1 January 2018.

There is a +\$353.1 million increase in the enlisted basic pay requirement between FY 2017 and FY 2018. This change is due to:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$65.4 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$196.6 million
- (3) Program increase due to a growth in total enlisted man-years: +\$54.0 million
- (4) Program increase due to a shift in enlisted grade structure: +\$37.1million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
BASIC PAY - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC PAY - ENLISTED									
SERGEANT MAJOR	3,580	\$79,444	284,409	3,324	\$80,969	269,141	3,330	\$82,665	275,274
1ST SERGEANT/MASTER SERGEANT	11,736	\$61,815	725,466	10,768	\$63,017	678,562	10,830	\$64,311	696,493
PLATOON SERGEANT/SERGEANT 1ST CLASS	37,505	\$52,332	1,962,726	35,103	\$53,346	1,872,617	35,465	\$54,447	1,930,969
STAFF SERGEANT	58,500	\$42,269	2,472,750	53,924	\$43,087	2,323,414	56,648	\$43,977	2,491,194
SERGEANT	71,140	\$34,159	2,430,103	66,465	\$34,820	2,314,307	70,335	\$35,540	2,499,671
CORPORAL/SPECIALIST	122,980	\$27,129	3,336,365	111,891	\$27,654	3,094,190	100,707	\$28,224	2,842,402
PRIVATE FIRST CLASS	46,305	\$22,546	1,044,000	47,462	\$22,982	1,090,776	50,386	\$23,457	1,181,905
PRIVATE E2	27,266	\$20,843	568,299	28,112	\$21,246	597,271	29,883	\$21,685	648,009
PRIVATE E1	18,630	\$17,883	333,156	19,500	\$18,229	355,472	20,578	\$18,605	382,852
TOTAL BASIC PAY - ENLISTED	397,642		13,157,274	376,549		12,595,750	378,162		12,948,769

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
RETIRED PAY ACCRUAL - ENLISTED**

ESTIMATE FY 2018	\$3,686,753
ESTIMATE FY 2017	\$3,637,265
ACTUAL FY 2016	\$4,054,735

PROJECT: RETIRED PAY ACCRUAL - ENLISTED

PART I - PURPOSE AND SCOPE

Retired Pay Accrual provides payment to the Department of Defense Military Retirement Fund in accordance with 10 U.S.C. 74.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Retired Pay Accrual (RPA) budget estimate is a product of the Department of Defense Retirement Board of Actuary approved Normal Cost Percentage (NCP) and the total amount of basic pay expected to be paid during the fiscal year to members of the Active Army. The approved NCP rates for FY 2017 are 28.9% (Active Component (AC) full-time) and 22.8% (Reserve Component (RC) part-time). The rates for FY 2018 are 28.5% for (Active Component full-time) and 22.6% (Reserve Component part-time).

There is a +\$49.4 million increase in the RPA requirement between FY 2017 and FY 2018. This change is due to:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$19.2 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$56.5 million
- (3) Price decrease due to the FY 2017 to FY 2018 RPA NCP rate change from 28.9% to 28.5% for AC (full-time) and from 22.8% to 22.6% for RC (part-time):
-\$52.6 million
- (4) Program increase due to man-year growth: +\$15.6 million
- (5) Program increase due to shifts in grade structure: +\$10.7 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
RETIRED PAY ACCRUAL - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
RETIRED PAY ACCRUAL - ENLISTED									
ENLISTED RETIRED PAY ACCRUAL	382,281	\$10,271	3,926,391	374,817	\$9,663	3,621,996	376,500	\$9,755	3,672,788
ENLISTED RETIRED PAY ACCRUAL-RC ONLY	15,361	\$8,355	128,344	1,732	\$8,816	15,269	1,662	\$8,403	13,965
TOTAL RETIRED PAY ACCRUAL - ENLISTED	397,642		4,054,735	376,549		3,637,265	378,162		3,686,753

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
ENLISTED-TSP MATCHING
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$136,998
ESTIMATE FY 2017	\$0
ACTUAL FY 2016	\$0

PROJECT: ENLISTED-TSP MATCHING

PART I - PURPOSE AND SCOPE

The National Defense Authorization Act (NDAA) 2016, Public Law 114-92, Section 632(2), authorized the Secretary to make contributions to the Thrift Savings Fund, in accordance with the section 8432 for the benefit of the member who falls under the new modernized requirements system. Automatic contributions of one-percent of basic pay for the benefit of the member will begin on or after the day that is 60 days after the date the member enters a uniformed service, or on or after the date the member elects the new modernized retirement system. Once the member either reaches two years and one day after first entering uniformed service, or elects the new retirement system, the Service will provide matching contributions of no more than five percent of the member's basic pay. The matching will continue until the member completes 26 years of service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The amount the Service contributes is based on the percentage of basic pay the member elects to contribute to the Thrift Savings Fund. The Services will begin making automatic and matching TSP contributions payments in FY 2018 pursuant to the 1 January 2018 effective date of the modernized retirement system.

There is a +\$137.0 million increase in the officer TSP Matching requirement between FY 2017 and FY 2018 due to the implementation of the new blended retirement system effective 1 January 2018.

	<u>ACTUAL FY 2016</u> AMOUNT	<u>ESTIMATE FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT
ENLISTED TSP MATCHING	0	0	136,998

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

ESTIMATE FY 2018	\$94,105
ESTIMATE FY 2017	\$93,816
ACTUAL FY 2016	\$97,301

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

PART I - PURPOSE AND SCOPE

Incentive pays provide pay to enlisted personnel for performance of hazardous duty under the provisions of 37 U.S.C. 301.

Flying Duty (Crew) - Paid to enlisted members 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.

Flying Duty (Non-Crew) - Paid to enlisted members 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 that crew members do perform. The members perform duties as aircraft maintenance personnel, aerial photographers, helicopter weapons systems repairmen, and medical personnel.

Parachute Jumping - Paid to enlisted members assigned to a permanent parachute position or airborne unit which requires parachute jumping as an essential part of military duty, while undergoing related training, or performing short-term parachute duty. Continuous payment of parachute duty pay requires at least one parachute jump every three months. Payment is \$150 per month for regular jumps. Members who perform parachute jumping at high altitudes with low openings (HALO) as an essential part of duty are entitled to \$225 per month. (37 U.S.C. 301 (a) (3))

Experimental Stress (Inside Observer or Test Subject Duty) - Paid to enlisted members serving in duties involving an unusually high level of physiological or other stress; specifically (a) duty inside a high (hyperbaric) or low (altitude) pressure chamber, (b) duty as a human acceleration/deceleration test subject, and (c) duty as a human test subject in thermal stress experiments. Payment is \$150 per month. (37 U.S.C. 301 (a) (5), (6), (7))

Demolition Duty - Paid to enlisted personnel training and performing duties involving demolition of explosives as a primary part of duty. Payment is \$150 per month. (37 U.S.C. 301 (a) (4))

Chemical Munitions - Paid to enlisted members whose primary duties require 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. Payment is \$150 per month. (37 U.S.C. 301 (a) (9), (10))

Toxic Pesticides - Paid to enlisted members for duty involving exposure to toxic fuels and laboratory work that utilizes live dangerous viruses or bacteria. Payment is \$150 per month. (37 U.S.C. 301 (a) (9), (10))

Toxic Fuel - Paid to enlisted members 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. Payment is \$150 per month. (37 U.S.C. 301 (a) (9), (10))

PB-30X INCENTIVE PAY FOR HAZARDOUS DUTY- PURPOSE/SCOPE & JUSTIFICATION

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED**

PART II - JUSTIFICATION OF FUNDS REQUESTED

The incentive pay for hazardous duty budget estimate is a product of the projected number of enlisted Soldiers eligible for each type of incentive pay and the statutory rate.

There is a +\$0.3 million increase in the enlisted incentive pay requirement between FY 2017 and FY 2018. This change is based on program increase due to the growth in enlisted man-years.

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED									
FLYING DUTY - ENLISTED									
CREW									
1ST SERGEANT/MASTER SERGEANT	5	\$2,880	14	5	\$2,880	13	5	\$2,880	13
PLATOON SERGEANT/SERGEANT 1ST CLASS	66	\$2,880	190	61	\$2,880	175	61	\$2,880	177
STAFF SERGEANT	1,315	\$2,580	3,392	1,191	\$2,580	3,073	1,253	\$2,580	3,234
SERGEANT	1,655	\$2,280	3,774	1,543	\$2,280	3,518	1,631	\$2,280	3,719
CORPORAL/SPECIALIST	1,525	\$1,980	3,019	1,366	\$1,980	2,704	1,229	\$1,980	2,434
PRIVATE FIRST CLASS	1,049	\$1,800	1,889	1,033	\$1,800	1,860	1,096	\$1,800	1,973
PRIVATE E2	278	\$1,800	500	272	\$1,800	490	289	\$1,800	520
PRIVATE E1	36	\$1,800	64	35	\$1,800	63	37	\$1,800	67
SUBTOTAL CREW	5,929		12,842	5,506		11,896	5,601		12,137
NONCREW MEMBER	195	\$1,800	351	191	\$1,800	344	192	\$1,800	345
SUBTOTAL FLYING DUTY - ENLISTED	6,124		13,193	5,697		12,240	5,793		12,482
PARACHUTE JUMPING - ENLISTED									
PARACHUTE JUMPING (REGULAR)	36,605	\$1,800	65,889	35,570	\$1,800	64,026	35,554	\$1,800	63,997
PARACHUTE JUMPING (HIGH ALTITUDE/LOW OPENING)	1,865	\$2,700	5,035	1,827	\$2,700	4,933	1,835	\$2,700	4,954
SUBTOTAL PARACHUTE JUMPING - ENLISTED	38,470		70,924	37,397		68,959	37,389		68,951
INSIDE OBSERVER OR TEST SUBJECT DUTY	51	\$1,800	91	49	\$1,800	89	50	\$1,800	90
DEMOLITION DUTY	7,253	\$1,800	13,056	6,940	\$1,800	12,492	6,970	\$1,800	12,546
CHEMICAL MUNITIONS PAY	18	\$1,800	33	18	\$1,800	32	18	\$1,800	32
TOXIC PESTICIDES	1	\$1,800	2	1	\$1,800	2	1	\$1,800	2
TOXIC FUEL	1	\$1,800	2	1	\$1,800	2	1	\$1,800	2
TOTAL INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED	51,918		97,301	50,103		93,816	50,222		94,105

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SPECIAL PAY - ENLISTED

ESTIMATE FY 2018	\$152,764
ESTIMATE FY 2017	\$115,080
ACTUAL FY 2016	\$130,174

PROJECT: SPECIAL PAY - ENLISTED

PART I - PURPOSE AND SCOPE

Assignment Incentive Pay (AIP) - Paid to enlisted personnel in designated assignment locations and skills under provisions of 37 U.S.C. 307 (a).

(1) **Korea AIP** - Paid to enlisted personnel who extend beyond a 12-month tour in Korea. Payment is \$300 per month for an extension of 24-unaccompanied months or 36-accompanied months.

(2) **Other AIP** - Paid to enlisted personnel in designated skill areas such as Explosive Ordnance Disposal (EOD) and Special Operation Forces (SOF). It also includes payment to enlisted Soldiers who agree to extend beyond a 12-month tour in Iraq or Afghanistan. Payment ranges from \$50 to \$1000 per month.

(3) **Deployment Extension Incentive Pay (DEIP)** - Paid to enlisted personnel who choose to remain with deployed unit beyond their Expiration Term of Service (ETS) date. Soldiers who execute an extension between 9 months prior to unit Latest Arrival Date (LAD - 270) and 6 months prior to unit LAD (LAD-180) will receive \$500 per month for each full month they extend their service commitment. Soldiers who execute an extension after unit LAD-180 and before ETS (ETS - 90) will receive \$350 per month for each full month they extend their service commitment. DEIP is designed to replace involuntary "Stop Loss" and is authorized under provisions of 37 U.S.C. Sec 307a.

(4) **Deployment Extension Stabilization Pay (DESP)** - Paid to enlisted mobilized Army National Guard Soldiers who choose to remain with a deploying unit past end-of-service date. Soldiers that extend from 180 days to 365 days prior to the mobilization date receive \$500 a month for each month under Title 10 mobilization status. \$350 will be paid for Soldiers that extend between 179 days and 90 days before the mobilization date. DESP is designed to replace involuntary "Stop Loss" and is authorized under provisions of 37 U.S.C. Sec 307a.

(5) **Operational Deployment Assignment Incentive Pay (AIP-OD)** - Paid to Active Duty Soldiers who physically deploy and perform duties as part of a rotational force away from their permanent duty stations (subject to 37 U.S.C. Sec 307a). Soldiers may receive up to \$200 per month which will be prorated for the month in which deployment commences and the month in which Soldiers return to their permanent duty stations. Service members may receive more than one AIP payment simultaneously for the same period of service under AIP-OD as long as pays are not for the same purpose (exception to Para 10.a. of enclosure 2 of DoDI 1340.26) as long as payments do not exceed a total monthly AIP amounts set by Deputy Assistant Secretary of Defense for Military Personnel Policy.

Diving Duty Pay - Paid to enlisted personnel 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). Payment is up to \$340 per month.

Hostile Fire Pay - Paid to enlisted personnel on duty subject to hostile fire or imminent danger (37 U.S.C. 310). Payment is \$225 per month.

Sea Duty Pay - Paid to enlisted members who are assigned to duty to a ship, ship-based staff or ship-based aviation unit under general provisions outlined in the

PB-30X SPECIAL PAY- PURPOSE/SCOPE & JUSTIFICATION

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SPECIAL PAY - ENLISTED**

DOD FMR, Volume 7A, Chapter 18. Payment is up to \$750 per month. Members who serve more than 36 consecutive months of sea duty are entitled to a career sea pay premium of \$100 per month (37 U.S.C. 305a).

Hardship Duty Pay - Paid to enlisted personnel performing a designed hardship mission and/or when assigned to a designed location. The monthly rate may not exceed \$1,500 per individual from all three types of hardship duty pay (location, mission and involuntary extension) (37 U.S.C. 305a).

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

Foreign Language Proficiency Pay (FLPP) - Paid to enlisted personnel who qualify for and maintain the required proficiency in designated foreign languages under the provisions of 37 U.S.C. 316. The monthly rate may not exceed \$500 a single language or \$1,000 for any combination of languages.

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 - The SMA and the SEA are entitled to a personal allowance of \$2,000 per year while serving in this capacity.

Enlisted Continuation Pay - A direct cash payout to eligible Soldiers who have served at least 12 years as a way to encourage continued service. Active Component members are eligible for cash incentives of 2.5 to 13 times their regular monthly basic pay and Reserve Component members will be eligible for 0.5 to 6 times their monthly basic pay (as if serving on active duty) in return for a commitment of four more years of service. This continuation pay is not part of Soldiers retirement package.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The special pay budget estimate is a product of the projected number of enlisted Soldiers eligible for each type of special pay and the statutory rate.

The FY 2017 and FY 2018 request includes \$30 million for AIP-OD. This entitlement is for Soldiers who deploy and perform duties as part of a rotational force. Payments will begin in FY 2017. Additionally, the FY2018 request includes \$37.3 million for Enlisted Continuation Pay. This entitlement is part of the Blended Retirement System.

There is a +\$37.7 million increase in the enlisted special pay requirement between FY 2017 and FY 2018. This change is based on:

- (1) Program increase due to growth in enlisted man-years: +\$0.4 million
- (2) Program increase due to new enlisted Continuation Pay entitlement under Blended Retirement System: +\$37.3 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SPECIAL PAY - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY - ENLISTED									
ASSIGNMENT INCENTIVE PAY									
KOREA ASSIGNMENT INCENTIVE PAY	2,270	\$3,600	8,171	2,212	\$3,600	7,963	2,210	\$3,600	7,956
OTHER ASSIGNMENT INCENTIVE PAY	1,805	\$4,458	8,047	1,759	\$4,458	7,842	1,776	\$4,458	7,918
DEPLOYMENT EXTENSION STABILIZATION PAY	20	\$6,000	122	0	\$0	0	0	\$0	0
OPERATIONAL DEPLOY ASSIGN INCENTIVE PAY	0	\$0	0	12,500	\$2,400	30,000	12,500	\$2,400	30,000
SUBTOTAL ASSIGNMENT INCENTIVE PAY	4,095		16,340	16,471		45,805	16,486		45,874
DIVING DUTY PAY	590	\$2,422	1,430	578	\$2,422	1,401	581	\$2,422	1,407
HOSTILE FIRE PAY	21,743	\$2,700	58,707	5,975	\$2,700	16,132	6,000	\$2,700	16,201
SEA DUTY PAY	306	\$2,392	731	299	\$2,392	716	301	\$2,392	719
HARDSHIP DUTY PAY	10,636	\$1,800	19,144	10,103	\$1,800	18,185	10,146	\$1,800	18,263
OVERSEAS EXTENSION PAY	10	\$2,000	20	10	\$2,000	20	10	\$2,000	20
FOREIGN LANGUAGE PROFICIENCY PAY	14,130	\$2,392	33,800	13,720	\$2,392	32,819	13,784	\$2,392	32,972
OTHER SPECIAL PAY									
SERGEANT MAJOR PERSONAL MONETARY ALLOWANCE	1	\$2,000	2	1	\$2,000	2	1	\$2,000	2
SUBTOTAL OTHER SPECIAL PAY	1		2	1		2	1		2
ENL CONTINUATION PAY			0			0			37,306
TOTAL SPECIAL PAY - ENLISTED	51,511		130,174	47,157		115,080	47,309		152,764

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SPECIAL DUTY ASSIGNMENT PAY (SDAP)
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$112,229
ESTIMATE FY 2017 \$105,683
ACTUAL FY 2016 \$96,328

PROJECT: SPECIAL DUTY ASSIGNMENT PAY (SDAP)

PART I - PURPOSE AND SCOPE

Special Duty Assignment Pay (SDAP) provides monetary incentives to enlisted members who qualify for and serve in designated special duty assignments. These funds are utilized for recruiters, guidance counselors, retention NCOs, drill sergeants, and specially designated personnel who have extremely demanding duties requiring extraordinary effort for satisfactory performance, and/or an unusual level of responsibility. SDAP is authorized under provisions of 37 U.S.C. 307.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The SDAP budget estimate is a product of the projected number of enlisted Soldiers eligible to receive each type of pay and the statutory rate.

Beginning in FY 2017 the Army increased several SDAP levels for various Military Occupational Specialties (MOS). These changes are due to increased workload associated with the Army accessions mission. For example, production recruiters and recruiting master trainers increased from level 4 to level 5.

There is a +\$6.5 million increase in the SDAP requirement from FY 2017 to FY 2018. This change is based on program increases due to (1) projected increases in the number of drill instructors and Recruiters and (2) increases in SDAP levels for recruiters to reduce any payment disparity with other services.

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
SPECIAL DUTY ASSIGNMENT PAY (SDAP)									
SD 6 (\$450.00)	1	\$5,400	5	1	\$5,400	5	1	\$5,400	5
SD 5 (\$375.00)	11,079	\$4,500	49,854	19,891	\$4,500	89,509	21,123	\$4,500	95,054
SD 4 (\$300.00)	12,309	\$3,600	44,311	3,805	\$3,600	13,698	4,041	\$3,600	14,546
SD 3 (\$225.00)	799	\$2,700	2,158	915	\$2,700	2,471	972	\$2,700	2,624
TOTAL SPECIAL DUTY ASSIGNMENT PAY (SDAP)	24,188		96,328	24,612		105,683	26,137		112,229

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
REENLISTMENT BONUS
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$416,000
ESTIMATE FY 2017	\$383,466
ACTUAL FY 2016	\$156,131

PROJECT: REENLISTMENT BONUS

PART I - PURPOSE AND SCOPE

The Army retention program has direct impact on end strength in conjunction with accessions and separations. Army retention also contributes to force structure by retaining the right Soldier with the right skills, at the right time in the right place. This program allows the Army to foster an environment that encourages high quality, career-minded Soldiers to stay with the Army team in support of the "All Volunteer" force.

Selective Retention Bonus (SRB) - Authorized under U.S.C 37, Section 331. Under the law, an enlisted member of the armed forces who reenlists, voluntarily extends an enlistment, or otherwise agrees to serve for a specified period in a designated career field, skill, or unit of an armed force or under other conditions of service in an armed force may be paid a bonus. Army policy has set the maximum SRB payment allowed, of \$100,000 for Soldiers with a maximum of 14 years of service.

Critical Skills Retention Bonus (CSRB) - Authorized under U.S.C 37, Section 355. Under the law, a member of a uniformed service who is qualified in a critical skill and commits to a period of at least one year may be paid a bonus. The CSRB currently targets retirement eligible Soldiers with 16-23 years of service and will only be paid out to 25 years of service. Under the law, members may not receive a total of more than \$200,000. The Army currently limits CSRB payments to a maximum of \$150,000.

Soldier may not receive SRB and CSRB payments for the same period of service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The SRB program is a key component in Military Occupational Specialty (MOS)/force alignment initiatives and is critical to proper manning requirements of the Army. Today's Soldiers possess a wealth of skills and combat experience, and retaining these Soldiers is essential to the quality of the force as well as meeting our manpower needs. The SRB program targets Soldiers based on specialty and number of years of service, allocating the most generous bonuses to specialties and grades which are experiencing the greatest shortages and are the most difficult to retain. To ensure no adverse effects on manning, the SRB program will continue to offer incentives for continued service to Soldiers serving in critical skills that would offset adverse impacts.

For shortage skills, the Army continually evaluates 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 restricts reenlistment opportunity, offer reclassification out of the overage 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 that supports end strength requirements.

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
REENLISTMENT BONUS
(IN THOUSANDS OF DOLLARS)**

There is a +\$32.5 million increase in the re-enlistment bonus requirement from FY 2017 to FY 2018. This change is due to:

- (1) Price increase in bonus amount: +\$81.2 million
- (2) Program decrease due to changes in the number of Soldiers expected to receive pay: -\$48.7 million

The Army does not anticipate using CSRB in FYs 2017 and 2018. Instead, authorities provided under SRB will be utilized to write retention bonus contracts up to \$100,000 that are similar in nature to CSRB. However, the Army plans to maintain the CSRB authority as a way to incentivize certain critical skills in the future.

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
REENLISTMENT BONUS									
SELECTIVE RETENTION BONUS	14,875	\$9,902	147,292	39,709	\$9,657	383,466	34,667	\$12,000	416,000
CRITICAL SKILLS RETENTION BONUS	73	\$121,212	8,839	0	\$0	0	0	\$0	0
TOTAL REENLISTMENT BONUS	14,948		156,131	39,709		383,466	34,667		416,000

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
ENLISTMENT BONUS
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$600,440
ESTIMATE FY 2017	\$384,917
ACTUAL FY 2016	\$169,900

PROJECT: ENLISTMENT BONUS

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 recruits. 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 the first permanent duty station after successful completion of basic and initial training, then equal periodic payments, if required. The Army also has the authority to pay up to \$40,000 (not to exceed a total enlistment bonus of this amount) to recruits who select a critical MOS and are willing to ship to training within 30 days.

New Payments - Payments are made to individuals who enter active duty and complete initial training identified for a bonus during the same fiscal year.

Anniversary Payments - Army policy authorizes up to \$10,000 to be paid initially in lump sum. Soldiers receiving bonuses above \$10,000 are paid anniversary payments 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 attract highly qualified individuals. The Army offers various levels of the enlistment bonus based upon the criticality of the MOS and length of the enlistment contract. Bonuses complement the top reasons (pay, tuition for college, etc.) for considering enlistment in the Army according to youth polls. The program is driven primarily by the programmed recruiting mission and the propensity to enlist. Funding levels are critical to attaining Army quality goals. The enlistment bonus program is designed to channel applicants into critical MOS training seats at the required time to accomplish accession requirements. Resourcing bonus programs will allow the active component to meet end strength objectives and achieve Army standards for recruit quality.

There is a +\$215.5 million change in the enlistment bonus (EB) requirement between FY 2017 and FY 2018. This change is based on:

(1) Price increase due to change in bonus rates in FY 2017: +\$38.3 million

(2) Program increase due to changes in the number of Soldiers expected to receive bonuses resulting from an increased accession mission from 68.5K in FY 2017 to 69.0K in FY 2018. Additionally, there is an increase in the number of anniversary payments due to more bonuses being offered in previous fiscal years: +\$177.2 million

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
ENLISTMENT BONUS
(IN THOUSANDS OF DOLLARS)**

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTMENT BONUS									
NEW PAYMENTS	20,364	\$8,025	163,423	34,092	\$10,000	340,917	47,495	\$10,000	474,951
ANNIVERSARY PAYMENTS	2,497	\$2,594	6,477	18,129	\$2,427	44,000	41,830	\$3,000	125,489
TOTAL ENLISTMENT BONUS	22,861		169,900	52,221		384,917	89,325		600,440

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
ENLISTMENT BONUS
(IN THOUSANDS OF DOLLARS)**

	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		FY 2022		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
Prior Obligations (Anniversary)	2,497	6,477	1,813	4,400	1,673	5,020	817	2,450	0	0	0	0	0	0	
FY 2016															
Initial Payments	20,364	163,423	0	0	0	0	0	0	0	0	0	0	0	0	
Anniversary Payments			16,316	39,600	6,693	20,078	4,900	14,699	3,259	9,776	0	0	0	0	
FY 2017															
Initial Payments			34,092	340,917	0	0	0	0	0	0	0	0	0	0	
Anniversary Payments					33,464	100,391	31,031	93,094	9,776	29,329	2,526	7,579	0	0	
FY 2018															
Initial Payments					47,495	474,951	0	0	0	0	0	0	0	0	
Anniversary Payments							44,914	134,742	22,811	68,434	7,579	22,736	2,602	7,805	
FY 2019															
Initial Payments							39,836	398,356	0	0	0	0	0	0	
Anniversary Payments									29,329	87,987	17,683	53,050	7,805	23,414	
FY 2020															
Initial Payments									31,487	314,872	0	0	0	0	
Anniversary Payments											22,736	68,207	18,211	54,633	
FY 2021															
Initial Payments											32,472	324,717	0	0	
Anniversary Payments													23,414	70,242	
FY 2022															
Initial Payments														32,222	322,223
Total Initial Payments	20,364	163,423	34,092	340,917	47,495	474,951	39,836	398,356	31,487	314,872	32,472	324,717	32,222	322,223	
Total Anniversary Payments	2,497	6,477	18,129	44,000	41,830	125,489	81,662	244,985	65,175	195,526	50,524	151,571	52,031	156,094	
Total	22,861	169,900	52,221	384,917	89,325	600,440	121,497	643,341	96,663	510,398	82,995	476,288	84,254	478,317	

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
BASIC ALLOWANCE FOR HOUSING - ENLISTED**

ESTIMATE FY 2018	\$4,588,794
ESTIMATE FY 2017	\$4,431,447
ACTUAL FY 2016	\$4,750,294

PROJECT: BASIC ALLOWANCE FOR HOUSING - ENLISTED

PART I - PURPOSE AND SCOPE

Basic Allowance for Housing (BAH) provides enlisted members a monthly allowance for housing and consists of BAH-Domestic, BAH Differential, Partial BAH, and Overseas Housing Allowance (OHA). BAH combines housing payments formerly provided by Basic Allowances for Quarters (BAQ) and Variable Housing Allowance (VHA). In accordance with the Joint Federal Travel Regulation (JTFR), Chapter 10, BAH also includes Family Separation Housing (FSH) allowance, which is integrated in the without dependent housing allowance sections. Payment to service members is authorized under provisions of 37 U.S.C. 403.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The BAH budget estimate is a product of the average number of enlisted Soldiers projected to receive BAH and estimated average annual rate for each grade and BAH category.

The FY 2018 rates were built by applying inflation assumptions to the FY 2016 Active Component BAH rates. The BAH rates reflect a 2.2% housing rate increase, effective 1 January 2017 and 2.9% increase, effective 1 January 2018.

There is a +\$157.3 million change in the enlisted BAH requirement between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to the annualization of the housing cost growth of 2.2%, effective 1 January 2017: +\$24.0 million
- (2) Price increase due to the annualization of the housing cost growth of 2.9%, effective 1 January 2018: +\$95.1 million
- (3) Program increase due to a growth in total enlisted man-years: +\$18.7 million
- (4) Program increase due to a shift in enlisted grade structure: +\$22.4 million
- (5) Price decrease due to change in Foreign Currency Fluctuation exchange rates: -\$2.9 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
BASIC ALLOWANCE FOR HOUSING - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - ENLISTED									
WITH DEPENDENTS- DOMESTIC									
SERGEANT MAJOR	3,120	\$24,058	75,062	2,936	\$24,533	72,027	2,933	\$25,202	73,920
1ST SERGEANT/MASTER SERGEANT	10,192	\$22,544	229,764	9,333	\$22,989	214,555	9,202	\$23,615	217,309
PLATOON SERGEANT/SERGEANT 1ST CLASS	30,783	\$21,162	651,423	28,923	\$21,580	624,150	29,230	\$22,168	647,974
STAFF SERGEANT	46,232	\$20,211	934,388	43,438	\$20,610	895,261	45,658	\$21,172	966,671
SERGEANT	48,142	\$18,397	885,664	45,477	\$18,761	853,196	48,117	\$19,272	927,310
CORPORAL/SPECIALIST	56,193	\$16,883	948,705	49,450	\$17,216	851,334	44,488	\$17,685	786,768
PRIVATE FIRST CLASS	10,936	\$16,848	184,253	11,427	\$17,181	196,332	12,131	\$17,649	214,095
PRIVATE E2	3,566	\$16,653	59,386	3,472	\$16,982	58,967	3,690	\$17,445	64,380
PRIVATE E1	1,755	\$17,394	30,527	1,750	\$17,738	31,047	1,847	\$18,221	33,648
SUBTOTAL WITH DEPENDENTS- DOMESTIC	210,919		3,999,172	196,206		3,796,869	197,296		3,932,075
WITHOUT DEPENDENTS- DOMESTIC									
SERGEANT MAJOR	296	\$20,608	6,100	273	\$21,015	5,744	275	\$21,588	5,939
1ST SERGEANT/MASTER SERGEANT	1,078	\$19,623	21,154	948	\$20,011	18,980	953	\$20,556	19,584
PLATOON SERGEANT/SERGEANT 1ST CLASS	3,868	\$17,847	69,032	3,427	\$18,199	62,366	3,455	\$18,695	64,587
STAFF SERGEANT	8,098	\$16,770	135,801	7,267	\$17,101	124,266	7,620	\$17,567	133,868
SERGEANT	6,765	\$16,619	112,427	5,201	\$16,947	88,145	5,496	\$17,409	95,672
CORPORAL/SPECIALIST	11,793	\$14,022	165,367	7,855	\$14,299	112,324	7,162	\$14,689	105,202
PRIVATE FIRST CLASS	2,087	\$13,648	28,484	1,658	\$13,918	23,077	1,791	\$14,297	25,599
PRIVATE E2	744	\$13,228	9,842	639	\$13,490	8,620	677	\$13,857	9,388
PRIVATE E1	525	\$13,728	7,207	514	\$13,999	7,192	542	\$14,380	7,795
SUBTOTAL WITHOUT DEPENDENTS- DOMESTIC	35,254		555,414	27,782		450,714	27,971		467,634

PB-30X BASIC ALLOWANCE FOR HOUSING (BAH)

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
BASIC ALLOWANCE FOR HOUSING - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - ENLISTED									
PARTIAL ALLOWANCE FOR BACHELORS - DOMESTIC									
SERGEANT MAJOR	6	\$161	1	6	\$164	1	6	\$168	1
1ST SERGEANT/MASTER SERGEANT	22	\$139	3	21	\$142	3	21	\$146	3
PLATOON SERGEANT/SERGEANT 1ST CLASS	97	\$93	9	84	\$95	8	93	\$97	9
STAFF SERGEANT	680	\$75	51	662	\$77	51	684	\$79	54
SERGEANT	11,032	\$93	1,026	10,842	\$95	1,030	11,546	\$97	1,120
CORPORAL/SPECIALIST	50,884	\$86	4,376	45,898	\$88	4,039	41,422	\$90	3,728
PRIVATE FIRST CLASS	31,867	\$83	2,645	33,435	\$85	2,842	35,598	\$87	3,097
PRIVATE E2	22,529	\$70	1,577	22,085	\$71	1,568	23,438	\$73	1,711
PRIVATE E1	17,429	\$56	976	17,086	\$58	991	18,203	\$59	1,074
SUBTOTAL PARTIAL ALLOWANCE FOR BACHELORS - DOMESTIC	134,546		10,664	130,119		10,533	131,011		10,797
SUBSTANDARD HOUSING - DOMESTIC									
SERGEANT MAJOR		\$0	0		\$0	0		\$0	0
1ST SERGEANT/MASTER SERGEANT		\$0	0		\$0	0		\$0	0
PLATOON SERGEANT/SERGEANT 1ST CLASS		\$0	0		\$0	0		\$0	0
STAFF SERGEANT		\$0	0		\$0	0		\$0	0
SERGEANT		\$0	0		\$0	0		\$0	0
CORPORAL/SPECIALIST		\$0	0		\$0	0		\$0	0
PRIVATE FIRST CLASS		\$0	0		\$0	0		\$0	0
PRIVATE E2		\$0	0		\$0	0		\$0	0
PRIVATE E1		\$0	0		\$0	0		\$0	0
SUBTOTAL SUBSTANDARD HOUSING - DOMESTIC			0			0			0
BAH DIFFERENTIAL	1,762	\$2,441	4,303	1,351	\$3,118	4,213	1,655	\$2,564	4,243
WITH DEPENDENTS - OVERSEAS									
SERGEANT MAJOR	100	\$27,586	2,768	97	\$27,306	2,655	98	\$27,340	2,677
1ST SERGEANT/MASTER SERGEANT	499	\$26,387	13,177	474	\$26,119	12,386	481	\$26,152	12,584
PLATOON SERGEANT/SERGEANT 1ST CLASS	1,470	\$21,218	31,188	1,413	\$21,002	29,668	1,439	\$21,028	30,264
STAFF SERGEANT	1,447	\$21,789	31,524	1,384	\$21,567	29,851	1,468	\$21,594	31,705
SERGEANT	1,505	\$22,713	34,183	1,441	\$22,481	32,397	1,541	\$22,510	34,692
CORPORAL/SPECIALIST	928	\$22,612	20,978	791	\$22,382	17,704	723	\$22,410	16,207
PRIVATE FIRST CLASS	121	\$24,575	2,967	125	\$24,325	3,040	134	\$24,355	3,256
PRIVATE E2	30	\$24,130	715	29	\$23,884	690	31	\$23,914	738
PRIVATE E1	5	\$17,739	84	5	\$17,558	83	5	\$17,580	88
SUBTOTAL WITH DEPENDENTS - OVERSEAS	6,105		137,584	5,759		128,474	5,920		132,211

PB-30X BASIC ALLOWANCE FOR HOUSING (BAH)

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
BASIC ALLOWANCE FOR HOUSING - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
BASIC ALLOWANCE FOR HOUSING - ENLISTED									
WITHOUT DEPENDENTS - OVERSEAS									
SERGEANT MAJOR	72	\$24,389	1,760	70	\$24,141	1,698	71	\$24,171	1,709
1ST SERGEANT/MASTER SERGEANT	231	\$24,368	5,622	222	\$24,120	5,358	225	\$24,151	5,435
PLATOON SERGEANT/SERGEANT 1ST CLASS	741	\$20,853	15,462	717	\$20,640	14,807	730	\$20,666	15,096
STAFF SERGEANT	392	\$21,220	8,310	377	\$21,004	7,913	399	\$21,031	8,400
SERGEANT	403	\$18,582	7,495	380	\$18,393	6,998	408	\$18,416	7,519
CORPORAL/SPECIALIST	242	\$15,461	3,749	202	\$15,303	3,094	186	\$15,322	2,844
PRIVATE FIRST CLASS	49	\$13,578	667	51	\$13,440	687	55	\$13,457	736
PRIVATE E2	4	\$16,708	74	4	\$16,538	71	5	\$16,559	76
PRIVATE E1	1	\$22,692	18	1	\$22,461	18	1	\$22,489	19
SUBTOTAL WITHOUT DEPENDENTS - OVERSEAS	2,135		43,157	2,024		40,644	2,080		41,834
TOTAL BASIC ALLOWANCE FOR HOUSING - ENLISTED	390,721		4,750,294	363,241		4,431,447	365,933		4,588,794

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
OVERSEAS STATION ALLOWANCES - ENLISTED**

ESTIMATE FY 2018	\$374,077
ESTIMATE FY 2017	\$366,449
ACTUAL FY 2016	\$394,007

PROJECT: OVERSEAS STATION ALLOWANCES - ENLISTED

PART I - PURPOSE AND SCOPE

Overseas Station Allowance (OSA) provides a per diem allowance to enlisted personnel stationed Outside the Continental United States (OCONUS). The allowance considers 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. The OCONUS Cost of Living adjustment (COLA) rates are determined by Defense Travel Management Office (DTMO) which utilizes currency exchange rate data and local surveys to determine COLA rates.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The OSA request includes COLA and Temporary Lodging Allowances (TLA). OSA payments are determined by multiplying the projected number of personnel eligible for each type of allowance by the estimated average rate. The FY 2018 OSA rates were built by applying basic pay raise inflation to FY 2016 Active Component rates and projected foreign currency exchange rates.

There is a +\$7.6 million change in the enlisted OSA requirement between FY 2017 and FY 2018. This increase is based on:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$2.7 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$8.6 million
- (3) Program increase due to the changes in number expected to receive allowance: +\$1.8 million
- (4) Price decrease due to changes in foreign currency fluctuation exchange rates: -\$5.5 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
OVERSEAS STATION ALLOWANCES - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
OVERSEAS STATION ALLOWANCES - ENLISTED									
COST OF LIVING									
SERGEANT MAJOR	890	\$7,248	6,453	870	\$6,962	6,057	872	\$7,067	6,162
1ST SERGEANT/MASTER SERGEANT	2,985	\$6,197	18,499	2,864	\$5,952	17,048	2,881	\$6,041	17,405
PLATOON SERGEANT/SERGEANT 1ST CLASS	9,368	\$5,323	49,864	9,068	\$5,113	46,364	9,162	\$5,190	47,552
STAFF SERGEANT	13,297	\$4,613	61,341	12,879	\$4,431	57,067	13,533	\$4,497	60,860
SERGEANT	21,590	\$3,758	81,135	21,194	\$3,610	76,509	22,426	\$3,665	82,193
CORPORAL/SPECIALIST	31,181	\$2,862	89,241	28,131	\$2,749	77,332	25,317	\$2,791	70,659
PRIVATE FIRST CLASS	13,941	\$2,031	28,315	14,554	\$1,951	28,395	15,448	\$1,981	30,602
PRIVATE E2	6,527	\$1,684	10,991	6,336	\$1,618	10,251	6,737	\$1,642	11,062
PRIVATE E1	1,254	\$1,506	1,888	1,258	\$1,446	1,819	1,328	\$1,468	1,949
SUBTOTAL COST OF LIVING	101,033		347,727	97,154		320,842	97,704		328,444
TEMPORARY LODGING	34,719	\$1,333	46,280	33,584	\$1,358	45,607	32,901	\$1,387	45,633
TOTAL OVERSEAS STATION ALLOWANCES - ENLISTED	135,752		394,007	130,738		366,449	130,605		374,077

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
CONUS COST OF LIVING ALLOWANCE - ENLISTED
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$2,092
ESTIMATE FY 2017	\$2,042
ACTUAL FY 2016	\$6,505

PROJECT: CONUS COST OF LIVING ALLOWANCE - ENLISTED

PART I - PURPOSE AND SCOPE

Continental United States (CONUS) Cost of Living Allowance (COLA) provides payment to Soldiers to high cost Military Housing Areas (MHA) inside the United States. A high cost area is defined as a locality where the cost of living exceeds the average cost of living by an established threshold percentage during a base period. The threshold percentage is established by the Secretary of Defense and cannot be less than eight percent of the national cost of living average. The current threshold is 108% of the national cost of living average. Payment to Soldiers is authorized under the provisions of Title 37 U.S.C. 403b.

The following locations receive CONUS COLA as of January 2017:

Military Housing Areas		
CALIFORNIA	MASSACHUSETTS	NEW YORK
China Lake	Boston	Long Island
El Centro		New York City
Fresno	MARYLAND	Staten Island
Los Angeles	Indian Head	West Point
Marin/Sonoma	Navordsta	Westchester County
Oakland	Ocean City	PENNSYLVANIA
Riverside	MICHIGAN	Philadelphia, PA
San Bernadino	Detroit	Camden, NJ
San Francisco	Grand Rapids	Wilkes - Barre / Scranton
San Luis Obispo	Lansing	Willow Grove
Santa Clara County	Saginaw	Washington
Stockton	NEW JERSEY	Port Angeles
CONNECTICUT	Atlantic City	Whidbey Island
Hartford	Fort Monmouth / Earls NWS	Yakima
ILLINOIS	Northern New Jersey	
Chicago		

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
CONUS COST OF LIVING ALLOWANCE - ENLISTED
(IN THOUSANDS OF DOLLARS)**

PART II - JUSTIFICATION OF FUNDS REQUESTED

The CONUS COLA budget estimate is a product of the projected number of personnel eligible to receive the allowance and the average annual COLA rate.

There is a +\$53.0 thousand change in CONUS COLA between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to the annualization of the 2.1% pay raise effective 1 January 2017 and 2.1% pay raise effective 1 January 2018: +\$43.0 thousand
- (2) Program increase due to the growth in enlisted man-years: +\$10.0 thousand

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CONUS, COST-OF-LIVING ALLOWANCE	3,711	\$1,753	6,505	1,143	\$1,787	2,042	1,147	\$1,824	2,092

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
CLOTHING ALLOWANCES - ENLISTED
(IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2018	\$288,055
ESTIMATE FY 2017	\$281,429
ACTUAL FY 2016	\$281,739

PROJECT: CLOTHING ALLOWANCES - ENLISTED

PART I - PURPOSE AND SCOPE

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:

Initial Issue - Provided to enlisted members upon initial enlistment or upon other special qualification for entitlement to a prescribed outfitting of uniforms. The initial issue may be an in-kind issue or a combination of in kind issue and cash payment. An additional civilian clothing allowance is authorized to enlisted members who are required to wear civilian clothing to perform duties.

Maintenance Allowances:

Basic Allowance - Provides for continued replacement and maintenance of unique military items that would normally require replacement during the first three years of active duty.

Standard Allowance - Provides for continued replacement and maintenance of unique military items that would normally require replacement after completion of three years of active duty.

Other Allowances:

Korean Augmentees to United States Army (KATUSA) - Korean soldiers are assigned to U.S. Combat units in the Republic of Korea (ROK) and assist in providing better integration of American and ROK forces. KATUSA Soldiers are provided a clothing issue.

Replacement During First Six Months - Issue in Kind exchanges and alterations within the first six months of active duty including personal clothing and footwear (clothing bag items only). Exchanges based on misfit (weight loss/gain), footwear incompatibility, or item damage incident to service or due to intensive training.

Charges Sales - Provides funds to cover emergency needs of enlisted members to purchase clothing items needed for health and welfare.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for uniform and clothing purchases are calculated by multiplying the projected number eligible for each type of allowance by the applicable rate in accordance with DOD Financial Management Regulation (FMR), Volume 7A, Chapter 29. The FY 2018 clothing rates are increased by general inflation.

There is a +\$6.6 million increase in the enlisted clothing allowance requirement between FY 2017 and FY 2018. This change is based on:

(1) Price increase due to general inflation rate increase: +\$5.2 million

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
CLOTHING ALLOWANCES - ENLISTED
(IN THOUSANDS OF DOLLARS)**

(2) Program increase due to the number of Soldiers expected to receive initial clothing issue as a result of the increased accessions mission from 68.5K in FY 2017 to 69.0K in FY 2018: +\$1.4 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING ALLOWANCES - ENLISTED									
INITIAL ISSUE									
MILITARY									
ARMY, MALE	53,125	\$1,643	87,308	58,216	\$1,659	96,581	58,620	\$1,691	99,127
ARMY, FEMALE	9,375	\$1,888	17,701	10,272	\$1,894	19,455	10,346	\$1,930	19,967
SUBTOTAL MILITARY	62,500		105,009	68,488		116,036	68,966		119,094
INITIAL CIVILIAN ISSUE	4,012	\$1,022	4,100	3,928	\$1,041	4,089	3,944	\$1,060	4,181
SUBTOTAL INITIAL ISSUE	66,512		109,109	72,416		120,125	72,910		123,275
MAINTENANCE ALLOWANCES									
BASIC ALLOWANCE									
BASIC MAINTENANCE, MALE	104,502	\$328	34,235	102,256	\$328	33,540	102,766	\$334	34,324
BASIC MAINTENANCE, FEMALE	17,300	\$349	6,041	16,931	\$346	5,858	17,031	\$352	5,995
SUBTOTAL BASIC ALLOWANCE	121,802		40,276	119,187		39,398	119,797		40,319
STANDARD ALLOWANCE									
STANDARD MAINTENANCE, MALE	202,951	\$468	94,981	198,831	\$468	93,053	199,637	\$477	95,227
STANDARD MAINTENANCE, FEMALE	33,738	\$497	16,761	33,067	\$493	16,302	33,167	\$503	16,683
SUBTOTAL STANDARD ALLOWANCE	236,689		111,742	231,898		109,355	232,804		111,910
SUBTOTAL MAINTENANCE ALLOWANCES	358,491		152,018	351,085		148,753	352,601		152,229
SUPPLEMENTARY ALLOWANCE			9,932			9,932			9,932
OTHER ALLOWANCES									
KATUSA			854			854			854
REPLACEMENT DURING FIRST 6 MONTHS			1,515			1,515			1,515
CHARGE SALES			250			250			250
ARMY DIRECT ORDER			8,061			0			0
SUBTOTAL OTHER ALLOWANCES	0		10,680	0		2,619	0		2,619
TOTAL CLOTHING ALLOWANCES - ENLISTED	425,003		281,739	423,501		281,429	425,511		288,055

PB-30X CLOTHING ALLOWANCE

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
FAMILY SEPARATION ALLOWANCES - ENLISTED
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$48,823
ESTIMATE FY 2017	\$48,615
ACTUAL FY 2016	\$79,155

PROJECT: FAMILY SEPARATION ALLOWANCES - ENLISTED

PART I - PURPOSE AND SCOPE

Family Separation Allowance (FSA) authorized in accordance with 37 U.S.C 427. It provides compensation for added expenses incurred due to an enforced family separation. FSA is payable to qualified members serving inside or outside the United States. Payment is \$250 per month. There are two types of FSA payments:

Family Separation Allowance - Restricted (FSA-R) - FSA-R is payable when a member with dependents makes a permanent change of station move, and travel of dependents to the duty station is not authorized and dependents do not reside at or near the duty station.

Family Separation Allowance - Temporary Duty (FSA-T) - FSA-T is payable when a member with dependents is on temporary duty (TDY) travel continuously for more than 30 days, and dependents do not reside near the TDY location.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FSA budget estimate is a product of the estimated number of personnel for each type of family separation allowance and the applicable statutory rate. The FY 2018 takers for FSA were forecasted based on FY 2016 base-level execution.

There is a +\$208 thousand increase in the enlisted FSA requirement between FY 2017 and FY 2018. This change is based on program increases due to the growth in enlisted man-years associated with the Army end strength in FY 2018.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
FAMILY SEPARATION ALLOWANCES - ENLISTED									
FSA - RESTRICTED	5,940	\$3,000	17,819	5,819	\$3,000	17,458	5,844	\$3,000	17,532
FSA - TEMPORARY DUTY	20,445	\$3,000	61,336	10,386	\$3,000	31,157	10,430	\$3,000	31,291
TOTAL FAMILY SEPARATION ALLOWANCES - ENLISTED	26,385		79,155	16,205		48,615	16,274		48,823

PB-30X FAMILY SEPARATION ALLOWANCE

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
AID AND ATTENDANCE FOR CATASTROPHICALLY INJURED
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$448
ESTIMATE FY 2017	\$446
ACTUAL FY 2016	\$455

PROJECT: AID AND ATTENDANCE FOR CATASTROPHICALLY INJURED

PART I - PURPOSE AND SCOPE

Aid and Attendance for Catastrophically Injured provides payment to injured service members who require aid and attendance during and after hospitalization as a result of injuries sustained in combat or in a combat-related event. The allowance is intended to be used to compensate designated caregivers for the dedicated time and assistance they provide to catastrophically injured service members. The allowance will be paid by the Secretary until the injured service member is medically retired through the expedited disability evaluation system and transitioned to veteran status. At that time, the allowance will cease for that member. Payments are authorized for all Soldiers who incur catastrophic injury or illness in the line of duty. Payment is up to \$2,983 per month.

This allowance is authorized under provisions of 37 U.S.C. 439, (Section 603 of FY 2010 NDAA, P.L. 111-87).

PART II - JUSTIFICATION OF FUNDS REQUESTED

Entitlement for special monthly compensation is based on a physician's certification that the injured service member requires the aid and assistance of another person to perform personal functions required in everyday living.

There is a +\$2.0 thousand increase in the aid and attendance for catastrophically injured allowance between FY 2017 and FY 2018. This change is based on a program increase due to a growth in enlisted man-years by FY 2018.

The detailed computations are provided in the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
AID & ATTENDANCE ALLOW- CATASTROPHICALLY INJURED	359	\$1,266	455	352	\$1,266	446	354	\$1,266	448

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SEPARATION PAYMENTS - ENLISTED

ESTIMATE FY 2018	\$484,510
ESTIMATE FY 2017	\$456,234
ACTUAL FY 2016	\$489,826

PROJECT: SEPARATION PAYMENTS - ENLISTED

PART I - PURPOSE AND SCOPE

Funds requested provide for:

Accrued Leave Pay (Lump Sum Terminal Leave Payments) - Paid to enlisted members for unused accrued leave at time of discharge, retirement, or death under provisions of 37 U.S.C. 501 and 10 U.S.C. 701. Leave payments will not exceed a career total of 60 days.

Severance Pay - Disability - Paid to enlisted 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 (10 U.S.C. 1212).

Involuntary - Half Severance Pay - Paid to enlisted members who are not fully qualified for retention and denied reenlistment or continuation. Payment is 5% of the product of the number of years the member has been in active service plus fractions of years based on full months and 12 times monthly basic pay.

Involuntary - Full Severance Pay - Paid to enlisted members who are involuntarily separated from active duty who are fully qualified for retention, but are denied reenlistment or continuation. Payment is 10% of the product of the number of years the member has been inactive service plus fractions of years based on full months and 12 times monthly basic pay.

Voluntary Separation Incentive (VSI) Trust Fund and Special Separation Benefits (SSB) - 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 under the provision of 10 U.S.C. 1175. 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 reinstated for use from 31 December 2012 to 31 December 2018 by the FY 2012 National Defense Authorization Act.

15 Year Early Retirement Authority - The FY 1993 National Defense Authorization Act, section 4403, (P.L. 102-484) approved an active duty early retirement program for use during the force drawdown. The early retirement program was used to shape the 15-20 year segment of the force under the provisions of 10 U.S.C. 1293, 3911, 3914, 6323, 6330, 8911, and 8914. It 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 calculated as 2.5 percent of basic pay multiplied by years of service and a reduction factor. For 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 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

PB-30X SEPARATION PAYMENTS- PURPOSE/SCOPE & JUSTIFICATION

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SEPARATION PAYMENTS - ENLISTED**

was reinstated for use from 31 December 2012 to 31 December 2025 by the FY 2017 National Defense Authorization Act.

\$30,000 Lump Sum Bonus - Paid to enlisted members who entered the uniform services on or after August 1, 1986 who choose the option to retire under pre - 1986 military plan (50% retirement benefit at 20 years of service, with full COLA) or to accept a one-time \$30,000 lump sum bonus and remain under redux retirement plan. Payment is authorized by the FY 2000 National Defense Authorization Act. Pursuant to Title 37, Section 354 the CSB program will sunset after December 31, 2017.

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.

There is a \$28.3 million change in the enlisted separation pay requirement between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$1.7 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$6.5 million
- (3) Program increase due to a growth in the total number of enlisted separations projected from FY 2017 to FY 2018: +\$20.1 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SEPARATION PAYMENTS - ENLISTED
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>				<u>ESTIMATE FY 2017</u>				<u>ESTIMATE FY 2018</u>			
	<u>AVG NUMBER</u>	<u>AVG DAYS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVG NUMBER</u>	<u>AVG DAYS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVG NUMBER</u>	<u>AVG DAYS</u>	<u>RATE</u>	<u>AMOUNT</u>
SEPARATION PAYMENTS - ENLISTED												
LUMP SUM TERMINAL LEAVE PAYMENTS												
SERGEANT MAJOR	504	14	\$3,050	1,537	430	15	\$3,107	1,336	504	14	\$3,169	1,598
1ST SERGEANT/MASTER SERGEANT	1,521	13	\$2,218	3,373	1,298	16	\$2,260	2,933	1,520	13	\$2,308	3,507
PLATOON SERGEANT/SERGEANT 1ST CLASS	5,359	18	\$2,463	13,199	4,573	18	\$2,510	11,478		18	\$2,563	
STAFF SERGEANT	9,228	20	\$2,300	21,227	7,875	23	\$2,344	18,459	5,356			13,724
SERGEANT	16,558	18	\$1,732	28,683	14,130	20	\$1,765	24,942	9,223	20	\$2,393	22,072
CORPORAL/SPECIALIST	33,941	16	\$1,257	42,661	28,964	17	\$1,281	37,099	16,548	18	\$1,802	29,824
PRIVATE FIRST CLASS	5,931	23	\$1,520	9,015	5,062	23	\$1,549	7,839	33,921	16	\$1,308	44,358
PRIVATE E2	4,499	21	\$1,215	5,465	4,499	21	\$1,238	5,527	5,928	23	\$1,581	9,374
PRIVATE E1	7,317	20	\$1,000	7,317	6,244	21	\$1,019	6,363	4,496	21	\$1,264	5,682
SUBTOTAL LUMP SUM TERMINAL LEAVE PAYMENTS	84,858			132,477	72,415			115,201	84,810			137,746
SEVERANCE PAY - DISABILITY	4,473		\$35,509	158,833	4,236		\$36,183	153,273	4,588		\$36,942	169,485
SEPARATION PAY - INVOLUNTARY HALF PAY (5%)	1,748		\$22,867	39,972	1,523		\$23,298	35,483	1,784		\$23,785	42,428
SEPARATION PAY - INVOLUNTARY FULL PAY (10%)	3,100		\$35,477	109,980	2,978		\$36,141	107,629	3,164		\$36,899	116,737
VOLUNTARY SEPARATION INCENTIVE (VSI) 15 YEAR TEMPORARY EARLY RETIREMENT AUTHORITY	18		\$45,389	817	15		\$48,333	725	17		\$50,875	867
\$30,000 LUMP SUM BONUS				43,837				40,259				14,068
TOTAL SEPARATION PAYMENTS - ENLISTED	94,197			489,826	81,167			456,234	94,831			484,510

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION-ENLISTED**

ESTIMATE FY 2018	\$990,581
ESTIMATE FY 2017	\$963,574
ACTUAL FY 2016	\$1,006,582

PROJECT: SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION-ENLISTED

PART I - PURPOSE AND SCOPE

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
2016	\$118,500	No upper limit
2017	\$127,200	No upper limit
2018	\$129,900	No upper limit

There is a +\$26.9 million increase in the enlisted FICA requirement between FY 2017 and FY 2018. This change is based on:

- (1) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2017: +\$5.0 million
- (2) Price increase due to the annualization of the 2.1% pay raise, effective 1 January 2018: +\$15.0 million
- (3) Program increase due to a growth in total enlisted man-years: +\$4.1 million
- (4) Program increase due to a shift in enlisted grade structure: +\$2.8 million

Detailed cost computations are provided by the following table:

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION-ENLISTED
(IN THOUSANDS OF DOLLARS)

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	397,642	\$2,531	1,006,582	376,549	\$2,559	963,574	378,162	\$2,619	990,581

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF CADETS
SCHEDULE OF INCREASES AND DECREASES - CADETS
(IN THOUSANDS OF DOLLARS)**

FY2017 Direct Program					80,472
	Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2017		297		
	Basic Pay increase due to the annualization of the 2.1% pay raise, effective 1 January 2018		889		
	FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2017		22		
	FICA increase due to the annualization of the 2.1% pay raise, effective 1 January 2018		67		
	Cadet ration increase due to rate increase in 2018		486		
Total Increases Pricing					1,761
	Basic Pay increase due to man-year growth		112		
	FICA increase due to man-year growth		9		
	Cadet ration increase due to man-year growth		39		
Total Increases Program					160
Total Increases					1,921
FY2018 Direct Program					82,393

MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF CADETS
ACADEMY CADETS
(IN THOUSANDS OF DOLLARS)

ESTIMATE FY 2018	\$82,393
ESTIMATE FY 2017	\$80,472
ACTUAL FY 2016	\$79,323

PROJECT: ACADEMY CADETS

PART I - PURPOSE AND SCOPE

The funds requested provide for United States Military Academy (USMA) Cadets basic pay and allowances, rations, and the employer's share of the Federal Insurance Contribution Act (FICA) tax under the provisions of Title 37 U.S.C. Sections 201, 203, and 422.

Title 37 U.S.C. Section 203 (c) sets the basic pay rate of a 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." Requirements are determined by multiplying estimated annual rates and statutory rates by the projected man-years.

The FY 2009 National Defense Authorization Act Section 540 (a) authorizes USMA to have a strength of 4,400 Cadets as measured on the day before the last day of the academic year.

Title 10 U.S.C. Section 4344 states the "Secretary of the Army may permit not more than 60 persons at any one time from foreign countries to receive instruction at the Academy. A person receiving instruction under this section is entitled to the pay and allowances of a Cadet appointed from the United States, and from the same appropriations."

PART II - JUSTIFICATION OF FUNDS REQUESTED

Requirement Calculation:

The basic pay funding requirement is determined by applying the annual statutory rate to the projected man-years.

For Cadet rations, the yearly rates are calculated using the Cadet daily annualized ration rates multiplied by 365 days. The daily subsistence rates used in this request are provided in the following table and are effective 1 January:

2016 - \$12.25
2017 - \$12.25
2018 - \$12.65

The FICA tax is calculated based on the Old Age, Survivor, and Disability Insurance (OASDI) rate of 6.2% and the Hospital Insurance (HI) rate of 1.45% for a combined 7.65% of basic pay. The number of takers for FICA does not include foreign Cadets since they are exempt from taxation.

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF CADETS
ACADEMY CADETS
(IN THOUSANDS OF DOLLARS)**

Funding Requirement Changes from FY 2017 to FY 2018:

There is a +\$1.9 million increase in the Cadet Pay and Allowances requirement between FY2017 and FY2018. This change is due to:

- (1) Price increase due to annualization of the 2.1% pay raise, effective 1 January 2017: +\$0.3 million
- (2) Price increase due to annualization of the 2.1% pay raise, effective 1 January 2018: +\$1.0 million
- (3) Price increase in subsistence due to Cadet ration rate increase from \$12.25 to \$12.65: +\$0.5 million
- (4) Program increase due to man-year reduction: +\$0.1 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ACADEMY CADETS									
BASIC PAY	4,407	\$12,442	54,831	4,444	\$12,679	56,346	4,453	\$12,945	57,644
SUBSISTENCE (COMMUTED RATIONS)	4,407	\$4,619	20,355	4,444	\$4,472	19,872	4,453	\$4,581	20,397
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	4,346	\$952	4,137	4,386	\$970	4,254	4,395	\$990	4,352
TOTAL ACADEMY CADETS			79,323			80,472			82,393

MILITARY PERSONNEL, ARMY
SECTION 4
ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE
SCHEDULE OF INCREASES AND DECREASES - ENLISTED SUBSISTENCE
(IN THOUSANDS OF DOLLARS)

FY2017 Direct Program		1,786,302
	Basic Allowance for Subsistence increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2018	31,181
	Subsistence in Messes increase due to dining facility cost inflation	9,934
	Operational Rations increase due to manufacturer price inflation	6,496
	Unitized Group Rations increase due to manufacturer price inflation	1,011
	Other Rations increase due to annual eligibility cost	319
	Family Subsistence Supplemental Allowance increase due to higher per claim rate	20
	Unitized Group Ration (A) increase due to manufacturer price inflation	2,088
Total Increases Pricing		51,049
	Basic Allowance for Subsistence increase due to number of personnel estimated to receive benefit	3,319
	Subsistence in Messes increase due to number of personnel estimated to receive benefit	5,978
	Operational Rations increase due to number of personnel estimated to receive benefit	3,443
	Unitized Group Rations-Heat and Serve increase due to number of personnel estimated to receive benefit	536
	Unitized Group Rations (A) increase due to number of personnel estimated to receive benefit	1,106
	Augmentation Ration increase due to number of personnel estimated to receive benefit	388
	Family Subsistence Supplemental Allowance increase due to number of personnel estimated to receive benefit	21
	Other Rations increase due to number of personnel estimated to receive benefit	171
Total Increases Program		14,962
Total Increases		66,011
FY2018 Direct Program		1,852,313

**MILITARY PERSONNEL, ARMY
SECTION 4
ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE
ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE- PURPOSE/SCOPE & JUSTIFICATION**

ESTIMATE FY 2018	\$1,861,405
ESTIMATE FY 2017	\$1,794,915
ACTUAL FY 2016	\$2,060,559

PROJECT: SUBSISTENCE OF ENLISTED PERSONNEL

PART I - PURPOSE AND SCOPE

As authorized by Title 10 U.S.C., Chapter 435, Section 4651(c) the funds requested for this budget activity are for the payment of authorized Basic Allowances for Subsistence (BAS), Subsistence-in-Kind (SIK), and Family Subsistence Supplemental Allowance (FSSA). BAS in this account is for the active duty enlisted Soldier. SIK includes the cost of procuring subsistence for garrison dining facilities (Subsistence in Messes), operational rations, and augmentation rations. Funded reimbursements are cash collections in dining facilities paid by civilians and by Soldiers who receive BAS.

Basic Allowance for Subsistence is a cash allowance to Soldiers to defray a portion of the cost of subsistence based on the authority in Title 37, Section 402. BAS is paid under the following conditions; (1) when authorized to mess separately, (2) while on authorized leave, and (3) when SIK is not available. All enlisted Soldiers receive full BAS entitlement. Single Soldiers who reside on Army installations utilizing dining facilities have a portion of BAS collected from their pay. Rate changes are tied to the annual USDA food cost index.

Subsistence-In-Kind (SIK)/Subsistence-in-Messes is the cost of bulk food for dining facilities. SIK garrison dining facility budget requirements are dependent on the number of personnel authorized to subsist in the dining facilities, with consideration for a portion of eligible Soldiers who miss meals, and the cost of food used in preparing meals. SIK funds the cost of operational rations for both officers and enlisted Soldiers

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. The number of active duty Soldiers, the type of operational rations served, and the length of training events determine costs.

Augmentation Rations include contract meals, Korean Augmentation to U.S. Army (KATUSA) rations, and host nation support meals. Contracted 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 and the type of augmentation rations provided determines the cost.

Family Subsistence Supplemental Allowance (FSSA) is pursuant to Section 402a of Title 37, United States Code and began 1 May 2001. The program is designed to provide members who are eligible for food stamps an additional allowance not to exceed \$1,100 per month (ref P.L. 106-398 sec 603 of the FY 10 NDAA). FSSA is voluntary and the member must reapply whenever there is a significant change in household income or number of dependents living in the household.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The enlisted Subsistence cost estimates are a product of the projected average number of enlisted personnel and the rate for Basic Allowance for Subsistence, Subsistence and Kind, and the Family Subsistence Supplemental Allowance.

PB-30X ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE- PURPOSE/SCOPE & JUSTIFICATION

MILITARY PERSONNEL, ARMY
SECTION 4
ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE
ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE- PURPOSE/SCOPE & JUSTIFICATION

The change in Subsistence of Enlisted Personnel from FY 2017 to FY 2018 is +\$66.0 million. This increase is based on the following changes listed below:

Basic Allowance for Subsistence

Basic Allowance for Subsistence (BAS) figures displayed for FY 2016 reflects actual execution to include expenses associated with Overseas Contingency Operation (OCO). BAS takers are directly related to the total enlisted strength levels and adjusted for Soldiers in training who do not receive BAS. Statutory rate inflation is based on budget guidance. There is a +\$34.5 million increase to the BAS requirement between FY2017 and FY2018. This change is due to:

- 1) Price increase in BAS due to the annualization of the 3.4% rate change, effective January 1, 2018: +\$31.2 million
- 2) Program increase in BAS due to increase in total enlisted man-years: +\$3.3 million

Subsistence in Kind

Subsistence in Kind data in FY 2016 reflects actual execution to include expenses associated with OCO. These accounts are closely tied to inflation factors similar to those impacting BAS. There is a +\$31.4 million increase in Subsistence in Kind requirement between FY2017 and FY2018. This change is due to:

- 1) Price increase in Subsistence in Messes due to increase in dining facility cost inflation: +\$10.0 million
- 2) Price increase in Operational rations (MREs) due to increase to manufacturer price inflation: +\$6.5 million
- 3) Price increase in Unitized Group Rations due to increase to manufacturer price inflation: +\$3.1 million
- 4) Price Increase in Other rations increase due to price inflation: +\$0.3 million
- 5) Program increase in Subsistence in Mess due to increase in enlisted strength: +\$6.0 million
- 6) Program increase in Unitized Group Rations due to increase in the number of personnel estimated to receive benefit: +\$1.6 million
- 7) Program increase in Operation Ration due to increase in the number of personnel estimated to receive benefit: +\$3.4 million
- 8) Program increase in Other rations due to increase in the number of personnel estimated to receive benefit: +\$0.2 million
- 9) Program increase in Augmentation rations due to increase in the number of personnel estimated to receive benefit: +\$0.4 million

Family Subsistence Supplemental Allowance

There is a +\$40.0 thousand increase in Family Subsistence Supplemental Allowance requirement between FY2017 and FY2018. This change is due to:

- 1) Price increase in Family Subsistence Supplemental Allowance due to increase in cost inflation: +\$20.0 thousand
- 2) Program increase in Family Subsistence Supplemental Allowance due to increase in the number of Soldiers estimated to receive benefit: +\$20.0 thousand

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SUBSISTENCE OF ENLISTED PERSONNEL									
BASIC ALLOWANCE FOR SUBSISTENCE - ENLISTED									
WHEN AUTHORIZED TO MESS SEPARATELY	376,398	\$4,418	1,663,067	357,617	\$4,419	1,580,483	358,587	\$4,532	1,625,174
COLLECTIONS AT DISCOUNT MEAL RATE	-91,548	\$3,830	-350,643	-94,187	\$3,831	-360,839	-94,439	\$3,929	-371,030
SUBTOTAL BASIC ALLOWANCE FOR SUBSISTENCE - ENLISTED	284,850		1,312,424	263,430		1,219,644	264,148		1,254,144
SUBSISTENCE IN KIND									
SUBSISTENCE IN MESSES	105,275	\$4,304	453,111	64,711	\$4,415	285,706	66,173	\$4,565	302,097
OPERATIONAL RATIONS									
OPERATIONAL RATIONS -MEALS READY-TO-EAT (MRE)	18,548	\$9,586	177,797	19,078	\$9,833	187,601	19,429	\$10,167	197,541
UNITIZED GROUP RATIONS-HEAT AND SERVE	3,647	\$7,625	27,808	3,733	\$7,822	29,197	3,801	\$8,088	30,744
UNITIZED GROUP RATIONS (A)	11,712	\$6,574	76,990	8,942	\$6,743	60,297	9,106	\$6,973	63,491
OTHER RATION PACKAGES	878	\$10,570	9,281	851	\$10,843	9,226	866	\$11,212	9,715
SUBTOTAL OPERATIONAL RATIONS	34,785		291,876	32,604		286,321	33,202		301,491
AUGMENTATION RATIONS/OTHER PROGRAMS									
AUGMENTATION RATIONS			7			7			7
MEALS FURNISHED BY MEDICAL FACILITIES			2,589			2,677			3,065
SUBTOTAL AUGMENTATION RATIONS/OTHER PROGRAMS			2,596			2,684			3,072
SUBTOTAL SUBSISTENCE IN KIND	140,060		747,583	97,315		574,711	99,375		606,660
FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	74	\$7,454	552	73	\$7,704	560	75	\$7,969	601
TOTAL SUBSISTENCE OF ENLISTED PERSONNEL	424,984		2,060,559	360,818		1,794,915	363,598		1,861,405

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
SCHEDULE OF INCREASES AND DECREASES - PCS
(IN THOUSANDS OF DOLLARS)**

FY2017 Direct Program		1,733,495
Member travel increase due to cost inflation	7,246	
Dependent travel increase due to cost inflation	1,472	
Household goods shipment increase due to cost inflation	19,380	
Dislocation allowance increase due to annualization of 2017 and 2018 pay raise	3,742	
Non-temporary storage increase due to cost inflation	242	
Temporary lodging expense increase due to cost inflation	677	
Trailer allowance increase due to cost inflation	3	
Privately owned vehicle increase due to cost inflation	425	
Port handling increase due to cost inflation	1	
Total Increases Pricing		33,188
Temporary lodging expense increase due to change in move requirements	659	
Member travel increase due to change in move requirements	2,766	
Dislocation allowance increase due to change in move requirements	2,879	
Dependent travel increase due to change in move requirements	1,119	
Total Increases Program		7,423
Total Increases		40,611
Household goods shipment decrease due to change in move requirements	(6,150)	
Non-temporary storage decrease due to change in move requirements	(311)	
Privately owned vehicle decrease due to change in move requirements	(270)	
Port handling decrease due to change in move requirements	(5)	
Total Decreases Program		(6,736)
Total Decreases		(6,736)
FY2018 Direct Program		1,767,370

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
PCS - SUMMARY OF MOVE REQUIREMENTS
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016		ESTIMATE FY 2017		ESTIMATE FY 2018	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
ACCESSION TRAVEL	70,859	159,054	77,851	177,962	77,777	181,216
TRAINING TRAVEL	13,190	136,968	13,187	139,328	14,581	156,366
OPERATIONAL TRAVEL	36,987	398,723	34,921	380,026	35,369	392,154
ROTATIONAL TRAVEL TO/FROM OVERSEAS	49,356	747,773	48,347	750,346	47,522	753,717
SEPARATION TRAVEL	87,411	306,245	77,702	281,596	77,865	279,659
ORGANIZED UNIT TRAVEL	6,238	4,211	6,171	4,237	6,073	4,258
TOTAL OBLIGATIONS	264,041	1,752,974	258,179	1,733,495	259,187	1,767,370
TOTAL DIRECT		1,752,974		1,733,495		1,767,370

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
PCS - SUMMARY OF REQUIREMENTS BY TYPES OF COST
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>		<u>ESTIMATE FY 2017</u>		<u>ESTIMATE FY 2018</u>	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
TRAVEL OF MILITARY MEMBER						
MILEAGE AND PER DIEM	264,041	376,286	258,179	378,615	259,187	388,627
TRAVEL OF DEPENDENTS						
MILEAGE AND PER DIEM	115,262	77,424	109,330	76,514	110,544	79,105
TRANSPORTATION OF HHG						
LAND SHIPMENT	213,525	1,039,677	211,664	1,022,531	212,107	1,035,753
ITGBL SHIPMENT	70,101	3,855	67,513	3,835	66,155	3,843
DISLOCATION ALLOWANCE						
DISLOCATION ALLOWANCE	75,436	184,430	73,437	180,860	74,799	187,481
TRAILER ALLOWANCE	5	5	337	5	5	8
TRANSPORTATION OF POVS	9,847	22,923	9,558	22,631	9,425	22,786
PORT HANDLING (HHG)	1,030	144	1,019	135	987	131
NON-TEMPORARY STORAGE	9,512	13,030	9,464	12,722	9,069	12,653
TEMPORARY LODGING EXPENSE	27,445	35,200	28,093	35,647	28,162	36,983
TOTAL DIRECT		1,752,974		1,733,495		1,767,370

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
PCS - SUMMARY**

PROJECT: PERMANENT CHANGE OF STATION TRAVEL

PART I - PURPOSE AND SCOPE

These funds are for expenses incident to Permanent Change of Station (PCS) as authorized under Title 37, Chapter 7. Appropriated funds for this program will be used to pay for costs associated with travel of military personnel (and eligible family members) either individually or as part of organized units. Also included are all authorized Temporary Duty Travel directly related to an integral part of PCS movement of individuals or organizational units.

Funding requirements for PCS represents approximately 4% of total Military Pay requirement and includes six travel categories: Accessions Training, Operational, Rotational, Separations and Organized Unit. The number of moves in a given year has two primary drivers: prescribed end strength and mission requirements.

PCS Entitlements include:

- Travel of Military Members and Dependents
- Monetary Allowance in Lieu of Transportation for Members and Dependents
- Transportation of Household Goods
- Dislocation Allowance
- Global POV Charges
- Non-temporary Storage of Household Goods
- Port Handling Charges for Household Goods
- Transportation of Trailers
- Transportation of POVs
- Temporary Lodging Expense

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Permanent Change of Station (PCS) program supports the dynamic requirements of a transforming Army. The PCS program plays an integral role as the Army strives to restore balance to the force to improve dwell time, ensure that Soldiers are in the proper place at the right time, and meet the demands of current operations and future contingencies. The Army Manning Guidance is also a major driver within every element of the PCS program as the requirements of the Reset/Training Force Pool, Ready Force Pool, and Available Force Pool have significant impacts on yearly PCS requirements.

The general inflation assumption is 2.0% in FY 2018.

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
ACCESSION TRAVEL**

ESTIMATE FY 2018	\$181,216
ESTIMATE FY 2017	\$177,962
ACTUAL FY 2016	\$159,054

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 academy 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 strength levels and fulfillment of on-going war and peacetime requirements. Planned accession moves are directly related to the Army's Accession Mission.

There is a +\$3.2 million increase in the Accession program from FY 2017 to FY 2018. This change is due to:

1. Price increase of +\$3.4 million driven by general inflation
2. Program decrease of -\$0.2 million driven by a decrease in Officer and Cadet move requirements

The following table provides detailed cost computations:

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
ACCESSION TRAVEL
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
ACCESSION TRAVEL									
OFFICER									
ACCESSION TVL, OFFICER- MEM TVL MILEAGE	6,808	\$525	3,577	8,064	\$534	4,309	7,529	\$546	4,108
ACCESSION TVL, OFFICER- DEP TVL MILEAGE	1,007	\$408	411	1,193	\$416	496	1,114	\$424	472
ACCESSION TVL, OFFICER- HHG LAND SHIPMENT	6,808	\$1,652	11,244	8,064	\$1,680	13,545	7,529	\$1,715	12,912
ACCESSION TVL, OFFICER- DISLOCATION ALLOWANCE	601	\$2,414	1,451	711	\$2,463	1,751	666	\$2,512	1,673
ACCESSION TVL, OFFICER- PRIVATELY OWNED VEHICLES	28	\$2,321	65	33	\$2,364	78	31	\$2,419	75
ACCESSION TVL, OFFICER- NONTEMP STORAGE HHG			142			171			163
ACCESSION TVL, OFFICER- TEMPORARY LODGING	337	\$967	326	399	\$985	393	373	\$1,003	374
SUBTOTAL OFFICER			17,216			20,743			19,777
ENLISTED									
ACCESSION TVL, ENLISTED- MEM TVL MILEAGE	62,795	\$1,861	116,889	68,500	\$1,893	129,677	68,970	\$1,929	133,046
ACCESSION TVL, ENLISTED- DEP TVL MILEAGE	10,838	\$269	2,913	11,823	\$273	3,231	11,881	\$279	3,315
ACCESSION TVL, ENLISTED- HHG LAND SHIPMENT	62,541	\$189	11,835	68,223	\$192	13,130	68,555	\$197	13,471
ACCESSION TVL, ENLISTED- DISLOCATION ALLOWANCE	4,123	\$2,033	8,382	4,498	\$2,071	9,317	4,528	\$2,115	9,578
ACCESSION TVL, ENLISTED- PRIVATELY OWNED VEHICLES	8	\$2,250	18	8	\$2,500	20	8	\$2,500	20
ACCESSION TVL, ENLISTED- NONTEMP STORAGE HHG			81			82			93
ACCESSION TVL, ENLISTED- TEMPORARY LODGING	9,381	\$129	1,210	10,233	\$120	1,231	10,283	\$134	1,377
SUBTOTAL ENLISTED			141,328			156,688			160,900
ACCESSION TVL, CADET- MEM TVL MILEAGE	1,256	\$406	510	1,287	\$413	531	1,278	\$422	539
TOTAL ACCESSION TRAVEL			159,054			177,962			181,216

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
TRAINING TRAVEL**

ESTIMATE FY 2018	\$156,366
ESTIMATE FY 2017	\$139,328
ACTUAL FY 2016	\$136,968

PROJECT: TRAINING TRAVEL

PART I - PURPOSE AND SCOPE

Officers. Covers PCS movements of (1) officers and warrant officers from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction of 20 weeks duration or more; and (2) officer and warrant officer school graduates and eliminates from school to their next permanent CONUS duty station. Excluded are: academy graduates, OCS or OTC graduates, flying training graduates, ROTC graduates and others chargeable to Accession Travel.

Enlisted. Covers PCS movements of (1) enlisted personnel from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction, of 20 weeks duration or more; (2) enlisted school graduates and eliminates 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.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Training travel requirements support officer and enlisted personnel attending military, federal government and civilian training programs. Training is a critical component necessary to develop and maintain skill sets needed to fill the requirements of an agile Army prepared to respond to worldwide conflicts.

There is a +\$17.0 million increase in the Training program from FY 2017 to FY 2018. This change is due to:

1. Price increase of +\$3.0 million, driven by general inflation
2. Program increase of +\$14.0 million driven by an increase in enlisted FY 2018 training move requirements

The following table provides detailed cost computations:

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
TRAINING TRAVEL
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
TRAINING TRAVEL									
OFFICER									
TRAINING TVL, OFFICER- MEM TVL MILEAGE	11,277	\$1,511	17,036	11,275	\$1,536	17,323	11,188	\$1,569	17,550
TRAINING TVL, OFFICER- DEP TVL MILEAGE	7,116	\$732	5,209	7,115	\$744	5,297	7,060	\$760	5,366
TRAINING TVL, OFFICER- HHG LAND SHIPMENT	7,158	\$8,995	64,384	7,156	\$9,149	65,467	7,101	\$9,340	66,326
TRAINING TVL, OFFICER- DISLOCATION ALLOWANCE	9,793	\$2,811	27,527	9,791	\$2,864	28,044	9,734	\$2,925	28,469
TRAINING TVL, OFFICER- TRAILER ALLOWANCE	4	\$750	3	4	\$750	3	4	\$750	3
TRAINING TVL, OFFICER- NONTEMP STORAGE HHG			237			241			244
TRAINING TVL, OFFICER- TEMPORARY LODGING	1,692	\$2,328	3,939	1,691	\$2,368	4,005	1,678	\$2,418	4,058
SUBTOTAL OFFICER			118,335			120,380			122,016
ENLISTED									
TRAINING TVL, ENLISTED- MEM TVL MILEAGE	1,913	\$2,865	5,481	1,912	\$2,914	5,571	3,393	\$2,975	10,095
TRAINING TVL, ENLISTED- DEP TVL MILEAGE	1,147	\$1,521	1,745	1,146	\$1,548	1,774	2,034	\$1,580	3,214
TRAINING TVL, ENLISTED- HHG LAND SHIPMENT	1,535	\$4,161	6,387	1,534	\$4,232	6,492	2,723	\$4,320	11,764
TRAINING TVL, ENLISTED- DISLOCATION ALLOWANCE	1,913	\$2,142	4,097	1,912	\$2,183	4,173	3,400	\$2,228	7,576
TRAINING TVL, ENLISTED- TRAILER ALLOWANCE	1	\$2,000	2	1	\$2,000	2	1	\$5,000	5
TRAINING TVL, ENLISTED- NONTEMP STORAGE HHG			69			70			127
TRAINING TVL, ENLISTED- TEMPORARY LODGING	249	\$3,422	852	249	\$3,478	866	441	\$3,558	1,569
SUBTOTAL ENLISTED			18,633			18,948			34,350
TOTAL TRAINING TRAVEL			136,968			139,328			156,366

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
OPERATIONAL TRAVEL**

ESTIMATE FY 2018	\$392,154
ESTIMATE FY 2017	\$380,026
ACTUAL FY 2016	\$398,723

PROJECT: OPERATIONAL TRAVEL

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Operational moves are critical to the Army's ability to maintain a high level of readiness throughout the force and directly impact the ability to execute strategic placement of Soldiers to meet operational requirements.

There is a +\$12.0 million increase in the Operational program from FY 2017 to FY 2018. This change is due to:

1. Price increase of +\$7.3 million driven by general inflation
2. Program increase of \$4.7 million is driven by an overall increase in operational moves from FY 2017 to FY 2018. Moves for FY 2018 correlate with the latest Army move projections, which are most critical to backfill shortages, maintain proper manning levels, tactical competencies, and individual technical proficiencies for deploying units.

The following table provides detailed cost computations:

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
OPERATIONAL TRAVEL
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
OPERATIONAL TRAVEL									
OFFICER									
OPERATIONAL TVL, OFFICER- MEM TVL MILEAGE	8,874	\$1,558	13,830	7,912	\$1,458	11,537	7,851	\$1,489	11,687
OPERATIONAL TVL, OFFICER- DEP TVL MILEAGE	7,313	\$1,034	7,562	6,535	\$1,089	7,115	6,484	\$1,112	7,208
OPERATIONAL TVL, OFFICER- HHG LAND SHIPMENT	8,874	\$9,059	80,386	7,912	\$9,504	75,193	7,851	\$9,703	76,178
OPERATIONAL TVL, OFFICER- DISLOCATION ALLOWANCE	8,162	\$3,255	26,564	7,201	\$3,187	22,950	7,159	\$3,254	23,295
OPERATIONAL TVL, OFFICER- TRAILER ALLOWANCE	0		0	2	\$0	0	0		0
OPERATIONAL TVL, OFFICER- NONTEMP STORAGE HHG			213			216			219
OPERATIONAL TVL, OFFICER- TEMPORARY LODGING	899	\$4,911	4,415	804	\$5,473	4,400	797	\$5,592	4,457
SUBTOTAL OFFICER			132,970			121,411			123,044
ENLISTED									
OPERATIONAL TVL, ENLISTED- MEM TVL MILEAGE	28,113	\$1,542	43,364	27,009	\$1,518	40,987	27,518	\$1,549	42,636
OPERATIONAL TVL, ENLISTED- DEP TVL MILEAGE	23,446	\$720	16,892	22,407	\$735	16,465	22,829	\$750	17,128
OPERATIONAL TVL, ENLISTED- HHG LAND SHIPMENT	24,407	\$6,233	152,122	23,325	\$6,413	149,591	23,765	\$6,548	155,610
OPERATIONAL TVL, ENLISTED- DISLOCATION ALLOWANCE	20,391	\$2,236	45,598	19,432	\$2,247	43,663	19,837	\$2,294	45,509
OPERATIONAL TVL, ENLISTED- TRAILER ALLOWANCE	0		0	1	\$0	0	0		0
OPERATIONAL TVL, ENLISTED- NONTEMP STORAGE HHG			160			163			169
OPERATIONAL TVL, ENLISTED- TEMPORARY LODGING	3,374	\$2,258	7,617	3,373	\$2,296	7,746	3,437	\$2,344	8,058
SUBTOTAL ENLISTED			265,753			258,615			269,110
TOTAL OPERATIONAL TRAVEL			398,723			380,026			392,154

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
ROTATIONAL TRAVEL TO/FROM OVERSEAS**

ESTIMATE FY 2018	\$753,717
ESTIMATE FY 2017	\$750,346
ACTUAL FY 2016	\$747,773

PROJECT: ROTATIONAL TRAVEL TO/FROM OVERSEAS

PART I - PURPOSE AND SCOPE

Officers. Covers PCS movements of (1) officers and warrant officers from permanent duty stations in CONUS, or training of 20 weeks or more duration, to permanent duty stations overseas; (2) officers and warrant officers from permanent duty stations overseas to permanent duty stations in CONUS, or training of 20 weeks or more duration; (3) officers and warrant officers from permanent duty stations in one overseas area to permanent duty stations in another overseas area when transoceanic travel is involved; and (4) dependents, household goods, personal effects and privately owned vehicles of officers and warrant officers who are interned, missing or captured when transoceanic travel is involved.

Enlisted. Covers PCS movements of (1) enlisted personnel from permanent duty stations in CONUS, or training of 20 weeks or more duration, to permanent duty stations overseas; (2) enlisted personnel from permanent duty stations overseas to permanent duty stations in CONUS, or training of 20 weeks or more duration; (3) enlisted personnel from permanent duty stations in one overseas area to permanent duty stations in another overseas area when transoceanic travel is involved; and (4) dependents, household goods, personal effects, and privately owned vehicles of enlisted personnel who are interned, missing, or captured when transoceanic travel is involved.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Rotational moves are critical to the Army's ability to maintain a high level of readiness throughout the force. Rotational moves play an integral role in establishing proper balance across all Army installations throughout the globe. Rotational moves are directly impacted by overseas strength requirements and the length of overseas tours for Soldiers and their families.

There is a +\$3.4 million increase in the Rotational program between FY 2017 to FY 2018. This change is due to:

1. Price increase of +\$14.1 million driven by general inflation
2. Program decrease of -\$10.7 million is driven by an overall reduction in moves from FY 2017 to FY 2018. Moves for FY 2018 correlate with the latest Army move projections, which are most critical to backfill shortages, maintain proper manning levels, tactical competencies, and individual technical proficiencies for deploying units.

The following table provides detailed cost computations:

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
ROTATIONAL TRAVEL TO/FROM OVERSEAS
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
ROTATIONAL TRAVEL TO/FROM OVERSEAS									
OFFICER									
ROTATIONAL TVL, OFFICER- MEM TVL MILEAGE	9,204	\$2,692	24,778	8,679	\$2,697	23,403	8,595	\$2,753	23,663
ROTATIONAL TVL, OFFICER- DEP TVL MILEAGE	4,873	\$2,530	12,331	4,590	\$2,683	12,313	4,545	\$2,739	12,449
ROTATIONAL TVL, OFFICER- HHG LAND SHIPMENT	17,349	\$7,486	129,877	16,794	\$7,760	130,319	16,632	\$7,923	131,770
ROTATIONAL TVL, OFFICER- DISLOCATION ALLOWANCE	8,984	\$3,140	28,210	8,679	\$3,226	28,002	8,612	\$3,288	28,314
ROTATIONAL TVL, OFFICER- PRIVATELY OWNED VEHICLES	1,382	\$2,329	3,218	1,375	\$2,367	3,255	1,362	\$2,416	3,291
ROTATIONAL TVL, OFFICER- PORT HANDLING COST HHG	740	\$4	3	736	\$4	3	729	\$4	3
ROTATIONAL TVL, OFFICER- NONTEMP STORAGE HHG			3,017			3,052			3,086
ROTATIONAL TVL, OFFICER- TEMPORARY LODGING	1,888	\$2,962	5,592	1,780	\$3,164	5,632	1,763	\$3,230	5,694
SUBTOTAL OFFICER			207,026			205,979			208,270
ENLISTED									
ROTATIONAL TVL, ENLISTED- MEM TVL MILEAGE	40,152	\$2,083	83,646	39,668	\$2,109	83,645	38,927	\$2,153	83,808
ROTATIONAL TVL, ENLISTED- DEP TVL MILEAGE	18,728	\$1,228	22,989	18,501	\$1,250	23,123	18,156	\$1,276	23,168
ROTATIONAL TVL, ENLISTED- HHG LAND SHIPMENT	74,954	\$4,854	363,808	74,289	\$4,935	366,623	72,903	\$5,039	367,336
ROTATIONAL TVL, ENLISTED- DISLOCATION ALLOWANCE	19,668	\$2,134	41,978	19,431	\$2,179	42,332	19,106	\$2,221	42,435
ROTATIONAL TVL, ENLISTED- PRIVATELY OWNED VEHICLES	6,198	\$2,328	14,428	6,162	\$2,368	14,590	6,047	\$2,418	14,619
ROTATIONAL TVL, ENLISTED- PORT HANDLING COST HHG	95	\$95	9	94	\$96	9	92	\$98	9
ROTATIONAL TVL, ENLISTED- NONTEMP STORAGE HHG			2,724			2,755			2,760
ROTATIONAL TVL, ENLISTED- TEMPORARY LODGING	8,378	\$1,333	11,165	8,330	\$1,355	11,290	8,175	\$1,384	11,312
SUBTOTAL ENLISTED			540,747			544,367			545,447
TOTAL ROTATIONAL TRAVEL TO/FROM OVERSEAS			747,773			750,346			753,717

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
SEPARATION TRAVEL**

ESTIMATE FY 2018	\$279,659
ESTIMATE FY 2017	\$281,596
ACTUAL FY 2016	\$306,245

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

Separation moves are a product of the Army's efforts to maintain a balanced force. In addition to normal attrition, separation moves are in part based upon the Army's planned strength levels to fulfill on-going wartime and peacetime requirements.

There is a -\$1.9 million decrease in the Separation program between FY 2017 to FY 2018. This change is due to:

1. Price increase of +\$5.2 million driven by general inflation
2. Program decrease of -\$7.1 million driven by a decrease in officer move requirements as the Army meets planned strength levels to fulfill on-going wartime and peacetime requirements

Detailed cost computations are provided in the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
SEPARATION TRAVEL
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
SEPARATION TRAVEL									
OFFICER									
SEPARATION TVL, OFFICER- MEM TVL MILEAGE	9,289	\$1,570	14,586	9,331	\$1,597	14,901	7,787	\$1,630	12,696
SEPARATION TVL, OFFICER- DEP TVL MILEAGE	1,879	\$563	1,057	1,887	\$572	1,080	1,575	\$584	920
SEPARATION TVL, OFFICER- HHG LAND SHIPMENT	11,373	\$4,869	55,371	11,424	\$4,952	56,567	9,534	\$5,055	48,196
SEPARATION TVL, OFFICER- TRAILER ALLOWANCE	0		0	8	\$0	0	0		0
SEPARATION TVL, OFFICER- PRIVATELY OWNED VEHICLES	257	\$2,327	598	258	\$2,368	611	215	\$2,423	521
SEPARATION TVL, OFFICER- PORT HANDLING COST HHG	140	\$300	42	141	\$305	43	117	\$316	37
SEPARATION TVL, OFFICER- NONTEMP STORAGE HHG			2,270			2,320			1,976
SUBTOTAL OFFICER			73,924			75,522			64,346
ENLISTED									
SEPARATION TVL, ENLISTED- MEM TVL MILEAGE	76,931	\$674	51,876	67,099	\$686	46,014	68,800	\$699	48,078
SEPARATION TVL, ENLISTED- DEP TVL MILEAGE	37,273	\$165	6,167	32,509	\$168	5,471	33,268	\$172	5,716
SEPARATION TVL, ENLISTED- HHG LAND SHIPMENT	63,498	\$2,606	165,476	55,383	\$2,650	146,781	56,676	\$2,706	153,362
SEPARATION TVL, ENLISTED- TRAILER ALLOWANCE	0		0	321	\$0	0	0		0
SEPARATION TVL, ENLISTED- PRIVATELY OWNED VEHICLES	1,974	\$2,328	4,596	1,722	\$2,368	4,077	1,762	\$2,418	4,260
SEPARATION TVL, ENLISTED- PORT HANDLING COST HHG	55	\$1,636	90	48	\$1,667	80	49	\$1,673	82
SEPARATION TVL, ENLISTED- NONTEMP STORAGE HHG			4,113			3,648			3,812
SUBTOTAL ENLISTED			232,318			206,071			215,310
SEPARATION TVL, CADET- MEM TVL MILEAGE	1,191	\$3	3	1,272	\$2	3	1,278	\$2	3
TOTAL SEPARATION TRAVEL			306,245			281,596			279,659

PB-30X SEPARATION TRAVEL

MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
ORGANIZED UNIT TRAVEL

ESTIMATE FY 2018	\$4,258
ESTIMATE FY 2017	\$4,237
ACTUAL FY 2016	\$4,211

PROJECT: ORGANIZED UNIT TRAVEL

PART I - PURPOSE AND SCOPE

Officers. Covers PCS movements of officers directed to move as members of an organized unit movement and members of an organized unit movement as fillers/replacements directed to move as part of a unit move.

Enlisted. Covers PCS movements of enlisted personnel directed to move as members of an organized unit movement and members of an organized unit movement as fillers/replacements directed to move as part of a unit move.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Organized Unit Travel is required to support changes in force structure that realign the forces to correct imbalances of support/command/control units and to maintain unit tactical integrity.

There is a +\$21.0 thousand increase in the Organized Unit Travel program between FY 2017 to FY 2018. This change is due to:

1. Price change increase of +\$81.0 thousand driven by general inflation
2. Program change decrease of -\$60.0 thousand driven by an overall reduction in officer and enlisted move requirements

The following table provides detailed cost computations:

**MILITARY PERSONNEL, ARMY
SECTION 4
PERMANENT CHANGE OF STATION TRAVEL
ORGANIZED UNIT TRAVEL
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>AVERAGE NUMBER</u>	<u>RATE</u>	<u>AMOUNT</u>
ORGANIZED UNIT TRAVEL									
OFFICER									
ORGANIZED UNIT TVL, OFFICER- MEM TVL MILEAGE	757	\$120	91	749	\$123	92	738	\$125	92
ORGANIZED UNIT TVL, OFFICER- DEP TVL MILEAGE	52	\$519	27	51	\$529	27	50	\$540	27
ORGANIZED UNIT TVL, OFFICER- HHG LAND SHIPMENT	642	\$361	232	635	\$367	233	626	\$375	235
ORGANIZED UNIT TVL, OFFICER- DISLOCATION ALLOWANCE	145	\$855	124	144	\$868	125	142	\$887	126
ORGANIZED UNIT TVL, OFFICER- NONTEMP STORAGE HHG			2			2			2
ORGANIZED UNIT TVL, OFFICER- TEMPORARY LODGING	151	\$113	17	150	\$113	17	148	\$115	17
SUBTOTAL OFFICER			493			496			499
ENLISTED									
ORGANIZED UNIT TVL, ENLISTED- MEM TVL MILEAGE	5,481	\$113	619	5,422	\$115	622	5,335	\$117	626
ORGANIZED UNIT TVL, ENLISTED- DEP TVL MILEAGE	1,590	\$76	121	1,573	\$78	122	1,548	\$79	122
ORGANIZED UNIT TVL, ENLISTED- HHG LAND SHIPMENT	4,487	\$537	2,410	4,438	\$546	2,425	4,367	\$558	2,436
ORGANIZED UNIT TVL, ENLISTED- DISLOCATION ALLOWANCE	1,656	\$301	499	1,638	\$307	503	1,615	\$313	506
ORGANIZED UNIT TVL, ENLISTED- NONTEMP STORAGE HHG			2			2			2
ORGANIZED UNIT TVL, ENLISTED- TEMPORARY LODGING	1,096	\$61	67	1,084	\$62	67	1,067	\$63	67
SUBTOTAL ENLISTED			3,718			3,741			3,759
TOTAL ORGANIZED UNIT TRAVEL			4,211			4,237			4,258

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
SCHEDULE OF INCREASES AND DECREASES - OMPC
(IN THOUSANDS OF DOLLARS)**

FY2017 Direct Program		291,915
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to rate change	5	
Interest on Uniformed Services Savings Deposits increase due to rate change	4	
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	10	
Partial Dislocation Allowance increase due to annualization of pay raise inflation	1	
ROTC increase due to inflation rate change in pay raise, Cadet clothing and subsistence	1,884	
JROTC increase due to inflation rate change in Cadet clothing and subsistence	525	
Mass Transit Subsidy increase due to change in monthly benefit amount and inflation	139	
Unemployment Benefits increase due to annualized basic pay inflation	2,059	
Education Benefit increase due to revised amortization payment amounts	15,525	
Total Increases Pricing		20,152
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to increased deserter ratio	1	
Interest on Uniformed Services Savings Deposits change due to increased program utilization	1	
Death Gratuities increase due to change in non-combat deaths	200	
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	3	
ROTC increase due to number of program participants	1,692	
Mass Transit Subsidy increase due to slight increase in number of Soldiers receiving benefit	44	
Total Increases Program		1,941
Total Increases		22,093
Unemployment Benefits decrease due to fewer projected number of active duty separations	(11,460)	
JROTC decrease due to anticipated school closures and attrition	(10)	
Total Decreases Program		(11,470)
Total Decreases		(11,470)
FY2018 Direct Program		302,538

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
APPREHENSION DESERTERS, ABSENTEES, ESCAPED PRISONERS
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$309
ESTIMATE FY 2017	\$303
ACTUAL FY 2016	\$302

PROJECT: APPREHENSION DESERTERS, ABSENTEES, ESCAPED PRISONERS

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 include: 1) Payment of rewards, in an amount not to exceed \$75, for the apprehension of any such person; 2) Expenses of prisoners confined in nonmilitary facilities; 3) Payment of a gratuity not to exceed \$25 to each prisoner upon release from confinement in a military or contract prison facility; 4) Issue of authorized articles to prisoners and other persons in military custody; and 5) Expenses incident to the maintenance, pay and allowances of prisoners of war, other persons in the custody of the Army, Navy, or Air Force whose status is determined by the Secretary concerned to be similar to prisoners of war, and persons detained in the custody of the military pursuant to Presidential proclamation.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The funds requested are based on historical execution, a standard per diem rate for three travel days, and a \$75 reward.

There is a +\$6.0 thousand increase in the Apprehension of Deserters, Absentees, and Escaped Prisoners requirement between FY 2017 and FY 2018. This change is due to:

- (1) Program increase due to the number of deserters: +\$1.0 thousand
- (2) Price increase due to projected standard per diem rate change: +\$5.0 thousand

The following table provides cost estimates:

	<u>ACTUAL FY 2016</u> AMOUNT	<u>ESTIMATE FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT
APPREHENSION OF MIL DESERTERS, AWOL, PRISONERS	302	303	309

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSITS
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$160
ESTIMATE FY 2017 \$155
ACTUAL FY 2016 \$3,031

PROJECT: INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSITS

PART I - PURPOSE AND SCOPE

These funds pay interest on savings deposits of \$5 or more for overseas members of uniform services who participate in temporary duty in support of contingency operations. As authorized by Title 10, U.S.C., Section 1035, this program allows members to deposit up to \$10,000 of their allotted pays into the Savings Deposit Program (SDP) and be reimbursed up to 10% interest on all deposits. Interest will accrue up to 90 days after the Soldier redeploys. Any Soldier serving in an area that has been designated a combat zone or in an area designated in direct support of a combat zone for at least 30 days or at least one day in each of three consecutive months is eligible to enroll in the SDP.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The funds requested pay interest on savings accounts for members deployed in support of contingency operations. The FY 2016 column includes execution for Overseas Contingency Operations.

There is a +\$5.0 thousand increase in the Interest on Uniformed Services Savings Deposits requirement between FY 2017 and FY 2018. The change is due to:

- (1) Program increase due to an increase in man-years in FY 2018: +\$1.0 thousand
- (2) Price increase due to anticipated increase in costs due to basic pay inflation: +\$4.0 thousand

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSITS									
INTEREST ON SAVINGS, OFFICER	3,727	\$429	1,599	192	\$458	88	203	\$449	91
INTEREST ON SAVINGS, ENLISTED	6,017	\$238	1,432	238	\$282	67	237	\$291	69
TOTAL INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSITS	9,744		3,031	430		155	440		160

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
DEATH GRATUITIES
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$40,700
ESTIMATE FY 2017 \$40,500
ACTUAL FY 2016 \$42,008

PROJECT: DEATH GRATUITIES

PART I - PURPOSE AND SCOPE

Death Gratuities are payable under sections 1475-1477 of Title 10 U.S.C in the amount \$100,000 per death to beneficiaries of military personnel who die under certain conditions. The death must have occurred: 1) while on active duty or while traveling to or from duty; 2) during the 120-day period following the date of discharge or release, under honorable conditions, from active duty (including retirement for either a service connected disability or completed length of service).

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding requirements are based on peacetime mortality rates, historical execution, and the statutory gratuity payment rate.

FY 2017 and FY 2018 projections only include non-combat related death gratuity payments; combat related payments are included in the Overseas Contingency Operations request.

There is a +\$0.2 million increase in the Death Gratuities requirement between FY 2017 and FY 2018. This change is due to a program increase in the projected number of non-combat deaths.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
DEATH GRATUITIES									
DEATH GRATUITIES, OFFICER	66	\$100,000	6,600	63	\$100,000	6,300	63	\$100,000	6,300
DEATH GRATUITIES, ENLISTED	354	\$100,000	35,408	342	\$100,000	34,200	344	\$100,000	34,400
TOTAL DEATH GRATUITIES	420		42,008	405		40,500	407		40,700

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
UNEMPLOYMENT COMPENSATION BENEFITS**

ESTIMATE FY 2018	\$107,682
ESTIMATE FY 2017	\$117,083
ACTUAL FY 2016	\$194,526

PROJECT: UNEMPLOYMENT COMPENSATION BENEFITS

PART I - PURPOSE AND SCOPE

Funding requested for unemployment compensation benefits is to pay unemployment benefits to ex-service members as prescribed in Paragraph (1) of Section 8521(a) of Title 5, U.S.C. An ex-service member is eligible if discharged or released under honorable conditions and completed his or her first full term of active service. An ex-service member discharged or released before completing the first term of service for the convenience of the government under early release program, because of medical disqualification, hardship, personal disorders or ineptitude, and who served continuously for 365 days or more is also eligible. The Department of Labor is the executive agent for the program; however, program administration is accomplished by each state.

The Emergency Unemployment Compensation Act of 2014 (H.R. 3979) amends the Supplemental Appropriations Act 2008 to extend emergency unemployment compensation payments for former military personnel up to 26 weeks with a one-week waiting period. The law requires a service member serve in a reserve status for 90 continuous days or more to qualify as a full term "federal military service" for unemployment claim purposes.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimated unemployment benefit payments are based on programmed separations from the Army and average quarterly payments for unemployment compensation. In addition, the Army's cost projections have incorporated U.S. Bureau of Labor Statistics data and projected economic assumptions from the Congressional Budget Office.

The base projections displayed in the FY 2017 and FY 2018 are for the Active Component only. Reserve Component claims are contained in the Overseas Contingency Operations request.

There is a -\$9.4 million decrease in the Unemployment Compensation Benefits requirement between FY 2017 and FY 2018. This change is due to:

- (1) Program decrease due to lower projected active duty separations and reduction in participants due to anticipated economic improvements: -\$11.5 million
- (2) Price increase due to increase in annualized basic pay inflation: +\$2.1 million

Detailed cost computations are provided by the following table:

MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
UNEMPLOYMENT COMPENSATION BENEFITS
(IN THOUSANDS OF DOLLARS)

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
UNEMPLOYMENT COMPENSATION BENEFITS	37,735	\$5,155	194,526	21,954	\$5,333	117,083	20,214	\$5,327	107,682

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
RESERVE INCOME REPLACEMENT PROGRAM(RIRP)
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$0
ESTIMATE FY 2017 \$0
ACTUAL FY 2016 \$0

PROJECT: RESERVE INCOME REPLACEMENT PROGRAM(RIRP)

PART I - PURPOSE AND SCOPE

The Reserve Income Replacement Program (RIRP) was developed to provide specific payments to eligible members of the National Guard and Reserve who are involuntarily serving on active duty (the term active duty includes full-time National Guard duty) and who are experiencing an active duty income differential of more than \$50 per month, as determined by the member's Service Secretary. An active duty income differential is the difference between the average monthly civilian earned income of the member before mobilization and the member's total monthly military compensation while involuntarily mobilized when the member's average monthly civilian income exceeds the total monthly military compensation.

RIRP is effective as of August 1, 2006, and authorized in 37 U.S.C. 910. Income replacement payments will be made only for full months of qualifying involuntary active duty performed from August 2006 through December 2015. RIRP payments will be made to an eligible member on a monthly basis. RIRP payments may not exceed \$3,000 per month.

RIRP is an entitlement that must be paid to all eligible service members. To be eligible for RIRP payments, the member must be currently serving on active duty in an involuntarily status and have: completed 18 consecutive months of active duty, or completed 24 cumulative months of active duty during the previous 60 months, or been involuntarily mobilized for 180 days or more within six months of the previous involuntary period of active duty of more than 180 days.

PART II - JUSTIFICATION OF FUNDS REQUESTED

There are no base costs associated with this program. All funds are requested in the Overseas Contingency Operations request, as this program supports mobilized Reserve and National Guard Components. The RIRP is terminated on December 31, 2016 and no payments will be made for FY 2017 and FY 2018. Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
RESERVE INCOME REPLACEMENT PROGRAM(RIRP)									
OFFICER MOB FOR ONE/OE			0			0			0
RIRP			0			0			0
TOTAL RESERVE INCOME REPLACEMENT PROGRAM(RIRP)	0		0	0		0	0		0

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
AMORTIZATION OF EDUCATION BENEFITS
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$16,091
ESTIMATE FY 2017	\$566
ACTUAL FY 2016	\$4,788

PROJECT: AMORTIZATION OF EDUCATION BENEFITS

PART I - PURPOSE AND SCOPE

This program is governed by Title 38 U.S.C. Chapter 30. Funds provide educational assistance for readjustment into civilian life after separation from active military service. The program supports higher education to former Service members who might not otherwise be able to afford such an education. In addition, this program promotes and assists the All-Volunteer Force program and the Total Force Concept of the Armed Forces by providing educational assistance based upon service on active duty and in the Selected Reserve and National Guard to aid in recruitment and retention of highly qualified personnel for both active and reserve component. The Post-9/11 allows Servicemembers to transfer all or some unused benefits to their spouse or dependent children.

Under Title 10 U.S.C Sec 2006 (g)(1) the payment amount is based upon the most recent actuarial valuation of educational programs described in Sec 2006 (b)(1). Under Title 10 U.S.C. payments are made to the Department of Defense Education Benefits Fund, which is a trust fund.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FY 2017 and FY 2018 requests are based on the approved DoD Board of Actuary estimates for amortization payments.

There is a +\$15.5 million increase in the Amortization of Education Benefits requirement between FY 2017 and FY 2018. This change is due to a price increase based on an increase in the usage of benefit payments.

The following table provides cost estimates:

	<u>ACTUAL FY 2016</u> AMOUNT	<u>ESTIMATE FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT
AMORTIZATION OF EDUCATION BENEFITS	4,788	566	16,091

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
ADOPTION EXPENSES
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$603
ESTIMATE FY 2017	\$590
ACTUAL FY 2016	\$593

PROJECT: ADOPTION EXPENSES

PART I - PURPOSE AND SCOPE

The National Defense Authorization Act (NDAA) 1987, Public Law 100-180, Section 638, instructed the Secretary of Defense to establish a program to reimburse Armed Forces members for qualifying child adoption expenses for adoption of a child under the age of 18 years. Public Law 102-190, NDAA FY 1992 and 1993 Title VI, Section 651 provided permanent extension of program to reimburse members for adoption expenses. The program is now administered under the provisions of Title 10, U.S.C., 1052.

The authorized amount payable is \$2,000 per adoption but no more than \$5,000 per calendar year. Expenses include public and private agency fees; legal fees in connection with services that are unavailable to a member of the armed forces under section 1044 or 1044a of Title 10; medical expenses associated with the child, biological mother, and adoptive parents; temporary foster care; and other expenses approved by the Department of Defense.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The funding request for adoption expenses is based on an average number of adoptions and payment per adoption in FY 2016, adjusted for general inflation.

There is a +\$13.0 thousand increase in the Adoption Expenses requirement between FY 2017 and FY 2018. This change is due to:

- (1) Program increase as the Army anticipates more adoptions due to an increase in man-years in FY 2018: +\$3.0 thousand
- (2) Price increase due to anticipated increase in average costs driven by inflation: +\$10.0 thousand

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ADOPTION EXPENSES									
ADOPTION EXPENSE, OFFICER	89	\$1,895	168	86	\$1,928	166	87	\$1,962	170
ADOPTION EXPENSE, ENLISTED	270	\$1,574	425	265	\$1,601	424	266	\$1,630	433
TOTAL ADOPTION EXPENSES	359		593	351		590	353		603

PB-30X ADOPTION EXPENSES

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
PARTIAL DISLOCATION ALLOWANCE
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$64
ESTIMATE FY 2017	\$63
ACTUAL FY 2016	\$63

PROJECT: PARTIAL DISLOCATION ALLOWANCE

PART I - PURPOSE AND SCOPE

Section 636 of the FY 2002 National Defense Authorization Act (P.L. 107-107) authorizes Partial Dislocation Allowance (DLA) for members of the uniformed service who have been ordered to vacate family housing provided by the United States due to privatization, renovation, or any other reason other than PCS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

As directed by the Joint Federal Travel Regulation, effective 1 January 2017, the partial DLA payment rate is \$718. Rate increases are projected in accordance with approved pay raise rates. Cost estimates are based on the partial Dislocation Allowance rate and the number of Soldiers who have been ordered to vacate family housing due to privatization or renovation.

There is a +\$1.0 thousand increase in the Partial Dislocation Allowance between FY 2017 and FY 2018. This change is due to a price increase due to anticipated increase in costs due to basic pay inflation.

Detailed cost computations are provided in the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PARTIAL DISLOCATION ALLOWANCE									
PARTIAL DISLOCATION ALLOWANCE, OFFICER	15	\$714	11	15	\$728	11	15	\$742	11
PARTIAL DISLOCATION ALLOWANCE, ENLISTED	73	\$714	52	71	\$728	52	71	\$742	53
TOTAL PARTIAL DISLOCATION ALLOWANCE	88		63	86		63	86		64

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
SGLI EXTRA HAZARD PAYMENTS
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$0
ESTIMATE FY 2017	\$0
ACTUAL FY 2016	\$8,158

PROJECT: SGLI EXTRA HAZARD PAYMENTS

PART I - PURPOSE AND SCOPE

SGLI Extra Hazard Payments, authorized under 38 U.S.C. 1969, provides that there will be an annual assessment of costs for extra hazards of duty when actual mortality exceeds peacetime mortality. Each year the Department of Veterans Affairs (VA) actuaries perform a study of peacetime mortality, based upon the most recent three years of Soldier claim experience. This mortality study is used to determine the expected number of deaths under peacetime conditions. The expected number is then compared to the actual number of deaths to determine whether an extra hazard reimbursement is due to the SGLI program. Due to wartime conditions the annual reimbursement payments for Extra Hazard SGLI were required starting in FY 2004.

Section 613 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) required the services to pay a monthly allowance equal to the deduction made for the first \$150,000 of the SGLI coverage. Effective July 1, 2014, the SGLI monthly premium was changed to \$.07 per \$1,000 coverage.

PART II - JUSTIFICATION OF FUNDS REQUESTED

There are no base costs associated with this program, all funds are requested in the Overseas Contingency Operations request.

The following table provides cost estimates:

	<u>ACTUAL FY 2016</u> AMOUNT	<u>ESTIMATE FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT
SGLI EXTRA HAZARD PAYMENTS			
SGLI EXTRA HAZARD PAYMENTS, OFFICER	1,944	0	0
SGLI EXTRA HAZARD PAYMENTS, ENLISTED	6,214	0	0
TOTALSGLI EXTRA HAZARD PAYMENTS	8,158	0	0

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
SGLI TRAUMATIC INJURY PAYMENTS
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$0
ESTIMATE FY 2017	\$0
ACTUAL FY 2016	\$0

PROJECT: SGLI TRAUMATIC INJURY PAYMENTS

PART I - PURPOSE AND SCOPE

Every member who is covered under the Service Members' Group Life Insurance (SGLI) plan also has coverage under the Traumatic SGLI (T-SGLI) program, effective December 1, 2005. This coverage applies to active duty members, reservists, funeral honors duty and one-day muster duty.

The Military Services are required to submit payments for the T-SGLI program to the Department of Veterans Affairs. The T-SGLI program 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

There are no base costs associated with this program, all funds are requested in the Overseas Contingency Operations. The following table provides cost estimates:

	<u>ACTUAL FY 2016</u> AMOUNT	<u>ESTIMATE FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT
SGLI TRAUMATIC INJURY PAYMENTS			
SGLI TRAUMATIC INJURY PAYMENTS, OFFICER	0	0	0
SGLI TRAUMATIC INJURY PAYMENTS, ENLISTED	0	0	0
TOTALSGLI TRAUMATIC INJURY PAYMENTS	0	0	0

MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
ROTC

ESTIMATE FY 2018	\$101,008
ESTIMATE FY 2017	\$97,432
ACTUAL FY 2016	\$102,697

PROJECT: ROTC

PART I - PURPOSE AND SCOPE

Senior Reserve Officer Training Corps (ROTC) provides for the military personnel cost of students enrolled in the Senior ROTC non-scholarship and scholarship programs in accordance with provisions of 37 U.S.C 209. These military personnel costs include pay and allowances, stipends, bonuses, subsistence, and uniforms.

PART II - JUSTIFICATION OF FUNDS REQUESTED

There is a +\$3.6 million increase in the ROTC requirement between FY 2017 and FY 2018. The change is due to:

Senior ROTC Non-Scholarship program: -\$0.4 million:

- (1) Program decrease due to the termination of ROTC Student Loan Repayment Program (SLRP) payments to Non-scholarship students: -\$1.9 million
- (2) Program increase due to an increase in non-scholarship participation: +\$0.8 million
- (3) Price increase due to inflation associated with stipends, clothing, and subsistence: +\$0.7 million

Senior ROTC Scholarship program: +\$4.0 million:

- (1) Program increase due to an increase in the number of scholarships offered: +\$2.8 million
- (2) Price increase due to inflation associated with stipends, clothing, and subsistence: +\$1.2 million

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
ROTC
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ROTC									
ROTC NON-SCHOLARSHIP PROGRAM									
PAY AND ALLOWANCES (AUTHORIZED FIELD TRAINING)									
BASIC CAMP	2,176	\$2,601	5,659	2,180	\$2,650	5,778	2,302	\$2,702	6,219
ADVANCED CAMP	3,682	\$1,074	3,955	4,364	\$1,094	4,774	3,735	\$1,116	4,168
CADET TROOP LEADER	1,791	\$728	1,304	753	\$741	558	1,817	\$756	1,374
SUBTOTAL PAY AND ALLOWANCES (AUTHORIZED FIELD TRAINING)	7,649		10,918	7,297		11,110	7,854		11,761
ROTC STUDENT LOAN REPAYMENT PROGRAM	903	\$9,738	8,795	190	\$9,923	1,887	0	\$0	0
UNIFORMS, ISSUE-IN-KIND (NONSCHOLARSHIP)									
BASIC COURSE	31,739	\$115	3,650	32,094	\$117	3,755	32,210	\$119	3,833
ADVANCED COURSE	15,678	\$115	1,803	15,282	\$117	1,788	15,908	\$119	1,893
SUBTOTAL UNIFORMS, ISSUE-IN-KIND (NONSCHOLARSHIP)	47,417		5,453	47,376		5,543	48,118		5,726
UNIFORMS, COMMUTATION-IN-LIEU									
BASIC COURSE, MALE	1,608	\$609	979	1,838	\$619	1,138	1,633	\$630	1,029
BASIC COURSE, FEMALE	436	\$659	287	414	\$671	278	442	\$683	302
ADVANCED COURSE, MALE	287	\$595	171	279	\$605	169	291	\$616	179
ADVANCED COURSE, FEMALE	256	\$672	172	79	\$683	54	260	\$695	181
SUBTOTAL UNIFORMS, COMMUTATION-IN-LIEU	2,587		1,609	2,610		1,639	2,626		1,691
SENIOR ROTC NONSCHOLARSHIP STIPEND									
BASIC	917	\$3,426	3,141	423	\$3,484	1,473	930	\$3,547	3,298
ADVANCED	2,728	\$4,657	12,704	3,089	\$4,737	14,632	2,766	\$4,822	13,340
SUBTOTAL SENIOR ROTC NONSCHOLARSHIP STIPEND	3,645		15,845	3,512		16,105	3,696		16,638
SUBSISTENCE OF SENIOR ROTC CADETS (NONSCHOLARSHIP)									
BASIC CAMP	1,961	\$76	149	1,718	\$78	134	2,309	\$81	187
ADVANCED CAMP	3,329	\$76	253	3,449	\$78	269	3,704	\$81	300
PROFESSIONAL DEVELOPMENT	934	\$76	71	513	\$78	40	951	\$81	77
CADET TROOP LEADER TRAINING	224	\$76	17	590	\$78	46	222	\$81	18
PRACTICAL FIELD TRAINING	8,553	\$76	650	9,295	\$78	725	8,630	\$81	699
SUBTOTAL SUBSISTENCE OF SENIOR ROTC CADETS (NONSCHOLARSHIP)	15,001		1,140	15,565		1,214	15,816		1,281
SUBTOTAL ROTC NON-SCHOLARSHIP PROGRAM	77,202		43,760	76,550		37,498	78,110		37,097

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
ROTC
(IN THOUSANDS OF DOLLARS)**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ROTC									
ROTC SCHOLARSHIP PROGRAM									
PAY AND ALLOWANCES (AUTHORIZED FIELD TRAINING) SCH									
BASIC CAMP	988	\$2,601	2,570	790	\$2,651	2,093	1,152	\$2,701	3,112
ADVANCED CAMP	4,175	\$1,074	4,484	4,501	\$1,094	4,924	4,235	\$1,115	4,722
CADET TROOP LEADER	725	\$728	528	942	\$742	699	735	\$756	556
SUBTOTAL PAY AND ALLOWANCES (AUTHORIZED FIELD TRAINING) SCH	5,888		7,582	6,233		7,716	6,122		8,390
SENIOR ROTC SCHOLARSHIP, CADET CLOTHING									
BASIC	18,583	\$115	2,137	12,205	\$117	1,428	18,849	\$119	2,243
ADVANCED	12,739	\$115	1,465	19,094	\$117	2,234	12,924	\$119	1,538
SUBTOTAL SENIOR ROTC SCHOLARSHIP, CADET CLOTHING	31,322		3,602	31,299		3,662	31,773		3,781
UNIFORMS, COMMUTATION-IN-LIEU									
BASIC COURSE, MALE	636	\$623	396	793	\$633	502	644	\$646	416
BASIC COURSE, FEMALE	391	\$675	264	490	\$686	336	396	\$700	277
ADVANCED COURSE, MALE	482	\$610	294	355	\$620	220	489	\$632	309
ADVANCED COURSE, FEMALE	163	\$688	112	50	\$699	35	165	\$713	118
SUBTOTAL UNIFORMS, COMMUTATION-IN-LIEU	1,672		1,066	1,688		1,093	1,694		1,120
SENIOR ROTC SCHOLARSHIP STIPEND									
BASIC	4,063	\$3,181	12,924	4,369	\$3,235	14,134	4,566	\$3,300	15,067
ADVANCED	7,048	\$4,647	32,754	6,833	\$4,726	32,291	7,147	\$4,821	34,457
SUBTOTAL SENIOR ROTC SCHOLARSHIP STIPEND	11,111		45,678	11,202		46,425	11,713		49,524
SUBSISTENCE OF SCHOLARSHIP CADETS TRAINING									
BASIC CAMP	1,000	\$76	76	410	\$78	32	1,148	\$81	93
ADVANCED CAMP	4,197	\$76	319	2,282	\$78	178	4,210	\$81	341
PROFESSIONAL DEVELOPMENT	368	\$76	28	397	\$78	31	370	\$81	30
CADET TROOP LEADER TRAINING	566	\$76	43	487	\$78	38	580	\$81	47
PRACTICAL FIELD TRAINING	7,145	\$76	543	9,731	\$78	759	7,222	\$81	585
SUBTOTAL SUBSISTENCE OF SCHOLARSHIP CADETS TRAINING	13,276		1,009	13,307		1,038	13,530		1,096
SUBTOTAL ROTC SCHOLARSHIP PROGRAM	63,269		58,937	63,729		59,934	64,832		63,911
TOTAL ROTC	140,471		102,697	140,279		97,432	142,942		101,008

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
JROTC
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$28,037
ESTIMATE FY 2017 \$27,522
ACTUAL FY 2016 \$37,169

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. Funds provide core-level resources to operate the Army's JROTC program in CONUS and OCONUS locations as mandated by Congress and provides funds for uniforms, laundry/alterations and subsistence for students enrolled in the JROTC program at secondary education institutions as provided for in 10 U.S.C. 2031.

PART II - JUSTIFICATION OF FUNDS REQUESTED

JROTC remains one of the most successful Army programs, enhancing our ability to have a positive presence and foster citizenship programs in our high schools and local communities.

The number JROTC programs is projected to decrease through attrition and the Army does not intend to open any new JROTC programs in FY 2017.

There is a +\$0.5 million increase in the JROTC requirement between FY 2017 and FY 2018. This change is due to:

- (1) Program decrease due to anticipated school closures and attrition: -\$0.2 million
- (2) Price increase primarily due to clothing and subsistence inflation: +\$0.7 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
JROTC									
UNIFORMS, ISSUE-IN-KIND (JUNIOR ROTC)	422,024	\$82	34,606	308,723	\$83	25,624	306,765	\$85	26,075
SUBSISTENCE OF JROTC CADETS - SUMMER CAMP									
FIELD RATIONS	17,799	\$144	2,563	12,824	\$148	1,898	12,740	\$154	1,962
SUBTOTAL SUBSISTENCE OF JROTC CADETS - SUMMER CAMP	17,799		2,563	12,824		1,898	12,740		1,962
TOTAL JROTC	439,823		37,169	321,547		27,522	319,505		28,037

PB-30X JROTC

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
MASS TRANSIT SUBSIDY
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018	\$7,884
ESTIMATE FY 2017	\$7,701
ACTUAL FY 2016	\$7,025

PROJECT: MASS TRANSIT SUBSIDY

PART I - PURPOSE AND SCOPE

Mass transit subsidy, based on the Consolidated Appropriations Act, 2016 (P.L. 114-113), & 105, monthly increases are made permanent, and subject to the applications of the inflation adjustment under Title 26, USC, & 132 (f)(6), the IRS Code. The monthly benefit rate of \$255 was effective 1 February 2016. Future increases will be based upon the application of the IRS inflation adjustment factor to the existing monthly rate, but is subject to publication of revisions to the IRS Code. The intent of this program is to reduce federal employees' contribution to traffic congestion and air pollution and to expand commuting alternatives by encouraging the use of mass transportation.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on an estimated number of military participants in the National Capital Region (NCR) and qualified CONUS locations (Non-NCR). The maximum monthly limit for benefits is \$255 effective 1 February 2016.

There is a +\$200.0 thousand increase in the Mass Transit Subsidy requirement between FY 2017 to FY 2018. The change is due to:

- (1) Program increase due to anticipated number of Soldiers to receive benefit due to an increase in man-years in FY 2018: +\$50.0 thousand
- (2) Price increase due to anticipated increase in costs due to inflation: +\$150.0 thousand

Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
MASS TRANSIT SUBSIDY									
MASS TRANSIT SUBSIDY, OFFICER	2,757	\$1,656	4,566	2,671	\$1,866	4,984	2,687	\$1,900	5,106
MASS TRANSIT SUBSIDY, ENLISTED	1,485	\$1,656	2,459	1,456	\$1,866	2,717	1,462	\$1,900	2,778
TOTAL MASS TRANSIT SUBSIDY	4,242		7,025	4,127		7,701	4,149		7,884

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
STOP-LOSS SPECIAL COMPENSATION
(IN THOUSANDS OF DOLLARS)**

ESTIMATE FY 2018 \$0
ESTIMATE FY 2017 \$0
ACTUAL FY 2016 \$16

PROJECT: STOP-LOSS SPECIAL COMPENSATION

PART I - PURPOSE AND SCOPE

Public Law 111-32, Section 310 appropriated \$534.4 million in FY 2009 supplemental appropriations to make payment of claims to members of the Armed Forces, including members of the reserve components, and former and retired members under the jurisdiction of the Secretary who, at any time during the period beginning on September 11, 2001, and ending on September 30, 2009, served on active duty while the members' enlistment or period of obligated service was extended, or whose eligibility for retirement was suspended, pursuant to section 123 or 12305 of title 10, United States Code, or any other provision of law (commonly referred to as a "stop-loss authority") authorizing the President to extend an enlistment or period of obligated service, or suspend an eligibility for retirement, of a member of the uniformed services in time of war or of national emergency declared by Congress or the President.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The amount to be paid to or on behalf of an eligible member, retired member, or former member described above shall be \$500 per month for each month or portion of a month during the period specified above that the member was retained on active duty as a result of application of the stop-loss authority. Section 310 stated that the military departments may not pay claims that are submitted more than 1 year after the date on which the implementing rules for claims take effect. The program would have expired on October 21, 2010; however, the deadline for processing new claims was extended through October 21, 2012. Although not available for new claims, the funds are available for obligation until expended on claims received prior to the deadline, but not yet processed for payment. Public Law 113-6, as of March 26, 2013, rescinded \$127.2 million of the \$534.4 million originally appropriated.

The Army's share of the \$534.4 million for this program is \$405.6 million. The amount reflected in FY 2016 of +\$16.0 thousand was posted erroneously and is being realigned to the appropriate account. As of February 2017 \$313.2 million has been obligated in total and recorded as an Overseas Contingency Operation obligation. Detailed cost computations are provided by the following table:

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
STOP-LOSS SPECIAL COMPENSATION									
OFFICER	0	\$0	1	0	\$0	0	0	\$0	0
ENLISTED	0	\$0	15	0	\$0	0	0	\$0	0
TOTAL STOP-LOSS SPECIAL COMPENSATION	0		16	0		0	0		0

PB-30X STOP-LOSS SPECIAL COMPENSATION

SECTION 5
SPECIAL ANALYSIS

**MILITARY PERSONNEL, ARMY
SECTION 5
REIMBURSABLE INTRODUCTION**

REIMBURSABLE INTRODUCTION

Introduction

The Defense Working Capital Funds (DWCF) are established under the authority of Title 10 U.S.C. and consist of activity groups that are managed by DoD Components for providing goods and services, on a reimbursable basis, to other activities with the DoD and to non-DoD activities when authorized, 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 and other agencies.

Justification of Funds Requested

Reimbursable has an overall program decrease of -\$14.0 million from FY 2017 to FY 2018 primarily driven by a reduction in the projected participation in the eligible organizations.

Detailed cost computations are provided by the following table:

**MILITARY PERSONNEL, ARMY
SECTION 5
MILITARY PERSONNEL ASSIGNED OUTSIDE DOD**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
ASSIGNED OUTSIDE DOD									
NON-REIMBURSABLE PERSONNEL									
DRUG ENFORCEMENT AGENCY	3	0	3	3	5	8	3	5	8
DENTAL HYGIENE PROGRAM	0	8	8	0	0	0	0	0	0
DEPARTMENT OF ENERGY	12	0	12	12	0	12	12	0	12
DEPARTMENT OF JUSTICE	7	0	7	7	0	7	7	0	7
DEPARTMENT OF STATE	32	0	32	32	0	32	32	0	32
LAW ENFORCEMENT SUPPORT OFFICE	38	0	38	0	0	0	0	0	0
OFFICE OF NATIONAL DRUG CONTROL POLICY	2	0	2	3	0	3	3	0	3
NSC	0	0	0	4	0	4	4	0	4
SSC FELLOWSHIP	3	0	3	3	0	3	3	0	3
TRAINING WITH INDUSTRY	0	0	0	2	0	2	2	0	2
WHITE HOUSE MILITARY OFFICE	22	10	32	22	9	31	22	9	31
SUB-TOTAL NON-REIMBURSABLE PERSONNEL	119	18	137	88	14	102	88	14	102
REIMBURSABLE PERSONNEL									
NASA	3	0	3	3	0	3	3	0	3
OTHER AGENCIES	2	0	2	2	0	2	2	0	2
SUB-TOTAL REIMBURSABLE PERSONNEL	5	0	5	5	0	5	5	0	5
TOTAL ASSIGNED OUTSIDE DOD	124	18	142	93	14	107	93	14	107

**MILITARY PERSONNEL, ARMY
SECTION 5
MILITARY PERSONNEL ASSIGNED OUTSIDE DOD**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF NON-DOD FUNCTIONS									
REIMBURSABLE PERSONNEL									
FOREIGN MILITARY SALES	43	57	100	43	57	100	43	52	95
SUB-TOTAL REIMBURSABLE PERSONNEL	43	57	100	43	57	100	43	52	95
TOTAL ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF NON-DOD FUNCTIONS	43	57	100	43	57	100	43	52	95
ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF DOD FUNCTIONS									
REIMBURSABLE PERSONNEL									
INDUSTRIAL OPERATIONS	38	47	85	38	47	85	38	47	85
SUPPLY MGMT	6	0	6	6	0	6	6	0	6
TRANSCOM	47	54	101	47	54	101	47	54	101
DECA	6	0	6	6	0	6	6	0	6
DFAS	58	114	172	58	114	172	58	114	172
DISA	37	40	77	37	40	77	37	40	77
DLA	100	77	177	100	77	177	100	77	177
DEFENSE AGENCIES	77	17	94	30	4	34	14	1	15
USACE - Civil Works	316	70	386	337	42	379	343	30	373
USTC	41	86	127	41	86	127	41	86	127
JIEDDO	30	13	43	30	13	43	30	13	43
HRC	0	6	6	0	6	6	0	6	6
MARINES	7	10	17	7	10	17	5	7	12
NAVY	0	10	10	0	10	10	0	10	10
NGB	5	5	10	5	5	10	5	5	10
AIR FORCE	6	4	10	6	4	10	6	4	10
SYS CMD	0	4	4	0	4	4	0	4	4
OTHER	6	0	6	6	0	6	6	0	6
SUB-TOTAL REIMBURSABLE PERSONNEL	780	557	1,337	754	516	1,270	742	498	1,240
TOTAL ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF DOD FUNCTIONS	780	557	1,337	754	516	1,270	742	498	1,240
TOTAL REIMBURSABLE PERSONNEL	828	614	1,442	802	573	1,375	790	550	1,340
TOTAL NON-REIMBURSABLE PERSONNEL	119	18	137	88	14	102	88	14	102
GRAND TOTAL	947	632	1,579	890	587	1,477	878	564	1,442

PB-30Q MILITARY PERSONNEL ASSIGNED OUTSIDE DOD

**MILITARY PERSONNEL, ARMY
SECTION 5
REIMBURSABLE PROGRAM
(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL FY 2016</u>			<u>ESTIMATE FY 2017</u>			<u>ESTIMATE FY 2018</u>		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
SUBSISTENCE									
Subsistence	\$1,829	\$6,823	\$8,652	\$1,867	\$4,852	\$6,719	\$2,389	\$5,895	\$8,284
MEDICAL									
Defense Health Program	\$89,358	\$59,630	\$148,988	\$95,544	\$64,250	\$159,794	\$93,567	\$62,437	\$156,004
STRENGTH RELATED									
Basic Pay	\$54,412	\$14,960	\$69,372	\$51,244	\$15,252	\$66,496	\$48,414	\$12,293	\$60,707
Retired Pay Accrual	\$17,086	\$4,697	\$21,783	\$16,039	\$4,774	\$20,813	\$13,426	\$3,267	\$16,693
Incentive Pay	\$6,093	\$1,690	\$7,783	\$5,325	\$1,123	\$6,448	\$5,934	\$1,440	\$7,374
Allowance	\$15,204	\$5,153	\$20,357	\$14,082	\$4,889	\$18,971	\$13,177	\$3,504	\$16,681
Social Security Tax	\$4,163	\$1,144	\$5,307	\$3,920	\$1,167	\$5,087	\$3,661	\$921	\$4,582
TOTAL PROGRAM	\$188,145	\$94,097	\$282,242	\$188,021	\$96,307	\$284,328	\$180,568	\$89,757	\$270,325

**MILITARY PERSONNEL, ARMY
SECTION 5
ROTC
RESERVE OFFICER CANDIDATES (ROTC) ENROLLMENT**

	ACTUAL FY 2016			ESTIMATE FY 2017			ESTIMATE FY 2018		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Non-Scholarship Students									
MS I	9,705	10,471	11,236	9,409	10,150	10,891	8,810	9,505	10,199
MS II	4,842	5,224	5,605	5,338	5,759	6,180	6,044	6,521	6,997
Total Basic Course	14,547	15,694	16,841	14,747	15,909	17,071	14,854	16,025	17,196
MS III	1,853	1,999	2,145	2,103	2,269	2,434	2,496	2,693	2,889
MS IV	2,394	2,583	2,771	1,482	1,599	1,716	1,531	1,652	1,772
Total Advanced Course	4,247	4,582	4,916	3,585	3,868	4,150	4,027	4,344	4,661
Total Non-Scholarship Students	18,794	20,276	21,757	18,332	19,777	21,221	18,881	20,369	21,857
Scholarship Students									
MS I	1,193	1,287	1,381	1,027	1,109	1,191	1,013	1,093	1,172
MS II	3,363	3,628	3,893	3,083	3,326	3,569	2,924	3,155	3,385
Total Basic Course	4,556	4,915	5,274	4,110	4,435	4,760	3,937	4,247	4,557
MS III	3,468	3,742	4,015	3,967	4,280	4,592	3,711	4,004	4,297
MS IV	3,800	4,100	4,399	3,908	4,216	4,523	4,358	4,702	5,045
Total Advanced Course	7,268	7,841	8,414	7,875	8,495	9,115	8,069	8,706	9,342
Total Scholarship Students	11,824	12,756	13,688	11,985	12,930	13,875	12,006	12,953	13,899
Total Enrollment									
MS I	10,898	11,758	12,617	10,436	11,259	12,082	9,823	10,597	11,371
MS II	8,205	8,852	9,498	8,421	9,085	9,749	8,968	9,675	10,382
Total Basic Course	19,103	20,609	22,115	18,857	20,344	21,831	18,791	20,272	21,753
MS III	5,321	5,741	6,160	6,070	6,548	7,026	6,207	6,697	7,186
MS IV	6,194	6,682	7,170	5,390	5,815	6,239	5,889	6,353	6,817
Total Advanced Course	11,515	12,423	13,330	11,460	12,363	13,265	12,096	13,050	14,003
Total Enrollment	30,618	33,032	35,445	30,317	32,707	35,096	30,887	33,322	35,756
Completed ROTC and Commissioned			5,452			5,279			5,579

**MILITARY PERSONNEL, ARMY
SECTION 5
ROTC
RESERVE OFFICER CANDIDATES (ROTC) PROGRAM**

Number of schools and the civilian and military personnel associated with the ROTC program as follows:

	<u>ACTUAL FY 2016</u>	<u>ESTIMATE FY 2017</u>	<u>ESTIMATE FY 2018</u>
Schools	273	273	273
Civilian Personnel	1,524	1,337	1,281
Military Personnel (End Strength)	2,033	2,035	2,035

**MILITARY PERSONNEL, ARMY
SECTION 5
STRENGTHS
MONTHLY END STRENGTHS BY PAY GRADE**

	ACTUAL FY 2016											
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
OFFICER												
COMMISSIONED OFFICERS												
GENERAL	11	11	11	11	12	13	12	12	12	11	11	12
LIEUTENANT GENERAL	49	47	47	47	49	46	44	46	45	46	46	44
MAJOR GENERAL	124	126	125	124	118	122	120	124	126	125	125	125
BRIGADIER GENERAL	131	128	129	129	131	129	129	128	130	135	132	131
COLONEL	4,134	4,024	4,006	4,068	4,111	4,156	4,198	4,212	4,230	4,212	4,192	4,139
LIEUTENANT COLONEL	9,290	9,218	9,263	9,234	9,233	9,268	9,283	9,281	9,257	9,180	9,127	8,997
MAJOR	16,343	16,254	16,139	15,856	15,772	15,692	15,699	15,645	15,701	15,681	15,643	15,578
CAPTAIN	29,209	29,202	29,150	29,094	29,056	28,963	28,740	30,197	29,712	29,520	29,094	28,809
1ST LIEUTENANT	11,706	13,574	13,362	13,117	13,237	13,273	13,524	11,794	11,840	11,624	11,506	11,340
2ND LIEUTENANT	8,331	6,336	6,354	6,629	6,415	6,314	5,931	7,155	7,689	7,915	8,064	8,386
SUBTOTAL COMMISSIONED OFFICERS	79,328	79,328	78,586	78,309	78,134	77,976	77,680	78,594	78,742	78,449	77,940	77,561
WARRANT OFFICERS												
WARRANT OFFICER (W-5)	630	631	633	627	629	627	624	621	617	609	606	591
WARRANT OFFICER (W-4)	2,085	2,090	2,087	2,070	2,068	2,065	1,984	1,987	1,989	1,989	1,972	1,957
WARRANT OFFICER (W-3)	4,203	4,208	4,215	4,218	4,231	4,233	4,198	4,215	4,213	4,198	4,195	4,171
WARRANT OFFICER (W-2)	6,248	6,221	6,249	6,156	6,172	6,160	6,096	6,104	6,039	6,013	5,969	5,897
WARRANT OFFICER (W-1)	1,842	1,859	1,814	1,838	1,847	1,839	1,820	1,806	1,856	1,865	1,945	1,952
SUBTOTAL WARRANT OFFICERS	15,008	15,008	14,998	14,909	14,947	14,924	14,722	14,733	14,714	14,674	14,687	14,568
SUBTOTAL OFFICER	94,336	93,929	93,584	93,218	93,081	92,900	92,402	93,327	93,456	93,123	92,627	92,129
ENLISTED												
SERGEANT MAJOR	3,396	3,404	3,430	3,370	3,352	3,321	3,369	3,350	3,388	3,419	3,406	3,379
1ST SERGEANT/MASTER SERGEANT	11,261	11,082	10,923	10,826	10,894	10,931	10,952	10,974	11,057	10,968	10,968	10,778
PLATOON SERGEANT/SERGEANT 1ST CLASS	36,537	36,138	35,903	35,680	35,735	35,481	35,656	35,579	35,630	35,720	35,264	35,212
STAFF SERGEANT	57,425	57,008	56,741	56,266	55,704	55,646	55,348	55,240	54,915	54,660	54,287	54,189
SERGEANT	68,924	68,736	68,339	67,621	67,428	66,794	66,541	66,094	66,159	65,790	65,267	64,861
CORPORAL/SPECIALIST	119,222	119,479	118,601	119,182	119,315	119,364	118,544	117,977	116,054	115,033	114,624	114,509
PRIVATE FIRST CLASS	46,222	45,992	45,159	45,682	45,963	45,532	44,610	44,210	44,902	45,604	46,892	47,289
PRIVATE E2	25,932	25,308	26,029	26,677	27,359	27,961	28,394	28,858	27,346	27,736	27,390	26,699
PRIVATE E1	21,027	21,646	19,176	19,929	18,556	16,921	15,436	15,381	16,981	17,262	20,095	21,862
SUBTOTAL ENLISTED PERSONNEL	389,946	389,946	384,301	385,233	384,306	381,951	378,850	377,663	376,432	376,192	378,193	378,778
CADET	4,419	4,412	4,379	4,366	4,353	4,321	4,302	3,328	4,584	4,529	4,513	4,493
TOTAL END STRENGTH	488,701	487,134	482,264	482,817	481,740	479,172	475,554	474,318	474,472	473,844	475,333	475,400

PB-30Z MONTHLY END STRENGTHS BY PAY GRADE

**MILITARY PERSONNEL, ARMY
SECTION 5
STRENGTHS
MONTHLY END STRENGTHS BY PAY GRADE**

	ESTIMATE FY 2017											
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
OFFICER												
COMMISSIONED OFFICERS												
GENERAL	11	11	11	11	12	13	12	12	12	11	11	12
LIEUTENANT GENERAL	45	44	46	46	49	45	44	46	44	45	45	43
MAJOR GENERAL	126	123	123	122	116	121	121	123	123	121	122	123
BRIGADIER GENERAL	129	129	127	127	129	128	130	127	127	131	129	129
COLONEL	4,172	4,169	4,147	4,160	4,183	4,203	4,231	4,187	4,177	4,141	4,105	4,037
LIEUTENANT COLONEL	8,978	8,992	9,020	9,011	8,950	8,947	8,942	8,934	8,962	8,884	8,850	8,715
MAJOR	15,273	15,192	15,115	15,069	15,067	15,075	15,134	15,220	15,302	15,298	15,222	14,988
CAPTAIN	28,963	28,884	28,366	28,402	28,348	28,155	27,910	29,590	29,330	29,281	29,161	28,664
1ST LIEUTENANT	10,739	12,600	12,865	12,612	12,781	12,766	13,076	11,254	11,367	11,200	10,964	11,422
2ND LIEUTENANT	8,587	6,514	6,118	6,374	6,194	6,073	5,735	6,827	7,382	7,626	7,684	8,447
SUBTOTAL COMMISSIONED OFFICERS	77,023	77,023	75,938	75,934	75,829	75,526	75,335	76,320	76,826	76,738	76,293	76,580
WARRANT OFFICERS												
WARRANT OFFICER (W-5)	580	602	609	610	608	612	555	557	559	560	560	555
WARRANT OFFICER (W-4)	1,928	2,000	2,013	2,017	1,926	1,938	1,951	1,967	1,983	1,993	2,003	2,011
WARRANT OFFICER (W-3)	4,142	4,266	4,266	4,250	4,188	4,187	4,187	4,188	4,184	4,175	4,163	4,147
WARRANT OFFICER (W-2)	5,856	5,621	5,138	5,092	4,998	4,990	5,002	5,037	5,035	5,050	5,103	5,104
WARRANT OFFICER (W-1)	2,039	2,052	2,529	2,506	2,460	2,456	2,462	2,479	2,478	2,485	2,512	2,512
SUBTOTAL WARRANT OFFICERS	14,545	14,545	14,555	14,475	14,180	14,183	14,157	14,228	14,239	14,263	14,341	14,329
SUBTOTAL OFFICER	91,568	91,199	90,493	90,409	90,009	89,709	89,492	90,548	91,065	91,001	90,634	90,909
ENLISTED												
SERGEANT MAJOR	3,303	3,297	3,323	3,287	3,263	3,262	3,264	3,286	3,290	3,301	3,310	3,348
1ST SERGEANT/MASTER SERGEANT	10,574	10,544	10,658	10,633	10,652	10,641	10,646	10,699	10,839	10,734	10,679	10,907
PLATOON SERGEANT/SERGEANT 1ST CLASS	34,807	34,850	34,909	34,505	34,725	34,695	34,698	34,807	35,007	35,028	35,194	35,830
STAFF SERGEANT	54,045	53,318	53,520	53,337	53,062	53,031	53,062	53,140	53,265	53,336	54,606	55,129
SERGEANT	64,702	64,374	64,325	64,107	66,382	66,344	66,402	66,294	66,455	67,595	68,200	68,887
CORPORAL/SPECIALIST	114,267	113,607	111,562	113,047	111,013	110,895	110,754	110,725	111,027	110,129	108,893	107,314
PRIVATE FIRST CLASS	47,557	47,316	45,834	46,759	47,038	47,042	46,742	47,785	47,304	47,820	49,184	49,495
PRIVATE E2	28,261	28,118	27,237	27,787	27,953	27,955	27,777	28,397	28,111	28,418	29,228	29,413
PRIVATE E1	19,461	19,362	18,756	19,134	19,249	19,250	19,127	19,554	19,357	19,569	20,127	20,254
SUBTOTAL ENLISTED PERSONNEL	376,977	376,977	370,124	372,596	373,337	373,115	372,472	374,687	374,655	375,930	379,421	380,577
CADET	4,483	4,481	4,455	4,439	4,426	4,420	4,412	3,364	4,589	4,534	4,529	4,514
TOTAL END STRENGTH	473,028	470,466	465,072	467,444	467,772	467,244	466,376	468,599	470,309	471,465	474,584	476,000

**MILITARY PERSONNEL, ARMY
SECTION 5
STRENGTHS
MONTHLY END STRENGTHS BY PAY GRADE**

	ESTIMATE FY 2018											
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
OFFICER												
COMMISSIONED OFFICERS												
GENERAL	11	11	11	11	12	13	12	12	12	11	11	12
LIEUTENANT GENERAL	44	44	43	43	48	45	44	45	44	44	45	43
MAJOR GENERAL	123	122	121	125	115	120	120	122	122	120	121	122
BRIGADIER GENERAL	126	128	128	125	128	126	128	125	126	129	128	128
COLONEL	4,093	4,107	4,104	4,106	4,132	4,149	4,177	4,157	4,154	4,125	4,102	4,041
LIEUTENANT COLONEL	8,726	8,767	8,800	8,851	8,910	8,945	8,990	9,004	8,927	8,789	8,753	8,692
MAJOR	14,893	14,838	14,707	14,622	14,579	14,582	14,586	14,641	14,906	14,982	14,975	14,907
CAPTAIN	28,597	28,524	28,522	28,603	28,574	28,439	27,981	29,347	29,397	29,165	28,865	28,426
1ST LIEUTENANT	11,045	13,066	13,015	13,038	13,278	13,333	13,598	12,241	11,988	11,784	11,608	11,345
2ND LIEUTENANT	8,831	6,755	6,755	6,727	6,435	6,342	5,963	7,426	7,785	8,024	8,136	8,389
SUBTOTAL COMMISSIONED OFFICERS	76,489	76,489	76,206	76,251	76,211	76,094	75,599	77,120	77,461	77,173	76,744	76,105
WARRANT OFFICERS												
WARRANT OFFICER (W-5)	552	560	570	573	577	583	568	573	577	579	584	583
WARRANT OFFICER (W-4)	1,979	1,989	2,003	2,010	1,918	1,933	1,943	1,958	1,972	1,978	1,978	1,974
WARRANT OFFICER (W-3)	4,091	4,096	4,111	4,108	4,056	4,063	4,074	4,086	4,090	4,086	4,081	4,070
WARRANT OFFICER (W-2)	5,645	5,707	5,718	5,675	5,635	5,642	5,667	5,694	5,697	5,704	5,707	5,677
WARRANT OFFICER (W-1)	1,955	1,977	1,980	1,966	1,952	1,954	1,963	1,972	1,973	1,975	1,977	1,966
SUBTOTAL WARRANT OFFICERS	14,222	14,222	14,382	14,332	14,138	14,175	14,215	14,283	14,309	14,322	14,327	14,270
SUBTOTAL OFFICER	90,711	90,691	90,588	90,583	90,349	90,269	89,814	91,403	91,770	91,495	91,071	90,375
ENLISTED												
SERGEANT MAJOR	3,272	3,267	3,277	3,264	3,271	3,270	3,302	3,326	3,341	3,344	3,319	3,303
1ST SERGEANT/MASTER SERGEANT	10,718	10,707	10,730	10,697	10,692	10,692	10,742	10,803	10,930	10,827	10,781	10,740
PLATOON SERGEANT/SERGEANT 1ST CLASS	35,259	35,237	35,369	35,223	35,211	35,172	35,290	35,392	35,554	35,581	35,422	35,331
STAFF SERGEANT	56,392	56,316	56,523	56,309	56,306	56,245	56,407	56,430	56,615	56,582	56,369	56,292
SERGEANT	69,812	69,722	69,863	69,704	69,754	69,695	69,983	70,005	70,158	70,162	70,139	68,931
CORPORAL/SPECIALIST	104,202	103,181	100,265	100,779	100,149	99,504	98,670	98,231	97,505	97,116	98,706	100,594
PRIVATE FIRST CLASS	49,932	50,175	48,435	50,112	50,654	50,304	49,763	50,017	49,854	51,084	51,613	52,869
PRIVATE E2	29,673	29,817	28,783	29,779	30,102	29,893	29,572	29,723	29,626	30,357	30,671	31,418
PRIVATE E1	20,433	20,532	19,820	20,506	20,728	20,585	20,364	20,468	20,401	20,904	21,121	21,635
SUBTOTAL ENLISTED PERSONNEL	379,693	379,693	373,065	376,373	376,867	375,360	374,093	374,395	373,984	375,957	378,141	381,113
CADET	4,501	4,494	4,468	4,452	4,439	4,433	4,424	3,372	4,587	4,532	4,527	4,512
TOTAL END STRENGTH	474,905	474,139	468,121	471,408	471,655	470,062	468,331	469,170	470,341	471,984	473,739	476,000