

DEPARTMENT OF DEFENSE

FISCAL YEAR (FY) 2018 AMENDED OVERSEAS CONTINGENCY OPERATIONS REQUEST



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

The estimated cost of this report for the Department of Defense is approximately \$1,753 for Fiscal Year 2018.
This includes approximately \$100 in expenses and approximately \$1,653 in DoD labor.

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MILITARY PERSONNEL OVERVIEW

Introduction

The FY 2018 Overseas Contingency Operations (OCO) Military Personnel request supports Operation Freedom's Sentinel (OFS), Operation Inherent Resolve (OIR) and European Deterrence Initiative (EDI) requirements.

This request addresses urgent warfighting readiness and new requirements driven by acceleration of the campaign against the Islamic State of Iraq and Syria (ISIS). Support to OFS encompasses all actions to restore stability, support counter terrorism operations against the remnants of al Qaeda in Afghanistan, the Horn of Africa, the Philippines, and detainee operations on U.S. Naval Station Guantanamo Bay, Cuba. Support to OIR focuses on the operations to eliminate the Islamic State of Iraq and the Levant (ISIL). The Army's OCO request is primarily based on the Army's current force structure of U.S. troops in Afghanistan, troops in other Southwest Asian countries engaged in support operations and, Soldiers remaining in Continental United States (CONUS) supporting combat operations in theater. The request funds pay, allowances, subsistence, and other personnel costs for Reserve Component (RC) Soldiers on Active Duty and incremental costs for deployed AC Soldiers.

Requirements in support of EDI are to assure NATO allies and bolster the security and capacity of partners across the following lines of effort:

- Increased U. S. military presence in Europe
- Additional bilateral and multinational exercises and training with allies and partners
- Further activities to build partner capacity for newer NATO members and other partners

Additionally, the FY 2018 OCO Amendment includes funding requests associated with increased U.S. troop levels in Afghanistan in support of The Administration's South Asia strategy. The increased resources would enable the Army to deploy an additional 3.3K Soldiers supporting of Operation Freedom's Sentinel.

Major Budget Drivers

Military Pay Appropriation Manpower Drivers

Manpower drivers include a combination of Active and Reserve Component requirements. The FY 2018 Total Amended Request requirement displays the latest execution projection. Requirements include:

- Reserve Component on Active Duty - includes soldier deployed to Theater, as well as those remaining in CONUS supporting ongoing combat operations in Theater.
- Deployed Active Component Soldiers – funds incremental deployment pays associated with Soldiers deployed in support of OFS, OIR and EDI.

The following table reflects assumptions for mobilization:

Description	Average Strength		
	FY 2018 President's Budget	FY 2018 OCO Amendment	FY 2018 Total Amended Request
Active Army Deployment by IDP Payment	6,030	3,298	9,328
Reserve Component Deployment by IDP Payment	4,732	-	4,732
Total Imminent Danger Pay (IDP)	10,762	3,298	14,060
Army Reserve Mobilization	9,375	-	9,375
Army National Guard Mobilization	15,883	-	15,883
Total RC Mobilization	25,258	-	25,258

Rate Changes

The following rate assumptions were incorporated into the FY 2018 Total Amended budget request:

Pay Raise

- The FY 2018 request includes a 2.1% military pay raise, effective 1 January 2018 (2.1% over the FY)

Basic Allowance for Subsistence

- 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 2018, is 2.9% (2.73% over the FY)

Retired Pay Accrual

- 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

Pre/Post Mobilization Training

The request includes funding for Army Reserve National Guard (ARNG) and United States Army Reserve (USAR) requirements to provide pre-mobilization training necessary to maximize Boots On the Ground (BOG) time in theater, and provides resources for the post deployment activities that include the post deployment health reassessments and the Yellow Ribbon Reintegration Program (YRRP) programs. These programs are designed to ensure that Soldiers and their families are provided the information, services, referrals and outreach programs necessary for comprehensive Soldier fitness through all phases of the deployment cycle.

Integrated Disability Evaluation Systems Impact on Readiness and Dwell

The Integrated Disability Evaluation System (IDES) is the DoD management tool used to determine the disposition of a Service member who develops a medical condition that calls into question the member's ability to continue to serve in the military. The population of Soldiers in IDES negatively impacts the readiness of the Army. The Army is aggressively working with our partners in the Department of Veterans Affairs (VA) to decrease the IDES population. Together both parties are working to meet the established processing times in order to ensure efficient handling of IDES cases.

Military Pay Execution and Funding Requirement

The FY 2018 President’s Budget request included \$2,893 million for Army’s military personnel costs, to include an additional \$48 million supporting increased troop levels in Afghanistan, as shown in the following summary table:

	(\$ Thousands)		
	FY 2018 President's	FY 2018 OCO	FY 2018 Total
Summary by Appropriation	<u>Budget OCO Request</u>	<u>Amendment</u>	<u>Amended Request</u>
Military Personnel, Army (MPA)	2,635,317	48,377	2,683,694
MERHCF*, Army	-	-	-
Stop-Loss Special Pay - Army	-	-	-
National Guard Personnel, Army (NGPA)	184,589	-	184,589
Reserve Personnel, Army (RPA)	24,942	-	24,942
Total	2,844,848	48,377	2,893,225

FY 2018 Total Amended Request Summary

The FY 2018 Total Amended request of \$2,893 million for Army’s military personnel costs are comprised of the following major cost categories:

National Guard & Army Reserve Mobilization (\$2,311 million)

- Basic military pay and entitlements (i.e., Basic Pay, Basic Allowance for Housing (BAH), Retired Pay Accrual (RPA), social security contributions, and incentive pays) for National Guard and Army Reserve members on active duty to provide essential military operation support or backfill for those active personnel deployed overseas in support of OFS, OIR and EDI. This includes funding for Reserve Component members mobilized to support Wounded Warrior Transition Units.
- Special Pays for Mobilized National Guard and Army Reserve Personnel, primarily includes:
 - Hostile Fire Pay (\$7.50 per day up to \$225 per month)
 - Family Separation Allowance (\$250 per month)
 - Hardship Duty-location Pay (\$100 per month if deployed for less than 12 months and \$300 per month if deployed for more than 12 months)

- Basic Allowance for Subsistence – for Reserve Component Soldiers in support of OFS, OIR and EDI.

Active Component Deployment Costs (\$68 million)

- Active Component Deployment Costs fund the incremental deployment pays required to support deployed Soldiers. These deployment pays include:
 - Hostile Fire Pay (\$7.50 per day up to \$225 per month)
 - Family Separation Allowance (\$250 per month)
 - Hardship Duty-location Pay (\$100 per month if deployed for less than 12 months and \$300 per month if deployed for more than 12 months)

Other Mobilization and Deployment Costs (\$42 million)

- Additional mobilization / deployment benefits for unemployment benefits to Soldiers who are discharged or released under honorable conditions, the Reserve Income Replacement Program, and Interest on Uniformed Services Savings Deposits payments.

Subsistence-In-Kind Costs (\$222 million)

- Funds support Subsistence-in-Kind (SIK) to all US military personnel while deployed in support of OFS, OIR and EDI. SIK includes the cost of procuring subsistence for garrison dining facilities (subsistence in messes), operational rations, and augmentation rations. As the executive agent, the Army provides subsistence in mess facilities and operational rations for members of all military services.

Permanent Change of Station (\$28 million)

- The Permanent Change of Station (PCS) program pays for the travel, transportation, storage, and dislocation allowances for reassignment of military members and families traveling individually for operational or rotational moves in support of OFS, OIR and EDI.

Casualty and Disability Benefits (\$12 million)

- Provides funds to the Department of Veterans Affairs (VA) to cover the increased number of Soldiers Group Life Insurance (SGLI) / Traumatic-SGLI (T-SGLI) claims directly associated with contingency operations.
- Casualty benefits associated with the death and traumatic injury of service members (T-SGLI).
- Death Gratuity payments to survivors of members dying on active duty.
- Provides reimbursement of SGLI/T-SGLI premiums to deployed Soldiers.

Pre and Post Mobilization Training (\$210 million)

- Basic pay and allowance costs for training of members in Guard and Reserve Soldiers prior to mobilization and post deployment to re-certify skills not utilized during extended deployments.
- European Reassurance Initiative (EDI) in support of Operation Atlantic Resolve, funds additional full time equivalent (FTE) mandays for key unit personnel to assure NATO allies and bolster the security and capacity of partners.

10 U.S.C. §12304b: Selective Reserve: Order to Active Duty for Preplanned Missions in Support of the Combatant Commands - FY 2018 Requested Levels: 18,738 Man-Years; \$1,732 million

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 FY 2018, the Army plans to utilize 12304b in support of pre-planned and OCO funded missions identified by Combatant Commanders. The Army will use authority granted in 10 U.S.C. §12301(d) for Soldiers volunteering to support these missions.

U. S. Central Command, U.S. Africa Command, U.S. Pacific Command and U.S. South Command: Peace Keeping, Theater Security and Stability Operations - 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 and promote regional cooperation and security.

Appropriation Summary by Category

The FY 2018 Total Amended Request requirements are displayed in the following tables:

FY 2018 Appropriations Summary By Category
(\$ in thousands)

<u>FY 2018 Total Request</u>	Active	Army	Army	FY 2018 President's Budget	FY 2018 OCO Amendment	FY 2018 Total
	Army	Guard	Reserve	OCO Request		Amended Request
Reserve & Guard Mobilization	2,310,438			2,310,438		2,310,438
AC Deployment Costs	45,764			45,764	22,449	68,213
Other Mobilization and Deployment Costs*	42,250			42,250		42,250
Subsistence-In-Kind (SIK)	199,283			199,283	23,602	222,885
Permanent Change of Station	27,899			27,899		27,899
Casualty and Disability	9,684			9,684	2,326	12,010
Pre and Post Mobilization Training	-	184,589	24,942	209,531		209,531
Total Military Personnel	2,635,317	184,589	24,942	2,844,848	48,377	2,893,225

* Includes Other Military Personnel Costs (Unemployment (UCX), Reserve Income Replacement Program (RIRP) and Service Savings Deposits)

Army M-1

APN	MI		FY 2018 President's Budget OCO Request	FY 2018 OCO Amendment	FY 2018 Total Amended Request
		MILITARY PERSONNEL, ARMY			
		BUDGET ACTIVITY 1: PAY AND ALLOWANCES OF OFFICERS			
2010A	5	BASIC PAY	462,564	-	462,564
2010A	10	RETIRED PAY ACCRUAL	104,534	-	104,534
2010A	25	BASIC ALLOWANCE FOR HOUSING	167,686	-	167,686
2010A	30	BASIC ALLOWANCE FOR SUBSISTENCE	18,508	-	18,508
2010A	35	INCENTIVE PAYS	3,191	-	3,191
2010A	40	SPECIAL PAYS	14,977	9,029	24,006
2010A	45	ALLOWANCES	13,208	1,460	14,668
2010A	50	SEPARATION PAY	7,090	-	7,090
2010A	55	SOCIAL SECURITY TAX	35,386	-	35,386
		TOTAL BUDGET ACTIVITY 1	827,144	10,489	837,633
		BUDGET ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED			
2010A	60	BASIC PAY	764,819	-	764,819
2010A	65	RETIRED PAY ACCRUAL	172,849	-	172,849
2010A	80	BASIC ALLOWANCE FOR HOUSING	346,571	-	346,571
2010A	85	INCENTIVE PAYS	2,784	-	2,784
2010A	90	SPECIAL PAYS	41,316	6,941	48,257
2010A	95	ALLOWANCES	39,915	5,019	44,934
2010A	100	SEPARATION PAY	15,317	-	15,317
2010A	105	SOCIAL SECURITY TAX	58,509	-	58,509
		TOTAL BUDGET ACTIVITY 2	1,442,080	11,960	1,454,040
		BUDGET ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
2010A	115	BASIC ALLOWANCE FOR SUBSISTENCE	86,977	-	86,977
2010A	120	SUBSISTENCE-IN-KIND	199,283	23,602	222,885
		TOTAL BUDGET ACTIVITY 4	286,260	23,602	309,862

Army M-1 (Continued)

			FY 2018 President's Budget	FY 2018 OCO	FY 2018 Total Amended
			OCO Request	Amendment	Request
	MI	BUDGET ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL			
2010A	125	ACCESSION TRAVEL	-	-	-
2010A	130	TRAINING TRAVEL	-	-	-
2010A	135	OPERATIONAL TRAVEL	22,158	-	22,158
2010A	140	ROTATIONAL TRAVEL	5,741	-	5,741
2010A	145	SEPARATION TRAVEL	-	-	-
2010A	150	TRAVEL OF ORGANIZED UNITS	-	-	-
		TOTAL BUDGET ACTIVITY 5	27,899	-	27,899
		BUDGET ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
2010A	175	INTEREST ON SOLDIERS DEPOSITS	2,997	-	2,997
2010A	212	RESERVE INCOME REPLACEMENT PROGRAM	-	-	-
2010A	185	UNEMPLOYMENT COMPENSATION	39,253	-	39,253
2010A	180	DEATH GRATUITIES	600	1,400	2,000
2010A	216	SGLI EXTRA HAZARD PAYMENTS	9,084	926	10,010
2010A	219	TRAUMATIC SGLI	-	-	-
		TOTAL BUDGET ACTIVITY 6	51,934	2,326	54,260
		SUB TOTAL - MILITARY PERSONNEL, ARMY	2,635,317	48,377	2,683,694

US Army National Guard and US Army Reserve M-1

		FY 2018 President's Budget	FY 2018 OCO	FY 2018 Total Amended	
		OCO Request	Amendment	Request	
NATIONAL GUARD PERSONNEL, ARMY					
APN	MI	BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
2060A	10	PAY GROUP A TRAINING	39,327	-	39,327
2060A	80	SPECIAL TRAINING (PRE/POST MOB TRAINING)	132,994	-	132,994
2060A	70	SCHOOL TRAINING (PRE/POST MOB TRAINING)	2,881	-	2,881
2060A	90	ADMINISTRATION AND SUPPORT	9,387	-	9,387
2060A	90	RECRUITING AND RETENTION			
		TOTAL NATIONAL GUARD PERSONNEL, ARMY	184,589	-	184,589
					-
		FY 2018 President's Budget	FY 2018 OCO	FY 2018 Total Amended	
		OCO Request	Amendment	Request	
RESERVE PERSONNEL, ARMY					
		BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
2070A	10	PAY GROUP A TRAINING	-	-	-
2070A	80	SPECIAL TRAINING (PRE/POST MOB TRAINING)	24,942	-	24,942
2070A	70	SCHOOL TRAINING (PRE/POST MOB TRAINING)	-	-	-
2070A	90	RECRUITING AND RETENTION	-	-	-
		TOTAL RESERVE PERSONNEL, ARMY	24,942	-	24,942
GRAND TOTAL ARMY MILITARY PERSONNEL, ARMY		2,844,848	-	2,893,225	