

DEPARTMENT OF THE ARMY

Fiscal Year (FY) 2019 Budget Estimates



**MILITARY PERSONNEL, ARMY
JUSTIFICATION BOOK
FEBRUARY 2018**

The estimated cost of this report for the Department of Defense is approximately \$23,113 for Fiscal Year 2018. This includes \$1,000 in expenses and \$22,113 in labor.

**DEPARTMENT OF THE ARMY
JUSTIFICATION OF EXHIBITS
TABLE OF CONTENTS**

SECTION 1 - SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM	1
M-1 EXHIBIT	2
SECTION 2 - INTRODUCTION	6
PERFORMANCE MEASURES AND EVALUATION SUMMARY	11
SECTION 3 - SUMMARY TABLES	13
MILITARY PERSONNEL STRENGTH SUMMARIES	14
GAINS AND LOSSES BY TYPE	18
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY	21
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS	26
SCHEDULE OF INCREASES AND DECREASES	30
SECTION 4 - DETAIL OF MILITARY PERSONNEL ENTITLEMENTS	37
PAY AND ALLOWANCES OF OFFICERS	38
PAY AND ALLOWANCES OF ENLISTED PERSONNEL	80
PAY AND ALLOWANCES OF CADETS	119
ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE	122
PERMANENT CHANGE OF STATION TRAVEL	127
OTHER MILITARY PERSONNEL COSTS	143
SECTION 5 - SPECIAL ANALYSIS	164
REIMBURSABLE INTRODUCTION	165
MILITARY PERSONNEL ASSIGNED OUTSIDE DOD	166
REIMBURSABLE PROGRAM	168
ROTC	169
STRENGTHS	171

SECTION 1

SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM

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

Military Personnel, Army			Actual FY 2017	Requested FY 2018	Estimate FY 2019
Budget Activity 01: Pay and Allowances of Officers					
2010A	5	Basic Pay	7,352,529	7,024,696	7,224,373
2010A	10	Retired Pay Accrual	2,066,795	1,998,990	2,192,145
2010A	11	Officer TSP Matching	-	76,094	132,476
2010A	25	Basic Allowance for Housing	2,179,165	2,178,830	2,165,218
2010A	30	Basic Allowance for Subsistence	294,703	285,298	287,464
2010A	35	Incentive Pays	69,501	85,272	66,719
2010A	40	Special Pays	344,064	378,874	440,782
2010A	45	Allowances	204,332	182,527	191,420
2010A	50	Separation Pay	121,240	107,732	99,315
2010A	55	Social Security Tax	552,036	534,396	550,784
Total Budget Activity 01			13,184,365	12,852,709	13,350,696
Budget Activity 02: Pay and Allowances of Enlisted					
2010A	60	Basic Pay	13,219,352	12,948,769	13,825,095
2010A	65	Retired Pay Accrual	3,697,782	3,686,753	4,197,573
2010A	66	Enlisted TSP Matching	-	136,998	243,633
2010A	80	Basic Allowance for Housing	4,598,591	4,588,794	4,782,445
2010A	85	Incentive Pays	90,817	94,105	92,004
2010A	90	Special Pays	937,685	1,294,027	1,195,271
2010A	95	Allowances	760,472	713,047	763,048
2010A	100	Separation Pay	391,023	484,510	390,174
2010A	105	Social Security Tax	985,117	990,581	1,057,618
Total Budget Activity 02			24,680,839	24,937,584	26,546,861
Budget Activity 03: Pay and Allowances of Cadets					
2010A	110	Academy Cadets	80,472	82,393	86,510
Total Budget Activity 03			80,472	82,393	86,510
Budget Activity 04: Subsistence of Enlisted Personnel					
2010A	115	Basic Allowance for Subsistence	1,247,950	1,254,144	1,264,097
2010A	120	Subsistence-in-Kind	825,117	606,660	636,029
2010A	121	Family Subsistence Supplementary Allowance	81	601	83
Total Budget Activity 04			2,073,148	1,861,405	1,900,209

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

			<u>Actual</u>	<u>Requested</u>	<u>Estimate</u>
			FY 2017	FY 2018	FY 2019
Budget Activity 05: Permanent Change of Station Travel					
2010A	125	Accession Travel	174,909	179,209	173,692
2010A	130	Training Travel	141,431	150,368	158,716
2010A	135	Operational Travel	361,352	379,251	375,936
2010A	140	Rotational Travel	719,998	730,865	778,697
2010A	145	Separation Travel	290,719	273,871	251,324
2010A	150	Travel of Organized Units	4,767	4,170	4,939
2010A	155	Non-Temporary Storage	3,412	12,653	3,517
2010A	160	Temporary Lodging Expense	35,566	36,983	37,723
Total Budget Activity 05			1,732,154	1,767,370	1,784,544
Budget Activity 06: Other Military Personnel Costs					
2010A	170	Apprehension of Military Deserters	249	309	263
2010A	175	Interest on Uniformed Services Savings Deposits	3,635	160	849
2010A	180	Death Gratuities	44,750	40,700	41,400
2010A	185	Unemployment Compensation	145,587	107,682	109,662
2010A	195	Amortization of Education Benefits	566	16,091	980
2010A	200	Adoption Expenses	505	603	533
2010A	210	Mass Tran Subsidy	9,575	7,884	10,041
2010A	212	Reserve Income Replacement Program	-	-	-
2010A	215	Partial Dislocation Allowance	67	64	59
2010A	216	SGLI Extra Hazard Payments	8,361	-	-
2010A	217	Reserve Officer Training Corps (ROTC)	95,249	101,008	102,501
2010A	218	Junior ROTC	27,804	28,037	28,228
2010A	219	Traumatic Injury Protection Coverage (T-SGLI)	100	-	-
2010A	221	Stop-Loss Retroactive Payments	-	-	-
2010A	228	Preventive Health Allowance Demonstration Project	-	-	-
Total Budget Activity 06			336,448	302,538	294,516
Total Military Personnel, Army			42,087,426	41,803,999	43,963,336
Less Reimbursable			284,548	270,325	292,794
Total Direct - Military Personnel, Army			41,802,878	41,533,674	43,670,542
FY 2018 Continuing Resolution Adjustment*				(1,771,579)	
Revised FY 2018 Direct Program				39,762,095	

*Reflects the FY 2018 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 2017</u>	<u>ESTIMATE FY 2018</u>	<u>ESTIMATE FY 2019</u>
Direct Baseline Program			
Pay and Allowances of Officers	12,316,516	12,672,141	13,152,746
Pay and Allowances of Enlisted	23,480,571	24,856,919	26,458,484
Pay and Allowances of Cadets	80,472	82,393	86,510
Subsistence of Enlisted Personnel	1,747,281	1,852,313	1,893,742
Permanent Change of Station Travel	1,703,498	1,767,370	1,784,544
Other Military Personnel Costs	285,914	302,538	294,516
TOTAL DIRECT BASELINE PROGRAM	39,614,252	41,533,674	43,670,542
Reimbursable Baseline Program			
Pay and Allowances of Officers	188,548	180,568	197,950
Pay and Allowances of Enlisted	86,000	80,665	88,377
Pay and Allowances of Cadets	0	0	0
Subsistence of Enlisted Personnel	10,000	9,092	6,467
Permanent Change of Station Travel	0	0	0
Other Military Personnel Costs	0	0	0
TOTAL REIMBURSABLE BASELINE PROGRAM	284,548	270,325	292,794
Total Baseline Program			
Pay and Allowances of Officers	12,505,064	12,852,709	13,350,696
Pay and Allowances of Enlisted	23,566,571	24,937,584	26,546,861
Pay and Allowances of Cadets	80,472	82,393	86,510
Subsistence of Enlisted Personnel	1,757,281	1,861,405	1,900,209
Permanent Change of Station Travel	1,703,498	1,767,370	1,784,544
Other Military Personnel Costs	285,914	302,538	294,516
TOTAL BASELINE PROGRAM	39,898,800	41,803,999	43,963,336

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

	<u>ACTUAL FY 2017</u>	<u>ESTIMATE FY 2018</u>	<u>ESTIMATE FY 2019</u>
OCO Funding			
Pay and Allowances of Officers	679,301	0	0
Pay and Allowances of Enlisted	1,114,268	0	0
Pay and Allowances of Cadets	0	0	0
Subsistence of Enlisted Personnel	315,867	0	0
Permanent Change of Station Travel	28,656	0	0
Other Military Personnel Costs	50,534	0	0
TOTAL OCO FUNDING	2,188,626	0	0
Total Program			
Pay and Allowances of Officers	13,184,365	12,852,709	13,350,696
Pay and Allowances of Enlisted	24,680,839	24,937,584	26,546,861
Pay and Allowances of Cadets	80,472	82,393	86,510
Subsistence of Enlisted Personnel	2,073,148	1,861,405	1,900,209
Permanent Change of Station Travel	1,732,154	1,767,370	1,784,544
Other Military Personnel Costs	336,448	302,538	294,516
TOTAL PROGRAM	42,087,426	41,803,999	43,963,336
FY 2018 CR Adjustment*	0	-1,771,579	0
REVISED TOTAL PROGRAM	42,087,426	40,032,420	43,963,336
Medicare-Ret Contrib, Army	1,954,925	2,284,955	2,141,855
TOTAL MPA COST	44,042,351	42,317,375	46,105,191

*Reflects the FY 2018 Presidents 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 2019 Military Personnel, Army (MPA) appropriation budget request directly supports the Secretary of Defense's three lines of effort to enable that United States remain the world's preeminent fighting force:

- Restoring military readiness as we build a more lethal force
- Strengthening alliances and attract new partners
- Bringing business reforms to the Department of Defense

This budget request supports these key strategic priorities, while supporting the All-Volunteer force of 487,500 soldier 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 TTTHS (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 three full fiscal years (FY 2015 – FY 2017) of execution data from the PCS project currently available, the Army is seeing more precise execution and improved fidelity in the projections for PCS budget requests. 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

At the start of FY 2017, the Army's projected end strength was drawing down to 460,000. Upon the passage of the FY 2017 National Defense Authorization Act (NDAA), the Army was authorized to grow to an end strength of 476,000. The Army exceeded its end strength goal by 245 Soldiers. The FY 2018 NDAA authorized the Army to increase end strength by 7,500 Soldiers to 483,500. While the Army plans to successfully meet the authorized FY 2018 strength, the exhibits throughout this request display resources and strength levels at the requested FY 2018 President's Budget position. Lastly, in FY 2019 the Army plans increase end strength by an additional 4,000 Soldiers to 487,500. The FY 2019 request funds all AC man-years in the baseline request and fully supports the projected end strength of 487,500.

Personnel Categories by Year

It should be noted that data for FY 2017 in this justification material reflects actual execution for both base and Overseas Contingency Operations (OCO) programs, to include RC Soldiers on active duty. FY 2018 data contained in the detailed exhibits display the baseline program at the FY 2018 President's Budget submission levels. The FY 2019 request is based on the latest AC and baseline RC mobilization strength projections. Both, FY 2018 and FY 2019 strength levels only include the baseline requirements.

**MILITARY PERSONNEL, ARMY
SECTION 2
INTRODUCTION**

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:

Average Strength													
		FY2017 Actuals				FY2018 Budgeted				FY2019 Request			
		Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total
BASE	AC Base	90,858	373,487	4,320	468,665	90,771	376,500	4,395	471,666	91,054	388,000	4,446	483,500
	Mobilization	436	1,009	-	1,445	555	1,445	-	2,000	619	1,611	-	2,230
	RC ADOS	553	862	-	1,415	83	217	-	300	153	397	-	550
	RC Total	989	1,871	-	2,860	638	1,662	-	2,300	771	2,009	-	2,780
	Base Total	91,847	375,358	4,320	471,525	91,409	378,162	4,395	473,966	91,825	390,009	4,446	486,280
End Strength													
		FY2017 Actuals				FY2018 Budgeted				FY2019 Request			
		Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total
OCO	AC Above 490	-	-	-	-	-	-	-	-	-	-	-	-
	AC Total	-	-	-	-	-	-	-	-	-	-	-	-
	RC RC on Active Duty	4,981	15,330	-	20,311	-	-	-	-	-	-	-	-
	OCO Total	4,981	15,330	-	20,311	-	-	-	-	-	-	-	-
BASE and OCO	AC Total	90,858	373,487	4,320	468,665	90,771	376,500	4,395	471,666	91,054	388,000	4,446	483,500
	RC Total	5,970	17,201	-	23,171	638	1,662	-	2,300	771	2,009	-	2,780
	Total	96,828	390,688	4,320	491,836	91,409	378,162	4,395	473,966	91,825	390,009	4,446	486,280
End Strength													
		FY2017 Actuals				FY2018 Budgeted				FY2019 Request			
		Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total
Total Base	AC Base	91,796	379,868	4,581	476,245	90,375	381,113	4,512	476,000	90,971	391,977	4,552	487,500

Other Budget Drivers

Inflationary Rates Include:

Pay Raise

- Military Pay Raise, effective 1 January 2017 is 2.1% (1.90% over the FY)
- Military Pay Raise, effective 1 January 2018 is 2.4% (2.33% over the FY); FY 2018 President's Budget Request (PB18) inflation was 2.1%.
- Military Pay Raise, effective 1 January 2019 is 2.6% (2.55% over the FY)

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

- Basic Allowance for Subsistence inflation, effective 1 January 2017, is 0.0% (0.03% over the FY)
- Basic Allowance for Subsistence inflation, effective 1 January 2018, is 0.3% (0.23% over the FY); PB18 inflation was 3.4%.
- Basic Allowance for Subsistence inflation, effective 1 January 2019, is 3.4% (2.63% over the FY)

Basic Allowance for Housing

- 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 1.7% (1.83% over the FY); PB18 inflation was 2.9%.
- Basic Allowance for Housing growth, effective 1 January 2019, is 2.9% (2.60% over the FY)

**MILITARY PERSONNEL, ARMY
SECTION 2
INTRODUCTION**

The Basic Allowance for Housing (BAH) Fiscal Year 2019 average inflation rate is 2.6 percent. The January 1, 2018 and January 1, 2019 average BAH inflation rate assumptions are respectively, 1.7 percent and 2.9 percent on-average reflecting the Department's move to slow the growth of pay and benefits. The FY 2016 NDAA provided the authority to slow the rate of growth in BAH by 1 percent per year until 5 percent out-of-pocket is reached. The FY 2019 budget reflects this authority and incorporates the full 5 percent out-of-pocket rate adjustment beginning on January 1, 2019. The actual implementation of the out-of-pocket adjustment is computed based on a percentage of the national median cost, so that the actual out-of-pocket dollar amount will be the same by grade and dependency status in every military housing area. However, it should be noted that the 2.6 percent average increase 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.

Retired Pay Accrual

- 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 28.4% for full-time and 22.6% for part-time Soldiers in FY 2018; PB18 percentages were 28.5% for full-time and 22.6% for part-time Soldiers.
- Retired Pay Accrual as a percentage of Basic Pay is 30.4% for full-time and 24.7% for part-time Soldiers in FY 2019

Foreign Currency Fluctuation

Foreign currency adjustments drive rate increases above normal inflation in Overseas Housing and Overseas Station Allowances. The FY 2017 column in the justification material reflects obligations based on actual foreign currency exchange rates while the FY 2018 and FY 2019 columns reflect the following budgetary exchange rate assumptions:

Country	Monetary Unit	FY 2018	FY 2019
Denmark	Krone	6.9385	6.3847
European Community	Euro	0.9329	0.8582
Iceland	Krona	112.2842	104.4977
Japan	Yen	111.3365	111.5938
Norway	Krone	8.4115	8.0858
Singapore	Dollar	1.4132	1.3640
South Korea	Won	1,156.1200	1,128.1127
Turkey	Lira	3.4789	3.6022
United Kingdom	Pound	0.8072	0.7651

General Inflation

- General inflation is 1.7% in FY 2017.
- General inflation is 1.6% in FY 2018; PB18 inflation was 2.0%.
- General inflation is 1.8% in FY 2019.

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.

**MILITARY PERSONNEL, ARMY
SECTION 2
INTRODUCTION**

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

FY2019 Requested Levels: 2,230 Man-Years; \$216.7M

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 FY2019, 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 (284 Man – Years; \$27.6M)

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 and PACOM – CBRNE Support (521 Man – Years; \$50.6M)

Funds the Chemical, Biological, Radiological, Nuclear, Explosives (CBRNE) mission for the Defense CBRNE Response Force (DCRF), Command and Control CBRNE Response Elements (C2CRE) missions and ability to plan and execute Phase 0 activities. Soldiers will be on “prepare to deploy” orders and will be the leading element necessary to active additional Soldiers in response to CBRNE emergencies. Funds the mobilization of up to three Area Support Chemical Companies for the PACOM AOR.

AFRICOM – Counterterrorism Partnerships (287 Man-Years; \$27.9M)

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.

CENTCOM and EUCOM – Peace Keeping Support (644 Man-Years; \$62.6M)

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 (148 Man-Years; \$14.4M)

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, NORTHCOM, PACOM and SOKOM – Theater Security Cooperation (346 Man-Years; \$33.6M)

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:

I. Strength

	<u>FY 2017 Actual</u>	<u>FY 2018 Requested</u>	<u>FY 2019 Planned</u>
(1) Average Strength	491,836	473,965	486,280
(2) End Strength	476,245	476,000	487,500
(3) Authorized End Strength	476,000		

Narrative:

- (1) Average strength includes base-funded Active Component (AC) Soldiers and Reserve Component (RC) Soldiers on active duty for operational support (ADOS). Additional, the FY 2017 average strength includes OCO-funded RC mobilized Soldiers.
- (2) End strength displays AC Soldiers only.
- (3) Authorized end strength is based on the FY 2017 National Defense Authorizations Act (NDAA).

II. Recruiting

	<u>FY 2017 Actual</u>	<u>FY 2018 Requested</u>	<u>FY 2019 Planned</u>
1. Numeric goals	68,500	69,000	66,400
Actual	68,976		

Narrative: The Army entered FY 2018 with a delayed entry pool (DEP) of 13.2K recruits and plans to enter FY 2019 with a DEP of 11.6K. Despite significant challenges, such as lower entry pools, improving economic conditions, and more competitive recruiting environment, the Army expects to accomplish its FY 2018 accession mission of 66.4K.

	<u>FY 2017 Actual</u>	<u>FY 2018 Requested</u>	<u>FY 2019 Planned</u>
2. Quality goals			
a. HSDG percent (Tier I)	96.00%	> 90%	> 90%
b. Test Score Cat I-III – Standard	60.00%	> 60%	> 60%
Actual	60.39%		

- 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 + non-prior service 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).

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.

MILITARY PERSONNEL, ARMY
SECTION 2
PERFORMANCE MEASURES AND EVALUATION SUMMARY

- c. The percent of CAT I-III A 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 A – 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 A. The implementation of upgraded Armed Services Vocational Aptitude Battery norms may impact quality achievement in the future as enlistment standards will increase. In FY 2018, the Army expects to meet its goal for test category I-III A.

III. Unexpended Balances Reduction

The Department is committed to reducing the unexpended/unobligated balances occurring annually in the military personnel appropriations. As part of the FY 2019 Budget Review, the Department reduced the military personnel budget estimates by over \$460 million to moderate the loss of critical defense resources as a result of continued unexpended/unobligated balances annually. Of this total amount, the Army assumed \$143.0 million in anticipated savings in the Military Personnel, Army appropriation. Similar to the methodology used by the General Accountability Office (GAO), the reductions were based on an assessment of the average unexpended balances over the FY 2012 through FY 2016 period after excluding the Temporary Early Retirement Authority (TERA) payments that may continue to disburse for up to 5 years. The unexpended balances were further adjusted to remove available OCO funding to recognize the wide variance that can occur within the military personnel accounts during the year of execution due to operational turbulence. To ensure that the reductions are specifically implemented to realize real savings and reduce future unexpended balances rather than driving programmatic reductions, the Army will continue to identify specific programs and the root causes for significant unexpended balances in each year, and then develop specific actions to reduce unexpended balances. The Army has already implemented several process improvements to gain efficiencies, improve management controls, and minimize future unexpended balances across the appropriation, such as the following:

- (a) Permanent Change of Station Project: The Army implemented improvements to this program after the Lean Six Sigma project identifying and accounting for each PCS order. This tracking system enables the Army to account for execution and more accurately forecast future year moves and expenditures.
- (b) Retention and Recruiting Management Controls: The Army has made significant management control improvements in Retention and Recruiting bonus programs. MPA is now accounting for projected attrition minimizing the lost opportunity costs when a new recruit fails to meet his/her initial service obligation.

SECTION 3
SUMMARY TABLES

**MILITARY PERSONNEL, ARMY
SECTION 3
MILITARY PERSONNEL STRENGTH SUMMARIES
SUMMARY OF MILITARY PERSONNEL STRENGTH**

	<u>ACTUAL FY 2017</u>		<u>ESTIMATE FY 2018</u>		<u>ESTIMATE FY 2019</u>	
	<u>AVERAGE STRENGTH</u>	<u>END STRENGTH 30 SEP 2017</u>	<u>AVERAGE STRENGTH</u>	<u>END STRENGTH 30 SEP 2018</u>	<u>AVERAGE STRENGTH</u>	<u>END STRENGTH 30 SEP 2019</u>
DIRECT BASELINE PROGRAM						
OFFICER	91,288	90,988	90,701	89,667	91,309	90,455
ENLISTED	374,906	379,495	377,669	380,620	389,597	391,565
CADET	4,320	4,506	4,395	4,512	4,446	4,552
TOTAL DIRECT BASELINE PROGRAM	470,514	474,989	472,765	474,799	485,352	486,572
REIMBURSABLE BASELINE PROGRAM						
OFFICER	559	559	708	708	516	516
ENLISTED	452	452	493	493	412	412
CADET	0	0	0	0	0	0
TOTAL REIMBURSABLE BASELINE PROGRAM	1,011	1,011	1,201	1,201	928	928
BASELINE PROGRAM						
OFFICER	91,847	91,547	91,409	90,375	91,825	90,971
ENLISTED	375,358	379,947	378,162	381,113	390,009	391,977
CADET	4,320	4,506	4,395	4,512	4,446	4,552
TOTAL BASELINE PROGRAM	471,525	476,000	473,966	476,000	486,280	487,500
SUPPLEMENTAL						
OFFICER	4,981	0	0	0	0	0
ENLISTED	15,330	0	0	0	0	0
TOTAL SUPPLEMENTAL PROGRAM	20,311	0	0	0	0	0
OFFICER	96,828	91,547	91,409	90,375	91,825	90,971
ENLISTED	390,688	379,947	378,162	381,113	390,009	391,977
CADET	4,320	4,506	4,395	4,512	4,446	4,552
TOTAL PROGRAM	491,836	476,000	473,966	476,000	486,280	487,500

/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 2017</u>		<u>ESTIMATE FY 2018</u>		<u>ESTIMATE FY 2019</u>	
	30 SEP	REIMB INCLUDED	30 SEP	REIMB INCLUDED	30 SEP	REIMB INCLUDED
OFFICER						
COMMISSIONED OFFICERS						
GENERAL	12	0	12	0	11	0
LIEUTENANT GENERAL	43	0	43	0	47	0
MAJOR GENERAL	122	4	122	1	121	4
BRIGADIER GENERAL	128	6	128	1	132	6
COLONEL	4,155	118	4,041	188	4,037	109
LIEUTENANT COLONEL	8,830	88	8,692	92	8,702	81
MAJOR	15,264	118	14,907	122	15,817	109
CAPTAIN	28,841	125	28,426	217	27,866	115
1ST LIEUTENANT	11,422	57	11,345	41	10,734	52
2ND LIEUTENANT	8,447	2	8,389	22	8,906	2
SUBTOTAL COMMISSIONED OFFICERS	77,264	518	76,105	684	76,373	478
WARRANT OFFICERS						
WARRANT OFFICER (W-5)	576	5	583	3	585	4
WARRANT OFFICER (W-4)	2,050	14	1,974	9	1,955	13
WARRANT OFFICER (W-3)	4,109	13	4,070	6	4,065	12
WARRANT OFFICER (W-2)	5,526	7	5,677	6	5,652	7
WARRANT OFFICER (W-1)	2,022	2	1,966	0	2,341	2
SUBTOTAL WARRANT OFFICERS	14,283	41	14,270	24	14,598	38
SUBTOTAL OFFICER	91,547	559	90,375	708	90,971	516
ENLISTED PERSONNEL						
SERGEANT MAJOR	3,308	44	3,303	82	3,394	40
1ST SERGEANT/MASTER SERGEANT	10,729	35	10,740	25	11,144	32
PLATOON SERGEANT/SERGEANT 1ST CLASS	35,414	80	35,331	5	38,231	73
STAFF SERGEANT	56,820	82	56,292	102	60,142	74
SERGEANT	69,748	112	68,931	110	72,047	103
CORPORAL/SPECIALIST	105,306	91	100,594	158	101,325	83
PRIVATE FIRST CLASS	49,225	8	52,869	10	50,572	7
PRIVATE E2	29,253	0	31,418	1	31,625	0
PRIVATE E1	20,144	0	21,635	0	23,497	0
SUBTOTAL ENLISTED PERSONNEL	379,947	452	381,113	493	391,977	412
CADET	4,506	0	4,512	0	4,552	0
TOTAL END STRENGTH	476,000	1,011	476,000	1,201	487,500	928

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 2017</u>		<u>ESTIMATE FY 2018</u>		<u>ESTIMATE FY 2019</u>	
	30 SEP	REIMB INCLUDED	30 SEP	REIMB INCLUDED	30 SEP	REIMB INCLUDED
OFFICER						
COMMISSIONED OFFICERS						
GENERAL	11	0	11	0	11	0
LIEUTENANT GENERAL	44	0	45	0	47	0
MAJOR GENERAL	141	4	124	1	129	4
BRIGADIER GENERAL	152	6	129	1	132	6
COLONEL	4,457	118	4,152	188	4,142	109
LIEUTENANT COLONEL	9,694	88	8,913	92	8,940	81
MAJOR	16,262	118	14,902	122	15,601	109
CAPTAIN	30,461	125	28,870	217	28,264	115
1ST LIEUTENANT	12,899	57	12,587	41	12,328	52
2ND LIEUTENANT	7,415	2	7,301	22	7,577	2
SUBTOTAL COMMISSIONED OFFICERS	81,536	518	77,034	684	77,171	478
WARRANT OFFICERS						
WARRANT OFFICER (W-5)	621	5	592	3	597	4
WARRANT OFFICER (W-4)	2,111	14	1,991	9	2,019	13
WARRANT OFFICER (W-3)	4,425	13	4,105	6	4,062	12
WARRANT OFFICER (W-2)	6,016	7	5,720	6	5,655	7
WARRANT OFFICER (W-1)	2,119	2	1,967	0	2,321	2
SUBTOTAL WARRANT OFFICERS	15,292	41	14,375	24	14,654	38
SUBTOTAL OFFICER	96,828	559	91,409	708	91,825	516
ENLISTED PERSONNEL						
SERGEANT MAJOR	3,552	44	3,330	82	3,410	40
1ST SERGEANT/MASTER SERGEANT	11,534	35	10,830	25	11,230	32
PLATOON SERGEANT/SERGEANT 1ST CLASS	36,173	80	35,465	5	37,970	73
STAFF SERGEANT	56,373	82	56,648	102	59,753	74
SERGEANT	69,135	112	70,335	110	71,757	103
CORPORAL/SPECIALIST	117,844	91	100,707	158	99,954	83
PRIVATE FIRST CLASS	46,535	8	50,386	10	50,750	7
PRIVATE E2	28,863	0	29,883	1	31,661	0
PRIVATE E1	20,679	0	20,578	0	23,524	0
SUBTOTAL ENLISTED PERSONNEL	390,688	452	378,162	493	390,009	412
CADET	4,320	0	4,395	0	4,446	0
TOTAL AVERAGE STRENGTH	491,836	1,011	473,966	1,201	486,280	928

Direct baseline average strength includes base Active Duty Operational Support (ADOS) man-year for Administrative-ADOS and Contingency-ADOS Figures listed for FY2017 include 20,311 man-years for Reserve Component Soldiers on OCO active duty orders.

PB-30D AVERAGE STRENGTHS BY GRADE (TOTAL PROGRAM)

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

Monthly End Strengths ^{1/}	FY 2017 Actuals				FY 2018 Requested				FY 2019 Estimate			
	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL
September	92,129	378,778	4,493	475,400	90,909	380,577	4,514	476,000	90,905	388,025	4,570	483,500
October	91,568	376,977	4,483	473,028	90,711	379,693	4,501	474,905	91,018	389,409	4,558	484,985
November	91,199	374,787	4,481	470,467	90,691	378,954	4,494	474,139	90,944	389,279	4,551	484,774
December	90,554	369,734	4,448	464,736	90,588	373,065	4,468	468,121	90,733	384,589	4,524	479,846
January	90,398	372,733	4,438	467,569	90,583	376,373	4,452	471,408	90,754	387,544	4,508	482,806
February	90,226	371,874	4,424	466,524	90,349	376,867	4,439	471,655	90,601	387,216	4,494	482,311
March	89,876	370,768	4,412	465,056	90,269	375,360	4,433	470,062	90,503	386,762	4,488	481,753
April	89,733	369,870	4,402	464,005	89,814	374,093	4,424	468,331	90,067	386,220	4,479	480,766
May	90,981	370,634	3,460	465,075	91,403	374,395	3,372	469,170	91,695	386,207	3,415	481,317
June	91,489	372,082	3,419	466,990	91,770	373,984	4,587	470,341	92,089	387,414	4,629	484,132
July	91,320	375,076	4,614	471,010	91,495	375,957	4,532	471,984	91,860	389,288	4,573	485,721
August	91,128	377,982	4,592	473,702	91,071	378,141	4,527	473,739	91,456	392,069	4,568	488,093
September	91,796	379,868	4,581	476,245	90,375	381,113	4,512	476,000	90,971	391,977	4,552	487,500

	FY 2017 Actuals				FY 2018 Requested				FY 2019 Estimate			
	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL
Active Component (AC) Avg Strength [BASE]	90,858	373,487	4,320	468,665	90,771	376,500	4,395	471,666	91,054	388,000	4,446	483,500
<u>Active Duty for Operational Support (ADOS)</u>												
Operational- and Administrative-ADOS	553	862	-	1,415	83	217	-	300	153	397	-	550
12304B Contingency-ADOS	436	1,009	-	1,445	555	1,445	-	2,000	619	1,611	-	2,230
Total ADOS Average Strength [BASE]	989	1,871	-	2,860	638	1,662	-	2,300	771	2,009	-	2,780
Reserve Component (RC) Mobilization [OCO]	4,981	15,330	-	20,311	-	-	-	-	-	-	-	-
Average Strength [BASE TOTAL]	91,847	375,358	4,320	471,525	91,409	378,162	4,395	473,966	91,825	390,009	4,446	486,280
Average Strength [OCO TOTAL]	4,981	15,330	-	20,311	-	-	-	-	-	-	-	-
Total Average Strength	96,828	390,688	4,320	491,836	91,409	378,162	4,395	473,966	91,825	390,009	4,446	486,280

	FY 2017 Actuals				FY 2018 Revised				FY 2019 Requested			
	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL	OFF	ENL	CADET	TOTAL
Administrative-ADOS [BASE]	\$81.2	\$59.7	\$0.0	\$140.8	\$12.5	\$17.0	\$0.0	\$29.5	\$23.9	\$29.5	\$0.0	\$53.5
12304B Contingency-ADOS [BASE]	\$64.0	\$69.8	\$0.0	\$133.8	\$83.3	\$113.2	\$0.0	\$196.5	\$96.9	\$119.8	\$0.0	\$216.7
Total ADOS/RC Mobilization [BASE]	\$145.2	\$129.5	\$0.0	\$274.6	\$95.8	\$130.2	\$0.0	\$226.0	\$120.8	\$149.3	\$0.0	\$270.1

^{1/} The FY 2017 end strengths reflect actual monthly Active Component (AC) strength through September 2017. The FY2018 ends strengths reflect the FY 2018 President's Budget monthly strengths. The FY 2019 end strengths are AC strength projections as of November 2017.

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

OFFICER	<u>ACTUAL FY 2017</u>	<u>ESTIMATE FY 2018</u>	<u>ESTIMATE FY 2019</u>
Beginning Strength	92,129	91,547	90,375
Gains:			
Service Academies	1,286	1,278	1,281
ROTC	3,282	3,218	3,218
Officer Candidate School	585	496	496
Warrant Officer Programs	1,162	1,278	1,360
Other Gains (Medical & JAG)	1,516	1,274	1,421
Total Officer Gains	7,831	7,544	7,776
Losses:			
Expiration of Contract	5,849	5,948	5,480
15 Year Retirement	443	421	401
Involuntary Separation of Regular	601	484	500
Attrition	54	57	53
Other Losses	1,466	1,806	746
Total Officer Losses	8,413	8,716	7,180
End Strength	91,547	90,375	90,971

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

ENLISTED	<u>ACTUAL FY 2017</u>	<u>ESTIMATE FY 2018</u>	<u>ESTIMATE FY 2019</u>
Beginning Strength	378,778	379,947	381,113
Gains:			
Males (NPS)	53,303	56,925	54,091
Females (NPS)	10,206	10,045	10,303
Prior Service Enlistments	4,991	2,000	2,000
Reenlistment (IMM)	60,126	55,032	59,269
Returned to Military Control	447	583	432
Other Gains	892	0	0
Total Enlisted Gains	129,965	124,585	126,095
Losses:			
Estimated Termination of Service	24,985	24,415	21,140
Normal Early Release	4,284	4,385	4,094
Programmed Early Release	1,303	139	65
To Commissioned Officer and Warrant Officer	1,747	1,774	1,856
Reenlistment	60,126	55,032	59,269
Retirement	7,150	6,982	5,614
15 Year Retirement	10	16	10
Dropped from Rolls	487	778	58
Attrition Adverse Causes	15,007	14,913	15,007
Other Attrition	13,697	14,985	8,118
Total Enlisted Losses	128,796	123,419	115,231
End Strength	379,947	381,113	391,977

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

CADET	<u>ACTUAL FY 2017</u>	<u>ESTIMATE FY 2018</u>	<u>ESTIMATE FY 2019</u>
Beginning Strength	4,493	4,506	4,512
Entering Cadets	1,286	1,276	1,281
Losses:			
Attrition	30	0	0
Graduates	1,243	1,270	1,241
	<hr/>	<hr/>	<hr/>
Total Cadet Losses	1,273	1,270	1,241
End Strength	4,506	4,512	4,552

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
1. Basic Pay									
Basic Pay	7,352,529	13,219,352	20,571,881	7,024,696	12,948,769	19,973,465	7,224,373	13,825,095	21,049,468
2. Retired Pay Accrual									
Retired Pay Accrual	2,066,795	3,697,782	5,764,577	1,998,990	3,686,753	5,685,743	2,192,145	4,197,573	6,389,718
3. Thrift Savings Plan (TSP) Matching									
Thrift Savings Plan (TSP) Matching	0	0	0	76,094	136,998	213,092	132,476	243,633	376,109
4. Basic Allowance for Housing									
With Dependents - Domestic	1,551,813	3,912,047	5,463,860	1,562,725	3,932,075	5,494,800	1,541,747	4,078,285	5,620,032
Without Dependents - Domestic	476,073	502,570	978,643	458,754	467,634	926,388	477,440	518,155	995,595
Partial Allowance for Bachelors - Domestic	208	11,330	11,538	215	10,797	11,012	212	11,575	11,787
BAH Differential - Domestic	97	4,117	4,214	75	4,243	4,318	102	4,276	4,378
With Dependents - Overseas	94,553	125,325	219,878	102,375	132,211	234,586	90,901	125,863	216,764
Without Dependents - Overseas	56,421	43,202	99,623	54,686	41,834	96,520	54,816	44,291	99,107
Total Basic Allowance for Housing	2,179,165	4,598,591	6,777,756	2,178,830	4,588,794	6,767,624	2,165,218	4,782,445	6,947,663
5. Subsistence									
Basic Allowance for Subsistence	294,703	0	294,703	285,298	0	285,298	287,464	0	287,464
When Authorized to Mess Separately	0	1,608,541	1,608,541	0	1,625,174	1,625,174	0	1,639,429	1,639,429
When Rations in Kind are Not Available	0	0	0	0	0	0	0	0	0
Less Collections	0	(360,591)	(360,591)	0	(371,030)	(371,030)	0	(375,332)	(375,332)
Subsistence in Kind									
Subsistence in Messes	0	561,265	561,265	0	302,097	302,097	0	367,702	367,702
Operational Rations	0	260,762	260,762	0	301,491	301,491	0	265,236	265,236
Augmentation Rations/Other Programs	0	3,090	3,090	0	3,072	3,072	0	3,091	3,091
Subtotal Subsistence in Kind	0	825,117	825,117	0	606,660	606,660	0	636,029	636,029
Family Subsistence Supplemental Allowance	0	81	81	0	601	601	0	83	83
Total Subsistence	294,703	2,073,148	2,367,851	285,298	1,861,405	2,146,703	287,464	1,900,209	2,187,673
6. Incentive Pay, Hazardous Duty and Aviation Career									
Flying Duty	55,715	11,789	67,504	70,449	12,482	82,931	53,638	11,678	65,316
Parachute Jumping	11,802	66,540	78,342	12,673	68,951	81,624	11,199	67,657	78,856
Experimental Stress	34	1	35	35	90	125	32	2	34
Demolition Duty	1,940	12,427	14,367	2,109	12,546	14,655	1,841	12,605	14,446
Chemical Munitions	10	55	65	6	32	38	9	57	66
Toxic Pesticides	0	3	3	0	2	2	0	3	3
Toxic Fuel/Waste	0	2	2	0	2	2	0	2	2
Total Incentive Pay, Hazardous Duty and Aviation Career	69,501	90,817	160,318	85,272	94,105	179,377	66,719	92,004	158,723

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
7. Special Pays									
Special Pay									
Medical Pay	180,158	0	180,158	201,295	0	201,295	202,850	0	202,850
Dental Pay	37,957	0	37,957	41,670	0	41,670	42,563	0	42,563
Nurse Pay	16,710	0	16,710	22,877	0	22,877	18,642	0	18,642
Optometrists Pay	1,201	0	1,201	1,120	0	1,120	1,120	0	1,120
Veterinarians Pay	4,688	0	4,688	4,134	0	4,134	4,134	0	4,134
Diplomate Pay for Psychologists	4,550	0	4,550	2,023	0	2,023	5,086	0	5,086
Assignment Incentive Pay	36,820	23,807	60,627	22,660	45,874	68,534	34,489	36,367	70,856
Personal Money Allowances for General/Flag Officer	52	0	52	63	0	63	56	0	56
Pharmacy Pay	2,191	0	2,191	2,258	0	2,258	2,448	0	2,448
Physician Assistant	16,048	0	16,048	14,041	0	14,041	17,933	0	17,933
Social Work	2,199	0	2,199	2,379	0	2,379	2,379	0	2,379
Diving Duty Pay	269	1,433	1,702	274	1,407	1,681	255	1,476	1,731
Board Certified Pay Non-Physician Health Care	0	0	0	0	0	0	264	0	264
Hostile Fire Pay	9,983	33,567	43,550	8,218	16,201	24,419	1,512	6,363	7,875
Sea Duty Pay	321	594	915	375	719	1,094	305	612	917
Hardship Duty Pay	10,735	41,827	52,562	9,496	18,263	27,759	4,134	11,417	15,551
Overseas Extension Pay	0	0	0	0	20	20	0	0	0
Foreign Language Proficiency Pay	11,627	37,791	49,418	8,423	32,972	41,395	11,277	33,450	44,727
Judge Advocate Continuation Pay	5,285	0	5,285	7,496	0	7,496	8,053	0	8,053
Other Special Pay	0	2	2	0	2	2	0	2	2
Continuation Pay	0	0	0	20,572	37,306	57,878	75,580	139,349	214,929
Subtotal Special Pay	340,794	139,021	479,815	369,374	152,764	522,138	433,080	229,036	662,116
Special Duty Assignment Pay (SDAP)	0	98,594	98,594	0	112,229	112,229	0	101,908	101,908
Reenlistment Bonus	0	403,466	403,466	0	416,000	416,000	0	404,244	404,244
Enlistment Bonus									
New Payments	0	252,200	252,200	0	399,951	399,951	0	263,387	263,387
Anniversary	0	38,000	38,000	0	200,489	200,489	0	191,177	191,177
Subtotal Enlistment Bonus	0	290,200	290,200	0	600,440	600,440	0	454,564	454,564
Officer Bonus - Other than Medical	3,270	0	3,270	9,500	0	9,500	7,702	0	7,702
Loan Repayment Program	0	6,042	6,042	0	12,146	12,146	0	5,146	5,146
Total Special Pays	344,064	937,323	1,281,387	378,874	1,293,579	1,672,453	440,782	1,194,898	1,635,680

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
8. Allowance									
Overseas Station Allowances									
Cost of Living	149,711	353,967	503,678	135,766	328,444	464,210	151,129	374,632	525,761
Temporary Lodging	24,891	38,740	63,631	25,153	45,633	70,786	26,253	41,391	67,644
Subtotal Overseas Station Allowances	174,602	392,707	567,309	160,919	374,077	534,996	177,382	416,023	593,405
Clothing Allowances									
Initial Issue	0	120,640	120,640	0	123,275	123,275	0	119,238	119,238
Initial Military Allowance	3,699	0	3,699	3,683	0	3,683	3,510	0	3,510
Additional Military Allowance	241	0	241	167	0	167	94	0	94
Maintenance Allowances	0	152,415	152,415	0	152,229	152,229	0	172,954	172,954
Civilian Clothing Allowance	270	0	270	306	0	306	593	0	593
Supplementary Allowances	0	2,883	2,883	0	9,932	9,932	0	7,363	7,363
Other Allowances	0	9,056	9,056	0	2,619	2,619	0	1,932	1,932
Subtotal Clothing Allowances	4,210	284,994	289,204	4,156	288,055	292,211	4,197	301,487	305,684
Family Separation Allowances									
PCS w/Dependents Not Authorized	4,536	17,040	21,576	2,609	17,532	20,141	1,630	18,837	20,467
Temporary Duty >30 Days w/Dep not near TD station	17,022	56,404	73,426	12,842	31,291	44,133	7,142	23,786	30,928
Subtotal Family Separation Allowances	21,558	73,444	95,002	15,451	48,823	64,274	8,772	42,623	51,395
Aid and Attendance for Catastrophically Injured	0	362	362	0	448	448	0	373	373
CONUS, Cost-of-Living Allowance	3,962	9,327	13,289	2,001	2,092	4,093	1,069	2,915	3,984
Total Allowance	204,332	760,834	965,166	182,527	713,495	896,022	191,420	763,421	954,841
9. Separation Pay									
Lump Sum Terminal Leave Payments	25,548	87,175	112,723	28,664	137,747	166,411	29,046	101,214	130,260
Severance Pay, Disability	9,532	141,492	151,024	10,273	169,484	179,757	12,616	139,334	151,950
Separation Pay - Involuntary Half Pay (5%)	0	34,563	34,563	0	42,428	42,428	0	47,820	47,820
Separation Pay - Involuntary Full Pay (10%)	39,526	77,487	117,013	36,104	116,737	152,841	46,947	99,312	146,259
Voluntary Separation Incentive (VSI)	14,047	4,053	18,100	12,521	3,179	15,700	10,706	2,494	13,200
15 Year Temporary Early Retirement Authority	30,132	768	30,900	19,397	867	20,264	0	0	0
\$30,000 Lump Sum Bonus	2,455	45,485	47,940	773	14,068	14,841	0	0	0
Total Separation Pay	121,240	391,023	512,263	107,732	484,510	592,242	99,315	390,174	489,489

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
10. Social Security Tax Payments									
Social Security Tax Employer Contribution	552,036	985,117	1,537,153	534,396	990,581	1,524,977	550,784	1,057,618	1,608,402
11. Permanent Change of Station Travel									
Accession Travel	19,130	158,706	177,836	20,316	160,900	181,216	19,113	157,495	176,608
Training Travel	119,618	26,763	146,381	122,016	34,350	156,366	121,010	43,266	164,276
Operational Travel	132,408	240,282	372,690	123,044	269,110	392,154	136,269	251,284	387,553
Rotational Travel To/From Overseas	223,752	514,723	738,475	208,270	545,447	753,717	233,196	565,317	798,513
Separation Travel	81,667	210,268	291,935	64,349	215,310	279,659	77,201	175,380	252,581
Organized Unit Travel	751	4,086	4,837	499	3,759	4,258	779	4,234	5,013
Total Permanent Change of Station Travel	577,326	1,154,828	1,732,154	538,494	1,228,876	1,767,370	587,568	1,196,976	1,784,544
12. Other Military Personnel Costs									
Apprehension Deserters, Absentees, Escaped Prisoners	0	249	249	0	309	309	0	263	263
Interest on Uniformed Services Savings Deposits	2,004	1,631	3,635	91	69	160	463	386	849
Death Gratuities	6,182	38,568	44,750	6,300	34,400	40,700	5,960	35,440	41,400
Unemployment Compensation Benefits	0	145,587	145,587	0	107,682	107,682	0	109,662	109,662
Adoption Expenses	236	269	505	170	433	603	244	289	533
Amortization of Education Benefits	0	566	566	0	16,091	16,091	0	980	980
Partial Dislocation Allowance	13	54	67	11	53	64	10	49	59
Mass Transit Subsidy	6,249	3,326	9,575	5,106	2,778	7,884	6,471	3,570	10,041
ROTC	95,249	0	95,249	101,008	0	101,008	102,501	0	102,501
JROTC	27,804	0	27,804	28,037	0	28,037	28,228	0	28,228
SGLI Extra Hazard Payments	1,956	6,405	8,361	0	0	0	0	0	0
SGLI Traumatic Injury Payments	20	80	100	0	0	0	0	0	0
Total Other Military Personnel Costs	139,713	196,735	336,448	140,723	161,815	302,538	143,877	150,639	294,516
Subtotal Military Personnel Appropriation	13,901,404	28,105,550	42,006,954	13,531,926	28,189,680	41,721,606	14,082,141	29,794,685	43,876,826

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
13. Cadet									
Academy Cadets	80,472	0	80,472	82,393	0	82,393	86,510	0	86,510
14. Less Reimbursables									
Basic Pay	(102,951)	(48,470)	(151,421)	(99,890)	(45,592)	(145,482)	(114,820)	(51,288)	(166,108)
Retired Pay Accrual	(30,679)	(14,444)	(45,123)	(28,457)	(12,990)	(41,447)	(32,379)	(14,463)	(46,842)
Basic Allowance for Housing	(30,907)	(15,533)	(46,440)	(28,491)	(14,314)	(42,805)	(34,244)	(18,329)	(52,573)
Basic Allowance for Subsistence	(4,940)	(7,699)	(12,639)	(4,286)	(7,592)	(11,878)	(6,329)	(4,967)	(11,296)
Subsistence in Kind	0	(2,301)	(2,301)	0	(1,500)	(1,500)	0	(1,500)	(1,500)
Incentive Pay for Hazardous Duty	(11,195)	(3,845)	(15,040)	(11,845)	(4,300)	(16,145)	(1,394)	(373)	(1,767)
Social Security Tax Employer Contribution	(7,876)	(3,708)	(11,584)	(7,599)	(3,469)	(11,068)	(8,784)	(3,924)	(12,708)
Total Less Reimbursables	(188,548)	(96,000)	(284,548)	(180,568)	(89,757)	(270,325)	(197,950)	(94,844)	(292,794)
Total Direct Program	13,793,328	28,009,550	41,802,878	13,433,751	28,099,923	41,533,674	13,970,701	29,699,841	43,670,542
FY 2018 CR Adjustment*						(1,771,579)			
Revised Total						39,762,095			

*Reflects the FY 2018 Presidents 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 2018 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2018 REVISED
PAY AND ALLOWANCES OF OFFICERS									
BASIC PAY	6,924,806	0	0	0	6,924,806	0	6,924,806	0	6,924,806
RETIRED PAY ACCRUAL	1,970,533	0	0	0	1,970,533	0	1,970,533	0	1,970,533
INCENTIVE PAY FOR HAZARDOUS DUTY	73,427	0	0	0	73,427	0	73,427	0	73,427
SPECIAL PAY	369,374	0	0	0	369,374	0	369,374	0	369,374
OFFICER BONUS - OTHER THAN MEDICAL	9,500	0	0	0	9,500	0	9,500	0	9,500
BASIC ALLOWANCE FOR HOUSING	2,150,339	0	0	0	2,150,339	0	2,150,339	0	2,150,339
BASIC ALLOWANCE FOR SUBSISTENCE	281,012	0	0	0	281,012	0	281,012	0	281,012
OVERSEAS STATION ALLOWANCES	160,919	0	0	0	160,919	0	160,919	0	160,919
CLOTHING ALLOWANCES	4,156	0	0	0	4,156	0	4,156	0	4,156
FAMILY SEPARATION ALLOWANCES	15,451	0	0	0	15,451	0	15,451	0	15,451
SEPARATION PAYMENTS	107,732	0	0	0	107,732	0	107,732	0	107,732
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION	526,797	0	0	0	526,797	0	526,797	0	526,797
CONUS COST OF LIVING ALLOWANCE	2,001	0	0	0	2,001	0	2,001	0	2,001
OFFICER-TSP MATCHING	76,094	0	0	0	76,094	0	76,094	0	76,094
REIMBURSABLES	180,568	0	0	0	180,568	0	180,568	0	180,568
TOTAL OBLIGATIONS	12,852,709	0	0	0	12,852,709	0	12,852,709	0	12,852,709
LESS REIMBURSABLES	180,568	0	0	0	180,568	0	180,568	0	180,568
TOTAL PAY AND ALLOWANCES OF OFFICERS DIRECT OBLIGATIONS	12,672,141	0	0	0	12,672,141	0	12,672,141	0	12,672,141

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

	FY 2018 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2018 REVISED
PAY AND ALLOWANCES OF ENLISTED									
BASIC PAY	12,903,177	0	0	0	12,903,177	0	12,903,177	0	12,903,177
RETIRED PAY ACCRUAL	3,673,763	0	0	0	3,673,763	0	3,673,763	0	3,673,763
INCENTIVE PAY FOR HAZARDOUS DUTY	89,805	0	0	0	89,805	0	89,805	0	89,805
SPECIAL PAY	152,764	0	0	0	152,764	0	152,764	0	152,764
SPECIAL DUTY ASSIGNMENT PAY (SDAP)	112,229	0	0	0	112,229	0	112,229	0	112,229
REENLISTMENT BONUS	416,000	0	0	0	416,000	0	416,000	0	416,000
ENLISTMENT BONUS	600,440	0	0	0	600,440	0	600,440	0	600,440
BASIC ALLOWANCE FOR HOUSING	4,574,480	0	0	0	4,574,480	0	4,574,480	0	4,574,480
AID AND ATTENDANCE FOR CATASTROPHICALLY INJURED	448	0	0	0	448	0	448	0	448
LOAN REPAYMENT PROGRAM	12,146	0	0	0	12,146	0	12,146	0	12,146
OVERSEAS STATION ALLOWANCES	374,077	0	0	0	374,077	0	374,077	0	374,077
CLOTHING ALLOWANCES	288,055	0	0	0	288,055	0	288,055	0	288,055
FAMILY SEPARATION ALLOWANCES	48,823	0	0	0	48,823	0	48,823	0	48,823
SEPARATION PAYMENTS	484,510	0	0	0	484,510	0	484,510	0	484,510
SOCIAL SECURITY TAX EMPLOYER CONTRIBUTION	987,112	0	0	0	987,112	0	987,112	0	987,112
CONUS COST OF LIVING ALLOWANCE	2,092	0	0	0	2,092	0	2,092	0	2,092
ENLISTED-TSP MATCHING	136,998	0	0	0	136,998	0	136,998	0	136,998
REIMBURSABLES	80,665	0	0	0	80,665	0	80,665	0	80,665
TOTAL OBLIGATIONS	24,937,584	0	0	0	24,937,584	0	24,937,584	0	24,937,584
LESS REIMBURSABLES	80,665	0	0	0	80,665	0	80,665	0	80,665
TOTAL PAY AND ALLOWANCES OF ENLISTED DIRECT OBLIGATIONS	24,856,919	0	0	0	24,856,919	0	24,856,919	0	24,856,919
PAY AND ALLOWANCES OF CADETS									
ACADEMY CADETS	82,393	0	0	0	82,393	0	82,393	0	82,393
TOTAL PAY AND ALLOWANCES OF CADETS DIRECT OBLIGATIONS	82,393	0	0	0	82,393	0	82,393	0	82,393

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

	FY 2018 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2018 REVISED
SUBSISTENCE OF ENLISTED PERSONNEL									
BASIC ALLOWANCE FOR SUBSISTENCE	1,246,552	0	0	0	1,246,552	0	1,246,552	0	1,246,552
SUBSISTENCE IN KIND	605,160	0	0	0	605,160	0	605,160	0	605,160
FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	601	0	0	0	601	0	601	0	601
REIMBURSABLES	9,092	0	0	0	9,092	0	9,092	0	9,092
TOTAL OBLIGATIONS	1,861,405	0	0	0	1,861,405	0	1,861,405	0	1,861,405
LESS REIMBURSABLES	9,092	0	0	0	9,092	0	9,092	0	9,092
TOTAL SUBSISTENCE OF ENLISTED PERSONNEL DIRECT OBLIGATIONS	1,852,313	0	0	0	1,852,313	0	1,852,313	0	1,852,313
PERMANENT CHANGE OF STATION TRAVEL									
ACCESSION TRAVEL	181,216	0	0	0	181,216	0	181,216	0	181,216
TRAINING TRAVEL	156,366	0	0	0	156,366	0	156,366	0	156,366
OPERATIONAL TRAVEL	392,154	0	0	0	392,154	0	392,154	0	392,154
ROTATIONAL TRAVEL TO/FROM OVERSEAS	753,717	0	0	0	753,717	0	753,717	0	753,717
SEPARATION TRAVEL	279,659	0	0	0	279,659	0	279,659	0	279,659
ORGANIZED UNIT TRAVEL	4,258	0	0	0	4,258	0	4,258	0	4,258
TOTAL PERMANENT CHANGE OF STATION TRAVEL DIRECT OBLIGATIONS	1,767,370	0	0	0	1,767,370	0	1,767,370	0	1,767,370

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

	FY 2018 PRESIDENT'S BUDGET	CONGRES -SIONAL ACTION	TITLE IX	PROPOSED REAPPRO- PRIATION	AVAILABLE APPN	INTERNAL REALIGN/ REPROGRAM	SUBTOTAL	PROPOSED DD 1415 ACTIONS	FY 2018 REVISED
OTHER MILITARY PERSONNEL COSTS									
APPREHENSION									
DESERTERS, ABSENTEES, ESCAPED PRISONERS	309	0	0	0	309	0	309	0	309
INTEREST ON UNIFORMED SERVICES SAVINGS									
DEPOSITS	160	0	0	0	160	0	160	0	160
DEATH GRATUITIES	40,700	0	0	0	40,700	0	40,700	0	40,700
UNEMPLOYMENT COMPENSATION BENEFITS	107,682	0	0	0	107,682	0	107,682	0	107,682
ADOPTION EXPENSES	603	0	0	0	603	0	603	0	603
AMORTIZATION OF EDUCATION BENEFITS	16,091	0	0	0	16,091	0	16,091	0	16,091
PARTIAL DISLOCATION ALLOWANCE	64	0	0	0	64	0	64	0	64
MASS TRANSIT SUBSIDY	7,884	0	0	0	7,884	0	7,884	0	7,884
ROTC	101,008	0	0	0	101,008	0	101,008	0	101,008
JROTC	28,037	0	0	0	28,037	0	28,037	0	28,037
TOTAL OTHER MILITARY PERSONNEL COSTS									
DIRECT OBLIGATIONS	302,538	0	0	0	302,538	0	302,538	0	302,538
TOTAL DIRECT OBLIGATIONS	41,533,674	0	0	0	41,533,674	0	41,533,674	0	41,533,674
FY 2018 CR Adjustment*									-1,771,579
Revised Total									39,762,095

*Reflects the FY 2018 Presidents Budget Request with an undistributed adjustment to match the Annualized Continuing Resolution funding level by appropriation

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
FY2018 Direct Program	12,672,141	24,856,919	82,393	1,852,313	1,767,370	302,538	41,533,674
Increases Pricing:							
Basic Pay increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	42,284	80,892	358	0	0	0	123,534
Basic Pay increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	137,423	262,899	1,162	0	0	0	401,484
Retired Pay Accrual increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	11,796	22,943	0	0	0	0	34,739
Retired Pay Accrual increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	38,338	74,565	0	0	0	0	112,903
Retired Pay Accrual increase due to the Normal Cost Percentage (NCP) rate increase of 30.4% effective 1 October 2018	145,057	275,854	0	0	0	0	420,911
Basic Allowance for Subsistence increase due to the annualization of the 0.3% subsistence inflation rate, effective 1 January 2018	270	0	0	1,199	0	0	1,469
Basic Allowance for Housing increase due to the housing cost growth of 1.7%, effective 1 January 2018	8,377	20,423	0	0	0	0	28,800
Reenlistment Bonus increase due to rate changes	0	38,247	0	0	0	0	38,247
Basic Allowance for Housing increase due to the housing cost growth of 2.9%, effective 1 January 2019	42,868	99,449	0	0	0	0	142,317
Basic Allowance for Housing increase due to foreign currency fluctuation	4,455	5,068	0	0	0	0	9,523
Overseas Station Allowance - COLA increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	639	3,104	0	0	0	0	3,743
Overseas Station Allowance - COLA increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	1,917	4,203	0	0	0	0	6,120
Overseas Station Allowance - COLA increase due foreign currency fluctuation	6,480	18,178	0	0	0	0	24,658
Basic Pay increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	1,352	0	0	0	1,352
CONUS COLA increase due to pay raise	27	73	0	0	0	0	100
Clothing increase due to rate changes	191	4,784	0	0	0	0	4,975
Basic Allowance for Subsistence increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2019	7,091	0	0	33,247	0	0	40,338
Separation Pay increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	601	2,311	0	0	0	0	2,912
Separation Pay increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	1,672	6,934	0	0	0	0	8,606
Subsistence in Messes increase due to dining facility food cost inflation	0	0	0	9,405	0	0	9,405
Cadet Ration increase in subsistence in 2019	0	0	513	0	0	0	513

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
Operational Rations increase due to manufacturer price inflation	0	0	0	4,582	0	0	4,582
FICA increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	3,371	6,188	27	0	0	0	9,586
FICA increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	10,956	20,110	88	0	0	0	31,154
Clothing increase due to Berry Compliant running shoe addition to clothing bag	0	6,374	0	0	0	0	6,374
Unitized Group Rations increase due to manufacturer price inflation	0	0	0	2,184	0	0	2,184
FICA increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	103	0	0	0	103
Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	107,492	418,725	0	0	0	0	526,217
Other Rations increase due to annual eligibility cost	0	0	0	19	0	0	19
Household goods shipment increase due to cost inflation	0	0	0	0	104,237	0	104,237
Dislocation allowance increase due to annualization of 2018 and 2019 pay raise	0	0	0	0	41,181	0	41,181
Temporary lodging expense increase due to cost inflation	0	0	0	0	703	0	703
Trailer allowance increase due to cost inflation	0	0	0	0	7	0	7
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to rate change	0	0	0	0	0	6	6
Interest on Uniformed Services Savings Deposits increase due to rate change	0	0	0	0	0	21	21
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	0	0	0	0	0	9	9
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	2,414	2,414
JROTC increase due to inflation rate change in Cadet clothing and subsistence	0	0	0	0	0	243	243
Mass Transit Subsidy increase due to change in monthly benefit amount and inflation	0	0	0	0	0	312	312
Unemployment Benefits increase due to annualized basic pay inflation	0	0	0	0	0	2,737	2,737
Interest on Uniformed Services Savings Deposits increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	21	21
Adoption Expenses increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	65	65

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
Mass Transit Subsidy increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	468	468
Total Increases Pricing	571,305	1,371,324	3,603	50,636	146,128	6,297	2,149,293
Increases Program:							
Basic Allowance for Subsistence increase due to number of personnel estimated to receive benefit	0	0	0	23,158	0	0	23,158
Basic Pay increase due to man-year growth	931	344,492	721	0	0	0	346,144
Dependent travel increases due to change in move requirements	0	0	0	0	27,637	0	27,637
Privately owned vehicle increase due to change in move requirements	0	0	0	0	31,174	0	31,174
Subsistence in Messes increase due to number of personnel estimated to receive benefit	0	0	0	13,898	0	0	13,898
Basic Pay increase due to shifts in grade structure	0	46,812	0	0	0	0	46,812
Cadet ration increase due to man-year growth	0	0	244	0	0	0	244
Temporary lodging expense increase due to change in move requirements	0	0	0	0	37	0	37
Retired Pay Accrual increase due to man-year growth	264	97,721	0	0	0	0	97,985
Operational Rations increase due to number of personnel estimated to receive benefit	0	0	0	6,515	0	0	6,515
FICA increase due to man-year growth	71	26,354	55	0	0	0	26,480
Unitized Group Rations increase due to number of personnel estimated to receive benefit	0	0	0	3,105	0	0	3,105
Retired Pay Accrual increase due to shifts in grade structure	0	13,279	0	0	0	0	13,279
Incentive Pay increase due to changes in the number of Soldiers expected to receive pay	0	1,542	0	0	0	0	1,542
Other Rations increase due to number of personnel estimated to receive benefit	0	0	0	26	0	0	26
Special Pay increase due to Continuation Pay within the new Blended Retirement System	55,396	102,043	0	0	0	0	157,439
Special Pay increase due to changes in the number of Soldiers expected to receive pay	0	2,602	0	0	0	0	2,602
Subsistence in Messes increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	9,694	0	0	9,694
Special Duty Assignment Pay increase due to changes in the number of Soldiers expected to receive pay	0	1,840	0	0	0	0	1,840
Basic Allowance for Housing increase due to man-year growth	278	103,944	0	0	0	0	104,222
Basic Allowance for Housing increase due to shifts in grade structure	0	42,102	0	0	0	0	42,102

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
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to increased deserter ratio	0	0	0	0	0	3	3
Overseas Station Allowance increase due to changes in the number of Soldiers expected to receive allowance	0	1,822	0	0	0	0	1,822
Interest on Uniformed Services Savings Deposits change due to increased program utilization	0	0	0	0	0	630	630
Death Gratuities increase due to change in non-combat deaths	0	0	0	0	0	700	700
Basic Allowance for Subsistence increase due to man-year growth	37	0	0	0	0	0	37
Family Separation Allowance increase due to changes in the number of Soldiers expected to receive allowance	387	2,531	0	0	0	0	2,918
TSP Matching increase due to changes in the number of soldiers expected to receive pay	56,380	106,635	0	0	0	0	163,015
FICA increase due to shifts in grade structure	0	3,581	0	0	0	0	3,581
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	4	4
Interest on Uniformed Services Savings Deposits change due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	17	17
Unemployment Benefits increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	6,791	6,791
Aid and Attendance Allowance for the Catastrophically Injured increase due to allowance utilization	0	7	0	0	0	0	7
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	0	0	0	0	0	8	8
Partial Dislocation Allowance increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	5	5
ROTC increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	1,388	1,388
Mass Transit Subsidy increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	1,443	1,443
Total Increases Program	113,744	897,307	1,020	56,396	58,848	10,989	1,138,304

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 Increases	685,049	2,268,631	4,623	107,032	204,976	17,286	3,287,597
Decreases Pricing:							
Basic Allowance for Subsistence decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	(28,572)	0	0	(28,572)
Cadet Ration decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	(436)	0	0	0	(436)
Member travel decrease due to cost inflation	0	0	0	0	(68,222)	0	(68,222)
Subsistence in Messes decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	(19,534)	0	0	(19,534)
Dependent travel decrease due to cost inflation	0	0	0	0	(28,913)	0	(28,913)
Privately owned vehicle decrease due to cost inflation	0	0	0	0	(30,631)	0	(30,631)
Port handling decrease due to cost inflation	0	0	0	0	(70)	0	(70)
Unemployment Benefits decrease to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	(4,262)	(4,262)
Enlistment Bonus decrease due to rate changes	0	(7,963)	0	0	0	0	(7,963)
Education benefit decrease due to revised amortization payment amounts	0	0	0	0	0	(15,059)	(15,059)
Apprehension of Deserters, Absentees, and Escaped Prisoners decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	(60)	(60)
Education Benefit decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	(52)	(52)
ROTC decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	(1,387)	(1,387)
Total Decreases Pricing	0	(7,963)	(436)	(48,106)	(127,836)	(20,820)	(205,161)
Decreases Program:							
Basic Allowance for Subsistence decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	(16,979)	0	0	(16,979)
Basic Pay decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	(59)	0	0	0	(59)
Cadet Ration decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	(6)	0	0	0	(6)

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
Basic Pay decrease due to shifts in grade structure	(1,285)	0	0	0	0	0	(1,285)
Family Subsistence Supplemental Allowance decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	(518)	0	0	(518)
FICA decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	(5)	0	0	0	(5)
Retired Pay Accrual decrease due to shifts in grade structure	(364)	0	0	0	0	0	(364)
Incentive Pay decrease due to changes in the number of Soldiers expected to receive pay	(42,759)	0	0	0	0	0	(42,759)
Basic Allowance for Housing decrease due to shifts in grade structure	(386)	0	0	0	0	0	(386)
Reenlistment Bonus decrease due to changes in the number of Soldiers expected to receive pay	0	(50,003)	0	0	0	0	(50,003)
Overseas Station Allowance decrease due to changes in the number of Soldiers expected to receive allowance	(482)	0	0	0	0	0	(482)
Enlistment Bonus decrease due to changes in the number of Soldiers expected to receive pay	0	(137,913)	0	0	0	0	(137,913)
Loan Repayment Program decrease due to changes in the number of Soldiers expected to receive pay	0	(416)	0	0	0	0	(416)
Clothing decrease due to changes in the number of Soldiers expected to receive allowance	(1)	(15,217)	0	0	0	0	(15,218)
Separation Pay decrease due to changes in the number of Soldiers expected to receive allowance	(3,004)	(36,634)	0	0	0	0	(39,638)
FICA decrease due to shifts in grade structure	(98)	0	0	0	0	0	(98)
CONUS COLA decrease due to changes in the number of Soldiers expected to receive allowance	(2)	(1,864)	0	0	0	0	(1,866)
Decrease in direct resources due to an increase in reimbursable requirements	(1,875)	(566)	0	0	0	0	(2,441)
Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(154,188)	(416,490)	0	0	0	0	(570,678)
Member travel decrease due to change in move requirements	0	0	0	0	(13,246)	0	(13,246)
Household goods shipment decrease due to change in move requirements	0	0	0	0	(35,705)	0	(35,705)
Dislocation allowance decrease due to change in move requirements	0	0	0	0	(1,807)	0	(1,807)

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
Non-temporary lodging expense decrease due to change in move requirements	0	0	0	0	(9,136)	0	(9,136)
Port handling decrease due to change in move requirements	0	0	0	0	(59)	0	(59)
Trailer allowance decrease due to change in move requirements	0	0	0	0	(13)	0	(13)
Unemployment Benefits decrease due to fewer projected number of active duty separations	0	0	0	0	0	(3,290)	(3,290)
Adoption Expenses decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	0	0	0	0	0	(152)	(152)
Partial Dislocation Allowance decrease due to anticipated number of Soldiers receiving benefit	0	0	0	0	0	(11)	(11)
ROTC decrease due to number of participants	0	0	0	0	0	(918)	(918)
Mass Transit Subsidy decrease due to anticipated number of Soldiers receiving benefit	0	0	0	0	0	(65)	(65)
JROTC decrease due to anticipated number of participants	0	0	0	0	0	(52)	(52)
Total Decreases Program	(204,444)	(659,103)	(70)	(17,497)	(59,966)	(4,488)	(945,568)
Total Decreases	(204,444)	(667,066)	(506)	(65,603)	(187,802)	(25,308)	(1,150,729)
FY2019 Direct Program	13,152,746	26,458,484	86,510	1,893,742	1,784,544	294,516	43,670,542

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)**

FY2018 Direct Program

12,672,141

Increases Pricing:

Basic Pay increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	42,284
Basic Pay increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	137,423
Retired Pay Accrual increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	11,796
Retired Pay Accrual increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	38,338
Retired Pay Accrual increase due to the Normal Cost Percentage (NCP) rate increase of 30.4% effective 1 October 2018	145,057
Basic Allowance for Housing increase due to the housing cost growth of 1.7%, effective 1 January 2018	8,377
Basic Allowance for Housing increase due to the housing cost growth of 2.9%, effective 1 January 2019	42,868
Basic Allowance for Housing increase due to foreign currency fluctuation	4,455
Basic Allowance for Subsistence increase due to the annualization of the 0.3% subsistence inflation rate, effective 1 January 2018	270
Basic Allowance for Subsistence increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2019	7,091
Overseas Station Allowance - COLA increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	639
Overseas Station Allowance - COLA increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	1,917
Overseas Station Allowance - COLA increase due foreign currency fluctuation	6,480
Clothing increase due to rate changes	191
CONUS COLA increase due to pay raise	27
FICA increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	3,371
FICA increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	10,956
Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	107,492
Separation Pay increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	601
Separation Pay increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	1,672

Total Increases Pricing

571,305

Increases Program:

Basic Pay increase due to man-year growth	931
Retired Pay Accrual increase due to man-year growth	264
Basic Allowance for Housing increase due to man-year growth	278
Basic Allowance for Subsistence increase due to man-year growth	37
Family Separation Allowance increase due to changes in the number of Soldiers expected to receive allowance	387
FICA increase due to man-year growth	71
TSP Matching increase due to changes in the number of soldiers expected to receive pay	56,380
Special Pay increase due to Continuation Pay within the new Blended Retirement System	55,396

Total Increases Program

113,744

PB-30P SCHEDULE OF INCREASES AND DECREASES - OFFICERS

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

Total Increases		685,049
Decreases Program:		
	Basic Pay decrease due to shifts in grade structure	(1,285)
	Retired Pay Accrual decrease due to shifts in grade structure	(364)
	Incentive Pay decrease due to changes in the number of Soldiers expected to receive pay	(42,759)
	Overseas Station Allowance decrease due to changes in the number of Soldiers expected to receive allowance	(482)
	Clothing decrease due to changes in the number of Soldiers expected to receive allowance	(1)
	Separation Pay decrease due to changes in the number of Soldiers expected to receive allowance	(3,004)
	CONUS COLA decrease due to changes in the number of Soldiers expected to receive allowance	(2)
	FICA decrease due to shifts in grade structure	(98)
	Decrease in direct resources due to an increase in reimbursable requirements	(1,875)
	Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(154,188)
	Basic Allowance for Housing decrease due to shifts in grade structure	(386)
Total Decreases Program		(204,444)
Total Decreases		(204,444)
FY2019 Direct Program		13,152,746

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

ESTIMATE FY 2019	\$7,224,373
ESTIMATE FY 2018	\$7,024,696
ACTUAL FY 2017	\$7,352,529

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 2019 rates were built by applying inflation assumptions to FY 2017 active component rates. The basic pay rates reflect a 2.4% pay raise, effective 1 January 2018 and a 2.6% pay raise, effective 1 January 2019.

There is a +\$199.7 million increase in the officer basic pay requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$42.3 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$137.4 million
- (3) Price decrease is due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$15.0 million
- (4) Program increase due to officer man-year growth: +\$0.9 million
- (5) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$35.4 million
- (6) Program decrease due to shifts in officer grade structure: -\$1.3 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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	11	\$185,624	2,065	11	\$190,449	2,169	11	\$193,218	2,196
LIEUTENANT GENERAL	44	\$185,624	8,222	45	\$190,449	8,631	47	\$193,218	9,132
MAJOR GENERAL	141	\$181,922	25,651	124	\$183,597	22,766	129	\$189,736	24,476
BRIGADIER GENERAL	152	\$155,362	23,615	129	\$160,132	20,657	132	\$163,015	21,518
COLONEL	4,457	\$133,981	597,155	4,152	\$135,965	564,527	4,142	\$139,851	579,264
LIEUTENANT COLONEL	9,694	\$107,493	1,042,036	8,913	\$109,419	975,249	8,940	\$112,216	1,003,214
MAJOR	16,262	\$89,712	1,458,902	14,902	\$91,489	1,363,368	15,601	\$93,607	1,460,362
CAPTAIN	30,461	\$71,647	2,182,437	28,870	\$72,986	2,107,115	28,264	\$74,540	2,106,788
1ST LIEUTENANT	12,899	\$52,902	682,378	12,587	\$53,532	673,804	12,328	\$54,798	675,549
2ND LIEUTENANT	7,415	\$39,296	291,380	7,301	\$40,546	296,024	7,577	\$40,821	309,302
SUBTOTAL OFFICER- ACTIVE DUTY	81,536		6,313,841	77,034		6,034,310	77,171		6,191,801
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	621	\$105,124	65,282	592	\$107,265	63,501	597	\$109,786	65,542
WARRANT OFFICER (W-4)	2,111	\$87,309	184,309	1,991	\$88,577	176,356	2,019	\$90,993	183,715
WARRANT OFFICER (W-3)	4,425	\$72,451	320,594	4,105	\$73,287	300,842	4,062	\$75,464	306,535
WARRANT OFFICER (W-2)	6,016	\$59,404	357,376	5,720	\$60,492	346,017	5,655	\$61,879	349,928
WARRANT OFFICER (W-1)	2,119	\$52,443	111,127	1,967	\$52,705	103,670	2,321	\$54,654	126,852
SUBTOTAL OFFICER- WARRANT ACTIVE	15,292		1,038,688	14,375		990,386	14,654		1,032,572
TOTAL BASIC PAY - OFFICER	96,828		7,352,529	91,409		7,024,696	91,825		7,224,373

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

ESTIMATE FY 2019	\$2,192,145
ESTIMATE FY 2018	\$1,998,990
ACTUAL FY 2017	\$2,066,795

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 2018 are 28.4% (Active Component (AC) full-time) and 22.6% (Reserve Component (RC) part-time). The rates for FY 2019 are 30.4% for (AC full-time) and 24.7% (RC part-time).

There is a +\$193.2 million increase in the RPA requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$11.8 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$ 38.3 million
- (3) Price increase due to the FY 2018 to FY 2019 RPA NCP rate change from 28.4% to 30.4% for AC (full-time) and from 22.8% to 24.7% for RC (part-time): +\$145.1 million
- (4) Price decrease in RPA due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$12.0 million
- (5) Program increase due to officer man-year growth: +\$0.3 million
- (6) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$10.1 million
- (7) Program decrease due to shifts in officer grade structure: -\$0.4 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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	90,858	\$21,562	1,959,060	90,771	\$21,894	1,987,315	91,054	\$23,896	2,175,864
OFFICER RETIRED PAY ACCRUAL-RC ONLY	5,970	\$18,046	107,735	638	\$18,299	11,675	771	\$21,117	16,281
TOTAL RETIRED PAY ACCRUAL- OFFICER	96,828		2,066,795	91,409		1,998,990	91,825		2,192,145

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

ESTIMATE FY 2019	\$132,476
ESTIMATE FY 2018	\$76,094
ACTUAL FY 2017	\$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 (TSP), 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 +\$56.4 million change in the officer TSP Matching requirement between FY 2018 and FY 2019 due to an increase in the number of Officers expected to be eligible to participate in the new Blended Retirement System and contribute to the Thrift Savings Fund. This is partially caused by FY 2018 only including the 2nd through 4th quarters due to the program start date and FY 2019 including a full year.

	<u>ACTUAL FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT	<u>ESTIMATE FY 2019</u> AMOUNT
OFF TSP MATCHING	0	76,094	132,476

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

ESTIMATE FY 2019	\$66,719
ESTIMATE FY 2018	\$85,272
ACTUAL FY 2017	\$69,501

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. 351 and 334 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. 351(a)(2))

Aviation Bonus (AB) - 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. (37 U.S.C 334(b))

Aviation Incentive Pay (AIP) - 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. 334(a))

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. 351(a)(2))

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. 351(a)(2))

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. 351(a)(2))

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. 351(a)(2))

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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 -\$18.6 million decrease in the officer incentive pay requirement between FY 2018 and FY 2019. This change is based on:

(1) Program decrease primarily due to a change in the number of officers eligible to receive Aviation Career Incentive Pay (ACIP) from FY 2018 to FY 2019. The Army is experiencing shortages in its Officer military aviators. As a result, there is an increase in ACIP in FY 2018 to incentivize more aviators. The FY 2019 request brings the ACIP back in alignment with historical execution. -\$42.8 million

(2) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$24.2 million

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 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER									
FLYING DUTY - OFFICER									
CREW (NON-RATED)	441	\$2,775	1,224	50	\$2,775	139	418	\$2,775	1,161
NONCREW MEMBER	82	\$1,800	147	79	\$1,800	142	77	\$1,800	139
AVIATION CONTINUATION PAY	215	\$18,159	3,902	441	\$18,159	8,010	204	\$18,159	3,703
CREW (RATED)									
COMMISSIONED OFFICER CREW 125	431	\$1,500	647	269	\$1,500	403	415	\$1,500	623
COMMISSIONED OFFICER CREW 156	231	\$1,874	433	304	\$1,874	570	223	\$1,874	418
COMMISSIONED OFFICER CREW 188	844	\$2,256	1,904	297	\$2,256	671	814	\$2,256	1,837
COMMISSIONED OFFICER CREW 206	562	\$2,473	1,389	430	\$2,473	1,064	541	\$2,473	1,339
COMMISSIONED OFFICER CREW 250	14	\$3,000	42	2,557	\$3,000	7,671	13	\$3,000	40
COMMISSIONED OFFICER CREW 385	41	\$4,620	190	52	\$4,620	238	40	\$4,620	184
COMMISSIONED OFFICER CREW 495	35	\$5,940	208	64	\$5,940	382	34	\$5,940	200
COMMISSIONED OFFICER CREW 585	52	\$7,020	365	86	\$7,020	605	50	\$7,020	353
COMMISSIONED OFFICER CREW 650	1,263	\$7,800	9,851	1,603	\$7,800	12,503	1,217	\$7,800	9,496
COMMISSIONED OFFICER CREW 840	729	\$10,080	7,349	966	\$10,080	9,737	703	\$10,080	7,086
WARRANT OFFICER CREW 125	453	\$1,500	680	752	\$1,500	1,128	437	\$1,500	656
WARRANT OFFICER CREW 156	235	\$1,872	439	421	\$1,872	788	226	\$1,872	423
WARRANT OFFICER CREW 188	272	\$2,256	614	344	\$2,256	775	263	\$2,256	593
WARRANT OFFICER CREW 206	547	\$2,472	1,352	812	\$2,472	2,007	528	\$2,472	1,304
WARRANT OFFICER CREW 650	1,841	\$7,800	14,360	1,667	\$7,800	13,004	1,775	\$7,800	13,845
WARRANT OFFICER CREW 840	1,053	\$10,080	10,619	1,053	\$10,080	10,612	1,016	\$10,080	10,238
SUBTOTAL CREW (RATED)	8,603		50,442	11,677		62,158	8,295		48,635
SUBTOTAL FLYING DUTY - OFFICER	9,341		55,715	12,247		70,449	8,994		53,638
PARACHUTE JUMPING - OFFICER									
PARACHUTE JUMPING (REGULAR)	6,063	\$1,800	10,913	6,597	\$1,800	11,874	5,753	\$1,800	10,355
PARACHUTE JUMPING (HIGH ALTITUDE/LOW OPENING)	329	\$2,700	889	296	\$2,700	799	313	\$2,700	844
SUBTOTAL PARACHUTE JUMPING - OFFICER	6,392		11,802	6,893		12,673	6,066		11,199
INSIDE OBSERVER OR TEST SUBJECT DUTY	19	\$1,800	34	19	\$1,800	35	18	\$1,800	32
DEMOLITION DUTY	1,078	\$1,800	1,940	1,172	\$1,800	2,109	1,023	\$1,800	1,841
CHEMICAL MUNITIONS PAY	6	\$1,800	10	3	\$1,800	6	5	\$1,800	9
TOTAL INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICER	16,836		69,501	20,334		85,272	16,106		66,719

PB-30X INCENTIVE PAY FOR HAZARDOUS DUTY

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

ESTIMATE FY 2019	17,962
ESTIMATE FY 2018	17,658
ACTUAL FY 2017	45,281

PROGRAM: AVIATION BONUS – BUSINESS CASE ANALYSIS

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 (AvB) 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.

Business Case Analysis (BCA)

- The Army's AvB program targets three specific populations, which are Special Operations Aviators, Conventional Force Aviators, and Active Duty for Operational Support - Active Component (ADOS-AC) Instructor Pilots. The Special Operations AvB targets special operations aviators based on their time assigned to a special operations unit. Pilots with 2 or more years of service as a pilot in a special operations unit will receive \$9,000 per year, and pilots with 6 or more years of service as a pilot in a special operations unit will receive \$21,000 per year. The Army's Conventional Force AvB program targets specific airframes based on the percent to fill of the authorized strength. Additionally, the program targets those aviators who are pilot in command qualified with an additional aviation specific qualification, such as an instructor pilot. Lastly, the Army offers an AvB to ADOS-AC instructor pilots (ADOS-AC-IP) who agree to serve on active duty in an instructor pilot position at the U.S. Army Aviation Center of Excellence. The ADOS-AC-IP AvB is intended to increase the schoolhouse's ability to produce more trained AH64 Apache pilots.

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

- The table below identify specific aircraft type category targeted for AvB and lists personnel manning levels within each aircraft type category (expressed as a percentage of authorized manpower levels):

Aircraft Personnel Manning Levels			
<u>Aircraft Type category:</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Prop	132%	132%	134%
Rotary Wing	97%	96%	97%

- The Army's AvB Program is strength based, with preset criteria, which allows the Army to authorize an AvB for officers in select aviation specialties when the strength of those specialties falls below 95% for the previous 90 days or is projected to be below 95% in the next 180 days. Additionally, the Army may approve the payment of an AvB for rated aviators when the strength of the specialty is below 100% and the overall rated aviator inventory is below 95% for the previous 90 days or is projected to be below 95% in the next 180 days. The rated aviator inventory is reviewed each quarter and Army policy requires the bonus for the specialty be suspend or terminate if the specialty does not meet the criteria listed above
- The projected impact of the AvB on retention for both rotary wing and prop driven fixed wing aircraft is a temporary reduction to the normal attrition rate. The AvB is a short-term solution, which allows the Army to finalize plans to increase pilot accessions, increase the flight school's ability to train more student, lengthen service obligations for pilots, and explore other non-monetary incentives such as the choice of follow-on assignments.
- The Army recognizes the opportunity to maximize retention through non-monetary incentives such as the choice of follow-on assignments or the prospect of affording pilots the time to complete their civil education under existing provisions within Army regulations. Although these types of non-monetary incentives have been used in the past, they require a healthy population of pilots in order to provide the assignment officers the flexibility to rotate pilots into and out of the most demanding assignments while simultaneously enabling non-monetary incentives. When the pool of available pilots contracts, the capacity to offer these non-monetary incentives is diminished until a sufficient number of pilots can be attained. The Army is in the process of reviewing its current monetary incentive program and is actively accessing the ability to offer non-monetary incentives to its healthiest pilot specialties while simultaneously increasing the production of new pilots to man the future force.

	FY 2017			FY 2018			FY 2019		
	Average Number	Rate	Amount	Average Number	Rate	Amount	Average Number	Rate	Amount
<u>Aircraft Type category:</u>									
Prop	24	\$48,000	1,152	12	\$48,000	576	12	\$48,000	576
Rotary Wing	1040	\$12,556	44,129	563	\$12,556	17,082	575	\$12,556	17,386
Total	1,064		45,281	575		17,658	587		17,962

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

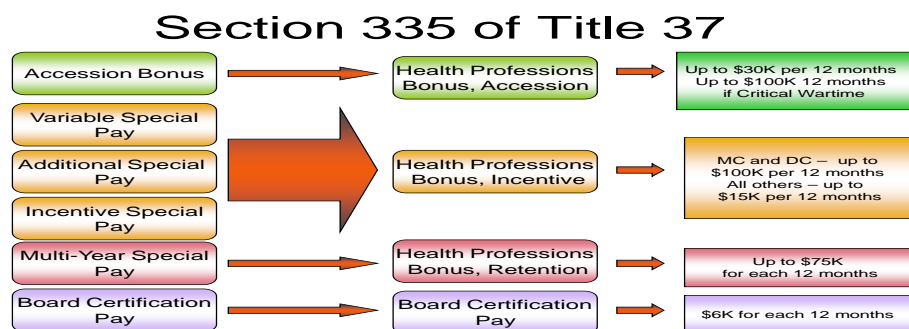
ESTIMATE FY 2019	\$433,080
ESTIMATE FY 2018	\$369,374
ACTUAL FY 2017	\$340,794

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 pays for health professionals on active duty are authorized under provisions of Title 37 U.S.C. 335 and policies of the Office of the Assistant Secretary of Defense for Health Affairs (OSD(HA)) and the Undersecretary of Defense. New policies, authorized by the FY 2008 National Defense Authorization Act, restructured health professions officer special pays by standardizing and consolidating health profession 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 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.



Health professions special pays transitioned to the new structure as in phases with full implementation complete by 2018.

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

Medical Special Pay

- (1) Critical Wartime Skills Accession Bonus (CWSAB)** – Equal annual payment for critically wartime specialties. Bonus will not exceed \$100,000 with a one-year active duty agreement. (37 U.S.C. 335(a)(2))
- (2) Incentive Pay (IP)** – Monthly incentive payment 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. Payments will not exceed \$100,000 per year on a single-year contract. (37 U.S.C. 335(b))
- (3) Retention Bonus (RB)** – Bonus designed to retain quality health professionals. Paid to physicians who execute an agreement to remain on active duty for one-year. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))
- (4) Board Certification Pay (BCP)** - Payment to specialty trained physicians who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Payment amount is \$6,000 per year. (37 U.S.C. (c))

Dental Special Pay

- (5) Accession Bonus (AB)** – Equal annual payment to dentists for a written agreement to accept commission and remain on active duty for a minimum of one year. Payment will not exceed \$30,000. (37 U.S.C. 335(a)(1))
- (6) Critical Wartime Skills Accession Bonus (CWSAB)** – Equal annual payment for critically wartime specialties. Bonus will not exceed \$100,000 with a one-year active duty agreement. (37 U.S.C. 335(a)(2))
- (7) Incentive Special Pay (IP)** - Monthly incentive payment 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. (37 U.S.C. 335(b))
- (8) 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 one-year. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))
- (9) Board Certification Pay (BCP)** - Payment to specialty trained dentists who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Payment amount \$6,000 per year. (37 U.S.C. 335(c))

Nurse Special Pay

- (10) 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 one year. Bonus amount will not exceed \$30,000. (37 U.S.C. 335(a)(1))
- (11) Retention Bonus (RB)** – Bonus designed to retain quality health professionals. Payable to designated nurse specialties who execute a one-year active duty agreement. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))
- (12) Board Certification Pay (BCP)** – 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 amount is \$6,000 per year. (37 U.S.C. 335(c))
- (13) Incentive Pay (IP)** - Monthly incentive payment designed to recognize the higher education and training level required for health professions officer specialists. Payable to designated nurse specialties who execute a written agreement to remain on active duty for a period of not less than 12 months. Payments may not exceed \$15,000 per year on a single-year contract. (37 U.S.C. 335(b))

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

Optometrists Special Pay

- (14) Retention Bonus (RB)** – Bonus designed to retain quality health professionals. Payable to optometrists who execute a one-year active duty agreement. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))
- (15) Incentive Pay (IP)** – Monthly incentive payable to all optometrists. Payments may not exceed \$15,000 per year on a single-year contract. (37 U.S.C. 335(b))
- (16) Board Certification Pay (BCP)** – Payment to optometrists who become certified or recertified as having successfully met specified post-graduate education, training and experience requirements. Payment is \$6,000 per year. (37 U.S.C. 335(c))

Veterinarians Special Pay

- (17) Accession Bonus (AB)** – Equal annual payments to veterinarians who execute a one-year active duty agreement. Payment will not exceed \$30,000. (37 U.S.C. 335(a)(1))
- (18) Incentive Special Pay (IP)** - Monthly incentive payable to all veterinarians designed to recognize the higher education and training level required for health professions officer specialists. Payments will not exceed \$15,000 per year on a single-year contract. (37 U.S.C. 335(b))
- (19) Retention Bonus (RB)** – Bonus designed to retain quality health professionals. Payable to veterinarian who execute a one-year active duty agreement. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))
- (20) Board Certification Pay (BCP)** – Payment to specialty trained veterinarians who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Payment amount is \$6,000 per year. (37 U.S.C. 335(c))

Psychologist Special Pay

- (21) Accession Bonus (AB)** – Equal annual payments to clinical psychologists who execute a one-year active duty agreement. Payment will not exceed \$30,000. (37 U.S.C. 335(a)(1))
- (22) Incentive Pay (IP)** – Monthly incentive payments designed to recognize the higher education and training level required for health professions officer specialists. Payments will not exceed \$15,000 per year on a single-year contract. (37 U.S.C. 335(b))
- (23) Retention Bonus (RB)** - Bonus designed to retain quality health professionals. Payable to clinical psychologists who execute a one-year active duty service agreement. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))
- (24) Board Certification Pay (BCP)** – Payment to clinical psychologists who become certified or recertified as having successfully met specified post- graduate education, training, and experience requirements. Payment is \$6,000 per year. (37 U.S.C. 335(c))

Pharmacy Special Pay

- (25) Accession Bonus (AB)** - Lump sum bonus payable to pharmacists who execute a one-year active duty agreement. Bonus amount will not exceed \$30,000. (37 U.S.C. 335(a)(1))
- (26) Retention Bonus (RB)** – Bonus designed to retain quality health professionals. Payable to pharmacists who execute a one-year active duty service agreement. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))
- (27) Board Certification Pay (BCP)** – Payment to pharmacists who become certified or recertified as having successfully met specified post- graduate education, training, and experience requirements. Payment amount is \$6,000 per year. (37 U.S.C. 335(c))

Physician Assistant Special Pay

- (28) Accession Bonus (AB)** – Equal annual payments to physician assistants who execute a one-year active duty agreement. Payment will not exceed \$30,000. (37 U.S.C. 335(a)(1))
- (29) Incentive Pay (IP)** - Monthly incentive payment designed to recognize the higher education and training level required for health professions officer

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

specialists. Payment will not exceed \$15,000 per year on a single-year contract. (37 U.S.C. 335(b))

(30) Retention Bonus (RB) – Bonus designed to retain quality health professionals. Payable to physician assistants who execute a one-year active duty service agreement. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))

(31) Board Certification Pay (BCP) – 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. Payment amount is \$6,000 per year. (37 U.S.C. 335(c))

Social Work Special Pay

(32) Accession Bonus (AB) – Equal annual payments to clinical social workers who execute a one-year active duty agreement. Payment will not exceed \$30,000. (37 U.S.C. 335(a)(1))

(33) Retention Bonus (RB) – Bonus designed to retain quality health professionals. Payable to clinical social workers who execute a one-year active duty service agreement. Bonus will not exceed \$75,000. (37 U.S.C. 335(a)(3))

(34) Board Certification Pay (BCP) – Payment to clinical social workers who become certified or recertified as having successfully met specified post-graduate education, training, and experience requirements. Payment amount is \$6,000 per year. (37 U.S.C. 335(c))

(35) Personal Allowance, General Officers - 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).

(36) Judge Advocate Continuation Pay (JACP) - 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).

(37) Hostile Fire Pay - Paid to officers on duty subject to hostile fire or imminent danger. Paid may not exceed \$450 per month (37 U.S.C. 351(a)(1))

Skill Incentive Pay and Proficiency Bonus - Payments are authorized under 37 U.S.C. 353 for servicemembers serving in a career field or skill that is designated as critical by the Army.

(38) Diving Duty Pay - A monthly amount not to exceed \$1,000 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. 353(a)).

(39) Foreign Language Proficiency Pay (FLPP) - 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 \$12,000 per year. (37 U.S.C. 353(b)).

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

Assignment Pay or Special Duty Pay - Payments are authorized under 37 U.S.C. 352 for servicemembers performing duties in an assignment, location, or unit under certain conditions as designated by the Army. The payment amount may not exceed \$5,000 per month.

(40) Hardship Duty Pay - Authorized in 37 U.S.C. 352 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).

(41) Sea Duty Pay - Officers who are entitled to basic pay are also entitled to special pay while on sea duty at a monthly rate not to exceed \$5K. 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. 352).

(42) 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. 352).

-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.

-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.

-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.

-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.

-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

(43) 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

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

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

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

There is a +\$63.7 million increase in the officer special pay requirement from FY 2018 to FY 2019. This change is based on:

- (1) Price increase due to inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$36.6 million
- (2) Program increase primarily due to an increase in the number of officers eligible to participate in the new Blended Retirement System and receive Officer Continuation pay: +\$55.4 million
- (3) Program decrease to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$28.3 million

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY - OFFICER									
MEDICAL PAY									
CRITICAL WARTIME SKILLS ACCESSION BONUS (CWSAB)	53	\$69,000	3,676	60	\$69,000	4,148	60	\$69,000	4,140
INCENTIVE PAY (IP)	2,709	\$47,788	129,438	3,015	\$47,788	144,061	3,051	\$47,788	145,790
RETENTION BONUS (RB)	1,069	\$31,672	33,855	1,206	\$31,672	38,202	1,204	\$31,672	38,127
BOARD CERTIFICATION PAY (BCP)	2,198	\$6,000	13,189	2,481	\$6,000	14,884	2,466	\$6,000	14,793
SUBTOTAL MEDICAL PAY	6,029		180,158	6,762		201,295	6,781		202,850
DENTAL PAY									
ACCESSION BONUS (AB)	36	\$37,500	1,354	11	\$37,500	431	40	\$37,500	1,500
CRITICAL WARTIME SKILLS ACCESSION BONUS (CWSAB)	7	\$75,000	543	1	\$75,000	72	8	\$75,000	600
VARIABLE SPECIAL PAY (VSP)	0	\$0	0	1,020	\$8,715	8,888	0	\$0	0
ADDITIONAL SPECIAL PAY (ASP)	0	\$0	0	939	\$15,000	14,091	0	\$0	0
INCENTIVE PAY (IP)	846	\$26,284	22,234	61	\$26,284	1,609	952	\$26,284	25,016
BOARD CERTIFICATION PAY (BCP)	386	\$6,000	2,315	197	\$6,000	1,184	417	\$6,000	2,502
RETENTION BONUS (RB)	347	\$33,160	11,511	464	\$33,160	15,395	390	\$33,160	12,945
SUBTOTAL DENTAL PAY	1,622		37,957	2,693		41,670	1,807		42,563
NURSE PAY									
ACCESSION BONUS (AB)	22	\$30,000	666	18	\$30,000	550	25	\$30,000	750
RETENTION BONUS (RB)	408	\$19,792	8,079	177	\$19,792	3,510	456	\$19,792	9,025
BOARD CERTIFICATION PAY (BCP)	882	\$6,000	5,293	2,896	\$6,000	17,375	993	\$6,000	5,957
INCENTIVE PAY (IP)	298	\$8,952	2,672	161	\$8,952	1,442	325	\$8,952	2,910
SUBTOTAL NURSE PAY	1,610		16,710	3,252		22,877	1,799		18,642
OPTOMETRISTS PAY									
INCENTIVE PAY (IP)	103	\$1,200	124	143	\$1,200	172	96	\$1,200	115
BOARD CERTIFICATION PAY (BCP)	47	\$6,000	282	19	\$6,000	115	29	\$6,000	172
RETENTION BONUS (RB)	90	\$8,840	795	94	\$8,840	833	94	\$8,840	833
SUBTOTAL OPTOMETRISTS PAY	240		1,201	256		1,120	219		1,120
VETERINARIANS PAY									
ACCESSION BONUS (AB)	18	\$5,000	89	5	\$5,000	24	5	\$5,000	24
INCENTIVE PAY (IP)	386	\$5,000	1,932	441	\$4,751	2,096	441	\$4,751	2,096
RETENTION BONUS (RB)	329	\$5,000	1,644	228	\$4,252	968	228	\$4,252	968
BOARD CERTIFICATION PAY (BCP)	171	\$6,000	1,023	174	\$6,000	1,046	174	\$6,000	1,046
SUBTOTAL VETERINARIANS PAY	904		4,688	848		4,134	848		4,134

PB-30X SPECIAL PAY

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY - OFFICER									
PSYCHOLOGIST									
ACCESSION BONUS (AB)	4	\$15,000	59	1	\$15,000	14	4	\$15,000	56
INCENTIVE PAY (IP)	193	\$5,000	964	210	\$5,000	1,048	215	\$5,000	1,076
RETENTION BONUS (RB)	192	\$16,991	3,265	52	\$16,991	876	216	\$16,991	3,666
BOARD CERTIFICATION PAY (BCP)	44	\$6,000	262	14	\$6,000	85	48	\$6,000	288
SUBTOTAL PSYCHOLOGIST	433		4,550	277		2,023	483		5,086
PHARMACY PAY									
ACCESSION BONUS (AB)	10	\$30,000	300	12	\$30,000	373	11	\$30,000	330
RETENTION BONUS (RB)	114	\$15,000	1,709	122	\$15,000	1,828	128	\$15,000	1,920
BOARD CERTIFICATION PAY (BCP)	30	\$6,000	182	10	\$6,000	57	33	\$6,000	198
SUBTOTAL PHARMACY PAY	154		2,191	144		2,258	172		2,448
PHYSICIAN ASSISTANT									
ACCESSION BONUS (AB)	18	\$15,000	277	5	\$15,000	72	20	\$15,000	300
INCENTIVE PAY (IP)	660	\$5,000	3,298	766	\$5,000	3,831	742	\$5,000	3,710
RETENTION BONUS (RB)	493	\$17,000	8,387	325	\$17,000	5,530	549	\$17,000	9,333
BOARD CERTIFICATION PAY (BCP)	681	\$6,000	4,086	768	\$6,000	4,608	765	\$6,000	4,590
SUBTOTAL PHYSICIAN ASSISTANT	1,852		16,048	1,864		14,041	2,076		17,933
SOCIAL WORK									
ACCESSION BONUS (AB)	1	\$7,500	7	1	\$7,500	8	1	\$7,500	8
RETENTION BONUS (RB)	192	\$8,245	1,581	209	\$8,245	1,722	209	\$8,245	1,722
BOARD CERTIFICATION PAY (BCP)	102	\$6,000	611	108	\$6,000	649	108	\$6,000	649
SUBTOTAL SOCIAL WORK	295		2,199	318		2,379	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	10	\$2,200	21	12	\$2,200	27	11	\$2,200	24
LIEUTENANT GENERAL	46	\$500	23	56	\$500	28	48	\$500	24
SUBTOTAL PERSONAL MONEY ALLOWANCES FOR GENERAL/FLAG OFFICER	58		52	70		63	61		56

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	108	\$2,493	269	108	\$2,530	274	102	\$2,493	255
BOARD CERTIFIED NON-PHYSICIAN HEALTH CARE PROVIDER	0	\$0	0	0	\$0	0	44	\$6,000	264
HOSTILE FIRE PAY	3,697	\$2,700	9,983	3,044	\$2,700	8,218	560	\$2,700	1,512
SEA DUTY PAY	73	\$4,413	321	83	\$4,538	375	69	\$4,413	305
HARDSHIP DUTY PAY	5,964	\$1,800	10,735	5,276	\$1,800	9,496	2,297	\$1,800	4,134
FOREIGN LANGUAGE PROFICIENCY PAY	4,196	\$2,771	11,627	3,086	\$2,729	8,423	4,070	\$2,771	11,277
JUDGE ADVOCATE CONTINUATION PAY	322	\$16,393	5,285	366	\$20,491	7,496	491	\$16,393	8,053
ASSIGNMENT INCENTIVE PAY									
KOREA ASSIGNMENT INCENTIVE PAY	0	\$0	0	1,013	\$3,600	3,647	0	\$0	0
OTHER ASSIGNMENT INCENTIVE PAY	4,432	\$8,308	36,820	931	\$10,237	9,529	4,151	\$8,308	34,489
OPERATIONAL DEPLOY ASSIGN INCENTIVE PAY	0	\$0	0	3,952	\$2,400	9,484	0	\$0	0
SUBTOTAL ASSIGNMENT INCENTIVE PAY	4,432		36,820	5,896		22,660	4,151		34,489
OFFICER CONTINUATION PAY			0			20,572			75,580
TOTAL SPECIAL PAY - OFFICER	31,989		340,794	34,343		369,374	26,348		433,080

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

ESTIMATE FY 2019	\$7,702
ESTIMATE FY 2018	\$9,500
ACTUAL FY 2017	\$3,270

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 37 U.S.C. 332(a)(5) (accessions) and 37 U.S.C. 355 (retention) 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 for a three-year service duty commitment. Retention bonuses may not exceed a total of more than \$200,000 in a career.

PART II - JUSTIFICATION OF FUNDS REQUESTED

There is a -\$1.8 million decrease in Officer Bonus - other than Medical requirement from FY 2018 to FY 2019. This change is based on:

- (1) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$1.2 million
- (2) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.6 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
OFFICER BONUS - OTHER THAN MEDICAL									
WARRANT OFFICER CSRB	238	\$13,750	3,270	481	\$19,758	9,500	453	\$17,006	7,702
TOTAL OFFICER BONUS - OTHER THAN MEDICAL	238		3,270	481		9,500	453		7,702

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

ESTIMATE FY 2019	\$2,165,218
ESTIMATE FY 2018	\$2,178,830
ACTUAL FY 2017	\$2,179,165

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 2017 rates were built by applying inflation assumptions to the FY 2019 Active Component BAH rates. The BAH rates reflect a 1.7% housing rate increase, effective 1 January 2018 and 2.9% increase, effective 1 January 2019.

There is a -\$13.6 million decrease in the officer BAH requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the housing cost growth of 1.7%, effective 1 January 2018: +\$8.4 million
- (2) Price increase due to the annualization of the housing cost growth of 2.9%, effective 1 January 2019: +\$42.9 million
- (3) Price increase due to foreign currency fluctuation: +\$4.5 million
- (4) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$81.1 million
- (5) Program increase due to officer man-year growth: +\$0.3 million
- (6) Program decrease due to shifts in grade structure: +\$0.4 million
- (7) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$151.2 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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	\$32,823	197	7	\$35,616	239	6	\$34,291	208
LIEUTENANT GENERAL	24	\$35,339	848	27	\$34,336	943	25	\$36,920	912
MAJOR GENERAL	112	\$34,566	3,879	105	\$34,596	3,644	104	\$36,112	3,762
BRIGADIER GENERAL	117	\$34,553	4,026	120	\$34,617	4,137	107	\$36,098	3,874
COLONEL	3,522	\$35,779	126,012	3,581	\$34,705	124,266	3,312	\$37,379	123,792
LIEUTENANT COLONEL	7,231	\$33,680	243,546	7,393	\$32,762	242,199	6,789	\$35,187	238,901
MAJOR	11,366	\$29,677	337,312	11,400	\$29,032	330,951	11,065	\$31,004	343,059
CAPTAIN	17,480	\$25,385	443,725	18,296	\$24,807	453,860	16,311	\$26,521	432,584
1ST LIEUTENANT	4,405	\$21,657	95,409	4,566	\$21,532	98,312	4,191	\$22,626	94,830
2ND LIEUTENANT	1,387	\$20,618	28,604	1,595	\$19,872	31,695	1,408	\$21,540	30,327
SUBTOTAL OFFICER- ACTIVE DUTY	45,650		1,283,558	47,090		1,290,246	43,318		1,272,249
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	529	\$28,703	15,184	533	\$27,551	14,690	509	\$29,987	15,260
WARRANT OFFICER (W-4)	1,663	\$25,673	42,694	1,713	\$25,856	44,282	1,599	\$26,821	42,888
WARRANT OFFICER (W-3)	3,403	\$24,615	83,756	3,443	\$24,587	84,658	3,158	\$25,716	81,206
WARRANT OFFICER (W-2)	4,173	\$22,991	95,938	4,646	\$22,696	105,446	3,951	\$24,019	94,909
WARRANT OFFICER (W-1)	1,508	\$20,344	30,683	1,194	\$19,605	23,403	1,658	\$21,254	35,235
SUBTOTAL OFFICER- WARRANT ACTIVE	11,276		268,255	11,529		272,479	10,875		269,498
SUBTOTAL WITH DEPENDENTS - DOMESTIC	56,926		1,551,813	58,619		1,562,725	54,193		1,541,747

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	0	\$0	0
LIEUTENANT GENERAL	3	\$30,512	95	1	\$16,761	14	3	\$31,635	98
MAJOR GENERAL	2	\$33,732	55	3	\$40,854	105	1	\$34,975	46
BRIGADIER GENERAL	4	\$30,832	124	2	\$33,783	54	3	\$31,968	87
COLONEL	268	\$30,821	8,267	268	\$29,890	8,003	250	\$31,956	7,987
LIEUTENANT COLONEL	770	\$28,037	21,592	739	\$27,405	20,240	704	\$29,070	20,462
MAJOR	2,050	\$25,901	53,100	1,984	\$24,751	49,101	1,975	\$26,855	53,031
CAPTAIN	7,585	\$22,020	167,031	7,967	\$21,136	168,393	7,145	\$22,831	163,118
1ST LIEUTENANT	7,066	\$18,962	133,977	6,512	\$18,435	120,056	6,947	\$19,661	136,576
2ND LIEUTENANT	3,673	\$17,090	62,774	3,988	\$16,531	65,925	3,793	\$17,720	67,218
SUBTOTAL OFFICER- ACTIVE DUTY	21,421		447,015	21,464		431,891	20,821		448,623
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	39	\$26,534	1,028	44	\$24,845	1,105	38	\$27,512	1,033
WARRANT OFFICER (W-4)	157	\$23,886	3,747	156	\$22,983	3,590	151	\$24,766	3,731
WARRANT OFFICER (W-3)	321	\$21,156	6,801	310	\$20,663	6,404	290	\$21,935	6,371
WARRANT OFFICER (W-2)	610	\$20,420	12,465	617	\$19,848	12,241	566	\$21,172	11,991
WARRANT OFFICER (W-1)	316	\$15,882	5,017	225	\$15,634	3,523	346	\$16,467	5,691
SUBTOTAL OFFICER- WARRANT ACTIVE	1,443		29,058	1,352		26,863	1,391		28,817
SUBTOTAL WITHOUT DEPENDENTS - DOMESTIC	22,864		476,073	22,816		458,754	22,212		477,440

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	0	\$0	0
LIEUTENANT GENERAL	0	\$0	0	0	\$0	0	0	\$0	0
MAJOR GENERAL	0	\$0	0	0	\$0	0	0	\$0	0
BRIGADIER GENERAL	0	\$0	0	0	\$0	0	0	\$0	0
COLONEL	11	\$266	3	13	\$374	5	11	\$276	3
LIEUTENANT COLONEL	22	\$227	5	14	\$291	4	17	\$236	4
MAJOR	67	\$195	13	55	\$200	11	59	\$202	12
CAPTAIN	279	\$179	50	256	\$207	53	258	\$186	48
1ST LIEUTENANT	206	\$126	26	189	\$143	27	198	\$131	26
2ND LIEUTENANT	1,085	\$94	102	840	\$119	100	1,134	\$97	110
SUBTOTAL OFFICER- ACTIVE DUTY	1,670		199	1,367		200	1,677		203
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	0	\$128	0	2	\$524	1	0	\$133	0
WARRANT OFFICER (W-4)	9	\$230	2	5	\$210	1	8	\$239	2
WARRANT OFFICER (W-3)	13	\$154	2	14	\$419	6	13	\$159	2
WARRANT OFFICER (W-2)	34	\$119	4	41	\$122	5	33	\$123	4
WARRANT OFFICER (W-1)	20	\$49	1	15	\$131	2	20	\$51	1
SUBTOTAL OFFICER- WARRANT ACTIVE	76		9	77		15	74		9
SUBTOTAL PARTIAL ALLOWANCE FOR BACHELORS - DOMESTIC	1,746		208	1,444		215	1,751		212
BAH DIFFERENTIAL	42	\$2,139	97	29	\$2,564	75	46	\$2,218	102

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	0	\$0	0
LIEUTENANT GENERAL	0	\$0	0	0	\$0	0	0	\$0	0
MAJOR GENERAL	1	\$35,817	42	0	\$0	0	1	\$36,947	44
BRIGADIER GENERAL	2	\$10,908	26	2	\$14,165	34	2	\$11,252	27
COLONEL	207	\$34,047	7,045	202	\$40,220	8,106	193	\$35,292	6,800
LIEUTENANT COLONEL	637	\$27,185	17,317	558	\$31,773	17,730	579	\$28,197	16,327
MAJOR	920	\$24,765	22,772	755	\$28,364	21,411	856	\$25,667	21,976
CAPTAIN	1,098	\$20,819	22,869	1,035	\$24,071	24,915	1,005	\$21,540	21,651
1ST LIEUTENANT	283	\$19,296	5,470	257	\$24,831	6,385	258	\$20,139	5,193
2ND LIEUTENANT	70	\$23,522	1,637	96	\$24,220	2,337	64	\$24,518	1,560
SUBTOTAL OFFICER- ACTIVE DUTY	3,218		77,178	2,905		80,918	2,958		73,578
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	17	\$31,403	522	23	\$33,174	758	16	\$32,394	515
WARRANT OFFICER (W-4)	87	\$28,846	2,502	91	\$33,196	3,012	85	\$29,756	2,538
WARRANT OFFICER (W-3)	225	\$25,764	5,791	221	\$30,155	6,675	209	\$26,628	5,568
WARRANT OFFICER (W-2)	297	\$23,190	6,888	333	\$28,135	9,376	283	\$23,959	6,789
WARRANT OFFICER (W-1)	81	\$20,523	1,672	56	\$29,419	1,636	90	\$21,201	1,913
SUBTOTAL OFFICER- WARRANT ACTIVE	707		17,375	724		21,457	683		17,323
SUBTOTAL WITH DEPENDENTS - OVERSEAS	3,925		94,553	3,629		102,375	3,641		90,901

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	0	\$0	0
LIEUTENANT GENERAL	0	\$0	0	0	\$0	0	0	\$0	0
MAJOR GENERAL	0	\$0	0	0	\$0	0	0	\$0	0
BRIGADIER GENERAL	0	\$0	0	0	\$0	0	0	\$0	0
COLONEL	48	\$27,671	1,319	51	\$33,471	1,694	46	\$28,604	1,320
LIEUTENANT COLONEL	221	\$23,357	5,166	174	\$26,365	4,575	188	\$24,144	4,550
MAJOR	449	\$20,368	9,147	301	\$26,418	7,959	425	\$21,054	8,956
CAPTAIN	1,064	\$17,623	18,757	859	\$20,790	17,857	984	\$18,217	17,921
1ST LIEUTENANT	722	\$15,477	11,174	556	\$18,902	10,504	685	\$15,999	10,953
2ND LIEUTENANT	262	\$16,507	4,326	219	\$22,308	4,886	270	\$17,064	4,611
SUBTOTAL OFFICER- ACTIVE DUTY	2,766		49,889	2,160		47,475	2,598		48,311
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	15	\$29,395	437	16	\$32,107	526	14	\$30,386	431
WARRANT OFFICER (W-4)	39	\$21,573	833	34	\$31,488	1,062	35	\$22,300	786
WARRANT OFFICER (W-3)	87	\$20,979	1,831	81	\$26,122	2,103	78	\$21,686	1,696
WARRANT OFFICER (W-2)	143	\$17,852	2,549	122	\$23,883	2,919	140	\$18,325	2,570
WARRANT OFFICER (W-1)	44	\$20,035	882	26	\$22,907	601	50	\$20,492	1,022
SUBTOTAL OFFICER- WARRANT ACTIVE	328		6,532	279		7,211	317		6,505
SUBTOTAL WITHOUT DEPENDENTS - OVERSEAS	3,094		56,421	2,439		54,686	2,915		54,816
TOTAL BASIC ALLOWANCE FOR HOUSING - OFFICER	88,597		2,179,165	88,976		2,178,830	84,758		2,165,218

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 2019	\$287,464
ESTIMATE FY 2018	\$285,298
ACTUAL FY 2017	\$294,703

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 0.3%, effective 1 January 2018. The BAS inflation rate is 3.4%, effective 1 January 2019. The FY 2018 and FY 2019 BAS yearly composite rates are \$3,050.41 and \$3,130.53 respectively.

There is a +\$2.2 million increase in the officer BAS requirement between FY 2018 and FY 2019. The change is due to:

- (1) Price increase due to the annualization of the 0.3% subsistence inflation rate, effective 1 January 2018: +\$0.3 million
- (2) Price increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2019: +\$7.1 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$6.5 million
- (4) Program increase due to officer man-year growth: +\$0.04 million
- (5) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$1.3 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
OFFICER BASIC ALLOWANCE FOR SUBSISTENCE	96,828	\$3,044	294,703	91,409	\$3,121	285,298	91,825	\$3,131	287,464

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

ESTIMATE FY 2019	\$177,382
ESTIMATE FY 2018	\$160,919
ACTUAL FY 2017	\$174,602

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 2019 OSA rates were built by applying basic pay raise inflation to FY 2017 Active Component rates, to include changes in foreign currency fluctuation.

There is a +\$16.5 million increase in the officer OSA requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$0.6 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$1.9 million
- (3) Price increase due to foreign currency fluctuation: +\$6.5 million
- (3) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$32.4 million
- (4) Program decrease due to the number of Soldiers expected to receive the allowance: -\$0.5 million
- (5) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$24.4 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 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
OVERSEAS STATION ALLOWANCES - OFFICER									
COST OF LIVING									
COST OF LIVING									
OFFICER- ACTIVE DUTY									
GENERAL	4	\$8,055	32	4	\$5,049	21	4	\$8,105	32
LIEUTENANT GENERAL	5	\$8,705	46	6	\$7,235	46	5	\$8,759	45
MAJOR GENERAL	23	\$10,478	238	22	\$9,900	213	22	\$10,543	237
BRIGADIER GENERAL	29	\$10,046	293	34	\$9,813	331	29	\$10,108	293
COLONEL	919	\$10,966	10,075	951	\$9,753	9,279	904	\$11,034	9,972
LIEUTENANT COLONEL	2,178	\$9,674	21,073	2,369	\$8,440	19,998	2,175	\$9,734	21,171
MAJOR	3,652	\$8,419	30,745	3,722	\$7,400	27,545	3,674	\$8,471	31,121
CAPTAIN	6,002	\$6,738	40,442	6,150	\$5,687	34,975	5,942	\$6,780	40,287
1ST LIEUTENANT	2,595	\$5,884	15,267	2,942	\$4,744	13,958	2,704	\$5,921	16,013
2ND LIEUTENANT	1,093	\$4,757	5,198	1,220	\$3,808	4,644	1,109	\$4,787	5,310
SUBTOTAL OFFICER- ACTIVE DUTY	16,500		123,409	17,420		111,010	16,568		124,481
OFFICER- WARRANT ACTIVE									
WARRANT OFFICER (W-5)	110	\$8,490	934	134	\$8,149	1,096	114	\$8,542	973
WARRANT OFFICER (W-4)	443	\$8,975	3,980	507	\$7,953	4,031	448	\$9,030	4,044
WARRANT OFFICER (W-3)	1,041	\$7,798	8,118	1,076	\$6,790	7,305	1,024	\$7,846	8,037
WARRANT OFFICER (W-2)	1,551	\$6,914	10,721	1,848	\$5,780	10,679	1,579	\$6,957	10,985
WARRANT OFFICER (W-1)	406	\$6,280	2,549	315	\$5,223	1,645	413	\$6,319	2,609
SUBTOTAL OFFICER- WARRANT ACTIVE	3,551		26,302	3,880		24,756	3,578		26,648
SUBTOTAL COST OF LIVING	20,051		149,711	21,300		135,766	20,146		151,129
TEMPORARY LODGING	1,578	\$15,777	24,891	3,514	\$7,158	25,153	1,586	\$16,555	26,253
TOTAL OVERSEAS STATION ALLOWANCES - OFFICER	21,629		174,602	24,814		160,919	21,732		177,382

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

ESTIMATE FY 2019	\$1,069
ESTIMATE FY 2018	\$2,001
ACTUAL FY 2017	\$3,962

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 2018:

Military Housing Areas		
CALIFORNIA Oakland San Francisco Marin/Sonoma San Bernadino Los Angeles Santa Clara County	MARYLAND Indian Head Navordsta MICHIGAN Detroit NEW JERSEY Atlantic City	NEW YORK Long Island New York City Westchester County Staten Island
MASSACHUSETTS Nantucket Boston Martha's Vineyard	PENNSYLVANIA Philadelphia, PA / Camden, NJ Willow Grove	

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 -\$1.0 million decrease in CONUS COLA between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018 and the 2.6% pay raise effective 1 January 2019: +\$0.03 million
- (2) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.4 million

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

(3) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.6 million

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CONUS, COST-OF-LIVING ALLOWANCE	2,126	\$1,864	3,962	765	\$2,617	2,001	547	\$1,956	1,069

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

ESTIMATE FY 2019	\$4,197
ESTIMATE FY 2018	\$4,156
ACTUAL FY 2017	\$4,210

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, \$1,062.00; (2) permanent duty annual replacement and temporary duty of at least 15 days in a 30-day period, \$354.24; and (3) temporary duty of at least 30 days in a 36-day period \$708.12. The FY 2018 and the FY 2019 civilian clothing rate is increased by general inflation.

There is a +\$0.04 million increase in the officer clothing allowance requirement between FY 2018 and FY 2019. This change is based:

- (1) Price increase due to changes in rates: +\$0.20 million
- (2) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.10 million
- (3) Program decrease due to the number of Soldiers expected to receive the allowance: -\$0.06 million

Detailed computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
CLOTHING ALLOWANCES - OFFICER									
INITIAL MILITARY ALLOWANCE	9,248	\$400	3,699	9,208	\$400	3,683	8,775	\$400	3,510
ADDITIONAL MILITARY ALLOWANCE	1,205	\$200	241	835	\$200	167	470	\$200	94
CIVILIAN CLOTHING ALLOWANCE	393	\$687	270	473	\$647	306	835	\$710	593
TOTAL CLOTHING ALLOWANCES - OFFICER	10,846		4,210	10,516		4,156	10,080		4,197

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

ESTIMATE FY 2019	\$8,772
ESTIMATE FY 2018	\$15,451
ACTUAL FY 2017	\$21,558

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 2019 takers for FSA were forecasted based on FY 2017 base-level execution.

There is a -\$6.7 million decrease in the officer FSA requirement between FY 2018 and FY 2019. This change is based on:

- (1) Program increase due to an increase in the number of Soldier's expected to receive allowance: +\$0.4 million
- (2) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$7.1 million

Detailed cost computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
FAMILY SEPARATION ALLOWANCES - OFFICER									
FSA - RESTRICTED	1,512	\$3,000	4,536	870	\$3,000	2,609	543	\$3,000	1,630
FSA - TEMPORARY	5,674	\$3,000	17,022	4,281	\$3,000	12,842	2,381	\$3,000	7,142
TOTAL FAMILY SEPARATION ALLOWANCES - OFFICER	7,186		21,558	5,151		15,451	2,924		8,772

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

ESTIMATE FY 2019	\$99,315
ESTIMATE FY 2018	\$107,732
ACTUAL FY 2017	\$121,240

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 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

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

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

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 -\$8.4 million decrease in the officer separation pay requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to annualization of the 2.4% pay raise, effective 1 January 2018: +\$0.6 million
- (2) Price increase due to annualization of the 2.6% pay raise, effective 1 January 2019: +\$1.7 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$3.5 million
- (4) Program decrease primarily due to a full year's expiration of the \$30K Lump Sum Bonus: -\$3.0 million
- (5) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$4.2 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 2017				ESTIMATE FY 2018				ESTIMATE FY 2019			
	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												
OFFICER- ACTIVE DUTY												
GENERAL	4	46	\$17,000	68	5	46	\$15,000	75	4	46	\$17,750	71
LIEUTENANT GENERAL	13	43	\$22,077	287	5	55	\$30,400	152	14	43	\$23,143	324
MAJOR GENERAL	15	18	\$11,933	179	3	44	\$19,667	59	16	18	\$12,500	200
BRIGADIER GENERAL	6	23	\$7,167	43	18	16	\$6,889	124	7	23	\$7,571	53
COLONEL	492	22	\$7,388	3,635	192	23	\$8,167	1,568	533	22	\$7,752	4,132
LIEUTENANT COLONEL	821	16	\$4,752	3,901	683	18	\$4,867	3,324	890	16	\$4,987	4,438
MAJOR	936	19	\$4,119	3,855	1,249	23	\$5,711	7,133	1,015	19	\$4,322	4,387
CAPTAIN	2,769	15	\$2,844	7,874	3,335	15	\$2,946	9,825	3,001	15	\$2,984	8,955
1ST LIEUTENANT	556	17	\$2,558	1,422	648	19	\$3,019	1,956	602	17	\$2,684	1,616
2ND LIEUTENANT	99	27	\$2,707	268	37	27	\$3,162	117	107	27	\$2,841	304
SUBTOTAL OFFICER- ACTIVE DUTY	5,711			21,532	6,175			24,333	6,189			24,480
OFFICER- WARRANT ACTIVE												
WARRANT OFFICER (W-5)	141	17	\$5,461	770	82	20	\$5,695	467	153	17	\$5,732	877
WARRANT OFFICER (W-4)	258	16	\$4,159	1,073	397	18	\$4,320	1,715	280	16	\$4,364	1,222
WARRANT OFFICER (W-3)	325	16	\$3,311	1,076	257	17	\$3,451	887	352	16	\$3,474	1,223
WARRANT OFFICER (W-2)	325	22	\$3,191	1,037	367	20	\$3,316	1,217	352	22	\$3,347	1,178
WARRANT OFFICER (W-1)	18	33	\$3,333	60	13	31	\$3,462	45	19	33	\$3,474	66
SUBTOTAL OFFICER- WARRANT ACTIVE	1,067			4,016	1,116			4,331	1,156			4,566
SUBTOTAL LUMP SUM TERMINAL LEAVE	6,778			25,548	7,291			28,664	7,345			29,046
SEVERANCE PAY, DISABILITY	111		\$85,874	9,532	131		\$78,420	10,273	140		\$90,114	12,616
INVOLUNTARY FULL PAY (10%)	594		\$66,542	39,526	505		\$71,481	36,104	672		\$69,862	46,947
VOLUNTARY SEPARATION INCENTIVE (VSI)				14,047				12,521				10,706
TEMPORARY EARLY RETIREMENT AUTH	326		\$92,429	30,132	439		\$44,150	19,397	0		\$0	0
\$30,000 LUMP SUM BONUS				2,455				773				0
TOTAL SEPARATION PAYMENTS - OFFICER	7,809			121,240	8,366			107,732	8,157			99,315

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

ESTIMATE FY 2019	\$550,784
ESTIMATE FY 2018	\$534,396
ACTUAL FY 2017	\$552,036

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
2017	\$127,200	No upper limit
2018	\$128,400	No upper limit
2019	\$135,600	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 +\$16.4 million increase in the officer FICA requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$3.4 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$11.0 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.4 million
- (4) Program increase due to man-year growth: +\$0.1 million
- (5) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$2.4 million
- (6) Program decrease due to shifts in officer grade structure: -\$0.1 million

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

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	96,828	\$5,701	552,036	91,409	\$5,846	534,396	91,825	\$5,998	550,784

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

**FY2018 Direct Program
Increases Pricing:**

24,856,919

Basic Pay increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	80,892
Basic Pay increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	262,899
Retired Pay Accrual increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	22,943
Retired Pay Accrual increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	74,565
Retired Pay Accrual increase due to the Normal Cost Percentage (NCP) rate increase of 30.4% effective 1 October 2018	275,854
Reenlistment Bonus increase due to rate changes	38,247
Basic Allowance for Housing increase due to the housing cost growth of 1.7%, effective 1 January 2018	20,423
Basic Allowance for Housing increase due to the housing cost growth of 2.9%, effective 1 January 2019	99,449
Basic Allowance for Housing increase due to foreign currency fluctuation	5,068
Overseas Station Allowance - COLA increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	3,104
Overseas Station Allowance - COLA increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	4,203
Overseas Station Allowance - COLA increase due foreign currency fluctuation	18,178
CONUS COLA increase due to pay raise	73
Clothing increase due to rate changes	4,784
Separation Pay increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	2,311
Separation Pay increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	6,934
FICA increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	6,188
FICA increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	20,110
Clothing increase due to Berry Compliant running shoe addition to clothing bag	6,374
Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	418,725

**Total Increases Pricing
Increases Program:**

1,371,324

Basic Pay increase due to man-year growth	344,492
Basic Pay increase due to shifts in grade structure	46,812
Retired Pay Accrual increase due to man-year growth	97,721
Retired Pay Accrual increase due to shifts in grade structure	13,279
Incentive Pay increase due to changes in the number of Soldiers expected to receive pay	1,542
Special Pay increase due to Continuation Pay within the new Blended Retirement System	102,043
Special Pay increase due to changes in the number of Soldiers expected to receive pay	2,602
Special Duty Assignment Pay increase due to changes in the number of Soldiers expected to receive pay	1,840
Basic Allowance for Housing increase due to man-year growth	103,944

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)**

Basic Allowance for Housing increase due to shifts in grade structure	42,102	
Overseas Station Allowance increase due to changes in the number of Soldiers expected to receive allowance	1,822	
Family Separation Allowance increase due to changes in the number of Soldiers expected to receive allowance	2,531	
FICA increase due to man-year growth	26,354	
FICA increase due to shifts in grade structure	3,581	
Aid and Attendance Allowance for the Catastrophically Injured increase due to allowance utilization	7	
TSP Matching increase due to changes in the number of soldiers expected to receive pay	106,635	
Total Increases Program		897,307
Total Increases		2,268,631
Decreases Pricing:		
Enlistment Bonus decrease due to rate changes	(7,963)	
Total Decreases Pricing		(7,963)
Decreases Program:		
Reenlistment Bonus decrease due to changes in the number of Soldiers expected to receive pay	(50,003)	
Enlistment Bonus decrease due to changes in the number of Soldiers expected to receive pay	(137,913)	
Loan Repayment Program decrease due to changes in the number of Soldiers expected to receive pay	(416)	
Clothing decrease due to changes in the number of Soldiers expected to receive allowance	(15,217)	
Separation Pay decrease due to changes in the number of Soldiers expected to receive allowance	(36,634)	
CONUS COLA decrease due to changes in the number of Soldiers expected to receive allowance	(1,864)	
Decrease in direct resources due to an increase in reimbursable requirements	(566)	
Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(416,490)	
Total Decreases Program		(659,103)
Total Decreases		(667,066)
FY2019 Direct Program		26,458,484

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

ESTIMATE FY 2019	\$13,825,095
ESTIMATE FY 2018	\$12,948,769
ACTUAL FY 2017	\$13,219,352

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 2019 rates were built by applying inflation assumptions to FY 2017 Active Component rates. The basic pay rates reflect a 2.4% pay raise, effective 1 January 2018 and a 2.6% pay raise, effective 1 January 2019.

There is a +\$876.3 million increase in the enlisted basic pay requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$80.9 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$262.9 million
- (3) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$96.1 million
- (4) Program increase due to a growth in total enlisted man-years: +\$344.4 million
- (5) Program increase due to a shift in enlisted grade structure: +\$46.8 million
- (6) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$45.2 million

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	3,552	\$82,136	291,747	3,330	\$82,665	275,274	3,410	\$85,893	292,894
1ST SERGEANT/MASTER SERGEANT	11,534	\$63,680	734,490	10,830	\$64,311	696,493	11,230	\$66,510	746,906
PLATOON SERGEANT/SERGEANT 1ST CLASS	36,173	\$54,221	1,961,333	35,465	\$54,447	1,930,969	37,970	\$56,700	2,152,911
STAFF SERGEANT	56,373	\$43,580	2,456,762	56,648	\$43,977	2,491,194	59,753	\$45,580	2,723,546
SERGEANT	69,135	\$35,073	2,424,764	70,335	\$35,540	2,499,671	71,757	\$36,625	2,628,108
CORPORAL/SPECIALIST	117,844	\$27,988	3,298,276	100,707	\$28,224	2,842,402	99,954	\$29,234	2,922,052
PRIVATE FIRST CLASS	46,535	\$23,010	1,070,749	50,386	\$23,457	1,181,905	50,750	\$24,023	1,219,144
PRIVATE E2	28,863	\$21,343	616,012	29,883	\$21,685	648,009	31,661	\$22,288	705,665
PRIVATE E1	20,679	\$17,661	365,219	20,578	\$18,605	382,852	23,524	\$18,444	433,869
TOTAL BASIC PAY - ENLISTED	390,688		13,219,352	378,162		12,948,769	390,009		13,825,095

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

ESTIMATE FY 2019	\$4,197,573
ESTIMATE FY 2018	\$3,686,753
ACTUAL FY 2017	\$3,697,782

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 2018 are 28.4% (Active Component (AC) full-time) and 22.6% (Reserve Component (RC) part-time). The rates for FY 2019 are 30.4% for (Active Component full-time) and 24.7% (Reserve Component part-time).

There is a +\$510.8 million increase in the RPA requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$22.9 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$74.6 million
- (3) Price increase due to the FY 2018 to FY 2019 RPA NCP rate change from 28.4% to 30.4% for AC (full-time) and from 22.8% to 24.7% for RC (part-time): +\$275.8 million
- (4) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$13.2 million
- (5) Program increase due to man-year growth: +\$97.7 million
- (6) Program increase due to shifts in grade structure: +\$13.3 million
- (7) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$13.3 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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	373,487	\$9,525	3,557,416	376,500	\$9,755	3,672,788	388,000	\$10,770	4,178,579
ENLISTED RETIRED PAY ACCRUAL-RC ONLY	17,201	\$8,160	140,366	1,662	\$8,403	13,965	2,009	\$9,454	18,994
TOTAL RETIRED PAY ACCRUAL - ENLISTED	390,688		3,697,782	378,162		3,686,753	390,009		4,197,573

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

ESTIMATE FY 2019	\$243,633
ESTIMATE FY 2018	\$136,998
ACTUAL FY 2017	\$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 +\$106.6 million increase in the officer TSP Matching requirement between FY 2018 and FY 2019 due to an increase in the number of Enlisted Soldiers who will be eligible to participate in the new Blended Retirement System and contribute to the Thrift Savings Fund. This is partially caused by FY 2018 only including the 2nd through 4th quarter due to the program start date and FY 2019 including a full year.

	<u>ACTUAL FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT	<u>ESTIMATE FY 2019</u> AMOUNT
ENL TSP MATCHING	0	136,998	243,633

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

ESTIMATE FY 2019	\$92,004
ESTIMATE FY 2018	\$94,105
ACTUAL FY 2017	\$90,817

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. 351.

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. 351 (a) (2))

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. 351 (a) (2))

Demolition Duty - Paid to enlisted personnel training and 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. 351 (a) (2))

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. 351 (a) (2))

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. 351 (a) (2))

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. 351 (a) (2))

**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 -\$2.1 million decrease in the enlisted incentive pay requirement between FY 2018 and FY 2019. This change is based on:

- (1) Program increase due to the growth in enlisted man-years: +\$1.5 million
- (2) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$3.6 million

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)**

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED									
FLYING DUTY - ENLISTED									
CREW									
SERGEANT MAJOR	22	\$2,880	62	0	\$2,880	0	21	\$2,880	60
1ST SERGEANT/MASTER SERGEANT	161	\$2,880	464	5	\$2,880	13	157	\$2,880	452
PLATOON SERGEANT/SERGEANT 1ST CLASS	608	\$2,880	1,750	61	\$2,880	177	628	\$2,880	1,808
STAFF SERGEANT	1,021	\$2,580	2,634	1,253	\$2,580	3,234	1,065	\$2,580	2,747
SERGEANT	1,621	\$2,280	3,697	1,631	\$2,280	3,719	1,684	\$2,280	3,840
CORPORAL/SPECIALIST	1,335	\$1,980	2,643	1,229	\$1,980	2,434	1,120	\$1,980	2,218
PRIVATE FIRST CLASS	106	\$1,800	190	1,096	\$1,800	1,973	108	\$1,800	194
PRIVATE E2	7	\$1,800	13	289	\$1,800	520	7	\$1,800	13
PRIVATE E1	3	\$1,800	5	37	\$1,800	67	3	\$1,800	5
SUBTOTAL CREW	4,884		11,458	5,601		12,137	4,793		11,337
NONCREW MEMBER	184	\$1,800	331	192	\$1,800	345	189	\$1,800	341
SUBTOTAL FLYING DUTY - ENLISTED	5,068		11,789	5,793		12,482	4,982		11,678
PARACHUTE JUMPING - ENLISTED									
PARACHUTE JUMPING (REGULAR)	34,016	\$1,800	61,229	35,554	\$1,800	63,997	34,548	\$1,800	62,186
PARACHUTE JUMPING (HIGH ALTITUDE/LOW OPENING)	1,967	\$2,700	5,311	1,835	\$2,700	4,954	2,026	\$2,700	5,471
SUBTOTAL PARACHUTE JUMPING - ENLISTED	35,983		66,540	37,389		68,951	36,574		67,657
INSIDE OBSERVER OR TEST SUBJECT DUTY	1	\$1,800	1	50	\$1,800	90	1	\$1,800	2
DEMOLITION DUTY	6,904	\$1,800	12,427	6,970	\$1,800	12,546	7,003	\$1,800	12,605
CHEMICAL MUNITIONS PAY	31	\$1,800	55	18	\$1,800	32	32	\$1,800	57
TOXIC PESTICIDES	2	\$1,800	3	1	\$1,800	2	2	\$1,800	3
TOXIC FUEL	1	\$1,800	2	1	\$1,800	2	1	\$1,800	2
TOTAL INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED	47,990		90,817	50,222		94,105	48,595		92,004

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

ESTIMATE FY 2019	\$229,036
ESTIMATE FY 2018	\$152,764
ACTUAL FY 2017	\$139,021

PROJECT: SPECIAL PAY - ENLISTED

PART I - PURPOSE AND SCOPE

Assignment Pay or Special Duty Pay - Payments are authorized under 37 U.S.C. 352 for servicemembers performing duties in an assignment, location, or unit under certain conditions as designated by the Army. The payment amount may not exceed \$5,000 per month.

(1) **Hardship Duty Pay** - Authorized in 37 U.S.C. 352 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).

(2) **Sea Duty Pay** - Soldiers 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. 352)

(3) **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. 352).

- **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.

- **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.

- **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.

- **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.

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

- **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.

(5) **Hostile Fire Pay** - Paid to enlisted personnel on duty subject to hostile fire or imminent danger. Payment may not exceed \$450 per month (37 U.S.C. 351 (a)(1)).

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

Skill Incentive Pay and Proficiency Bonus - Payments are authorized under 37 U.S.C. 353 for servicemembers serving in a career field or skill that is designated as critical to the Army.

(7) **Diving Duty Pay** - A monthly amount not to exceed \$1,000 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. 353(a)).

(8) **Foreign Language Proficiency Pay (FLPP)** - 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 \$12,000 per year. (37 U.S.C. 353(b)).

(9) **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.

(10) **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. Additionally, the FY2019 request includes \$139.3 million for Enlisted Continuation Pay. This entitlement is part of the Blended Retirement System.

There is a +\$76.3 million increase in the enlisted special pay requirement between FY 2018 and FY 2019. This change is based on:

(1) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$18.5 million

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

(2) Program increase due to growth in Active Component enlisted man-years and an increase of 480 Reserve Component mobilized Soldiers supporting baseline contingency missions: +\$2.6 million

(3) Program increase due to an increase in Enlisted Continuation Pay as more Soldiers become eligible to participate in the Blended Retirement System: +\$102.0 million

(4) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$46.8 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY - ENLISTED									
ASSIGNMENT INCENTIVE PAY									
KOREA ASSIGNMENT INCENTIVE PAY	0	\$3,600	0	2,210	\$3,600	7,956	0	\$3,600	0
ASSIGNMENT INCENTIVE PAY	4,197	\$5,673	23,807	1,776	\$4,458	7,918	6,411	\$5,673	36,367
OPERATIONAL DEPLOY ASSIGN INCENTIVE PAY	0	\$2,400	0	12,500	\$2,400	30,000	0	\$2,400	0
SUBTOTAL ASSIGNMENT INCENTIVE PAY	4,197		23,807	16,486		45,874	6,411		36,367
DIVING DUTY PAY	581	\$2,465	1,433	581	\$2,422	1,407	599	\$2,465	1,476
HOSTILE FIRE PAY	12,432	\$2,700	33,567	6,000	\$2,700	16,201	2,357	\$2,700	6,363
SEA DUTY PAY	245	\$2,420	594	301	\$2,392	719	253	\$2,420	612
HARDSHIP DUTY PAY	23,237	\$1,800	41,827	10,146	\$1,800	18,263	6,343	\$1,800	11,417
OVERSEAS EXTENSION PAY	0	\$2,000	0	10	\$2,000	20	0	\$2,000	0
FOREIGN LANGUAGE PROFICIENCY PAY	15,616	\$2,420	37,791	13,784	\$2,392	32,972	13,822	\$2,420	33,450
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
ENLISTED CONTINUATION PAY			0			37,306			139,349
TOTAL SPECIAL PAY - ENLISTED	56,309		139,021	47,309		152,764	29,786		229,036

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

ESTIMATE FY 2019	\$101,908
ESTIMATE FY 2018	\$112,229
ACTUAL FY 2017	\$98,594

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.

There is a -\$10.4 million decrease in the SDAP requirement from FY 2018 to FY 2019. This change is based on:

- (1) Program increase due to a growth in total enlisted man-years: +\$1.8 million
- (2) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$12.1 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT PAY (SDAP)									
SD 6 (\$450.00)	1	\$5,400	6	1	\$5,400	5	1	\$5,400	6
SD 5 (\$375.00)	12,361	\$4,500	55,626	21,123	\$4,500	95,054	12,819	\$4,500	57,684
SD 4 (\$300.00)	11,736	\$3,600	42,251	4,041	\$3,600	14,546	12,079	\$3,600	43,486
SD 3 (\$225.00)	263	\$2,700	711	972	\$2,700	2,624	271	\$2,700	732
TOTAL SPECIAL DUTY ASSIGNMENT PAY (SDAP)	24,361		98,594	26,137		112,229	25,170		101,908

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

ESTIMATE FY 2019	\$404,244
ESTIMATE FY 2018	\$416,000
ACTUAL FY 2017	\$403,466

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 (a) (3). 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 not to exceed \$30,000 per year of active service. Army policy has set the maximum SRB payment allowed at \$90,000.

Critical Skills Retention Bonus (CSRB) - Authorized under U.S.C 37, Section 331 (a) (3). 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 19-23 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 \$30,000 per year of active service. The Army currently limits CSRB payments to a maximum of \$125,000.

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. Given the current environment of fluctuating end strength, 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)**

The Army does not anticipate using CSRB in FYs 2018 and 2019. Instead, authorities provided under SRB will be utilized to write retention bonus contracts 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.

There is a -\$11.8 million decrease in the re-enlistment bonus requirement from FY 2018 to FY 2019. This change is due to:

(1) Price increase due to rate changes designed to incentivize the retention of high quality Soldiers with critical skills as the Army grows to an end-strength of 487,500 in FY 2019: +\$38.2 million

(2) Program decrease due to changes in the number of Soldiers expected to receive pay caused by the decreasing retention mission from FY 2018 to FY 2019: -\$50.0 million

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	39,947	\$10,100	403,466	34,667	\$12,000	416,000	30,500	\$13,254	404,244
TOTAL REENLISTMENT BONUS	39,947		403,466	34,667		416,000	30,500		404,244

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

ESTIMATE FY 2019	\$454,564
ESTIMATE FY 2018	\$600,440
ACTUAL FY 2017	\$290,200

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. 331 (a) (1) and (2), which allows up to \$50,000 for an enlistment for a minimum of 2 years. 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. 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.

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 -\$145.9 million decrease in the enlistment bonus (EB) requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price decrease due to rate changes caused by the downward adjustment of bonus tiers for certain critical Military Occupation Specialties (MOS's): -\$8.0 million
- (2) Program decrease in payments due to changes in the number of Soldiers expected to receive pay due to decreased accessions mission from 76.9K in FY 2018 to 66.4K in FY 2019: -\$137.9 million

Detailed cost computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
ENLISTMENT BONUS									
NEW PAYMENTS	34,557	\$7,298	252,200	39,995	\$10,000	399,951	31,733	\$8,300	263,387
ANNIVERSARY PAYMENTS	20,419	\$1,861	38,000	66,830	\$3,000	200,489	48,399	\$3,950	191,177
TOTAL ENLISTMENT BONUS	54,976		290,200	106,825		600,440	80,132		454,564

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

	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		FY 2022		FY 2023	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (Anniversary)	20,419	38,000	20,049	60,147	5,360	21,159	2,634	10,404	0	0	0	0	0	0
FY 2017														
Initial Payments	34,557	252,200	0	0	0	0	0	0	0	0	0	0	0	0
Anniversary Payments			46,781	140,342	20,253	79,970	8,578	33,882	2,968	11,725	0	0	0	0
FY 2018														
Initial Payments			39,995	399,951	0	0	0	0	0	0	0	0	0	0
Anniversary Payments					22,786	90,048	13,161	51,987	5,566	21,985	2,273	8,978	0	0
FY 2019														
Initial Payments					31,733	263,387	0	0	0	0	0	0	0	0
Anniversary Payments							24,372	96,271	11,132	43,970	4,261	16,833	2,003	7,912
FY 2020														
Initial Payments							40,407	335,377	0	0	0	0	0	0
Anniversary Payments									17,440	68,888	6,250	24,689	3,756	14,835
FY 2021														
Initial Payments									39,378	326,838	0	0	0	0
Anniversary Payments											15,626	61,721	5,508	21,758
FY 2022														
Initial Payments											37,146	308,315	0	0
Anniversary Payments													13,771	54,396
FY 2023														
Initial Payments														32,662 271,091
Total Initial Payments	34,557	252,200	39,995	399,951	31,733	263,387	40,407	335,377	39,378	326,838	37,146	308,315	32,662	271,091
Total Anniversary Payments	20,419	38,000	66,830	200,489	48,399	191,177	48,745	192,544	37,106	146,568	28,410	112,221	25,038	98,901
Total	54,976	290,200	106,825	600,440	80,132	454,564	89,152	527,921	76,484	473,406	65,556	420,536	57,700	369,992

**MILITARY PERSONNEL, ARMY
SECTION 4
PAY AND ALLOWANCES OF ENLISTED PERSONNEL
LOAN REPAYMENT PROGRAM**

ESTIMATE FY 2019	\$5,146
ESTIMATE FY 2018	\$12,146
ACTUAL FY 2017	\$6,042

PROJECT: LOAN REPAYMENT PROGRAM

PART I - PURPOSE AND SCOPE

The Loan Repayment Program (LRP) is authorized by PL 99-145, Section 71(a) (1). Guidelines for the LRP are contained in 10 U.S.C 2171. The LRP pays for federal student loans guaranteed under the Higher Education Act and any loan incurred for educational purposes. The LRP is an enlistment incentive designed to increase the quality of enlistments and attract recruits into designated Army skills which are difficult to fill with qualified enlistees. The LRP repays \$1,500 or one-third of the qualified loan whichever is greater, for every year of service up to a maximum of \$65,000. The loan is repaid in three annual installments, which begin one year after the Soldier graduates.

PART II - JUSTIFICATION OF FUNDS REQUESTED

LRP is an effective tool for providing access to the college market. LRP is paid to enlisted Soldiers, as well as to Soldiers who complete Officer Candidate School (OCS) and Warrant Officer Flight Training (WOFT).

There is a -\$7.0 million decrease in the LRP requirement between FY 2018 and FY 2019. This change is due to:

- (1) Program decrease due to reductions in the number of Soldiers expected to receive benefit: -\$0.4 million
- (2) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$6.6 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017		ESTIMATE FY 2018		ESTIMATE FY 2019	
	AVERAGE		AVERAGE		AVERAGE	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
LOAN REPAYMENT PROGRAM						
ENLISTED	304	5,168	561	9,532	259	4,402
OFFICER (OCS/WOFT)	51	874	154	2,614	44	744
LOAN REPAYMENT PROGRAM	355	6,042	714	12,146	303	5,146

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

ESTIMATE FY 2019	\$4,782,445
ESTIMATE FY 2018	\$4,588,794
ACTUAL FY 2017	\$4,598,591

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 2019 rates were built by applying inflation assumptions to the FY 2017 Active Component BAH rates. The BAH rates reflect a 1.7% housing rate increase, effective 1 January 2018 and 2.9% increase, effective 1 January 2019.

There is a +\$193.6 million increase in the enlisted BAH requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the housing cost growth of 1.7%, effective 1 January 2018: +\$20.4 million
- (2) Price increase due to the annualization of the housing cost growth of 2.9%, effective 1 January 2019: +\$99.5 million
- (3) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$200.0 million
- (4) Price increase due to foreign currency fluctuation: +\$5.1 million
- (5) Program increase due to a growth in total enlisted man-years: +\$103.9 million
- (6) Program increase due to a shift in enlisted grade structure: +\$42.1 million
- (7) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$277.4 million

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

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR HOUSING - ENLISTED									
WITH DEPENDENTS- DOMESTIC									
SERGEANT MAJOR	2,916	\$25,194	73,470	2,933	\$25,202	73,920	2,737	\$26,321	72,040
1ST SERGEANT/MASTER SERGEANT	9,737	\$23,678	230,563	9,202	\$23,615	217,309	9,191	\$24,737	227,366
PLATOON SERGEANT/SERGEANT 1ST CLASS	29,198	\$22,739	663,944	29,230	\$22,168	647,974	30,140	\$23,756	716,015
STAFF SERGEANT	42,348	\$21,701	918,995	45,658	\$21,172	966,671	44,592	\$22,672	1,010,996
SERGEANT	42,579	\$19,394	825,786	48,117	\$19,272	927,310	44,030	\$20,261	892,091
CORPORAL/SPECIALIST	47,524	\$18,197	864,801	44,488	\$17,685	786,768	40,744	\$19,011	774,576
PRIVATE FIRST CLASS	11,337	\$17,937	203,345	12,131	\$17,649	214,095	12,410	\$18,739	232,551
PRIVATE E2	4,329	\$18,222	78,881	3,690	\$17,445	64,380	4,756	\$19,037	90,541
PRIVATE E1	2,510	\$20,825	52,262	1,847	\$18,221	33,648	2,855	\$21,756	62,109
SUBTOTAL WITH DEPENDENTS- DOMESTIC	192,478		3,912,047	197,296		3,932,075	191,455		4,078,285
WITHOUT DEPENDENTS- DOMESTIC									
SERGEANT MAJOR	244	\$23,878	5,832	275	\$21,588	5,939	239	\$24,946	5,959
1ST SERGEANT/MASTER SERGEANT	932	\$23,051	21,495	953	\$20,556	19,584	918	\$24,082	22,096
PLATOON SERGEANT/SERGEANT 1ST CLASS	3,147	\$21,082	66,345	3,455	\$18,695	64,587	3,322	\$22,025	73,167
STAFF SERGEANT	6,918	\$19,965	138,126	7,620	\$17,567	133,868	7,496	\$20,858	156,354
SERGEANT	5,445	\$18,932	103,094	5,496	\$17,409	95,672	5,540	\$19,779	109,584
CORPORAL/SPECIALIST	8,568	\$16,209	138,878	7,162	\$14,689	105,202	7,057	\$16,934	119,497
PRIVATE FIRST CLASS	1,444	\$15,730	22,708	1,791	\$14,297	25,599	1,506	\$16,433	24,753
PRIVATE E2	324	\$15,052	4,878	677	\$13,857	9,388	341	\$15,725	5,356
PRIVATE E1	77	\$15,771	1,214	542	\$14,380	7,795	84	\$16,476	1,389
SUBTOTAL WITHOUT DEPENDENTS- DOMESTIC	27,099		502,570	27,971		467,634	26,503		518,155

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	17	\$173	3	6	\$168	1	11	\$181	2
1ST SERGEANT/MASTER SERGEANT	103	\$175	18	21	\$146	3	27	\$183	5
PLATOON SERGEANT/SERGEANT 1ST CLASS	256	\$125	32	93	\$97	9	107	\$131	14
STAFF SERGEANT	1,172	\$87	102	684	\$79	54	901	\$91	82
SERGEANT	13,045	\$88	1,148	11,546	\$97	1,120	13,275	\$91	1,208
CORPORAL/SPECIALIST	56,293	\$82	4,616	41,422	\$90	3,728	47,624	\$85	4,048
PRIVATE FIRST CLASS	34,610	\$77	2,665	35,598	\$87	3,097	37,346	\$81	3,025
PRIVATE E2	25,766	\$64	1,649	23,438	\$73	1,711	28,576	\$66	1,886
PRIVATE E1	21,096	\$52	1,097	18,203	\$59	1,074	23,727	\$55	1,305
SUBTOTAL PARTIAL ALLOWANCE FOR BACHELORS - DOMESTIC	152,358		11,330	131,011		10,797	151,594		11,575
BAH DIFFERENTIAL	1,772	\$2,324	4,117	1,655	\$2,564	4,243	1,761	\$2,428	4,276
WITH DEPENDENTS - OVERSEAS									
SERGEANT MAJOR	83	\$32,276	2,694	98	\$27,340	2,677	84	\$33,572	2,836
1ST SERGEANT/MASTER SERGEANT	419	\$26,053	10,922	481	\$26,152	12,584	411	\$27,099	11,139
PLATOON SERGEANT/SERGEANT 1ST CLASS	1,193	\$25,666	30,627	1,439	\$21,028	30,264	1,212	\$26,696	32,363
STAFF SERGEANT	1,406	\$23,041	32,386	1,468	\$21,594	31,705	1,409	\$23,967	33,758
SERGEANT	1,574	\$18,313	28,828	1,541	\$22,510	34,692	1,546	\$19,049	29,449
CORPORAL/SPECIALIST	1,061	\$16,163	17,145	723	\$22,410	16,207	793	\$16,812	13,336
PRIVATE FIRST CLASS	125	\$18,888	2,369	134	\$24,355	3,256	131	\$19,647	2,574
PRIVATE E2	15	\$20,549	300	31	\$23,914	738	16	\$21,374	344
PRIVATE E1	3	\$18,734	54	5	\$17,580	88	3	\$19,487	64
SUBTOTAL WITH DEPENDENTS - OVERSEAS	5,879		125,325	5,920		132,211	5,605		125,863

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	70	\$22,183	1,556	71	\$24,171	1,709	71	\$23,074	1,638
1ST SERGEANT/MASTER SERGEANT	249	\$20,192	5,035	225	\$24,151	5,435	250	\$21,003	5,245
PLATOON SERGEANT/SERGEANT 1ST CLASS	763	\$18,813	14,351	730	\$20,666	15,096	800	\$19,569	15,649
STAFF SERGEANT	440	\$20,659	9,088	399	\$21,031	8,400	466	\$21,489	10,020
SERGEANT	555	\$14,791	8,208	408	\$18,416	7,519	522	\$15,385	8,028
CORPORAL/SPECIALIST	372	\$10,964	4,081	186	\$15,322	2,844	245	\$11,404	2,794
PRIVATE FIRST CLASS	72	\$10,814	776	55	\$13,457	736	71	\$11,249	795
PRIVATE E2	12	\$9,010	107	5	\$16,559	76	13	\$9,372	122
PRIVATE E1	0	\$0	0	1	\$22,489	19	0	\$0	0
	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>
SUBTOTAL WITHOUT DEPENDENTS - OVERSEAS	2,533		43,202	2,080		41,834	2,438		44,291
TOTAL BASIC ALLOWANCE FOR HOUSING - ENLISTED	382,119		4,598,591	365,933		4,588,794	379,356		4,782,445

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

ESTIMATE FY 2019	\$416,023
ESTIMATE FY 2018	\$374,077
ACTUAL FY 2017	\$392,707

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 2019 OSA rates were built by applying basic pay raise inflation to FY 2017 Active Component rates, including projections for foreign currency fluctuation.

There is a +\$41.9 million increase in the enlisted OSA requirement between FY 2018 and FY 2019. This increase is based on:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$3.1 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$4.2 million
- (3) Price increase due to foreign currency fluctuation: +\$18.2 million
- (4) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$93.5 million
- (5) Program increase due to the changes in number expected to receive allowance: +\$1.8 million
- (6) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$78.9 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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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									
COST OF LIVING									
SERGEANT MAJOR	750	\$8,196	6,144	872	\$7,067	6,162	748	\$8,515	6,372
1ST SERGEANT/MASTER SERGEANT	2,353	\$7,091	16,683	2,881	\$6,041	17,405	2,356	\$7,367	17,354
PLATOON SERGEANT/SERGEANT 1ST CLASS	7,505	\$6,178	46,363	9,162	\$5,190	47,552	7,727	\$6,418	49,590
STAFF SERGEANT	11,367	\$5,436	61,790	13,533	\$4,497	60,860	11,891	\$5,648	67,163
SERGEANT	19,750	\$4,402	86,938	22,426	\$3,665	82,193	21,217	\$4,573	97,024
CORPORAL/SPECIALIST	26,380	\$3,455	91,144	25,317	\$2,791	70,659	23,488	\$3,590	84,323
PRIVATE FIRST CLASS	11,334	\$2,670	30,261	15,448	\$1,981	30,602	13,077	\$2,774	36,276
PRIVATE E2	5,231	\$2,368	12,386	6,737	\$1,642	11,062	5,721	\$2,460	14,073
PRIVATE E1	1,122	\$2,013	2,258	1,328	\$1,468	1,949	1,175	\$2,091	2,457
SUBTOTAL COST OF LIVING	85,792		353,967	97,704		328,444	87,400		374,632
TEMPORARY LODGING	2,493	\$15,540	38,740	32,901	\$1,387	45,633	2,538	\$16,307	41,391
TOTAL OVERSEAS STATION ALLOWANCES - ENLISTED	88,285		392,707	130,605		374,077	89,938		416,023

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

ESTIMATE FY 2019	\$2,915
ESTIMATE FY 2018	\$2,092
ACTUAL FY 2017	\$9,327

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 2018:

Military Housing Areas		
CALIFORNIA Oakland San Francisco Marin/Sonoma San Bernardino Los Angeles Santa Clara County	MARYLAND Indian Head Navordsta MICHIGAN Detroit NEW JERSEY Atlantic City	NEW YORK Long Island New York City Westchester County Staten Island
MASSACHUSETTS Nantucket Boston Martha's Vineyard	PENNSYLVANIA Philadelphia, PA / Camden, NJ Willow Grove	

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 +\$0.8 million increase in CONUS COLA between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the 2.4% pay raise effective 1 January 2018 and 2.6% pay raise effective 1 January 2019: +\$0.1 million

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

- (2) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$0.7 million
- (3) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$1.9 million
- (4) Program decrease due to changes in the number of Soldiers expected to receive allowance: -\$1.9 million

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
CONUS, COST-OF-LIVING ALLOWANCE	5,394	\$1,729	9,327	1,147	\$1,824	2,092	1,606	\$1,815	2,915

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

ESTIMATE FY 2019	\$301,487
ESTIMATE FY 2018	\$288,055
ACTUAL FY 2017	\$284,994

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 2019 clothing rates are based on FY 2018 rates and increased by general inflation. Beginning in FY 2019, athletic shoes made in the United States compliant with section 2533a of Title 10 U.S.C. (as known as Berry compliant) will become part of the Initial Issue clothing bag. Prior to FY 2019, recruits were provided a cash allowance to purchase athletic shoes.

There is a +\$3.4 million decrease in the enlisted clothing allowance requirement between FY 2018 and FY 2019. This change is based on:

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

- (1) Price increase due to rate changes based on general inflation and due to an increase in the cost of the athletic running shoe as the Army transitions to a Berry compliant shoe to be issued to new recruits as part of the initial clothing bag: +\$5.8 million
- (2) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$15.0 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$2.2 million
- (4) Program decrease due to the number of Soldiers expected to receive initial clothing issue as a result of the decreased accessions mission from 76.9K in FY 2018 to 66.4K in FY 2019: -\$15.2 million

Detailed cost computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
CLOTHING ALLOWANCES - ENLISTED									
INITIAL ISSUE									
MILITARY									
ARMY, MALE	58,453	\$1,659	96,974	58,620	\$1,691	99,127	56,436	\$1,616	91,200
ARMY, FEMALE	10,523	\$1,894	19,930	10,346	\$1,930	19,967	9,958	\$1,900	18,920
ATHLETIC SHOE	0	\$0	0	0	\$0	0	0	\$0	6,374
SUBTOTAL MILITARY	68,976		116,904	68,966		119,094	66,394		115,262
INITIAL CIVILIAN ISSUE	3,589	\$1,041	3,736	3,944	\$1,060	4,181	3,695	\$1,076	3,976
SUBTOTAL INITIAL ISSUE	66,413		120,640	72,910		123,275	70,089		119,238
MAINTENANCE ALLOWANCES									
BASIC ALLOWANCE									
BASIC MAINTENANCE, MALE	100,564	\$328	32,985	102,766	\$334	34,324	103,559	\$338	35,003
BASIC MAINTENANCE, FEMALE	16,824	\$346	5,821	17,031	\$352	5,995	17,339	\$354	6,138
SUBTOTAL BASIC ALLOWANCE	117,388		38,806	119,797		40,319	120,898		41,141
STANDARD ALLOWANCE									
STANDARD MAINTENANCE, MALE	211,457	\$468	98,962	199,637	\$477	95,227	230,556	\$482	111,128
STANDARD MAINTENANCE, FEMALE	29,710	\$493	14,647	33,167	\$503	16,683	38,521	\$505	19,453
SUBTOTAL STANDARD ALLOWANCE	241,167		113,609	232,804		111,910	271,611		131,813
SUBTOTAL MAINTENANCE ALLOWANCES	380,992		152,415	352,601		152,229	392,509		172,954
SUPPLEMENTARY ALLOWANCE			2,883			9,932			7,363
OTHER ALLOWANCES									
KATUSA			824			854			824
REPLACEMENT DURING FIRST 6 MONTHS			1,008			1,515			1,008
CHARGE SALES			100			250			100
ARMY DIRECT ORDER			7,124			0			0
SUBTOTAL OTHER ALLOWANCES	0		9,056	0		2,619	0		1,932
TOTAL CLOTHING ALLOWANCES - ENLISTED	447,405		284,994	425,511		288,055	462,598		301,487

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

ESTIMATE FY 2019	\$42,623
ESTIMATE FY 2018	\$48,823
ACTUAL FY 2017	\$73,444

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 2019 takers for FSA were forecasted based on FY 2017 base-level execution.

There is a -\$6.2 million decrease in the enlisted FSA requirement between FY 2018 and FY 2019. This change is based on:

- (1) Program increase due to an increase in the number of Soldier's expected to receive allowance: +\$2.5 million
- (2) Program decrease due to the inclusion of the FY 2018 position at the President's Budget level: -\$8.7 million

Detailed cost computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
FAMILY SEPARATION ALLOWANCES - ENLISTED									
FSA - RESTRICTED	5,680	\$3,000	17,040	5,844	\$3,000	17,532	6,279	\$3,000	18,837
FSA - TEMPORARY DUTY	18,801	\$3,000	56,404	10,430	\$3,000	31,291	7,929	\$3,000	23,786
TOTAL FAMILY SEPARATION ALLOWANCES - ENLISTED	24,481		73,444	16,274		48,823	14,208		42,623

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

ESTIMATE FY 2019	\$373
ESTIMATE FY 2018	\$448
ACTUAL FY 2017	\$362

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 -\$75.0 thousand decrease in the aid and attendance for catastrophically injured allowance between FY 2018 and FY 2019. This change is based on the inclusion of the FY 2018 position at the President's Budget 2018 levels.

The detailed computations are provided in the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
AID & ATTENDANCE ALLOW- CATASTROPHICALLY INJURED	223	\$1,625	362	354	\$1,266	448	230	\$1,625	373

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

ESTIMATE FY 2019	\$390,174
ESTIMATE FY 2018	\$484,510
ACTUAL FY 2017	\$391,023

PROJECT: SEPARATION PAYMENTS - ENLISTED

PART I - PURPOSE AND SCOPE

Pursuant to Title 37, Section 354 the CSB program will sunset after December 31, 2017. 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 2016 to 31 December 2025 by the FY 2017 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 was reinstated for use from 31 December 2017 to 31 December 2025 by the FY 2017 National Defense Authorization Act.

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

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

\$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 -\$94.3 million decrease in the enlisted separation pay requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$2.3 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$6.9 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$2.5 million
- (4) Program decrease due to a reduction in the total number of enlisted separations projected from FY 2018 to FY 2019: -\$36.6 million
- (5) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$64.4 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 2017</u>				<u>ESTIMATE FY 2018</u>				<u>ESTIMATE FY 2019</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												
SERGEANT MAJOR	548	15	\$3,414	1,871	504	14	\$3,169	1,598	606	15	\$3,584	2,172
1ST SERGEANT/MASTER SERGEANT CLASS	1,142	14	\$2,361	2,696	1,520	13	\$2,308	3,507	1,264	14	\$2,477	3,131
STAFF SERGEANT	3,354	16	\$2,428	8,144	5,356	18	\$2,563	13,724	3,711	16	\$2,548	9,455
SERGEANT	6,264	20	\$2,290	14,342	9,223	20	\$2,393	22,072	6,930	20	\$2,403	16,652
CORPORAL/SPECIALIST	9,903	17	\$1,672	16,554	16,548	18	\$1,802	29,824	10,955	17	\$1,754	19,220
PRIVATE FIRST CLASS	22,215	16	\$1,264	28,071	33,920	16	\$1,308	44,358	24,572	16	\$1,326	32,591
PRIVATE E2	4,122	24	\$1,608	6,629	5,928	23	\$1,581	9,374	4,561	24	\$1,687	7,696
PRIVATE E1	2,977	20	\$1,223	3,642	4,496	21	\$1,264	5,682	3,296	20	\$1,283	4,230
PRIVATE E1	5,030	20	\$1,039	5,226	7,315	20	\$1,040	7,608	5,565	20	\$1,090	6,067
SUBTOTAL LUMP SUM TERMINAL LEAVE	55,555			87,175	84,810			137,747	61,460			101,214
SEVERANCE PAY - DISABILITY	3,995		\$35,417	141,492	4,588		\$36,942	169,484	3,749		\$37,166	139,334
INVOLUNTARY HALF PAY (5%)	1,469		\$23,528	34,563	1,784		\$23,785	42,428	1,937		\$24,688	47,820
INVOLUNTARY FULL PAY (10%)	2,129		\$36,396	77,487	3,164		\$36,899	116,737	2,600		\$38,197	99,312
VOLUNTARY SEPARATION INCENTIVE (VSI)				4,053				3,179				2,494
TEMPORARY EARLY RETIREMENT AUTH	16		\$48,000	768	17		\$50,875	867	0		\$0	0
\$30,000 LUMP SUM BONUS				45,485				14,068				0
TOTAL SEPARATION PAYMENTS - ENLISTED	63,164			391,023	94,363			484,510	69,746			390,174

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

ESTIMATE FY 2019	\$1,057,618
ESTIMATE FY 2018	\$990,581
ACTUAL FY 2017	\$985,117

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
2017	\$127,200	No upper limit
2018	\$128,400	No upper limit
2019	\$135,600	No upper limit

There is a +\$67.0 million increase in the enlisted FICA requirement between FY 2018 and FY 2019. This change is based on:

- (1) Price increase due to the annualization of the 2.4% pay raise, effective 1 January 2018: +\$6.2 million
- (2) Price increase due to the annualization of the 2.6% pay raise, effective 1 January 2019: +\$20.1 million
- (3) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$7.3 million
- (4) Program increase due to a growth in total enlisted man-years: +\$26.3 million
- (5) Program increase due to a shift in enlisted grade structure: +\$3.6 million
- (6) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$3.5 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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	390,688	\$2,521	985,117	378,162	\$2,619	990,581	390,009	\$2,712	1,057,618

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

FY2018 Direct Program		82,393
Increases Pricing:		
Basic Pay increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	358	
Basic Pay increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	1,162	
Basic Pay increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	1,352	
Cadet Ration increase in subsistence in 2019	513	
FICA increase due to the annualization of the 2.4% pay raise, effective 1 January 2018	27	
FICA increase due to the annualization of the 2.6% pay raise, effective 1 January 2019	88	
FICA increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	103	
Total Increases Pricing		3,603
Increases Program:		
Cadet ration increase due to man-year growth	244	
FICA increase due to man-year growth	55	
Basic Pay increase due to man-year growth	721	
Total Increases Program		1,020
Total Increases		4,623
Decreases Pricing:		
Cadet Ration decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(436)	
Total Decreases Pricing		(436)
Decreases Program:		
Basic Pay decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(59)	
Cadet Ration decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(6)	
FICA decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(5)	
Total Decreases Program		(70)
Total Decreases		(506)
FY2019 Direct Program		86,510

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

ESTIMATE FY 2019	\$86,510
ESTIMATE FY 2018	\$82,393
ACTUAL FY 2017	\$80,472

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

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 listed below and are effective 1 January:

2017 - \$12.25
2018 - \$12.30
2019 - \$12.70

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.

Funding Requirement Changes from FY 2018 to FY 2019:

There is a +\$4.1 million increase in the Cadet Pay and Allowances requirement between FY 2018 and FY 2019. This change is due to:

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

- (1) Price increase in basic pay and FICA due to annualization of the 2.4% pay raise, effective 1 January 2018: +\$0.4 million
- (2) Price increase in basic pay and FICA due to annualization of the 2.6% pay raise, effective 1 January 2019: +\$1.3 million
- (3) Price increase in basic pay and FICA due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$1.5 million
- (4) Price increase in subsistence due to Cadet ration rate increase from \$12.30 to \$12.70: +\$0.5 million
- (5) Program increase basic pay, subsistence and FICA due to man-year growth: +\$1.0 million
- (6) Price decrease in subsistence due to inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.5 million
- (7) Program decrease in basic pay, subsistence and FICA due to inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.1 million

Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
ACADEMY CADETS									
BASIC PAY	4,375	\$12,946	56,637	4,453	\$12,945	57,644	4,504	\$13,583	61,179
SUBSISTENCE (COMMUTED RATIONS)	4,375	\$4,471	19,559	4,453	\$4,581	20,397	4,504	\$4,598	20,711
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	4,320	\$990	4,276	4,395	\$990	4,352	4,446	\$1,039	4,620
TOTAL ACADEMY CADETS			80,472			82,393			86,510

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

FY2018 Direct Program		1,852,313
Increases Pricing:		
Basic Allowance for Subsistence increase due to the annualization of the 0.3% subsistence inflation rate, effective 1 January 2018	1,199	
Basic Allowance for Subsistence increase due to the annualization of the 3.4% subsistence inflation rate, effective 1 January 2019	33,247	
Subsistence in Messes increase due to dining facility food cost inflation	9,405	
Operational Rations increase due to manufacturer price inflation	4,582	
Unitized Group Rations increase due to manufacturer price inflation	2,184	
Other Rations increase due to annual eligibility cost	19	
Total Increases Pricing		50,636
Increases Program:		
Basic Allowance for Subsistence increase due to number of personnel estimated to receive benefit	23,158	
Subsistence in Messes increase due to number of personnel estimated to receive benefit	13,898	
Operational Rations increase due to number of personnel estimated to receive benefit	6,515	
Unitized Group Rations increase due to number of personnel estimated to receive benefit	3,105	
Other Rations increase due to number of personnel estimated to receive benefit	26	
Subsistence in Messes increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	9,694	
Total Increases Program		56,396
Total Increases		107,032
Decreases Pricing:		
Basic Allowance for Subsistence decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(28,572)	
Subsistence in Messes decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(19,534)	
Total Decreases Pricing		(48,106)
Decreases Program:		
Basic Allowance for Subsistence decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(16,979)	
Family Subsistence Supplemental Allowance decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(518)	
Total Decreases Program		(17,497)
Total Decreases		(65,603)
FY2019 Direct Program		1,893,742

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

ESTIMATE FY 2019	\$1,900,209
ESTIMATE FY 2018	\$1,861,405
ACTUAL FY 2017	\$2,073,148

PROJECT: SUBSISTENCE OF ENLISTED PERSONNEL

PART I - PURPOSE AND SCOPE

As authorized by Title 10 U.S.C., Chapter 435, Section 4561(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 is for active duty enlisted Soldier. SIK includes cost of procuring subsistence for 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. Soldiers who are meal card holders 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.

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

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.

The change in Subsistence of Enlisted Personnel funding from FY 2018 to FY 2019 is +\$38.8 million. This increase is based on the following changes listed below:

Basic Allowance for Subsistence

Basic Allowance for Subsistence (BAS) figures displayed for FY 2017 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 +\$10.0 million increase to the BAS direct funding requirement between FY 2018 and FY 2019. This change is due to:

- 1) Price increase in BAS due to the annualization of the 0.3% rate change, effective January 1, 2018: +\$1.2 million
- 2) Price increase in BAS due to the annualization of the 3.4% rate change, effective January 1, 2019: +\$33.2 million
- 3) Price decrease in BAS due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$29.6 million
- 4) Program increase in BAS due to growth in total enlisted man-years: +\$23.2 million
- 5) Program decrease in BAS due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$18.0 million

Subsistence in Kind

Subsistence in kind data in FY 2017 reflects projected actual execution to include expenses associated with OCO. These accounts are closely tied to inflation factors similar to those impacting BAS. There is a +\$29.4 million increase in Subsistence in Kind direct funding requirement between FY2018 and FY2019. This change is due to:

- 1) Price increase in Subsistence in Messes due to price inflation associated with food costs in Army dining facilities: +\$9.4 million
- 2) Price increase in Operational Rations (MREs) due to increase to manufacturer price inflation: +\$4.6 million
- 3) Price increase in Unitized Group Rations due to increase to manufacturer price inflation: +\$2.2 million
- 4) Price decrease in in Subsistence in Messes due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$20.0 million
- 5) Program increase in Subsistence in Messes due to increase in enlisted strength: +\$13.9 million

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

- 6) Program increase in Subsistence in Messes due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$9.7 million
- 7) Program increase in Operational Rations due to increase in enlisted strength: +\$6.5 million
- 8) Program increase in Unitized Group Rations due to increase in enlisted strength: +\$3.1 million

Family Subsistence Supplemental Allowance

There is a -\$0.5 million decrease in Family Subsistence Supplemental Allowance direct funding requirement between FY 2018 and FY 2019. This change is due to a program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels.

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 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	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	363,966	\$4,419	1,608,541	358,587	\$4,532	1,625,174	360,631	\$4,546	1,639,429
COLLECTIONS AT DISCOUNT MEAL RATE	-94,122	\$3,831	-360,591	-94,439	\$3,929	-371,030	-95,238	\$3,941	-375,332
SUBTOTAL BASIC ALLOWANCE FOR SUBSISTENCE - ENLISTED	269,844		1,247,950	264,148		1,254,144	265,393		1,264,097
SUBSISTENCE IN KIND									
SUBSISTENCE IN MESSES	126,145	\$4,449	561,265	66,173	\$4,565	302,097	80,354	\$4,576	367,702
OPERATIONAL RATIONS									
OPERATIONAL RATIONS -MEALS READY-TO-EAT (MRE)	17,488	\$9,934	173,729	19,429	\$10,167	197,541	17,531	\$10,218	179,134
UNITIZED GROUP RATIONS-HEAT AND SERVE	4,754	\$8,140	38,693	3,801	\$8,088	30,744	5,120	\$8,372	42,863
UNITIZED GROUP RATIONS (A)	6,162	\$6,862	42,286	9,106	\$6,973	63,491	6,023	\$7,058	42,511
OTHER RATION PACKAGES	477	\$12,687	6,054	866	\$11,212	9,715	56	\$13,050	728
SUBTOTAL OPERATIONAL RATIONS	28,881		260,762	33,202		301,491	28,730		265,236
AUGMENTATION RATIONS/OTHER PROGRAMS									
AUGMENTATION RATIONS			25			7			26
MEALS FURNISHED BY MEDICAL FACILITIES			3,065			3,065			3,065
SUBTOTAL AUGMENTATION RATIONS/OTHER PROGRAMS			3,090			3,072			3,091
SUBTOTAL SUBSISTENCE IN KIND	155,026		825,117	99,375		606,660	109,084		636,029
FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	10	\$7,906	81	75	\$7,969	601	10	\$8,132	83
TOTAL SUBSISTENCE OF ENLISTED PERSONNEL	424,880		2,073,148	363,598		1,861,405	374,487		1,900,209

PB-30X ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE

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

FY2018 Direct Program		1,767,370
Increases Pricing:		
Household goods shipment increase due to cost inflation	104,237	
Dislocation allowance increase due to annualization of 2018 and 2019 pay raise	41,181	
Temporary lodging expense increase due to cost inflation	703	
Trailer allowance increase due to cost inflation	7	
Total Increases Pricing		146,128
Increases Program:		
Dependent travel increases due to change in move requirements	27,637	
Privately owned vehicle increase due to change in move requirements	31,174	
Temporary lodging expense increase due to change in move requirements	37	
Total Increases Program		58,848
Total Increases		204,976
Decreases Pricing:		
Member travel decrease due to cost inflation	(68,222)	
Dependent travel decrease due to cost inflation	(28,913)	
Privately owned vehicle decrease due to cost inflation	(30,631)	
Port handling decrease due to cost inflation	(70)	
Total Decreases Pricing		(127,836)
Decreases Program:		
Member travel decrease due to change in move requirements	(13,246)	
Household goods shipment decrease due to change in move requirements	(35,705)	
Dislocation allowance decrease due to change in move requirements	(1,807)	
Non-temporary lodging expense decrease due to change in move requirements	(9,136)	
Port handling decrease due to change in move requirements	(59)	
Trailer allowance decrease due to change in move requirements	(13)	
Total Decreases Program		(59,966)
Total Decreases		(187,802)
FY2019 Direct Program		1,784,544

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

	<u>ACTUAL FY 2017</u>		<u>ESTIMATE FY 2018</u>		<u>ESTIMATE FY 2019</u>	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
ACCESSION TRAVEL	77,807	177,836	77,777	181,216	74,745	176,608
TRAINING TRAVEL	13,388	146,381	14,581	156,366	14,267	164,276
OPERATIONAL TRAVEL	33,593	372,690	35,369	392,154	33,787	387,553
ROTATIONAL TRAVEL TO/FROM OVERSEAS	45,887	738,475	47,522	753,717	48,266	798,513
SEPARATION TRAVEL	85,923	291,935	77,865	279,659	70,596	252,581
ORGANIZED UNIT TRAVEL	6,171	4,837	6,073	4,258	6,168	5,013
TOTAL OBLIGATIONS	262,769	1,732,154	259,187	1,767,370	247,829	1,784,544
TOTAL DIRECT		1,732,154		1,767,370		1,784,544

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

	ACTUAL FY 2017		ESTIMATE FY 2018		ESTIMATE FY 2019	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
TRAVEL OF MILITARY MEMBER						
MILEAGE AND PER DIEM	262,769	305,645	259,187	347,939	247,829	307,159
TRAVEL OF DEPENDENTS						
MILEAGE AND PER DIEM	135,944	74,151	110,544	63,413	130,457	77,829
TRANSPORTATION OF HHG						
LAND SHIPMENT	272,437	1,079,221	212,107	1,035,753	260,561	1,108,123
DISLOCATION ALLOWANCE						
DISLOCATION ALLOWANCE	73,427	211,572	74,799	187,481	74,945	226,855
TRAILER ALLOWANCE	12	12	5	8	7	7
TRANSPORTATION OF POV'S	21,835	22,572	9,425	22,786	22,276	23,329
PORT HANDLING (HHG)	54	3	987	131	43	2
NON-TEMPORARY STORAGE	0	3,412	9,069	12,653	0	3,517
TEMPORARY LODGING EXPENSE	45,347	35,566	28,162	36,983	45,898	37,723
TOTAL DIRECT		1,732,154		1,767,370		1,784,544

**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 1.8% from FY 2018 to FY 2019.

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

ESTIMATE FY 2019	\$176,608
ESTIMATE FY 2018	\$181,216
ACTUAL FY 2017	\$177,836

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 projected peacetime requirements. Planned accession moves are directly related to the Army's Accession Mission.

There is a -\$4.6 million decrease in accession PCS moves from FY 2018 to FY 2019. This change is due to:

- (1) Price increase due to FY 2019 general inflation of 1.8%: +\$3.0 million
- (2) Program decrease due to a reduction in the number of enlisted accessions from FY 2018 to FY 2019: -\$24.8 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$7.4 million
- (4) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$24.6 million

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	8,112	\$405	3,282	7,529	\$546	4,108	7,776	\$418	3,251
ACCESSION TVL, OFFICER- DEP TVL MILEAGE	1,332	\$496	660	1,114	\$424	472	1,277	\$512	654
ACCESSION TVL, OFFICER- HHG LAND SHIPMENT	8,112	\$1,335	10,828	7,529	\$1,715	12,912	7,776	\$1,379	10,725
ACCESSION TVL, OFFICER- DISLOCATION ALLOWANCE	716	\$3,117	2,232	666	\$2,512	1,673	686	\$3,273	2,245
ACCESSION TVL, OFFICER- PRIVATELY OWNED VEHICLES	276	\$942	260	31	\$2,419	75	265	\$970	257
ACCESSION TVL, OFFICER- NONTEMP STORAGE HHG			318			163			329
ACCESSION TVL, OFFICER- TEMPORARY LODGING	402	\$1,308	526	373	\$1,003	374	385	\$1,353	521
SUBTOTAL OFFICER			18,106			19,777			17,982
ENLISTED									
ACCESSION TVL, ENLISTED- MEM TVL MILEAGE	68,500	\$1,587	108,732	68,970	\$1,929	133,046	65,692	\$1,640	107,743
ACCESSION TVL, ENLISTED- DEP TVL MILEAGE	18,645	\$287	5,343	11,881	\$279	3,315	17,881	\$296	5,294
ACCESSION TVL, ENLISTED- HHG LAND SHIPMENT	68,223	\$390	26,580	68,555	\$197	13,471	65,692	\$401	26,338
ACCESSION TVL, ENLISTED- DISLOCATION ALLOWANCE	4,498	\$3,328	14,968	4,528	\$2,115	9,578	4,314	\$3,492	15,063
ACCESSION TVL, ENLISTED- PRIVATELY OWNED VEHICLES	1,378	\$726	1,000	8	\$2,500	20	1,322	\$750	991
ACCESSION TVL, ENLISTED- NONTEMP STORAGE HHG			46			93			47
ACCESSION TVL, ENLISTED- TEMPORARY LODGING	10,233	\$199	2,037	10,283	\$134	1,377	9,813	\$206	2,019
SUBTOTAL ENLISTED			158,706			160,900			157,495
ACCESSION TVL, CADET- MEM TVL MILEAGE	1,195	\$857	1,024	1,278	\$422	539	1,277	\$886	1,131
TOTAL ACCESSION TRAVEL			177,836			181,216			176,608

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

ESTIMATE FY 2019	\$164,276
ESTIMATE FY 2018	\$156,366
ACTUAL FY 2017	\$146,381

PROJECT: TRAINING TRAVEL

PART I - PURPOSE AND SCOPE

Covers PCS movement of (1) service members 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) service member graduates and eliminates from school to their next permanent CONUS duty station; and (3) enlisted personnel ordered to training leading to a commission if such training period is of 20 weeks duration or more. Excluded are: academy graduates, OCS or OTC graduates, flying training graduates, ROTC graduates and others chargeable to Accession Travel.

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 +\$7.9 million increase in the Training program from FY 2018 to FY 2019. This change is due to:

- (1) Price increase due to FY 2019 general inflation of 1.8%: +\$3.0 million
- (2) Program increase due to an increase in training moves based on latest Army move plans: +\$0.8 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$21.4 million
- (4) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$25.5 million

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	11,321	\$645	7,301	11,188	\$1,569	17,550	11,041	\$666	7,357
TRAINING TVL, OFFICER- DEP TVL MILEAGE	6,292	\$730	4,593	7,060	\$760	5,366	6,136	\$754	4,624
TRAINING TVL, OFFICER- HHG LAND SHIPMENT	11,092	\$6,640	73,655	7,101	\$9,340	66,326	10,817	\$6,862	74,223
TRAINING TVL, OFFICER- DISLOCATION ALLOWANCE	10,712	\$2,808	30,075	9,734	\$2,925	28,469	10,447	\$2,946	30,779
TRAINING TVL, OFFICER- TRAILER ALLOWANCE	0		0	4	\$750	3	0		0
TRAINING TVL, OFFICER- NONTEMP STORAGE HHG			145			244			149
TRAINING TVL, OFFICER- TEMPORARY LODGING	6,017	\$640	3,849	1,678	\$2,418	4,058	5,868	\$661	3,878
SUBTOTAL OFFICER			119,618			122,016			121,010
ENLISTED									
TRAINING TVL, ENLISTED- MEM TVL MILEAGE	2,067	\$1,393	2,879	3,393	\$2,975	10,095	3,226	\$1,440	4,644
TRAINING TVL, ENLISTED- DEP TVL MILEAGE	856	\$1,839	1,574	2,034	\$1,580	3,214	1,336	\$1,900	2,538
TRAINING TVL, ENLISTED- HHG LAND SHIPMENT	1,293	\$13,042	16,863	2,723	\$4,320	11,764	2,018	\$13,477	27,196
TRAINING TVL, ENLISTED- DISLOCATION ALLOWANCE	919	\$4,887	4,491	3,400	\$2,228	7,576	1,434	\$5,129	7,355
TRAINING TVL, ENLISTED- TRAILER ALLOWANCE	0		0	1	\$5,000	5	0		0
TRAINING TVL, ENLISTED- NONTEMP STORAGE HHG			15			127			16
TRAINING TVL, ENLISTED- TEMPORARY LODGING	507	\$1,856	941	441	\$3,558	1,569	791	\$1,918	1,517
SUBTOTAL ENLISTED			26,763			34,350			43,266
TOTAL TRAINING TRAVEL			146,381			156,366			164,276

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

ESTIMATE FY 2019	\$387,553
ESTIMATE FY 2018	\$392,154
ACTUAL FY 2017	\$372,690

PROJECT: OPERATIONAL TRAVEL

PART I - PURPOSE AND SCOPE

Covers PCS movements of (1) service members to and from permanent duty stations located within the United States; (2) service members 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 service members 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 -\$4.6 million decrease in Operational PCS moves from FY 2018 to FY 2019. This change is due to:

- (1) Price increase due to FY 2019 general inflation of 1.8%: +\$7.1 million
- (2) Program decrease due to overall decrease in operational moves based on latest Army move plans: -\$0.2 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$67.7 million
- (4) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$56.2 million

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	7,644	\$926	7,081	7,851	\$1,489	11,687	7,588	\$957	7,264
OPERATIONAL TVL, OFFICER- DEP TVL MILEAGE	5,260	\$1,159	6,096	6,484	\$1,112	7,208	5,222	\$1,197	6,253
OPERATIONAL TVL, OFFICER- HHG LAND SHIPMENT	10,796	\$8,009	86,467	7,851	\$9,703	76,178	10,717	\$8,276	88,694
OPERATIONAL TVL, OFFICER- DISLOCATION ALLOWANCE	6,883	\$4,134	28,457	7,159	\$3,254	23,295	6,833	\$4,338	29,644
OPERATIONAL TVL, OFFICER- TRAILER ALLOWANCE	5	\$1,000	5	0		0	5	\$1,000	5
OPERATIONAL TVL, OFFICER- NONTEMP STORAGE HHG			81			219			84
OPERATIONAL TVL, OFFICER- TEMPORARY LODGING	583	\$7,240	4,221	797	\$5,592	4,457	579	\$7,470	4,325
SUBTOTAL OFFICER			132,408			123,044			136,269
ENLISTED									
OPERATIONAL TVL, ENLISTED- MEM TVL MILEAGE	25,949	\$853	22,128	27,518	\$1,549	42,636	26,199	\$881	23,085
OPERATIONAL TVL, ENLISTED- DEP TVL MILEAGE	17,696	\$790	13,983	22,829	\$750	17,128	17,867	\$816	14,588
OPERATIONAL TVL, ENLISTED- HHG LAND SHIPMENT	29,061	\$5,203	151,213	23,765	\$6,548	155,610	29,342	\$5,376	157,750
OPERATIONAL TVL, ENLISTED- DISLOCATION ALLOWANCE	20,451	\$2,245	45,920	19,837	\$2,294	45,509	20,649	\$2,356	48,651
OPERATIONAL TVL, ENLISTED- TRAILER ALLOWANCE	2	\$1,000	2	0		0	2	\$1,000	2
OPERATIONAL TVL, ENLISTED- NONTEMP STORAGE HHG			48			169			50
OPERATIONAL TVL, ENLISTED- TEMPORARY LODGING	10,101	\$692	6,988	3,437	\$2,344	8,058	10,198	\$702	7,158
SUBTOTAL ENLISTED			240,282			269,110			251,284
TOTAL OPERATIONAL TRAVEL			372,690			392,154			387,553

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

ESTIMATE FY 2019	\$798,513
ESTIMATE FY 2018	\$753,717
ACTUAL FY 2017	\$738,475

PROJECT: ROTATIONAL TRAVEL TO/FROM OVERSEAS

PART I - PURPOSE AND SCOPE

Covers PCS movements of (1) service members from permanent duty stations in CONUS, or training in duration of at least 20 weeks, to permanent OCONUS duty station; (2) service members from permanent OCONUS duty stations to permanent duty stations in CONUS, or training in duration of at least 20 weeks; (3) officers and warrant officers from permanent duty stations in an OCONUS area to permanent duty stations in another OCONUS area when transoceanic travel is involved; and (4) dependents, household goods, personal effects and privately owned vehicles of service members 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 +\$44.8 million increase in Rotational PCS moves between FY 2018 to FY 2019. This change is due to:

- (1) Price increase due to FY 2019 general inflation of 1.8%: +\$14.1 million
- (2) Program increase due to overall increase in rotational moves based on the latest Army move plans: +\$10.1 million
- (3) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$88.4 million
- (4) Program decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$67.8 million

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	7,975	\$2,728	21,756	8,595	\$2,753	23,663	8,025	\$2,819	22,622
ROTATIONAL TVL, OFFICER- DEP TVL MILEAGE	6,235	\$1,992	12,418	4,545	\$2,739	12,449	6,275	\$2,058	12,912
ROTATIONAL TVL, OFFICER- HHG LAND SHIPMENT	12,261	\$11,799	144,666	16,632	\$7,923	131,770	12,339	\$12,191	150,422
ROTATIONAL TVL, OFFICER- DISLOCATION ALLOWANCE	6,392	\$5,322	34,019	8,612	\$3,288	28,314	6,432	\$5,585	35,923
ROTATIONAL TVL, OFFICER- TRAILER ALLOWANCE	5	\$1,000	5	0		0	0		0
ROTATIONAL TVL, OFFICER- PRIVATELY OWNED VEHICLES	3,646	\$1,171	4,270	1,362	\$2,416	3,291	3,669	\$1,210	4,440
ROTATIONAL TVL, OFFICER- PORT HANDLING COST HHG	0		0	729	\$4	3	0		0
ROTATIONAL TVL, OFFICER- NONTEMP STORAGE HHG			638			3,086			659
ROTATIONAL TVL, OFFICER- TEMPORARY LODGING	4,329	\$1,381	5,980	1,763	\$3,230	5,694	4,356	\$1,427	6,218
SUBTOTAL OFFICER			223,752			208,270			233,196
ENLISTED									
ROTATIONAL TVL, ENLISTED- MEM TVL MILEAGE	37,912	\$1,893	71,762	38,927	\$2,153	83,808	40,241	\$1,956	78,705
ROTATIONAL TVL, ENLISTED- DEP TVL MILEAGE	37,912	\$626	23,743	18,156	\$1,276	23,168	40,241	\$647	26,041
ROTATIONAL TVL, ENLISTED- HHG LAND SHIPMENT	53,266	\$6,460	344,081	72,903	\$5,039	367,336	56,538	\$6,675	377,372
ROTATIONAL TVL, ENLISTED- DISLOCATION ALLOWANCE	21,074	\$2,392	50,403	19,106	\$2,221	42,435	22,369	\$2,510	56,139
ROTATIONAL TVL, ENLISTED- PRIVATELY OWNED VEHICLES	14,356	\$897	12,875	6,047	\$2,418	14,619	15,238	\$927	14,121
ROTATIONAL TVL, ENLISTED- PORT HANDLING COST HHG	0		0	92	\$98	9	0		0
ROTATIONAL TVL, ENLISTED- NONTEMP STORAGE HHG			904			2,760			924
ROTATIONAL TVL, ENLISTED- TEMPORARY LODGING	11,941	\$917	10,955	8,175	\$1,384	11,312	12,674	\$948	12,015
SUBTOTAL ENLISTED			514,723			545,447			565,317
TOTAL ROTATIONAL TRAVEL TO/FROM OVERSEAS			738,475			753,717			798,513

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

ESTIMATE FY 2019	\$252,581
ESTIMATE FY 2018	\$279,659
ACTUAL FY 2017	\$291,935

PROJECT: SEPARATION TRAVEL

PART I - PURPOSE AND SCOPE

Covers PCS movements of service members 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.

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 requirements.

There is a -\$27.1 million decrease in Separation PCS moves between FY 2018 to FY 2019. This change is due to:

- (1) Price increase due to FY 2019 general inflation of 1.8%: +\$4.2 million
- (2) Program decrease due to a reduction in the number of projected separations from FY 2018 to FY 2019: -\$22.2 million
- (3) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$5.8 million
- (4) Program decrease due to the inclusion of the FY 2018 position at the President's Budget levels: -\$3.3 million

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	8,431	\$1,601	13,502	7,787	\$1,630	12,696	7,708	\$1,655	12,754
SEPARATION TVL, OFFICER- DEP TVL MILEAGE	2,486	\$350	871	1,575	\$584	920	2,273	\$362	823
SEPARATION TVL, OFFICER- HHG LAND SHIPMENT	10,892	\$6,099	66,431	9,534	\$5,055	48,196	9,958	\$6,302	62,755
SEPARATION TVL, OFFICER- PRIVATELY OWNED VEHICLES	233	\$1,854	432	215	\$2,423	521	213	\$1,915	408
SEPARATION TVL, OFFICER- PORT HANDLING COST HHG	0		0	117	\$316	37	0		0
SEPARATION TVL, OFFICER- NONTEMP STORAGE HHG			337			1,976			348
SUBTOTAL OFFICER			81,573			64,346			77,088
ENLISTED									
SEPARATION TVL, ENLISTED- MEM TVL MILEAGE	76,380	\$599	45,732	68,800	\$699	48,078	61,593	\$619	38,106
SEPARATION TVL, ENLISTED- DEP TVL MILEAGE	37,606	\$124	4,648	33,268	\$172	5,716	30,326	\$128	3,873
SEPARATION TVL, ENLISTED- HHG LAND SHIPMENT	62,368	\$2,490	155,271	56,676	\$2,706	153,362	50,294	\$2,572	129,378
SEPARATION TVL, ENLISTED- PRIVATELY OWNED VEHICLES	1,946	\$1,919	3,735	1,762	\$2,418	4,260	1,569	\$1,983	3,112
SEPARATION TVL, ENLISTED- PORT HANDLING COST HHG	54	\$56	3	49	\$1,673	82	43	\$47	2
SEPARATION TVL, ENLISTED- NONTEMP STORAGE HHG			879			3,812			909
SUBTOTAL ENLISTED			210,268			215,310			175,380
SEPARATION TVL, CADET- MEM TVL MILEAGE	1,112	\$85	94	1,278	\$2	3	1,295	\$87	113
TOTAL SEPARATION TRAVEL			291,935			279,659			252,581

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

ESTIMATE FY 2019	\$5,013
ESTIMATE FY 2018	\$4,258
ACTUAL FY 2017	\$4,837

PROJECT: ORGANIZED UNIT TRAVEL

PART I - PURPOSE AND SCOPE

Covers PCS movements of service member directed to move as members of an organized unit movement or 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 +\$755.0 thousand increase in the Organized Unit Travel program between FY 2018 to FY 2019. This change is due to:

- (1) Price change increase due to FY 2019 general inflation of 1.8%: +\$94.0 thousand
- (2) Program decrease due to overall reduction in officer and enlisted unit move requirements based on the latest Army move plans: -\$3.0 thousand
- (3) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$613.0 thousand
- (4) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$51.0 thousand

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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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	749	\$91	68	738	\$125	92	748	\$94	70
ORGANIZED UNIT TVL, OFFICER- DEP TVL MILEAGE	51	\$725	37	50	\$540	27	51	\$745	38
ORGANIZED UNIT TVL, OFFICER- HHG LAND SHIPMENT	635	\$611	388	626	\$375	235	634	\$631	400
ORGANIZED UNIT TVL, OFFICER- DISLOCATION ALLOWANCE	144	\$1,743	251	142	\$887	126	144	\$1,826	263
ORGANIZED UNIT TVL, OFFICER- NONTEMP STORAGE HHG			0			2			0
ORGANIZED UNIT TVL, OFFICER- TEMPORARY LODGING	150	\$47	7	148	\$115	17	150	\$53	8
SUBTOTAL OFFICER			751			499			779
ENLISTED									
ORGANIZED UNIT TVL, ENLISTED- MEM TVL MILEAGE	5,422	\$56	304	5,335	\$117	626	5,420	\$58	314
ORGANIZED UNIT TVL, ENLISTED- DEP TVL MILEAGE	1,573	\$118	185	1,548	\$79	122	1,572	\$122	191
ORGANIZED UNIT TVL, ENLISTED- HHG LAND SHIPMENT	4,438	\$626	2,778	4,367	\$558	2,436	4,436	\$647	2,870
ORGANIZED UNIT TVL, ENLISTED- DISLOCATION ALLOWANCE	1,638	\$462	756	1,615	\$313	506	1,637	\$484	793
ORGANIZED UNIT TVL, ENLISTED- NONTEMP STORAGE HHG			1			2			2
ORGANIZED UNIT TVL, ENLISTED- TEMPORARY LODGING	1,084	\$57	62	1,067	\$63	67	1,084	\$59	64
SUBTOTAL ENLISTED			4,086			3,759			4,234
TOTAL ORGANIZED UNIT TRAVEL			4,837			4,258			5,013

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

FY2018 Direct Program

302,538

Increases Pricing:

Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to rate change	6
Interest on Uniformed Services Savings Deposits increase due to rate change	21
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	9
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	2,414
JROTC increase due to inflation rate change in Cadet clothing and subsistence	243
Mass Transit Subsidy increase due to change in monthly benefit amount and inflation	312
Unemployment Benefits increase due to annualized basic pay inflation	2,737
Interest on Uniformed Services Savings Deposits increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	21
Adoption Expenses increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	65
Mass Transit Subsidy increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	468

Total Increases Pricing

6,297

Increases Program:

Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to increased deserter ratio	3
Interest on Uniformed Services Savings Deposits change due to increased program utilization	630
Death Gratuities increase due to change in non-combat deaths	700
Apprehension of Deserters, Absentees, and Escaped Prisoners increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	4
Interest on Uniformed Services Savings Deposits change due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	17
Unemployment Benefits increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	6,791
Adoption Expenses increase due to anticipated increase in average costs driven by inflation	8
Partial Dislocation Allowance increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	5
ROTC increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	1,388
Mass Transit Subsidy increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	1,443

Total Increases Program

10,989

Total Increases

17,286

Decreases Pricing:

Unemployment Benefits decrease to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(4,262)
Education benefit decrease due to revised amortization payment amounts	(15,059)

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

Apprehension of Deserters, Absentees, and Escaped Prisoners decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(60)	
Education Benefit decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(52)	
ROTC decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(1,387)	
Total Decreases Pricing		(20,820)
Decreases Program:		
Unemployment Benefits decrease due to fewer projected number of active duty separations	(3,290)	
Adoption Expenses decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels	(152)	
Partial Dislocation Allowance decrease due to anticipated number of Soldiers receiving benefit	(11)	
ROTC decrease due to number of participants	(918)	
Mass Transit Subsidy decrease due to anticipated number of Soldiers receiving benefit	(65)	
JROTC decrease due to anticipated number of participants	(52)	
Total Decreases Program		(4,488)
Total Decreases		(25,308)
FY2019 Direct Program		294,516

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

ESTIMATE FY 2019	\$263
ESTIMATE FY 2018	\$309
ACTUAL FY 2017	\$249

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 -\$46.0 thousand decrease in the Apprehension of Deserters, Absentees, and Escaped Prisoners requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to projected standard per diem rate change based on general inflation: +\$6.0 thousand
- (2) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$59.0 thousand
- (3) Program increase due to projected man-year growth associated with a 487,500 end strength in FY2019: +\$3.0 thousand
- (4) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$4.0 thousand

The following table provides cost estimates:

	<u>ACTUAL FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT	<u>ESTIMATE FY 2019</u> AMOUNT
APPREHENSION OF MIL DESERTERS, AWOL, PRISONERS	249	309	263

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

ESTIMATE FY 2019	\$849
ESTIMATE FY 2018	\$160
ACTUAL FY 2017	\$3,635

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 2017 column includes execution for Overseas Contingency Operations. There is a +\$689.0 thousand increase in the Interest on Uniformed Services Savings Deposits requirement between FY 2018 and FY 2019. The change is due to:

- (1) Price increase due to changes in the average rate based on basic pay inflation: +\$21.0 thousand
- (2) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$21.0 thousand
- (3) Program increase due to projected man-year growth associated with a 487,500 end strength in FY 2019: +\$630.0 thousand
- (4) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$17.0 thousand

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSITS									
INTEREST ON SAVINGS, OFFICER	4,366	\$459	2,004	203	\$449	91	953	\$486	463
INTEREST ON SAVINGS, ENLISTED	5,825	\$280	1,631	237	\$291	69	1,304	\$296	386
TOTAL INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSITS	10,191		3,635	440		160	2,257		849

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

ESTIMATE FY 2019	\$41,400
ESTIMATE FY 2018	\$40,700
ACTUAL FY 2017	\$44,750

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 2018 and FY 2019 projections only include non-combat related death gratuity payments; combat related payments are included in the Overseas Contingency Operations request.

There is a +\$0.7 million increase in the Death Gratuities requirement between FY 2018 and FY 2019. This change is due to a program increase in the projected number of non-combat deaths. This projected increase is based on anticipated man-year growth associated with a 487,500 end strength in FY 2019.

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
DEATH GRATUITIES									
DEATH GRATUITIES, OFFICER	62	\$100,000	6,182	63	\$100,000	6,300	60	\$100,000	5,960
DEATH GRATUITIES, ENLISTED	386	\$100,000	38,568	344	\$100,000	34,400	354	\$100,000	35,440
TOTAL DEATH GRATUITIES	448		44,750	407		40,700	414		41,400

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

ESTIMATE FY 2019	\$109,662
ESTIMATE FY 2018	\$107,682
ACTUAL FY 2017	\$145,587

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 2018 and FY 2019 are for the Active Component only. Reserve Component claims are contained in the Overseas Contingency Operations request.

There is a +\$2.0 million increase in the Unemployment Compensation Benefits requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to changes in the average rate based on basic pay inflation: +\$2.7 million
- (2) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$4.3 million
- (3) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$6.8 million
- (4) Program decrease due to a reduction in active duty separations (primarily enlisted Soldiers), resulting in fewer participants receiving benefit: -\$3.2 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 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
UNEMPLOYMENT COMPENSATION BENEFITS	28,704	\$5,072	145,587	20,214	\$5,327	107,682	20,872	\$5,254	109,662

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

ESTIMATE FY 2019 \$0
ESTIMATE FY 2018 \$0
ACTUAL FY 2017 \$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 involuntary 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 was terminated on December 31, 2016 and no payments will be made for FY 2018 and FY 2019. Detailed cost computations are provided by the following table:

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</u>		
	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 2019	\$980
ESTIMATE FY 2018	\$16,091
ACTUAL FY 2017	\$566

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 2018 and FY 2019 requests are based on the approved DoD Board of Actuary estimates for amortization payments.

There is a -\$15.1 million decrease in the Amortization of Education Benefits requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price decrease due to a reduction in usage of benefits: -\$15.0 million
- (2) Price decrease due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: -\$0.1 million

The following table provides cost estimates:

	<u>ACTUAL FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT	<u>ESTIMATE FY 2019</u> AMOUNT
AMORTIZATION OF EDUCATION BENEFITS	566	16,091	980

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
ADOPTION EXPENSES**

ESTIMATE FY 2019	\$533
ESTIMATE FY 2018	\$603
ACTUAL FY 2017	\$505

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 up to \$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 -\$70.0 thousand decrease in Adoption Expenses requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due a change in the average cost driven by general inflation: +\$9.0 thousand
- (2) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$65.0 thousand
- (3) Program increase due to a change in end strength: +\$8.0 thousand
- (4) Program decrease due to the inclusion of the FY 2108 position at the President's Budget 2018 levels: -\$152.0 thousand

Detailed cost computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
ADOPTION EXPENSES									
ADOPTION EXPENSE, OFFICER	99	\$2,384	236	87	\$1,962	170	99	\$2,463	244
ADOPTION EXPENSE, ENLISTED	156	\$1,722	269	266	\$1,630	433	162	\$1,779	289
TOTAL ADOPTION EXPENSES	255		505	353		603	261		533

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

ESTIMATE FY 2019	\$59
ESTIMATE FY 2018	\$64
ACTUAL FY 2017	\$67

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 2018, the partial DLA payment rate is \$750. 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 -\$5.0 thousand decrease in the Partial Dislocation Allowance between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to changes in the average rates based on basic pay inflation: +\$1.0 thousand
- (2) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$5.0 thousand
- (3) Program decrease due to a reduction in the number of Soldiers expected to be dislocated due to family housing privatization or renovations: -\$11.0 thousand

Detailed cost computations are provided in the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PARTIAL DISLOCATION ALLOWANCE									
PARTIAL DISLOCATION ALLOWANCE, OFFICER	18	\$729	13	15	\$742	11	13	\$763	10
PARTIAL DISLOCATION ALLOWANCE, ENLISTED	74	\$729	54	71	\$742	53	64	\$763	49
TOTAL PARTIAL DISLOCATION ALLOWANCE	92		67	86		64	77		59

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

ESTIMATE FY 2019	\$0
ESTIMATE FY 2018	\$0
ACTUAL FY 2017	\$8,361

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

The FY 2018 column reflects year-end execution funding approved in the Overseas Contingency Operations request. There are no base costs associated with this program. All funds are requested in the OCO submission.

The following table provides cost estimates:

	<u>ACTUAL FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT	<u>ESTIMATE FY 2019</u> AMOUNT
SGLI EXTRA HAZARD PAYMENTS			
SGLI EXTRA HAZARD PAYMENTS, OFFICER	1,956	0	0
SGLI EXTRA HAZARD PAYMENTS, ENLISTED	6,405	0	0
TOTALSGLI EXTRA HAZARD PAYMENTS	8,361	0	0

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

ESTIMATE FY 2019	\$0
ESTIMATE FY 2018	\$0
ACTUAL FY 2017	\$100

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

The FY 2018 column reflects year-end execution funding approved in the Overseas Contingency Operations (OCO) request. There are no base costs associated with this program. All funds are requested in the OCO submission.

The following table provides cost estimates:

	<u>ACTUAL FY 2017</u> AMOUNT	<u>ESTIMATE FY 2018</u> AMOUNT	<u>ESTIMATE FY 2019</u> AMOUNT
SGLI TRAUMATIC INJURY PAYMENTS			
SGLI TRAUMATIC INJURY PAYMENTS, OFFICER	20	0	0
SGLI TRAUMATIC INJURY PAYMENTS, ENLISTED	80	0	0
TOTALSGLI TRAUMATIC INJURY PAYMENTS	100	0	0

MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
ROTC

ESTIMATE FY 2019	\$102,501
ESTIMATE FY 2018	\$101,008
ACTUAL FY 2017	\$95,249

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 +\$1.5 million increase in the ROTC requirement between FY 2018 and FY 2019. The change is due to:

Senior ROTC Non-Scholarship program: -\$6.0 million:

- (1) Price increase due to inflation associated with pay and allowances, stipends, clothing, and subsistence: +\$0.7 million
- (2) Price increase due to the inclusion of the FY 2018 position at the President's Budget level: +\$2.2 million
- (3) Program increase due to an increase in the projected number of participants: +\$0.1 million
- (4) Program change due to the inclusion of the FY 2018 position at the President's Budget levels: -\$9.0 million

Senior ROTC Scholarship program: +\$7.5 million:

- (1) Price increase due to inflation associated with pay and allowance, stipend, clothing, and subsistence: +\$1.7 million
- (2) Price decrease due to the inclusion of the FY 2018 position at the President's Budget levels: -\$3.6 million
- (3) Program increase due to the inclusion of the FY 2018 position at the President's Budget levels: +\$10.3 million
- (4) Program decrease due to a reduction in to anticipated number of participants: -\$0.9 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 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	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	769	\$2,650	2,038	2,302	\$2,702	6,219	839	\$2,781	2,333
ADVANCED CAMP	1,309	\$1,094	1,432	3,735	\$1,116	4,168	1,429	\$1,148	1,640
CADET TROOP LEADER	606	\$741	449	1,817	\$756	1,374	661	\$778	514
SUBTOTAL PAY AND ALLOWANCES (AUTHORIZED FIELD TRAINING)	2,684		3,919	7,854		11,761	2,929		4,487
ROTC STUDENT LOAN REPAYMENT PROGRAM	190	\$9,923	1,887	0	\$0	0	0	\$0	0
UNIFORMS, ISSUE-IN-KIND (NONSCHOLARSHIP)									
BASIC COURSE	26,021	\$195	5,074	32,210	\$119	3,833	28,458	\$201	5,720
ADVANCED COURSE	12,390	\$195	2,416	15,908	\$119	1,893	13,552	\$201	2,724
SUBTOTAL UNIFORMS, ISSUE-IN-KIND (NONSCHOLARSHIP)	38,411		7,490	48,118		5,726	42,010		8,444
UNIFORMS, COMMUTATION-IN-LIEU									
BASIC COURSE, MALE	1,838	\$619	1,138	1,633	\$630	1,029	2,005	\$640	1,283
BASIC COURSE, FEMALE	936	\$671	628	442	\$683	302	1,022	\$693	708
ADVANCED COURSE, MALE	279	\$605	169	291	\$616	179	304	\$625	190
ADVANCED COURSE, FEMALE	79	\$684	54	260	\$695	181	86	\$707	61
SUBTOTAL UNIFORMS, COMMUTATION-IN-LIEU	3,132		1,989	2,626		1,691	3,417		2,242
SENIOR ROTC NONSCHOLARSHIP STIPEND									
BASIC	687	\$3,484	2,392	930	\$3,547	3,298	749	\$3,656	2,740
ADVANCED	2,267	\$4,275	9,691	2,766	\$4,822	13,340	2,274	\$4,486	10,199
SUBTOTAL SENIOR ROTC NONSCHOLARSHIP STIPEND	2,954		12,083	3,696		16,638	3,023		12,939
SUBSISTENCE OF SENIOR ROTC CADETS (NONSCHOLARSHIP)									
BASIC CAMP	0	\$0	0	2,309	\$81	187	0	\$0	0
ADVANCED CAMP	0	\$0	0	3,704	\$81	300	0	\$0	0
PROFESSIONAL DEVELOPMENT	0	\$0	0	951	\$81	77	0	\$0	0
CADET TROOP LEADER TRAINING	0	\$0	0	222	\$81	18	0	\$0	0
PRACTICAL FIELD TRAINING	34,000	\$78	2,652	8,630	\$81	699	37,200	\$80	2,976
SUBTOTAL SUBSISTENCE OF SENIOR ROTC CADETS (NONSCHOLARSHIP)	34,000		2,652	15,816		1,281	37,200		2,976
SUBTOTAL ROTC NON-SCHOLARSHIP PROGRAM	81,371		30,020	78,110		37,097	88,579		31,088

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	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	1,072	\$2,651	2,843	1,152	\$2,701	3,112	1,170	\$2,782	3,254
ADVANCED CAMP	4,537	\$1,094	4,963	4,235	\$1,115	4,722	4,850	\$1,148	5,568
CADET TROOP LEADER	790	\$742	586	735	\$756	556	861	\$779	671
SUBTOTAL PAY AND ALLOWANCES (AUTHORIZED FIELD TRAINING) SCH	6,399		8,392	6,122		8,390	6,881		9,493
SENIOR ROTC SCHOLARSHIP, CADET CLOTHING									
BASIC	3,354	\$195	654	18,849	\$119	2,243	3,667	\$201	737
ADVANCED	2,303	\$195	449	12,924	\$119	1,538	2,517	\$201	506
SUBTOTAL SENIOR ROTC SCHOLARSHIP, CADET CLOTHING	5,657		1,103	31,773		3,781	6,184		1,243
UNIFORMS, COMMUTATION-IN-LIEU									
BASIC COURSE, MALE	634	\$634	402	644	\$646	416	692	\$655	453
BASIC COURSE, FEMALE	392	\$687	269	396	\$700	277	428	\$710	304
ADVANCED COURSE, MALE	481	\$621	299	489	\$632	309	525	\$642	337
ADVANCED COURSE, FEMALE	176	\$700	123	165	\$713	118	192	\$723	139
SUBTOTAL UNIFORMS, COMMUTATION-IN-LIEU	1,683		1,093	1,694		1,120	1,837		1,233
SENIOR ROTC SCHOLARSHIP STIPEND									
BASIC	4,684	\$3,238	15,167	4,566	\$3,300	15,067	4,860	\$3,398	16,515
ADVANCED	8,991	\$4,275	38,436	7,147	\$4,821	34,457	9,310	\$4,486	41,764
SUBTOTAL SENIOR ROTC SCHOLARSHIP STIPEND	13,675		53,603	11,713		49,524	14,170		58,279
SUBSISTENCE OF SCHOLARSHIP CADETS TRAINING									
BASIC CAMP	0	\$0	0	1,148	\$81	93	0	\$0	0
ADVANCED CAMP	0	\$0	0	4,210	\$81	341	0	\$0	0
PROFESSIONAL DEVELOPMENT	0	\$0	0	370	\$81	30	0	\$0	0
CADET TROOP LEADER TRAINING	0	\$0	0	580	\$81	47	0	\$0	0
PRACTICAL FIELD TRAINING	13,308	\$78	1,038	7,222	\$81	585	14,563	\$80	1,165
SUBTOTAL SUBSISTENCE OF SCHOLARSHIP CADETS TRAINING	13,308		1,038	13,530		1,096	14,563		1,165
SUBTOTAL ROTC SCHOLARSHIP PROGRAM	40,722		65,229	64,832		63,911	43,635		71,413
TOTAL ROTC	122,093		95,249	142,942		101,008	132,214		102,501

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

ESTIMATE FY 2019	\$28,228
ESTIMATE FY 2018	\$28,037
ACTUAL FY 2017	\$27,804

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.

There is a +\$0.2 million increase in the JROTC requirement between FY 2018 and FY 2019. This change is due to:

- (1) Price increase due to inflation associated clothing and subsistence: +\$0.3 million
- (2) Program decrease due to a reduction in the anticipated number of participants: -\$0.1 million

Detailed cost computations are provided by the following table:

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
JROTC									
UNIFORMS, ISSUE-IN-KIND (JUNIOR ROTC)	305,795	\$83	25,381	306,765	\$85	26,075	288,291	\$86	24,793
SUBSISTENCE OF JROTC CADETS - SUMMER CAMP									
FIELD RATIONS	16,372	\$148	2,423	12,740	\$154	1,962	22,599	\$152	3,435
SUBTOTAL SUBSISTENCE OF JROTC CADETS - SUMMER CAMP	16,372		2,423	12,740		1,962	22,599		3,435
TOTAL JROTC	322,167		27,804	319,505		28,037	310,890		28,228

PB-30X JROTC

**MILITARY PERSONNEL, ARMY
SECTION 4
OTHER MILITARY PERSONNEL COSTS
MASS TRANSIT SUBSIDY**

ESTIMATE FY 2019	\$10,041
ESTIMATE FY 2018	\$7,884
ACTUAL FY 2017	\$9,575

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 \$260 was effective 1 January 2018. 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 \$260 effective 1 January 2018.

There is a +\$2.2 million increase in the Mass Transit Subsidy requirement between FY 2018 to FY 2019. The change is due to:

- (1) Price increase due to changes in the average rate based on general inflation: +\$0.3 million
- (2) Price increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +\$0.6 million
- (3) Program increase due to the inclusion of the FY 2018 position at the President's Budget 2018 levels: +1.4 million
- (4) Program decrease due to a slight reduction in the anticipated number of participants eligible to receive subsidy: -\$0.1 million

Detailed cost computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</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>
MASS TRANSIT SUBSIDY									
MASS TRANSIT SUBSIDY, OFFICER	3,134	\$1,994	6,249	2,687	\$1,900	5,106	3,141	\$2,060	6,471
MASS TRANSIT SUBSIDY, ENLISTED	1,668	\$1,994	3,326	1,462	\$1,900	2,778	1,733	\$2,060	3,570
TOTAL MASS TRANSIT SUBSIDY	4,802		9,575	4,149		7,884	4,874		10,041

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

ESTIMATE FY 2019 \$0
ESTIMATE FY 2018 \$0
ACTUAL FY 2017 \$0

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. As of January 2018 \$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:

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</u>		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
STOP-LOSS SPECIAL COMPENSATION									
OFFICER	0	\$0	0	0	\$0	0	0	\$0	0
ENLISTED	0	\$0	0	0	\$0	0	0	\$0	0
TOTAL STOP-LOSS SPECIAL COMPENSATION	0		0	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 program has an overall increase of \$22.5 million from FY 2018 to FY 2019 driven by (1) decreases in projected program participation (-\$0.8 million), (2) increases in the Defense Health Program reimbursement (+\$3.3 million), and (3) adjustments due to the inclusion of the FY 2018 position at the FY 2018 President's Budget levels (+\$20.0 million).

Detailed cost computations are provided by the following table:

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</u>		
	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>
ASSIGNED OUTSIDE DOD									
NON-REIMBURSABLE PERSONNEL									
DRUG ENFORCEMENT AGENCY	3	5	8	3	5	8	3	5	8
DENTAL HYGIENE PROGRAM	0	0	0	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	0	0	0	0	0	0	0	0	0
OFFICE OF NATIONAL DRUG CONTROL POLICY	3	0	3	3	0	3	3	0	3
NSC	4	0	4	4	0	4	4	0	4
SSC FELLOWSHIP	3	0	3	3	0	3	0	0	0
TRAINING WITH INDUSTRY	2	0	2	2	0	2	0	0	0
WHITE HOUSE MILITARY OFFICE	22	9	31	22	9	31	22	9	31
SUB-TOTAL NON-REIMBURSABLE PERSONNEL	88	14	102	88	14	102	83	14	97
REIMBURSABLE PERSONNEL									
NASA	2	0	2	3	0	3	3	0	3
OTHER AGENCIES	0	0	0	2	0	2	0	0	0
SUB-TOTAL REIMBURSABLE PERSONNEL	2	0	2	5	0	5	3	0	3
TOTAL ASSIGNED OUTSIDE DOD	90	14	104	93	14	107	86	14	100

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF NON-DOD FUNCTIONS									
REIMBURSABLE PERSONNEL									
FOREIGN MILITARY SALES	94	60	154	43	52	95	54	30	84
SUB-TOTAL REIMBURSABLE PERSONNEL	94	60	154	43	52	95	54	30	84
TOTAL ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF NON-DOD FUNCTIONS	94	60	154	43	52	95	54	30	84
ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF DOD FUNCTIONS									
REIMBURSABLE PERSONNEL									
INDUSTRIAL OPERATIONS	33	113	146	38	47	85	33	113	146
SUPPLY MGMT	1	22	23	6	0	6	1	22	23
TRANSCOM	51	24	75	47	54	101	51	24	75
DECA	4	0	4	6	0	6	4	0	4
DFAS	14	167	181	58	114	172	14	167	181
DISA	33	22	55	37	40	77	33	22	55
DLA	62	37	99	100	77	177	62	31	93
DEFENSE AGENCIES	0	0	0	14	1	15	0	0	0
USACE - Civil Works	243	1	244	343	30	373	243	0	243
USTC	3	0	3	41	86	127	3	0	3
JIEDDO	14	1	15	30	13	43	10	1	11
HRC	2	3	5	0	6	6	2	1	3
MARINES	0	0	0	5	7	12	0	0	0
NAVY	2	1	3	0	10	10	2	1	3
NGB	0	0	0	5	5	10	0	0	0
AIR FORCE	0	0	0	6	4	10	0	0	0
SYS CMD	1	1	2	0	4	4	1	0	1
OTHER	0	0	0	6	0	6	0	0	0
SUB-TOTAL REIMBURSABLE PERSONNEL	463	392	855	742	498	1,240	459	382	841
TOTAL ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF DOD FUNCTIONS	463	392	855	742	498	1,240	459	382	841
TOTAL REIMBURSABLE PERSONNEL	559	452	1,011	790	550	1,340	516	412	928
TOTAL NON-REIMBURSABLE PERSONNEL	88	14	102	88	14	102	83	14	97
GRAND TOTAL	647	466	1,113	878	564	1,442	599	426	1,025

PB-30Q MILITARY PERSONNEL ASSIGNED OUTSIDE DOD

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

	<u>ACTUAL FY 2017</u>			<u>ESTIMATE FY 2018</u>			<u>ESTIMATE FY 2019</u>		
	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>
SUBSISTENCE									
Subsistence	\$2,347	\$6,853	\$9,200	\$2,389	\$5,895	\$8,284	\$2,890	\$2,647	\$5,537
MEDICAL									
Defense Health Program	\$92,093	\$61,455	\$153,548	\$93,567	\$62,437	\$156,004	\$107,564	\$71,780	\$179,344
STRENGTH RELATED									
Basic Pay	\$52,671	\$15,833	\$68,504	\$48,414	\$12,293	\$60,707	\$52,427	\$11,849	\$64,276
Retired Pay Accrual	\$16,148	\$5,012	\$21,160	\$13,426	\$3,267	\$16,693	\$14,784	\$3,341	\$18,125
Incentive Pay	\$5,619	\$1,204	\$6,823	\$5,934	\$1,440	\$7,374	\$637	\$86	\$723
Allowance	\$15,640	\$4,432	\$20,072	\$13,177	\$3,504	\$16,681	\$15,637	\$4,234	\$19,871
Social Security Tax	\$4,030	\$1,211	\$5,241	\$3,661	\$921	\$4,582	\$4,011	\$907	\$4,918
TOTAL PROGRAM	\$188,548	\$96,000	\$284,548	\$180,568	\$89,757	\$270,325	\$197,950	\$94,844	\$292,794

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

	ACTUAL FY 2017			ESTIMATE FY 2018			ESTIMATE FY 2019		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Non-Scholarship Students									
MS I	9,283	10,029	10,774	8,810	9,505	10,199	8,711	9,520	10,329
MS II	5,188	5,605	6,021	6,044	6,521	6,997	5,337	5,705	6,072
Total Basic Course	14,471	15,633	16,795	14,854	16,025	17,196	14,048	15,225	16,401
MS III	1,569	1,695	1,821	2,496	2,693	2,889	3,331	3,561	3,791
MS IV	2,197	2,373	2,549	1,531	1,652	1,772	964	1,030	1,096
Total Advanced Course	3,766	4,068	4,370	4,027	4,344	4,661	4,295	4,591	4,887
Total Non-Scholarship Students	18,237	19,701	21,165	18,881	20,369	21,857	18,343	19,816	21,288
Scholarship Students									
MS I	1,488	1,608	1,728	1,013	1,093	1,172	1,756	1,668	1,579
MS II	3,229	3,488	3,747	2,924	3,155	3,385	2,992	3,198	3,404
Total Basic Course	4,717	5,096	5,475	3,937	4,247	4,557	4,748	4,866	4,983
MS III	3,857	4,167	4,476	3,711	4,004	4,297	4,120	4,404	4,687
MS IV	3,769	4,072	4,374	4,358	4,702	5,045	4,735	5,062	5,388
Total Advanced Course	7,626	8,238	8,850	8,069	8,706	9,342	8,855	9,465	10,075
Total Scholarship Students	12,343	13,334	14,325	12,006	12,953	13,899	13,603	14,331	15,058
Total Enrollment									
MS I	10,771	11,637	12,502	9,823	10,597	11,371	10,467	11,188	11,908
MS II	8,417	9,093	9,768	8,968	9,675	10,382	8,329	8,903	9,476
Total Basic Course	19,188	20,729	22,270	18,791	20,272	21,753	18,796	20,090	21,384
MS III	5,426	5,862	6,297	6,207	6,697	7,186	7,451	7,965	8,478
MS IV	5,966	6,445	6,923	5,889	6,353	6,817	5,699	6,092	6,484
Total Advanced Course	11,392	12,306	13,220	12,096	13,050	14,003	13,150	14,056	14,962
Total Enrollment	30,580	33,035	35,490	30,887	33,322	35,756	31,946	34,146	36,346
Completed ROTC and Commissioned			5,261			5,579			5,885

**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 2017</u>	<u>ESTIMATE FY 2018</u>	<u>ESTIMATE FY 2019</u>
Schools	275	273	274
Civilian Personnel	1,236	1,281	1,190
Military Personnel (End Strength)	2,117	2,035	2,122

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

	ACTUAL FY 2017											
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
OFFICER												
COMMISSIONED OFFICERS												
GENERAL	11	11	11	11	11	11	11	11	12	11	11	12
LIEUTENANT GENERAL	45	44	43	43	42	44	45	44	44	44	45	43
MAJOR GENERAL	126	123	121	125	124	120	126	123	123	120	121	122
BRIGADIER GENERAL	129	129	128	125	125	125	123	126	127	130	128	128
COLONEL	4,172	4,169	4,161	4,203	4,212	4,240	4,259	4,282	4,271	4,238	4,212	4,155
LIEUTENANT COLONEL	8,978	8,992	9,024	8,987	8,974	8,954	8,964	8,954	8,987	8,916	8,892	8,830
MAJOR	15,273	15,192	15,107	15,029	14,977	14,941	14,893	15,114	15,224	15,328	15,305	15,264
CAPTAIN	28,963	28,884	28,358	28,309	28,233	28,127	27,984	29,440	29,243	28,936	28,807	28,841
1ST LIEUTENANT	10,739	12,600	12,561	12,634	12,580	12,766	12,974	11,214	11,511	11,315	11,083	11,422
2ND LIEUTENANT	8,587	6,514	6,519	6,518	6,525	6,185	6,015	7,285	7,476	7,705	7,767	8,447
SUBTOTAL COMMISSIONED OFFICERS	77,023	77,023	76,033	75,984	75,803	75,513	75,394	76,593	77,018	76,743	76,371	77,264
WARRANT OFFICERS												
WARRANT OFFICER (W-5)	580	602	597	598	596	599	601	604	581	581	581	576
WARRANT OFFICER (W-4)	1,928	2,000	2,016	2,030	2,042	1,998	2,017	2,037	2,057	2,066	2,072	2,050
WARRANT OFFICER (W-3)	4,142	4,266	4,256	4,237	4,228	4,195	4,186	4,186	4,167	4,157	4,144	4,109
WARRANT OFFICER (W-2)	5,856	5,621	5,685	5,607	5,596	5,529	5,519	5,536	5,531	5,549	5,593	5,526
WARRANT OFFICER (W-1)	2,039	2,052	1,967	1,942	1,961	2,042	2,016	2,025	2,023	2,030	2,046	2,022
SUBTOTAL WARRANT OFFICERS	14,545	14,545	14,521	14,414	14,423	14,363	14,339	14,388	14,359	14,383	14,436	14,283
SUBTOTAL OFFICER	91,568	91,199	90,554	90,398	90,226	89,876	89,733	90,981	91,377	91,126	90,807	91,547
ENLISTED												
SERGEANT MAJOR	3,303	3,297	3,337	3,301	3,288	3,304	3,321	3,356	3,321	3,336	3,313	3,308
1ST SERGEANT/MASTER SERGEANT	10,574	10,544	10,637	10,607	10,622	10,800	10,958	10,893	10,890	10,779	10,721	10,729
PLATOON SERGEANT/SERGEANT 1ST CLASS	34,807	34,850	34,877	34,436	34,222	33,896	34,490	34,441	35,334	35,398	35,273	35,414
STAFF SERGEANT	54,045	53,318	53,532	53,413	53,192	53,007	53,718	53,789	54,488	55,979	56,371	56,820
SERGEANT	64,702	64,374	64,237	63,703	63,778	64,124	64,872	64,788	65,753	66,676	68,529	69,748
CORPORAL/SPECIALIST	114,267	113,607	111,015	111,545	111,271	110,963	109,653	110,069	109,168	107,436	106,516	105,306
PRIVATE FIRST CLASS	47,047	47,018	46,388	46,845	46,619	45,925	44,281	44,218	46,499	47,428	48,653	49,225
PRIVATE E2	25,577	25,440	26,030	27,174	29,235	30,600	31,098	30,875	27,632	28,185	28,912	29,253
PRIVATE E1	22,655	22,339	19,681	21,709	19,647	18,149	17,479	18,205	19,028	19,408	19,909	20,144
SUBTOTAL ENLISTED PERSONNEL	376,977	376,977	369,734	372,733	371,874	370,768	369,870	370,634	372,113	374,625	378,197	379,947
CADET	4,483	4,481	4,448	4,438	4,424	4,412	4,402	3,356	4,581	4,526	4,521	4,506
TOTAL END STRENGTH	473,028	470,467	464,736	467,569	466,524	465,056	464,005	464,971	468,071	470,277	473,525	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

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

	ESTIMATE FY 2019											
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
OFFICER												
COMMISSIONED OFFICERS												
GENERAL	11	11	11	11	11	11	11	11	12	11	11	11
LIEUTENANT GENERAL	48	48	44	44	43	46	46	45	44	45	47	47
MAJOR GENERAL	123	118	124	128	128	125	129	126	127	126	122	121
BRIGADIER GENERAL	130	135	132	128	129	130	126	129	128	130	131	132
COLONEL	4,078	4,079	4,082	4,086	4,114	4,134	4,150	4,140	4,140	4,119	4,099	4,037
LIEUTENANT COLONEL	8,745	8,778	8,816	8,867	8,919	8,955	9,005	9,018	8,941	8,802	8,764	8,702
MAJOR	15,419	15,403	15,223	15,199	15,208	15,223	15,261	15,352	15,712	15,833	15,861	15,817
CAPTAIN	28,257	28,173	28,120	28,031	27,893	27,715	27,192	28,700	28,442	28,282	27,939	27,866
1ST LIEUTENANT	10,731	12,442	12,908	13,016	13,008	13,289	13,422	11,880	11,721	11,454	11,293	10,734
2ND LIEUTENANT	9,041	7,222	6,699	6,715	6,747	6,438	6,223	7,718	8,215	8,427	8,549	8,906
SUBTOTAL COMMISSIONED OFFICERS	76,583	76,583	76,159	76,225	76,200	76,066	75,565	77,119	77,482	77,229	76,816	76,373
WARRANT OFFICERS												
WARRANT OFFICER (W-5)	558	562	566	567	569	573	577	581	583	585	587	585
WARRANT OFFICER (W-4)	2,045	2,051	2,058	2,061	1,943	1,951	1,954	1,961	1,969	1,969	1,965	1,955
WARRANT OFFICER (W-3)	4,005	4,017	4,031	4,036	4,012	4,023	4,038	4,057	4,066	4,067	4,070	4,065
WARRANT OFFICER (W-2)	5,534	5,590	5,600	5,562	5,569	5,579	5,610	5,640	5,648	5,664	5,670	5,652
WARRANT OFFICER (W-1)	2,292	2,315	2,319	2,303	2,307	2,311	2,324	2,336	2,339	2,346	2,348	2,341
SUBTOTAL WARRANT OFFICERS	14,434	14,434	14,574	14,529	14,400	14,437	14,503	14,575	14,605	14,631	14,640	14,598
SUBTOTAL OFFICER	91,017	90,944	90,733	90,754	90,600	90,503	90,068	91,694	92,087	91,860	91,456	90,971
ENLISTED												
SERGEANT MAJOR	3,331	3,328	3,336	3,334	3,340	3,340	3,390	3,406	3,401	3,429	3,408	3,394
1ST SERGEANT/MASTER SERGEANT	11,054	11,043	11,072	11,073	11,064	11,061	11,198	11,246	11,419	11,140	11,190	11,144
PLATOON SERGEANT/SERGEANT 1ST CLASS	37,453	37,410	37,556	37,521	37,494	37,453	37,908	38,069	38,264	38,438	38,285	38,231
STAFF SERGEANT	59,032	58,899	59,101	59,058	59,019	58,976	59,617	59,756	60,010	60,236	60,106	60,142
SERGEANT	70,658	70,541	70,661	70,716	70,750	70,738	71,519	71,528	71,769	72,026	72,014	72,047
CORPORAL/SPECIALIST	98,800	98,626	97,071	98,268	99,155	100,278	99,111	99,573	99,559	99,395	100,764	101,325
PRIVATE FIRST CLASS	52,193	52,360	50,619	51,471	50,907	50,199	49,511	49,105	49,279	50,060	50,863	50,572
PRIVATE E2	32,639	32,743	31,655	32,187	31,835	31,392	30,962	30,708	30,817	31,305	31,807	31,625
PRIVATE E1	24,250	24,328	23,519	23,915	23,653	23,324	23,004	22,816	22,897	23,259	23,632	23,497
SUBTOTAL ENLISTED PERSONNEL	389,410	389,410	384,590	387,543	387,217	386,761	386,220	386,207	387,415	389,288	392,069	391,977
CADET	4,558	4,551	4,524	4,508	4,494	4,488	4,479	3,415	4,629	4,573	4,568	4,552
TOTAL END STRENGTH	484,985	484,773	479,847	482,805	482,311	481,752	480,767	481,316	484,131	485,721	488,093	487,500