

DEPARTMENT OF THE AIR FORCE

**FY 2003 BUDGET SUBMISSION
FEBRUARY 2002**



MILITARY PERSONNEL APPROPRIATION

MILITARY PERSONNEL, AIR FORCE

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SECTION 1

SUMMARY OF REQUIREMENTS BY BUDGET PROGRAMS

SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(In Thousands of Dollars)

	FY 2001 <u>Actual</u>	FY 2002 <u>Estimate</u>	FY 2003 <u>Estimate</u>
<u>DIRECT PROGRAM</u>			
Pay and Allowances of Officers	\$6,037,965	\$6,515,338	\$6,941,748
Pay and Allowances of Enlisted	\$10,530,123	\$11,417,719	\$13,285,958
Pay and Allowances of Cadets	\$41,182	\$48,773	\$49,821
Subsistence of Enlisted Personnel	\$775,810	\$784,741	\$821,170
Permanent Change of Station Travel	\$908,960	\$876,647	\$987,361
Other Military Personnel Programs	\$49,404	\$61,296	\$71,127
 Total Direct Program	 \$18,343,444	 \$19,704,514	 \$22,157,185
<u>REIMBURSABLE PROGRAM</u>			
Pay and Allowances of Officers	\$91,574	\$93,634	\$262,542
Pay and Allowances of Enlisted	\$70,990	\$69,390	\$153,513
Subsistence of Enlisted Personnel	\$26,032	\$26,049	\$26,500
Permanent Change of Station Travel	\$1,319	\$1,363	\$1,402
 Total Reimbursable Program	 \$189,915	 \$190,436	 \$443,957
<u>TOTAL PROGRAM</u>			
Pay and Allowances of Officers	\$6,129,539	\$6,608,972	\$7,204,290
Pay and Allowances of Enlisted	\$10,601,113	\$11,487,109	\$13,439,471
Pay and Allowances of Cadets	\$41,182	\$48,773	\$49,821
Subsistence of Enlisted Personnel	\$801,842	\$810,790	\$847,670
Permanent Change of Station Travel	\$910,279	\$878,010	\$988,763
Other Military Personnel Programs	\$49,404	\$61,296	\$71,127
 Total Program	 \$18,533,359	 \$19,894,950	 \$22,601,142
<u>LEGISLATIVE PROPOSALS</u>			
The following legislative proposals are included in the above estimate and submitted for FY 2003 consideration:			
Permanent Grade Relief (7%) for USAF Majors			\$10,300
Restoring Rations-in-Kind Not Available as a BAS Entitlement			\$4,200
Pay for Certain Service Academy Prep School Students			\$70
Low Cost or No Cost Moves for US and Overseas			\$20

SECTION 2

INTRODUCTORY STATEMENT

SECTION II INTRODUCTORY STATEMENT

The Military Personnel Appropriation, Air Force, provides financial resources to compensate active military personnel. The tables contain budget data for pay and allowances of officers, enlisted, cadets, subsistence of enlisted personnel, permanent change of station (PCS) travel, and other military personnel costs. Retired pay accrual is contained in pay and allowances of officers and enlisted personnel. Unemployment compensation, social security benefits to surviving family members excluded under previous eligibility rules, and miscellaneous entitlements are under other military personnel costs. The budget activity structure and detailed justification demonstrate how the military personnel program is controlled by budget activity. It displays the inventory of officers, enlisted personnel, and cadets with associated workyears. This overview addresses programming actions that affect grade structure, promotions, gains and losses, flight status, subsistence, PCS travel and other related issues.

The Air Force has programmed a strength increase of 200 in FY 2003, which is over the FY 2002 level of 358,800. By the end of FY 2003 our military end strength will have declined by a total of 37% since 1989.

The Air Force is committed to meeting end strength goals. We ended FY 2001 3,429 under our authorized strength of 357,000. The enlisted accession goal has been set at 37,000 for FY 2003. We have implemented several initiatives to help recruiters meet these goals by increasing the recruiter strength to 1,650 in Dec 2001. In addition, we continue to use the Enlistment Bonus to encourage the right number and kinds of recruits to enter the Air Force. We have programmed \$133M in both FY 2002 and FY 2003 up from \$123M in FY 2001.

Congressional cuts in the FY 2002 Appropriations Bill reduced the account by \$460.8M. As a result, the FY 2002 budget column of this budget is not fully funded and creates funding shortfalls between FY 2002 and FY 2003. NOTE: This submission does not include any funding required to support NOBLE EAGLE or ENDURING FREEDOM, which includes the mobilization of the ARC forces under the Presidential Callup, as well as active duty STOP LOSS action.

Enlisted retention rates continue to be below the stated Air Force goals of 75% for second term airmen and 95% for career airmen. We are slightly above the 55% goal for first term airmen. Enlisted Retention rates for FY 2001 ended up at 56% for first term, 69% for second term and 90% for career. The Selective Reenlistment Bonus program is the key to retaining our highly trained enlisted personnel. We have budgeted \$258M for this program in FY 2002, and \$222M for FY 2003. In FY 2002 and FY 2003 we increased rates (multiples). We continue to reevaluate this program at least on a semi-annual basis to maximize its effectiveness.





For officers, the Air Force relies on Aviator Continuation Pay (ACP) to correct retention difficulties and reduce manning shortfalls. In FY 2003, we plan to use ACP in conjunction with the Critical Skills Retention Bonus (CSRB) and the Critical Skills Accession Bonus (CSAB) authorized in the FY 2001 NDAA, to encourage officers in critical skills to enter and remain in the Air Force. Funding for these initiatives were eliminated in the FY 2002 Appropriations Bill causing an implementation delay in these critical programs.

FISCAL YEAR 2001

Program Levels. The FY 2001 end strength is 353,571 with 358,239 workyears.

Funding Levels. FY 2001 estimated actual obligations total \$18,533,359. This includes \$189,915 in anticipated reimbursements from the Working Capital Fund and non-Air Force activities where Air Force personnel are assigned. Reimbursements remained relatively stable with a minor decrease reflecting end strength reductions in reimbursable activities.

Officer retention, including pilots, increased in FY 2001. However, the long term pilot bonus take rate decreased from 32% in FY 2000 to 30% in FY 2001. We significantly enhanced ACP by allowing up front payment options ranging from 20% to 50% (not to exceed \$150,000) to the new eligibles at their nine year point of aviation service. The ACP program is funded at \$154M in FY 2002 but reduces to \$149M in FY 2003.

Baseline Budget Rates. The Retired Pay Accrual normal cost percentage is 29.6% of basic pay. The pay raise is 3.7%; inflation is 1.8%; and housing allowances increased an average of 3.8%.

FISCAL YEARS 2002, 2003

Program Levels. The FY 2002 end strength is projected to be 358,800 with 361,022 workyears. The FY 2003 end strength is projected to be 359,000 with 364,506 workyears. Workyear estimates reflect monthly gain and loss patterns and also includes man-days for Air Force Guard and Reserve support to active peacetime and contingency missions. FY 2000 NDAA changed the day on which the U. S. Air Force Academy end strength limitation of 4,000 cadets is measured. Title 10 Section 9342 was amended to measure cadet strength on the last day of the academic year (the day before graduation) rather than the last day of the fiscal year. The last day of the academic year is, May 29 for FY 2001, May 28 for FY 2002 and May 27 for FY 2003. Authorized cadet strength remains programmed at 4,000 each year, however cadet strength will exceed 4,000 at the end of each fiscal year.

Funding Levels. The FY 2002 budget estimate is \$19,894,950 to include \$190,436 in anticipated reimbursements. The FY 2003 budget estimate is \$22,601,142 to include \$443,957 in anticipated reimbursements. Reimbursement changes reflect strength changes in several defense wide activities and the Defense Health Program Medical accrual.

Baseline Budget Rates. The Retired Pay Accrual normal cost percentages for FY 2002 is 30.3% and FY03 is 27.4% of basic pay, respectively. The pay raise for FY 2002 was 6.9% on average and is 4.1% in FY 2003. Starting 1 January 2002, BAS changed to a monthly rate and will increase annually based on increases to the US Department of Agriculture food costs. The FY 2002 and FY 2003 amounts for BAH include a 3.0% annual increase. We have included the congressional initiative to reduce out-of-pocket housing costs to 11.3% in FY 2002, 7.5% in FY 2003, 3.5% in FY04 and 0% in FY 2005.



SECTION 3

SUMMARY TABLES

**SECTION 3
MILITARY PERSONNEL - AIR FORCE
SUMMARY OF MILITARY PERSONNEL STRENGTH**

	<u>FY2001 Actual</u>		<u>FY 2002 Estimate</u>		<u>FY 2003 Estimate</u>	
	<u>Work Years</u>	<u>End Strengths</u>	<u>Work Years</u>	<u>End Strengths</u>	<u>Work Years</u>	<u>End Strengths</u>
<u>Direct Program</u>						
Officers	68,558	67,996	69,252	69,017	69,992	68,468
Enlisted	282,138	278,010	283,926	282,189	286,778	283,021
Cadets	4,234	4,299	4,230	4,000	4,169	4,000
Total Direct Program	354,930	350,305	357,409	355,206	360,939	355,489
<u>Reimbursable Program</u>						
Officers	873	866	1,053	1,049	1,055	1,032
Enlisted	2,436	2,400	2,561	2,545	2,512	2,479
Cadets	0	0	0	0	0	0
Total Reimbursable Program	3,309	3,266	3,614	3,594	3,567	3,511
<u>Total Program</u>						
Officers	69,431	68,862	70,305	70,066	71,047	69,500
Enlisted	284,574	280,410	286,487	284,734	289,290	285,500
Cadets	4,234	4,299	4,230	4,000	4,169	4,000
TOTAL PROGRAM	358,239	353,571	361,022	358,800	364,506	359,000

**MILITARY PERSONNEL - AIR FORCE
END STRENGTH BY GRADE
(TOTAL PROGRAM)**

	<u>FY2001 Actual</u>		<u>FY 2002 Estimate</u>		<u>FY 2003 Estimate</u>	
	<u>Total</u>	<u>Reimb Included</u>	<u>Total</u>	<u>Reimb Included</u>	<u>Total</u>	<u>Reimb Included</u>
<u>Commissioned Officers</u>						
O-10 General	12	0	11	0	11	0
O-9 Lieutenant General	38	0	37	1	36	1
O-8 Major General	84	1	85	1	87	1
O-7 Brigadier General	138	2	139	2	139	2
O-6 Colonel	3,674	46	3,757	56	3,768	56
O-5 Lieutenant Colonel	9,941	125	10,127	152	10,138	151
O-4 Major	15,074	190	15,518	232	16,583	246
O-3 Captain	22,542	283	21,509	322	18,771	279
O-2 1st Lieutenant	7,773	98	8,728	131	9,424	140
O-1 2nd Lieutenant	9,586	121	10,155	152	10,543	157
Total	68,862	866	70,066	1,049	69,500	1,032
<u>Enlisted Personnel</u>						
E-9 Chief Master Sergeant	2,777	24	2,847	25	2,855	25
E-8 Senior Master Sergeant	5,611	48	5,695	51	5,710	50
E-7 Master Sergeant	29,220	250	29,612	265	28,550	248
E-6 Technical Sergeant	42,432	363	44,419	397	45,680	397
E-5 Staff Sergeant	69,860	598	74,031	662	77,085	669
E-4 Senior Airman	53,226	456	56,947	509	62,810	545
E-3 Airman First Class	51,953	445	48,576	434	37,965	330
E-2 Airman	11,097	95	12,528	112	14,486	126
E-1 Airman Basic	14,234	122	10,079	90	10,359	90
Total	280,410	2,400	284,734	2,545	285,500	2,479
<u>Cadets</u>	4,299	0	* 4,000	0	* 4,000	0
Total End Strength	353,571	3,266	358,800	3,594	359,000	3,511

* Note: USAFA CADET STRENGTH LIMITATION OF 4,000 IS MEASURED ACCORDING TO TITLE 10, SECTION 9342 ON THE LAST DAY OF THE ACADEMIC YEAR (THE DAY BEFORE GRADUATION) NOT THE END OF THE FISCAL YEAR.

**MILITARY PERSONNEL, AIR FORCE
AVERAGE STRENGTH BY GRADE
(TOTAL PROGRAM)**

	<u>FY2001</u>		<u>FY 2002</u>		<u>FY 2003</u>		
	<u>Total</u>	<u>Reimb Included</u>	<u>Total</u>	<u>Reimb Included</u>	<u>Total</u>	<u>Reimb Included</u>	
<u>Commissioned Officers</u>							
O-10	General	12	0	11	0	11	0
O-9	Lieutenant General	36	0	37	1	36	1
O-8	Major General	87	1	87	1	89	1
O-7	Brigadier General	142	2	141	2	142	2
O-6	Colonel	3,913	49	3,899	58	3,949	59
O-5	Lieutenant Colonel	10,447	131	10,442	156	10,493	156
O-4	Major	15,926	200	15,939	239	16,740	249
O-3	Captain	23,091	290	22,268	333	20,457	304
O-2	1st Lieutenant	7,500	94	8,364	125	9,350	139
O-1	2nd Lieutenant	8,277	104	9,117	136	9,780	145
	Total	69,431	873	70,305	1,053	71,047	1,055
<u>Enlisted Personnel</u>							
E-9	Chief Master Sergeant	2,941	25	2,864	26	2,904	25
E-8	Senior Master Sergeant	5,895	50	5,737	51	5,787	50
E-7	Master Sergeant	29,886	256	30,012	268	29,670	258
E-6	Technical Sergeant	43,224	370	43,840	392	45,479	395
E-5	Staff Sergeant	70,249	601	72,918	652	76,579	665
E-4	Senior Airman	54,194	464	55,334	495	60,148	522
E-3	Airman First Class	53,797	460	51,932	464	45,097	392
E-2	Airman	10,861	93	11,814	106	13,507	117
E-1	Airman Basic	13,527	116	12,036	108	10,119	88
	Total	284,574	2,436	286,487	2,561	289,290	2,512
<u>Cadets</u>		4,234	0	4,230	0	4,169	0
Total Workyears		358,239	3,309	361,022	3,613	364,506	3,567

**MILITARY PERSONNEL - AIR FORCE
ACTIVE DUTY STRENGTHS BY MONTHS
(IN THOUSANDS)**

	FY2001				FY 2002				FY 2003			
	Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total	Officer	Enlisted	Cadets	Total
September	69.0	282.4	4.3	355.7	68.9	280.4	4.3	353.6	70.1	284.7	4.2	359.0
October	68.3	281.8	4.3	354.3	68.4	280.9	4.3	353.6	69.6	285.2	4.2	359.0
November	68.2	281.3	4.2	353.7	68.5	280.9	4.3	353.7	69.5	285.4	4.2	359.1
December	68.0	280.8	4.2	353.0	68.6	280.6	4.2	353.4	69.5	285.6	4.2	359.3
January	68.0	281.2	4.2	353.4	68.5	281.5	4.2	354.2	68.8	285.8	4.2	358.7
February	67.9	281.2	4.2	353.2	68.8	281.6	4.2	354.5	69.0	285.7	4.1	358.8
March	67.8	280.6	4.1	352.6	68.4	282.0	4.2	354.5	68.8	286.0	4.1	358.9
April	67.7	280.1	4.1	351.9	68.4	282.5	4.2	355.0	68.7	285.9	4.1	358.7
May	68.7	280.0	3.2	351.9	69.5	283.1	3.2	355.7	69.7	285.9	3.1	358.7
June	69.4	280.1	4.5	354.0	70.3	284.0	4.3	358.6	70.3	286.0	4.3	360.6
July	69.0	279.9	4.4	353.3	70.3	284.8	4.3	359.4	70.0	285.8	4.2	360.0
August	68.9	280.8	4.3	353.9	70.2	285.1	4.3	359.5	69.8	285.8	4.2	359.7
September	68.9	280.4	4.3	353.6	70.1	284.7	4.2	359.0	69.5	285.5	4.2	359.2
Workyears	69.4	284.6	4.2	358.2	70.3	286.5	4.2	361.0	71.0	289.3	4.2	364.5

MPA MAN-DAY PROGRAM

Workyears	1.2	3.8	0.0	5.0	1.5	4.1	0.0	5.6	1.5	3.6	0.0	5.1
\$M	\$113.9	\$172.8	\$0.0	\$286.7	\$148.5	\$195.8	\$0.0	\$344.3	\$154.6	\$179.0	\$0.0	\$333.6

Note: USAF ACADEMY CADET STRENGTH LIMITATION OF 4,000 IS MEASURED ACCORDING TO TITLE 10, SECTION 9342 ON THE LAST DAY OF THE ACADEMIC YEAR (THE DAY BEFORE GRADUATION) NOT THE END OF THE FISCAL YEAR.

**MILITARY PERSONNEL - AIR FORCE
GAINS AND LOSSES BY SOURCE AND TYPE**

OFFICERS

	FY2001 <u>Actual</u>	FY 2002 <u>Estimate</u>	FY 2003 <u>Estimate</u>
Beginning Strength	69,023	68,862	70,066
Gains (By Source):			
Service Academies	847	943	1,003
ROTC	2,224	2,087	2,088
Health Professions Scholarships	373	386	327
Officer Training School	1,784	1,700	1,900
Other	915	940	983
Gain Adjustment	0	0	0
Total Gains	6,143	6,056	6,301
Losses (By Type):			
Voluntary Separation	2,966	1,612	3,437
Retirement	2,628	2,568	2,557
Involuntary	279	342	550
With Pay	273	323	522
Without Pay	6	19	28
VSI/SSB	125	0	0
15 Year Retirement	87	0	0
Reduction in Force	0	0	0
Other	183	330	323
Loss Adjustment	36	0	0
Total Losses	6,304	4,852	6,867
TOTAL	68,862	70,066	69,500

**MILITARY PERSONNEL - AIR FORCE
GAINS AND LOSSES BY SOURCE AND TYPE**

	ENLISTED		
	FY2001	FY 2002	FY 2003
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Beginning Strength	282,356	280,410	284,734
Gains (By Source):			
Non Prior Service Enlistments	34,226	34,451	36,000
Male	25,774	25,966	26,640
Female	8,452	8,485	9,360
Prior Service Enlistments	1,155	2,000	1,000
Reenlistments	40,865	40,805	40,109
Reserves	56	50	50
Officer Candidate Programs	1,241	1,403	1,568
Other	192	229	230
Gain Adjustments	644	600	600
Total Gains	78,379	79,538	79,557
Losses (By Type):			
ETS	14,068	9,838	14,495
Programmed Early Release	0	0	0
VSI/SSB	0	0	0
15 Year Retirement	0	0	0
To Commissioned Officer	1,516	1,700	1,900
Reenlistments	40,865	40,805	40,109
Retirement	11,791	10,716	9,879
Attrition	11,371	12,155	12,408
Other	714	0	0
Loss Adjustments	0	0	0
Total Losses	80,325	75,214	78,791
TOTAL	280,410	284,734	285,500

**MILITARY PERSONNEL - AIR FORCE
GAINS AND LOSSES BY SOURCE AND TYPE**

CADETS

	FY2001 <u>Actual</u>	FY 2002 <u>Estimate</u>	FY 2003 <u>Estimate</u>
Beginning Strength	4,275	4,299	4,239
Gains:	1,271	1,218	1,243
Losses:	1,247	1,278	1,309
Graduates	864	947	1,013
Attrition	383	331	296
TOTAL	4,299	4,239	4,173

Note: USAFA CADET STRENGTH LIMITATION OF 4,000 IS MEASURED ACCORDING TO TITLE 10, SECTION 9342 ON THE LAST DAY OF THE ACADEMIC YEAR (THE DAY BEFORE GRADUATION) NOT THE END OF THE FISCAL YEAR.

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(In Thousands of Dollars)

	FY 2001			FY 2002			FY 2003		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
1. Basic Pay	3,473,352	6,251,146	9,724,498	3,694,784	6,598,455	10,293,239	3,872,634	7,105,972	10,978,606
2a. Retired Pay Accrual	1,028,112	1,850,339	2,878,451	1,119,520	1,999,332	3,118,852	1,061,102	1,947,036	3,008,138
2b. Medical Health Care Accrual	0	0	0	0	0	0	326,881	1,328,732	1,655,613
3. Basic Allowance for Housing	642,769	1,239,744	1,882,513	717,759	1,389,885	2,107,644	778,898	1,542,052	2,320,950
a. With Dependents - Domestic	421,425	717,198	1,138,623	473,434	898,937	1,372,371	517,749	1,021,724	1,539,473
b. Without Dependents - Domestic	157,378	337,101	494,479	177,993	305,440	483,433	193,979	330,926	524,905
c. Substandard Family Housing - Domestic	0	382	382	0	0	0	0	0	0
d. Partial - Domestic	227	5,545	5,772	262	6,091	6,353	292	6,209	6,501
e. With Dependents - Overseas	42,699	110,555	153,254	43,667	112,927	156,594	44,470	114,735	159,205
f. Without Dependents - Overseas	21,040	68,963	90,003	22,403	66,490	88,893	22,408	68,458	90,866
4. Subsistence	133,326	801,842	935,168	139,105	810,790	949,895	145,032	847,670	992,702
a. Basic Allowance for Subsistence	133,326	681,933	815,259	139,105	687,941	827,046	145,032	722,407	867,439
1. Authorized to Mess Separately	133,326	522,004	655,330	139,105	644,267	783,372	145,032	721,093	866,125
2. Leave Rations	0	68,905	68,905	0	17,479	17,479	0	0	0
3. Rations-In-Kind Not Available	0	68,384	68,384	0	73,697	73,697	0	74,203	74,203
4. Augmentation for Separate Meals	0	9,764	9,764	0	11,043	11,043	0	11,905	11,905
5. Partial BAS	0	12,876	12,876	0	3,226	3,226	0	0	0
5. Less Collections (Recoupment)	0	0	0	0	-61,771	-61,771	0	-84,794	-84,794
b. Subsistence-In-Kind	0	119,854	119,854	0	121,708	121,708	0	124,086	124,086
1. Subsistence in Messes	0	95,194	95,194	0	96,139	96,139	0	97,887	97,887
2. Special Rations	0	8,478	8,478	0	8,757	8,757	0	8,885	8,885
3. Operational Rations	0	9,952	9,952	0	10,340	10,340	0	10,649	10,649
4. Augmentation Rations	0	6,230	6,230	0	6,472	6,472	0	6,665	6,665
c. Family Supplemental Subsistence Allowance	0	55	55	0	1,141	1,141	0	1,177	1,177
5. Incentive, Hazardous Duty, and Aviation Career Pay	284,048	32,077	316,125	293,610	32,841	326,451	284,327	33,250	317,577
a. Flying Duty Pay	283,263	25,427	308,690	292,444	25,752	318,196	283,035	25,851	308,886
1. Aviation Career, Officers	128,396	0	128,396	136,560	0	136,560	132,681	0	132,681
2. Crew Members, Enlisted	0	2,251	2,251	0	2,286	2,286	0	2,376	2,376
3. Noncrew Member	1,108	535	1,643	1,104	720	1,824	1,104	720	1,824
4. Aviator Continuation Pay	153,759	0	153,759	154,780	0	154,780	149,250	0	149,250
5. Career Enlisted Flyer Pay	0	22,641	22,641	0	22,746	22,746	0	22,755	22,755
b. Parachute Jumping Pay	311	2,130	2,441	550	2,130	2,680	615	2,130	2,745
c. Demolition Pay	112	2,331	2,443	83	2,331	2,414	81	2,331	2,412
d. Other Pays	362	2,189	2,551	533	2,628	3,161	596	2,938	3,534

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(In Thousands of Dollars)

	FY 2001			FY 2002			FY 2003		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
6. Special Pays	181,893	357,453	539,346	200,625	474,386	675,011	261,119	444,437	705,556
a. Medical Pay	137,414	0	137,414	143,530	0	143,530	140,614	0	140,614
b. Dental Pay	23,750	0	23,750	25,057	0	25,057	27,723	0	27,723
c. Optometrists Pay	181	0	181	1,153	0	1,153	1,153	0	1,153
d. Veterinarians Pay	239	0	239	208	0	208	208	0	208
e. Board Certified Pay for Non-Physician Health Care Providers	1,859	0	1,859	5,563	0	5,563	5,512	0	5,512
f. Nurses Pay	4,475	0	4,475	5,062	0	5,062	5,838	0	5,838
g. Sea and Foreign Duty, Total	0	2,671	2,671	0	1,659	1,659	0	1,659	1,659
1. Sea Duty	0	8	8	0	8	8	0	8	8
2. Duty at Certain Places	0	2,633	2,633	0	1,621	1,621	0	1,621	1,621
3. Overseas Extension Pay	0	30	30	0	30	30	0	30	30
h. Diving Duty Pay	108	1,173	1,281	108	1,181	1,289	108	1,200	1,308
i. Foreign Language Proficiency Pay	2,694	8,120	10,814	5,755	8,799	14,554	6,605	9,164	15,769
j. Hostile Fire	5,053	23,897	28,950	9,221	36,657	45,878	10,177	41,051	51,228
k. Hardship Duty Pay	911	4,792	5,703	1,525	7,635	9,160	1,635	8,765	10,400
l. Judge Advocate Continuation Pay	5,209	0	5,209	3,443	0	3,443	3,963	0	3,963
m. Reenlistment Bonus	0	168,703	168,703	0	257,892	257,892	0	222,137	222,137
1. Selective	0	168,703	168,703	0	257,892	257,892	0	222,137	222,137
n. Special Duty Assignment Pay	0	22,265	22,265	0	25,727	25,727	0	25,727	25,727
o. Enlistment Bonus	0	123,832	123,832	0	132,836	132,836	0	132,836	132,836
p. High-Deployment Per Diem Allowances	0	0	0	0	0	0	383	1,898	2,281
q. Other Special Pay	0	2,000	2,000	0	2,000	2,000	57,200	0	57,200
7. Allowances	61,977	342,205	404,182	59,643	351,303	410,946	58,222	359,219	417,441
a. Uniform or Clothing Allowances	3,715	121,824	125,539	3,663	126,098	129,761	3,810	128,544	132,354
1. Initial Issue	2,486	41,734	44,220	2,452	43,603	46,055	2,550	45,080	47,630
a. Military	2,457	39,951	42,408	2,422	41,780	44,202	2,520	43,215	45,735
b. Civilian	29	1,783	1,812	30	1,823	1,853	30	1,865	1,895
2. Additional	1,229	0	1,229	1,211	0	1,211	1,260	0	1,260
3. Basic Maintenance	0	16,717	16,717	0	17,558	17,558	0	17,642	17,642
4. Standard Maintenance	0	61,112	61,112	0	62,586	62,586	0	63,455	63,455
5. Supplemental	0	2,261	2,261	0	2,351	2,351	0	2,367	2,367
b. Station Allowance Overseas	54,233	203,695	257,928	50,596	202,232	252,828	48,617	204,941	253,558
1. Cost-of-Living	44,791	171,392	216,183	41,428	168,695	210,123	39,622	170,525	210,147
3. Moving-In Housing	1,885	6,411	8,296	1,830	6,656	8,486	1,798	6,809	8,607
4. Temporary Lodging	7,557	25,892	33,449	7,338	26,881	34,219	7,197	27,607	34,804

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY

(In Thousands of Dollars)

	FY 2001			FY 2002			FY 2003		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
c. Family Separation Allowance	2,917	15,753	18,670	4,191	21,976	26,167	4,534	24,679	29,213
1. On PCS, No Government Quarters	744	2,211	2,955	768	2,343	3,111	803	2,513	3,316
2. On PCS, Dependents Not Authorized	824	6,164	6,988	835	6,206	7,041	844	6,266	7,110
3. On TDY	1,349	7,378	8,727	2,588	13,427	16,015	2,887	15,900	18,787
d. Personal Money Allowance, General Officers	46	0	46	48	0	48	48	0	48
e. CONUS Cost of Living Allowance	1,066	933	1,999	1,145	997	2,142	1,213	1,055	2,268
8. Separation Payments	60,729	49,938	110,667	103,591	136,125	239,716	122,004	135,166	257,170
a. Terminal Leave Pay	18,082	24,613	42,695	14,199	26,106	40,305	17,767	27,248	45,015
b. Severance Pay, Disability	1,263	9,701	10,964	1,301	10,371	11,672	1,340	10,796	12,136
c. Severance Pay, Non-Promotion	9,300	0	9,300	18,231	0	18,231	30,999	0	30,999
d. Severance Pay, Involuntary Half (5%)	100	3,771	3,871	77	5,152	5,229	80	5,363	5,443
e. Severance Pay, Involuntary Full (10%)	1,655	7,032	8,687	1,704	5,975	7,679	1,756	6,221	7,977
f. VSI Trust Fund	8,779	3,021	11,800	32,579	9,821	42,400	31,262	9,338	40,600
g. VSI/SSB/TERA	21,550	0	21,550	0	0	0	0	0	0
h. \$30,000 Lump Sum Bonus	0	1,800	1,800	35,500	78,700	114,200	38,800	76,200	115,000
9. Social Security Tax Payment	263,333	478,211	741,544	280,335	504,782	785,117	294,071	543,607	837,678
10. Permanent Change of Station Travel	300,166	610,113	910,279	299,229	578,781	878,010	334,350	654,413	988,763
11. Other Military Personnel Costs	8,994	40,409	49,404	15,696	45,600	61,296	15,580	55,547	71,127
a. Apprehension of Deserters	2	98	100	2	98	100	2	98	100
b. Interest on Uniformed Services Savings Deposits	131	464	595	131	464	595	131	464	595
c. Death Gratuities	307	1,199	1,506	307	1,199	1,506	307	1,199	1,506
d. Unemployment Compensation	3,946	24,604	28,550	2,724	16,985	19,709	3,657	22,799	26,456
e. Survivor Benefits	1,147	1,947	3,094	1,272	2,178	3,450	1,216	2,074	3,290
f. Education Benefits	456	3,009	3,465	477	3,159	3,636	483	3,207	3,690
g. Adoption Reimbursement	498	302	800	498	302	800	498	302	800
h. Special Compensation for Retirees	2,168	8,154	10,322	5,700	12,700	18,400	4,284	16,116	20,400
i. Mass Transit	340	632	972	4,585	8,515	13,100	5,002	9,288	14,290
12. Cadets	41,182	0	41,182	48,773	0	48,773	49,821	0	49,821
Military Personnel Appropriation Total	6,479,882	12,053,477	18,533,359	6,972,669	12,922,280	19,894,950	7,604,041	14,997,101	22,601,142
13. Less Reimbursables:	92,526	97,389	189,915	94,618	95,818	190,436	263,554	180,403	443,957
Retired Pay Accrual	12,391	15,360	27,751	12,103	15,861	27,964	10,128	14,851	24,979
Other	80,135	82,029	162,164	82,515	79,957	162,472	253,426	165,552	418,978
Military Personnel Appropriation Total, Direct	6,387,356	11,956,088	18,343,444	6,878,051	12,826,462	19,704,514	7,340,487	14,816,698	22,157,185

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 2002
(In Thousands of Dollars)

	FY 2002 AMENDED PRESIDENT'S BUDGET	CONGRESSIONAL ACTIONS	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	OTHER PRICE/ PROGRAM CHANGES	FY 2002 COLUMN FY 2003 REQUEST
<u>PAY AND ALLOWANCES OF OFFICERS</u>							
Basic Pay	3,746,846	(42,408)	3,704,438	(9,654)	3,694,784		3,694,784
Retired Pay Accrual	1,135,294	(19,694)	1,115,600	3,920	1,119,520		1,119,520
Incentive Pay	295,823	370	296,193	(2,583)	293,610		293,610
Special Pay	233,985	(27,492)	206,493	(5,820)	200,673		200,673
Basic Allowance for Housing	710,354	6,103	716,457	1,302	717,759		717,759
Basic Allowance for Subsistence	138,009		138,009	1,096	139,105		139,105
Station Allowances Overseas	44,779	(2,028)	42,751	7,845	50,596		50,596
CONUS COLA	1,015		1,015	130	1,145		1,145
Uniform Allowances	3,823		3,823	(160)	3,663		3,663
Family Separation Allowances	2,898	1,222	4,120	71	4,191		4,191
Separation Payments	106,401	(5,700)	100,701	2,890	103,591		103,591
Social Security Tax - Employer's Contribution	284,345	(4,973)	279,372	963	280,335		280,335
Total Obligations	6,703,572	(94,600)	6,608,972	0	6,608,972	0	6,608,972
Less Reimbursements	93,634		93,634	0	93,634		93,634
Total Direct Obligations	\$6,609,938	(\$94,600)	\$6,515,338	\$0	\$6,515,338	\$0	\$6,515,338

**ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 2002
(In Thousands of Dollars)**

	FY 2002 AMENDED PRESIDENT'S BUDGET	CONGRESSIONAL ACTIONS	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	OTHER PRICE/ PROGRAM CHANGES	FY 2002 COLUMN FY 2003 REQUEST
<u>PAY AND ALLOWANCES OF ENLISTED</u>							
Basic Pay	6,753,308	(157,874)	6,595,434	3,021	6,598,455		6,598,455
Retired Pay Accrual	2,046,252	(72,696)	1,973,556	25,776	1,999,332		1,999,332
Incentive Pay	33,817	348	34,165	(1,324)	32,841		32,841
Special Pay	43,818	3,128	46,946	10,985	57,931		57,931
Special Duty Assignment Pay	25,727		25,727	0	25,727		25,727
Reenlistment Bonus	257,892		257,892	0	257,892		257,892
Enlistment Bonus	132,836		132,836	0	132,836		132,836
Basic Allowance for Housing	1,405,298	8,502	1,413,800	(23,915)	1,389,885		1,389,885
Station Allowances Overseas	229,232	(7,701)	221,531	(19,299)	202,232		202,232
CONUS COLA	839		839	158	997		997
Clothing Allowances	126,754	900	127,654	(1,556)	126,098		126,098
Family Separation Allowances	16,441	946	17,387	4,589	21,976		21,976
Separation Payments	189,867	(48,800)	141,067	(4,942)	136,125		136,125
Social Security Tax - Employer's Contribution	516,628	(18,353)	498,275	6,507	504,782		504,782
Total Obligations	11,778,709	(291,600)	11,487,109	0	11,487,109	0	11,487,109
Less Reimbursements	69,390		69,390	0	69,390		69,390
Total Direct Obligations	\$11,709,319	(\$291,600)	\$11,417,719	\$0	\$11,417,719	\$0	\$11,417,719
<u>PAY AND ALLOWANCES OF CADETS</u>							
Academy Cadets	\$48,773		\$48,773	\$0	\$48,773		\$48,773

**ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 2002
(In Thousands of Dollars)**

	FY 2002 AMENDED PRESIDENT'S BUDGET	CONGRESSIONAL ACTIONS	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	OTHER PRICE/ PROGRAM CHANGES	FY 2002 COLUMN FY 2003 REQUEST
<u>SUBSISTENCE OF ENLISTED PERSONNEL</u>							
Basic Allowance for Subsistence	694,567		694,567	(6,626)	687,941		687,941
Subsistence-In-Kind	115,082		115,082	6,626	121,708		121,708
Family Supplemental Subsistence Allowance	1,141		1,141	0	1,141		1,141
Total Obligations	810,790	0	810,790	0	810,790	0	810,790
Less Reimbursements	26,049		26,049	0	26,049		26,049
Total Direct Obligations	\$784,741	\$0	\$784,741	\$0	\$784,741	\$0	\$784,741
 <u>PERMANENT CHANGE OF STATION TRAVEL</u>							
Accession Travel	65,630		65,630	(75)	65,555		65,555
Training Travel	62,786		62,786	(2)	62,784		62,784
Operating Travel	160,876		160,876	(13,004)	147,872		147,872
Rotational Travel	475,714	(43,400)	432,314	5,021	437,335		437,335
Separation Travel	98,628	(8,000)	90,628	7,997	98,625		98,625
Travel of Organized Units	6,370		6,370	0	6,370		6,370
Nontemporary Storage	21,575		21,575	56	21,631		21,631
Temporary Lodging Expense	37,831		37,831	7	37,838		37,838
Total Obligations	929,410	(51,400)	878,010	0	878,010	0	878,010
Less Reimbursements	1,363		1,363	0	1,363		1,363
Total Direct Obligations	\$928,047	(\$51,400)	\$876,647	\$0	\$876,647	\$0	\$876,647

**ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 2002
(In Thousands of Dollars)**

	FY 2002 AMENDED PRESIDENT'S BUDGET	CONGRESSIONAL ACTIONS	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	OTHER PRICE/ PROGRAM CHANGES	FY 2002 COLUMN FY 2003 REQUEST
<u>OTHER MILITARY PERSONNEL COSTS</u>							
Apprehension of Military Deserters, Absentees and Escaped Military Prisoners	100		100	0	100		100
Interest on Uniformed Svcs Savings	595		595	0	595		595
Death Gratuities	1,506		1,506	0	1,506		1,506
Unemployment Compensation	33,272	(9,400)	23,872	(4,163)	19,709		19,709
Survivor Benefits	2,908		2,908	542	3,450		3,450
Education Benefits	3,415		3,415	221	3,636		3,636
Adoption Expenses	800		800	0	800		800
Special Compensation for Retirees	15,000		15,000	3,400	18,400		18,400
Mass Transit	13,100		13,100	0	13,100		13,100
Total Direct Obligations	\$70,696	(\$9,400)	\$61,296	\$0	\$61,296	\$0	\$61,296
Total Direct Obligations	\$20,151,514	(\$447,000)	\$19,704,514	\$0	\$19,704,514	\$0	\$19,704,514

**MILITARY PERSONNEL, AIR FORCE
SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)**

FY 2002 Direct Program-----	\$19,704,514
<u>Increases:</u>	
Defense Health Program -----	1,655,613
- Implementation of the Defense Health Care Accrual	
Basic Pay -----	686,405
- 1 Jan 03 4.1 percent pay raise	
- Changes in workyears/longevity	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	
Basic Allowance for Housing (BAH) -----	213,306
- Changes in rates	
- Changes in workyears	
- Foreign Currency Fluctuation Rate Adjustment	
Permanent Change of Station-----	110,714
- Increase in MTMC rates and number of shipments of household goods	
- Increase in Global POV Program	
- Increases in number of accession & operational moves	
- Increases in DLA rates	
- Increases in Temporary Lodging Expenses, Trailer Allowances and Nontemporary Storage	
- Reimbursement adjustments	
Special Pay -----	66,300
- Implementation of the Critical Skills Retention Bonus Program	
- Implementation of the Critical Skills Accession Bonus Program	
- Adjustments for Contingency Operations	
- Start of the Optometry Retention Program	
- Changes in rates	
- Changes in workyears	
Social Security (FICA) -----	52,468
- 1 Jan 03 4.1 percent pay raise	
- Changes in workyears	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	
Basic Allowance for Subsistence (BAS)-----	40,496
- 1 Jan 03 3.0% BAS raise	
- Change in number of meals recouped at the discounted meal rate	
- Annualization of 1 Jan 02 3.7% BAS raise	
- Changes in workyears	
- Change in Augmentation Rations	
- Increase in Ration-in-Kind not available	

- Rate increase for cadets (\$5.60 to \$5.75 per day)
- Elimination of Partial BAS rate, effective 31 Dec 2001
- Elimination of Leave Rations, effective 31 Dec 2001

Separations -----	17,454
- Change in involuntary separation payments	
- 1 Jan 03 4.1 percent pay raise	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	
- Change in Lump Sum Terminal Leave payments	
- Changes in \$30K Lump Sum Bonus Program	
- Changes in VSI Trust Fund payments	
Unemployment Compensation-----	6,747
- Based on the Department of Labor's unemployment projections	
Family Separation Allowance -----	3,046
- Adjustments for Contingency Operations	
- Changes in workyears	
- 1 Jan 03 4.1 percent pay raise	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	
Clothing Allowance-----	2,593
- Changes in rates	
- Changes in payments	
Special Compensation-----	2,000
- FY 2001 NDAA expanded entitlements for certain severely disabled retirees	
Subsistence-In-Kind (SIK)-----	1,927
- Increase for Inflation	
- Changes in meals served	
- Adjustment in cash sale estimates	
Mass Transit -----	1,190
- Increased number of participants as mass transportation becomes more accessible	
Overseas Station Allowance-----	730
- Changes in workyears	
- Changes in rates	
- Foreign Currency Exchange Rate Adjustments	
CONUS COLA-----	126
- Changes in rates	
- Changes in workyears	
Montgomery GI Bill -----	54
- Changes in amortization payment as determined by the DoD Education Benefits Board of Actuaries	

Family Subsistence Supplemental Allowance (FSSA)-----	36	
- Program increases		
Total Increases -----		2,861,205
<u>Decreases:</u>		
Survivors' Benefits -----	-160	
- Changes based on revised Veterans Administration projections		
Incentive Pay -----	-8,874	
- Changes in workyears		
- Changes in Aviation Continuation Pay		
Selective Reenlistment Bonus (SRB) -----	-35,755	
- Changes in rates		
- Changes in payments		
Retired Pay Accrual -----	-110,714	
- 1 Jan 03 4.1 percent pay		
- Changes in workyears/longevity		
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises		
- RPA rate adjustment from 30.3 percent to 27.4 percent		
Reimbursements -----	-253,031	
- Change in reimbursements		
Total Decreases -----		-408,534
FY 2003 Direct Program -----		\$22,157,185

SECTION 4

DETAIL OF MILITARY PERSONNEL ENTITLEMENTS

PAY AND ALLOWANCES OF OFFICERS

MILITARY PERSONNEL, AIR FORCE
SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)

1. Pay and Allowances of Officers

FY 2002 Direct Program ----- 6,515,338

Increases:

Defense Health Program Accrual -----		326,881
- Start of the Defense Health Program Accrual	326,881	
Basic Pay -----		177,850
- 1 Jan 03 pay raise of 4.1 percent pay raise	115,530	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	52,498	
- Change in workyears/longevity	9,822	
Housing Allowances -----		61,139
- Rate Changes	45,995	
- Changes in workyears	16,094	
- Foreign Currency Exchange Rate Adjustments	-950	
Special Pay -----		60,494
- Critical Skills Retention Bonus	38,900	
- Critical Skills Accession Pay	18,300	
- Adjustments for Contingency Operations	5,617	
- Start of the Optometry Retention Program	960	
- Changes in rates	-148	
- Change in workyears	-3,135	
Separations -----		18,413
- Change in involuntary separation payments	13,062	
- Changes to the \$30,000 Lump Sum Bonus Program	3,300	
- 1 Jan 03 pay raise of 4.1 percent pay raise	1,292	
- Change in LSTL payments	1,266	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	810	
- Adjustment to the VSI Trust Fund	-1,317	
Social Security (FICA) -----		13,736
- 1 Jan 03 pay raise of 4.1 percent pay raise	8,772	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	3,990	
- Change in workyears/Longevity	974	
Basic Allowance for Subsistence -----		5,927
- 1 Jan 03 3.0 percent rate increase	3,191	
- Change in workyears	1,436	
- Annualization of 1 Jan 02 3.7 percent rate increase	1,300	

Clothing Allowance		147
- Change in payments	147	
Family Separation Allowance		343
- Change in workyears	310	
- 1 Jan 03 pay raise of 4.1 percent pay raise	20	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	13	
CONUS COLA		68
- Change in rates	49	
- Change in workyears	19	
Total Increases		664,998
<u>Decreases:</u>		
Overseas Allowances		-1,979
- Change in rate	647	
- Foreign Currency Exchange Rate Adjustments	-1,031	
- Changes in workyears	-1,595	
Incentive Pay		-9,283
- Change in workyears	-3,753	
- Changes in Aviation Continuation Pay	-5,530	
Retired Pay Accrual		-58,418
- 1 Jan 03 pay raise of 4.1 percent pay raise	31,655	
- Annualization of 1 Jan 02 pay raise of 4.6 percent plus targeted pay raises	14,385	
- Change in workyears/Longevity	2,976	
- Change in RPA rate from 30.2 percent to 27.4 percent	-107,434	
Reimbursements		-168,908
- Change in reimbursements	-168,908	
Total Decreases		-238,588
FY 2003 Direct Program		6,941,748

(Amount in Thousands)

PROJECT: BASIC PAY - OFFICERS

FY 2001 Actual	\$3,473,352
FY 2002 Estimate	\$3,694,784
FY 2003 Estimate	\$3,872,634

PART I - PURPOSE AND SCOPE

Funds provide basic compensation for officers on active duty according to grade and length of service under provisions of 37 U.S.C. 201, 203, 204, 205, and 1009.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding requirements includes annualized pay raise of 3.7 percent in FY 2001. In FY 2002, the budget includes a pay raise of 4.6 percent, as well as, targeted raises ranging from 5 to 6.5 percent. For FY 2003 pay is increased by 4.1 percent.

Basic Pay of 0-7 to 0-10 is limited to Level III of the executive schedule.
Basic pay for 0-6 and below is limited to Level V of the executive schedule.

(Amount in Thousands)

BASIC PAY - OFFICERS

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
General	12	133,700	1,604	11	138,200	1,520	11	142,899	1,572
Lt General	36	123,163	4,434	37	128,932	4,770	36	134,498	4,842
Maj General	87	111,589	9,708	87	116,816	10,163	89	121,858	10,845
Brig General	142	98,980	14,055	141	103,616	14,610	142	108,088	15,348
Colonel	3,913	83,783	327,843	3,899	87,711	341,985	3,949	91,546	361,515
Lt Colonel	10,447	67,800	708,307	10,442	71,103	742,458	10,493	74,200	778,581
Major	15,926	56,122	893,799	15,939	59,704	951,622	16,740	62,410	1,044,743
Captain	23,091	44,738	1,033,045	22,268	48,345	1,076,546	20,457	50,129	1,025,489
1st Lieutenant	7,500	34,862	261,465	8,364	36,666	306,674	9,350	38,179	356,974
2nd Lieutenant	8,277	26,470	219,092	9,117	26,811	244,436	9,780	27,886	272,725
Total Basic Pay	69,431		\$3,473,352	70,305		\$3,694,784	71,047		\$3,872,634

(Amount in Thousands)

PROJECT: RETIRED PAY ACCRUAL - OFFICERS	FY 2001 Actual	\$1,028,112
	FY 2002 Estimate	\$1,119,520
	FY 2003 Estimate	\$1,061,102

PART I - PURPOSE AND SCOPE

Funds provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with P.L. 98-94, Section 925(a)(1), Title 10 U.S.C. 1466, as amended.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of:

- (a) An accrual percentage of 29.6 percent for FY 2001, 30.3 percent for FY 2002, and 27.4 for FY 2003.
- (b) The total amount of basic pay expected to be paid during the fiscal year to officer members of the armed forces.

The computation of fund requirements is shown in the following table:

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
RPA	69,431	14,807.68	\$1,028,112	70,305	15,923.76	\$1,119,520	71,047	14,935.21	\$1,061,102
Total	69,431	14,807.68	\$1,028,112	70,305	15,923.76	\$1,119,520	71,047	14,935.21	\$1,061,102

(Amount in Thousands)

PROJECT: DEFENSE HEALTH PROGRAM ACCRUAL - OFFICERS	FY 2001 Actual	\$0
	FY 2002 Estimate	\$0
	FY 2003 Estimate	\$326,881

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

FY 2003 Estimate
<hr/>
<u>Amount</u>
\$326,881

Note: Funded amount is in compliance with Fiscal Guidance.

(Amount in Thousands)

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICERS	FY 2001 Actual	\$284,048
	FY 2002 Estimate	\$293,610
	FY 2003 Estimate	\$284,327

PART I - PURPOSE AND SCOPE

The purpose of Incentive Pay for Hazardous Duty is to help the Air Force attract and retain officer volunteers in duties requiring more than normal exposure to hazardous duties in peacetime.

Funds provide payment to officers under provisions of 37 U.S.C. 301 as follows:

- (1) Aviation Career Incentive Pay (ACIP) - Paid to regular and reserve officers who hold, or are in training leading, to an aeronautical rating or designation and who engage and remain in aviation service on a career basis. It is paid in fixed monthly amounts ranging from \$125 to \$840. The FY1998 National Defense Authorization Act (NDAA), modified in (Sec. 615), increased monthly rates for aviators with more than 14 years of service. The year groups as well as compensation were changed as a means to assist the Service in the retention of aviators. The FY1999 NDAA accelerated the rate increase from \$650 to \$840 for officers with more than 14 years but less than 22 years of aviation service.
- (2) Aviation Continuation Pay (ACP) - The ACP program is a financial incentive to complement non-monetary initiatives to improve pilot retention. The FY 1998 National Defense Authorization Act (NDAA), modified in (Sec. 616), allows bonus adjustment from \$12,000 to \$25,000 as an incentive to Aviation career officers who agree to remain on active duty through 14 years of active service. The FY2000 NDAA approves an enhancement to the ACP program, allowing payment through the grade of O-6 and through 25 years of service. Effective 1 Oct 99, the Air Force increased the annual payments to \$25,000. In FY 2001 the Air Force program authorizes up front payment options ranging from 20 to 50 percent (\$150,000 limit) to newly eligible pilots.
- (3) Non-Crew Member - Involves frequent and regular participation in aerial flights. Paid as an incentive for the performance of hazardous duty required by orders. It is paid to non-rated crewmembers and non-crew members (e.g., gunnery instructors, aerial photo personnel, and flight nurse) only when performing such duties in fixed monthly amounts of \$150. This amount was increased from \$110 to \$150 in the FY 1998 NDAA.
- (4) Parachute Jumping - Duties involve parachute jumping from an aircraft in aerial flight and performing the specified minimum jumps, payable at \$150 per month. Members, who perform duty involving parachute jumping at a high altitude with a low opening (HALO) as an essential part of duty, are entitled to pay at the monthly rate of \$225.
- (5) Experimental Stress - An unusually high level of physiological or other stress; specifically (a) duty inside a high (hyperbaric) or low pressure (altitude) chamber, (b) duty as a human acceleration/deceleration test subject, and (c) duty as a human test subject in thermal stress experiments. It is paid under specified conditions in a monthly amount of \$150.
- (6) Demolition - Explosive demolition as a primary duty including training for such duty. It is paid under specified conditions at a monthly rate of \$150.
- (7) Toxic Fuel Handlers - Duties in which personnel may be exposed to toxic fuels and propellants. This pay was initiated as a result of a number of casualties among personnel who work with hypergolic fuel, specifically hydrazine and nitrogen tetroxide. It is paid at a monthly rate of \$150.
- (8) Live/Hazardous Biological Organisms - Duty involving laboratory work utilizing live dangerous viruses or bacteria. Paid at a monthly rate of \$150.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Incentive pay is computed on the basis of the average number of officers in each category or aviation service/commission who are eligible for payment. Other incentive duty pay is computed at the statutory rate per workyear.

(Amount in Thousands)

INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICERS

Aviation Career Incentive Pay

Yrs Svc Grade	Monthly Rate	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
		Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
Less than 2	125.00	3,167	1,500	4,751	3,267	1,500	4,901	3,243	1,500	4,865
2 - 3	156.00	1,395	1,872	2,611	1,611	1,872	3,016	1,608	1,872	3,010
3 - 4	188.00	1,298	2,256	2,928	1,162	2,256	2,621	1,599	2,256	3,607
4 - 6	206.00	2,021	2,472	4,996	2,594	2,472	6,412	2,529	2,472	6,252
6 - 14	650.00	6,220	7,800	48,515	5,346	7,800	41,699	5,230	7,800	40,794
14 - 22	840.00	5,974	10,080	60,220	6,754	10,080	68,080	6,329	10,080	63,796
22 - 23	585.00	264	7,020	1,851	647	7,020	4,542	692	7,020	4,858
23 - 24	495.00	205	5,940	1,219	460	5,940	2,732	503	5,940	2,988
24 - 25	385.00	191	4,620	881	377	4,620	1,742	397	4,620	1,834
Above 25	250.00	136	3,000	407	262	3,000	786	216	3,000	648
B/G Less than 25	200.00	7	2,400	17	12	2,400	29	12	2,400	29
M/G Less than 25	200.00	0	2,400	0	0	2,400	0	0	2,400	0
Subtotal Flying Duty Crew		20,877		\$128,396	22,492		\$136,560	22,358		\$132,681

Noncrew Members

Flying Duty Non-Crew		89	1,800	160	120	1,800	216	120	1,800	216
Flying Duty Non-Rated		427	2,220	948	400	2,220	888	400	2,220	888
Subtotal Flying Duty Noncrew		516		\$1,108	520		\$1,104	520		\$1,104

Aviation Continuation Pay

Aviation Continuation Pay				\$153,759			\$154,780			\$149,250
Subtotal Flying Duty Pay				\$283,263			\$292,444			\$283,035

(Amount in Thousands)

INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICERS

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
<u>Parachute Jumping</u>	173	1,800	\$311	305	1,800	\$550	342	1,800	\$615
<u>Demolition Duty</u>	62	1,800	\$112	46	1,800	\$83	45	1,800	\$81
<u>Other Incentive Duty Pay</u>									
Parachute HALO	6	2,700	16	24	2,700	65	24	2,700	65
Pressure Chamber Observer	128	1,800	230	195	1,800	351	230	1,800	414
Accel-Decel Subject	39	1,800	70	25	1,800	45	25	1,800	45
Thermal Stress	2	1,800	4	1	1,800	2	1	1,800	2
Toxic Fuel Handler	21	1,800	38	38	1,800	68	38	1,800	68
Live/Hazard Org	2	1,800	4	1	1,800	2	1	1,800	2
Subtotal Other Incentive Duty Pay			\$362			\$533			\$596
TOTAL INCENTIVE PAY			\$284,048			\$293,610			\$284,327

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS	FY 2001 Actual	\$181,939
	FY 2002 Estimate	\$200,673
	FY 2003 Estimate	\$261,167

PART I - PURPOSE AND SCOPE

Funds provide for:

(1) Special pay for Health Professionals on active duty as physicians, dentists, veterinarians, and optometrists under provisions of 37 U.S.C. 302, 302a, 302b, and 303; the FY 1991 National Defense Authorization Act (P.L. 101-510); the Office of the Assistant Secretary of Defense (OASD), FY 1993 Multi-Year Special Pay (MSP) and Incentive Special Pay (ISP) - Action Memorandum, dated 1 Sep 92; DoD Directive 1340.13, "Special Pay for Medical Corps Officers" and DoD Directive 6000.2, "Minimum Terms of Service and Active Duty Obligations for Health Services Officers."

- (a) Medical Variable Special - monthly pay authorized for all physicians based on years of creditable service. The total annual pay ranges from \$5,000 to \$12,000 except for O-7s and above who receive \$7,000 per year and interns who receive \$1,200 per year.
- (b) Medical Board Certified - A monthly payment that varies with length of creditable service paid to physicians who become certified or recertified as having successfully met specified post-graduate education, training and experience requirements. The total annual pay ranges from \$2,500 to \$6,000 depending on years of service.
- (c) Medical Additional Special - A lump sum annual payment for physicians not in internship or initial residency training who execute an agreement to remain on active duty for at least one year. Officers receive \$15,000 per year.
- (d) Medical Incentive Special - Paid to qualified physicians in critical specialties who execute an agreement to remain on active duty for at least one year. Amount of pay is based on most critically short wartime specialties and years of experience. ISP under this program was revised by the above mentioned OASD Guidance.
- (e) Multi-Year Special Pay - A program authorized in FY 1991 by P.L. 101-510 (as amended by the above mentioned 1 Sep 92 OASD memorandum) to be used in conjunction with existing ISP authority to enhance physician force management. MSP program replaced the Medical Officer Retention Bonus.
- (f) Dental Variable Special - A monthly payment authorized for all dentists based on years of creditable service. Total annual pay ranges from \$3,000 to \$12,000 except for O-7s and above who receive \$1,000 per year.
- (g) Dental Board Certified - A monthly payment that varies with length of creditable service paid to dentists who become certified or the equivalency as having successfully met specified post-graduate education, training, and experience requirements. The total annual pay ranges from \$2,500 - \$6,000 depending upon years of service.
- (h) Dental Additional Special - A lump sum annual payment for dentists not in internship or residency training who execute an agreement to remain on active duty for at least one year. The FY 1998 NDAA increased payments from to \$6,000 to \$15,000 depending on years of service.
- (i) Dental Accession Bonus - This is a subcategory of Dental Special Pay that was authorized in the FY 1997 National Defense Authorization Act, which allows for a new payment category of \$30,000. This is a one-time payment on the member's entry.
- (j) Dental Multi-year Special Pay (MSP) - The FY 1998 NDAA authorized payments from \$3,000 to \$14,000 per year for dentists with more than eight years in service who accept long-term contracts to remain on active duty.
- (k) Nurse Anesthetist Incentive Pay - P.L. 103-337, Section 612, the FY 1995 Authorization Act authorizes an ISP up to \$15,000 to all Certified Registered Nurse Anesthetists.
- (l) Nurse Accession Bonus - An accession bonus of up to \$5,000 has been authorized by the FY 1990 Authorization Act.
- (m) Nurse Board Certification Pay - The FY 1996 Authorization Act amends section 302C(D(1)) of Title 37 U.S.C. and authorizes payments ranging from \$2,000 to \$5,000 for Board Certified Pay for Non-Physician Health Care Providers.
- (n) Optometrists and Veterinarians - A special pay amount of \$100 per month has been authorized by 37 U.S.C., Sec. 302a and 303 respectively. The FY 2001 NDAA corrected this reference to include officers in the Biomedical Sciences Corps who hold a degree in veterinary medicine.
- (o) Biomedical Sciences Corps (BSC) officers - Authorized by P.L. 101-510 Title 37, annual payments are: under 10 years, \$2,000; 10-12 years, \$2,500; 12-14 years, \$3,000; 14-18 years, \$4,000; and over 18 years, \$5,000 for Non-Physician Health Care Providers.
- (p) Pharmacy Officers Special Pay - Authorized in the FY 2001 NDAA under the provision of Chapter 5 of title 37, United States Code, section 302i allows

the Secretary of the military department concerned to pay eligible pharmacy officers, in the grade of O-6 and below, who are on active duty under a call or order for a period of at least one year. The rates vary from \$3,000 to \$8,000 per year, based upon years of creditable service and whether or not the officer is undergoing pharmacy internship training.

- (q) Pharmacy Accession Bonus - Authorized in the FY 2001 NDAA under the provision of Chapter 5 of title 37, United States Code, section 302j allows for payment of an accession bonus to individuals graduating from an accredited pharmacy school who execute an agreement to accept a commission and remain on active duty for at least four years. The maximum bonus may not exceed \$30,000.
- (2) Personal money allowances for certain general officers under provisions of 37 U.S.C. 414(a). The allowance is payable while an officer is serving in the grade of O-9 or above at annual rates of \$500 and \$2,200 for O-9s and O-10s respectively. Entitlement may also be based upon specific duty assignments as follows: (1) Chairman of the Joint Chiefs of Staff and Chief of Staff of the Air Force payable at \$4,000 per year in place of any other personal money allowance authorized and (2) Senior member of the Military Staff Committee of the United Nations payable at \$2,700 per year in addition to the other personal money allowance authorized.
- (3) Pararescue Diving Duty. The purpose of the special pay is to alleviate a critical manning shortage. The duty involves underwater rescue missions, recovery of space vehicles, detection and treatment of decompression sickness, and infiltration/exfiltration for land rescue in a combat environment. It is paid at the rate of \$150 per month.
- (4) Hostile Fire Duty. Paid to members who serve in designated areas subject to specific dangers. Paid at the rate of \$150 per month.
- (5) Foreign Language Proficiency Pay (Linguist). 37 U.S.C. 316 authorizes this special pay to all officers who are proficient in a second language and DoD has critical need for that language. The FY00 NDAA included a provision increasing the maximum Foreign Language Proficiency Pay from \$100 per month to \$300 per month.
- (6) High Deployment Per Diem Allowance - Authorized in the FY 2000 NDAA under the provisions of 37 United States Code 435 allows the payment of high-deployment "per diem" to service members. Effective 1 Oct 01, members will receive \$100 a day for each day they exceed established deployment threshold (currently is 400 days out of the preceding 730 days).
- (7) Hardship Duty Location Pay (HDLP) - Payment to service members assigned to locations or duties designated by the Secretary of Defense as Quality of Life (QOL) hardship locations under the provisions of 37 United States Code 305. Payment is based on member's designated locations with rates ranging from \$50 to \$150 per month.
- (8) Judge Advocate Continuation pay. Authorized in the FY 2000 NDAA under the provisions of 37 U.S.C. 321 allows eligible judge advocates who remain on active duty for a period of obligated service specified in the agreement. The total amount paid to an officer under one or more agreements may not exceed \$60,000.
- (9) Critical Skills Retention Bonus - Authorized in the FY 2001 NDAA under the provisions of 37 U.S.C. 323 allows the payment of a retention bonus to an officer who is serving on active duty and is qualified in a designated critical military skill.
- (10) Critical Skills Accession Bonus - Authorized in the FY 2002 NDAA under the provisions of 37 U.S.C. 324 allows the payment of an accession bonus to an officer who agrees to serve in a designated critical skill.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Variable Special Pay is based on cost factors derived from statutory rates and the average number of physicians and dentists programmed per year of credible service. Board Certified Pay and Incentive Special Pay (ISP) are based on the estimated number of physicians and dentists who qualify to receive these special pays multiplied by the statutory rates. The ISP and Multi-Year Special Pay (MSP) rates are based on the projected specialties needed. Additional Special pay is estimated from the expected number of physicians who will agree to remain on active duty for at least one additional year, times the applicable rate. Beginning in FY 1991, IAW the Defense Authorization Act, MSP was instituted as a force management tool. Eligible officers who signed up for MSP, which replaced Medical Officer Retention Bonus, are paid over a multi-year period. Special pay for dentists is based on longevity of programmed dentists times the applicable rates. Special pay for veterinarians and optometrists is computed by multiplying statutory rates by the number of people programmed in each specialty. Other special pays are computed by applying statutory or average rates to the average number of personnel programmed to be eligible. In FY2001 the incremental cost for military personnel contingency requirements in Bosnia and Southwest Asia was centrally managed as part of the Overseas Contingency Operations Transfer Fund (OCOTF). In FY 2002 funding requirements for Bosnia, Kosovo and Southwest Asia was transferred back to the Service's Military Personnel Appropriation. Additionally, funding was added in FY 2002 to support Balkan operations.

Details of the computation are shown in the following tables:

(Amount in Thousands)

SPECIAL PAY - OFFICERS

Medical Pay

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Number Payments	Average Rate	Amount	Number Payments	Average Rate	Amount	Number Payments	Average Rate	Amount
<u>Physicians Pay</u>									
Variable Special Pay	3,729	7,798	29,075	3,739	8,000	29,912	3,677	8,000	29,416
Physician Board Certification	2,356	3,535	8,330	2,347	3,600	8,449	2,347	3,600	8,449
Additional Special Pay	2,830	15,000	42,450	2,894	15,000	43,410	2,832	15,000	42,480
Incentive Special Pay	2,568	18,974	48,725	2,552	19,970	50,963	2,490	19,970	49,725
Multi-Year Special Pay	831	10,422	8,661	842	12,600	10,609	837	12,600	10,544
Diplomat Pay	44	3,972	173	47	3,972	187	47	3,972	187
Subtotal Physicians Pay			\$137,414			\$143,530			\$140,614
<u>Veterinarians</u>	109	1,200	\$131	40	1,200	\$48	40	1,200	\$48
<u>Vet Board Certification</u>	27	4,000	\$108	40	4,000	\$160	40	4,000	\$160
Subtotal Medical Pay			\$137,653			\$143,738			\$140,822
<u>Dentist Pay</u>									
Dental Additional Pay	938	10,065	9,441	973	11,480	11,170	1,052	11,480	12,077
Dental Variable Pay	1,052	7,081	7,452	1,015	7,780	7,897	1,094	7,780	8,511
Board Certified Pay	295	5,350	1,577	305	4,240	1,293	328	4,240	1,391
Dental Accession Bonus	16	30,000	480	30	30,000	900	64	30,000	1,920
Multi-Year Special Pay	450	10,666	4,800	289	13,140	3,797	291	13,140	3,824
Subtotal Dentist Pay			\$23,750			\$25,057			\$27,723
<u>Optometrists</u>	151	1,200	\$181	161	1,200	\$193	161	1,200	\$193
<u>Optometry Retention</u>				160	6,000	\$960	160	6,000	\$960
<u>Biomedical Science</u>	603	3,000	\$1,809	631	3,000	\$1,893	614	3,000	\$1,842
<u>Pharmacy Accession</u>	5	10,000	\$50	64	30,000	\$1,920	64	30,000	\$1,920
<u>Pharmacy Officers Special Pay</u>				250	7,000	\$1,750	250	7,000	\$1,750

	<u>Number</u> <u>Payments</u>	<u>Average</u> <u>Rate</u>	<u>Amount</u>	<u>Number</u> <u>Payments</u>	<u>Average</u> <u>Rate</u>	<u>Amount</u>	<u>Number</u> <u>Payments</u>	<u>Average</u> <u>Rate</u>	<u>Amount</u>
<u>Nurses Bonus</u>									
Nurses Accession Bonus	136	5,000	680	200	5,000	1,000	375	5,000	1,875
Certified Registered Nurse Anesthetists	172	15,000	2,580	195	15,000	2,925	185	15,000	2,775
Nurse Board Certification	405	3,000	1,215	379	3,000	1,137	396	3,000	1,188
Subtotal Nurses Bonus			\$4,475			\$5,062			\$5,838
<u>Personal Allowance - General Officer</u>									
CATEGORY									
Chairman, JCS	0	4,000	0	1	4,000	4	1	4,000	4
Chief of Staff	1	4,000	4	1	4,000	4	1	4,000	4
General	11	2,200	24	10	2,200	22	10	2,200	22
Lieutenant General	36	500	18	36	500	18	36	500	18
Subtotal Personal Allowance*			\$46			\$48			\$48
<u>Hostile Fire</u>	2,807	1,800	\$5,053	5,123	1,800	\$9,221	5,654	1,800	\$10,177
<u>Diving Duty</u>	60	1,800	\$108	60	1,800	\$108	60	1,800	\$108
<u>Linguists</u>	4,291	628	\$2,694	4,720	1,219	\$5,755	5192	1,272	\$6,605
<u>High Deployment Per Diem Allowance</u>				0	36,500	\$0	11	36,500	\$383
<u>JAG Bonus</u>	355	14,673	\$5,209	243	14,168	\$3,443	203	19,521	\$3,963
<u>Critical Skills Retention Bonus</u>				0	20,000	\$0	3890	10,000	\$38,900
<u>Critical Skills Accession Bonus</u>				0	15,000	\$0	1220	15,000	\$18,300
<u>Hardship Duty Location Pay</u>	1,134	804	\$911	1,927	791	\$1,525	2,067	791	\$1,635
TOTAL SPECIAL PAY			\$181,939			\$200,673			\$261,167

*Special Pay Total Includes General Officer Allowances.

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING - OFFICERS	FY 2001 Actual	\$642,769
	FY 2002 Estimate	\$717,759
	FY 2003 Estimate	\$778,898

PART I - PURPOSE AND SCOPE

In the FY 1998 National Defense Authorization Act, Congress approved the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ), variable housing allowance (VHA) and Overseas Housing Allowance (OHA). Payment to service members is authorized by revisions to 37 United States Code 403.

PART II - JUSTIFICATION OF FUNDS REQUESTED

BAH amounts in this submission reflect housing costs based on current market values resulting from the a contractor generated survey of actual housing costs rather than the previous member survey methodology. In addition, this budget includes the initiative to reduce out-of-pocket housing costs for military members in FY 2001 from 18.8 percent to 15 percent, 11.3 percent in FY 2002, and 7.5 percent in FY 2003.

Included in this budget submission are adjustments to the Foreign Currency Fluctuation rates as a result of improved rates in the North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP) as well as revised rates developed by the Per Diem, Travel and Transportation Committee.

The computation of requirements is provided in the following tables:

(Amount in Thousands)

BASIC ALLOWANCE FOR HOUSING - OFFICERS

DOMESTIC

With Dependents

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
General Officers (0-7>0-10)	65	20,238	1,315	68	21,616	1,470	69	23,115	1,595
Colonel	2,151	16,347	35,162	2,257	17,460	39,407	2,330	18,667	43,494
Lt Colonel	6,921	15,103	104,528	7,287	16,132	117,554	7,461	17,247	128,680
Major	9,512	13,366	127,137	10,028	14,276	143,160	10,731	15,263	163,787
Captain	10,054	11,856	119,200	10,213	12,664	129,337	9,560	13,540	129,442
1st Lieutenant	1,830	9,526	17,433	2,150	10,175	21,876	2,449	10,878	26,640
2nd Lieutenant	1,962	8,486	16,650	2,276	9,064	20,630	2,488	9,691	24,111
Subtotal with Dependents	32,495		\$421,425	34,279		\$473,434	35,088		\$517,749

Without Dependents - Full Allowance

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
General Officers (0-7>0-10)	2	17,958	36	7	19,166	134	6	17,081	102
Colonel	245	14,047	3,442	241	15,004	3,616	244	16,041	3,914
Lt Colonel	958	12,932	12,389	902	13,813	12,459	907	14,768	13,395
Major	2,134	11,647	24,855	2,069	12,440	25,738	2,173	13,300	28,901
Captain	6,119	9,572	58,571	5,967	10,224	61,007	5,482	10,931	59,924
1st Lieutenant	3,350	8,017	26,857	4,094	8,563	35,057	4,576	9,155	41,893
2nd Lieutenant	4,439	7,035	31,228	5,321	7,514	39,982	5,707	8,034	45,850
Subtotal w/o Dependents	17,247		\$157,378	18,601		\$177,993	19,095		\$193,979

(Amount in Thousands)

BASIC ALLOWANCE FOR HOUSING - OFFICERS

DOMESTIC

Without Dependents - Partial Allowance

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Colonel	4	475	2	4	507	2	4	542	2
Lt Colonel	18	396	7	14	423	6	14	452	6
Major	50	320	16	45	342	15	47	366	17
Captain	254	266	68	250	284	71	229	304	70
1st Lieutenant	212	212	45	260	226	59	292	242	71
2nd Lieutenant	557	159	89	643	170	109	691	182	126
Subtotal Partial	1,095		\$227	1,216		\$262	1,277		\$292

Inadequate Family Housing

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Colonel	0	0	0	0	0	0	0	0	0
Lt Colonel	0	0	0	0	0	0	0	0	0
Major	0	0	0	0	0	0	0	0	0
Captain	0	0	0	0	0	0	0	0	0
1st Lieutenant	0	0	0	0	0	0	0	0	0
2nd Lieutenant	0	0	0	0	0	0	0	0	0
Subtotal Inadequate	0		\$0	0		\$0	0		\$0

TOTAL BAH - DOMESTIC

\$579,030

\$651,689

\$712,020

(Amount in Thousands)

BASIC ALLOWANCE FOR HOUSING - OFFICERS

OVERSEAS

With Dependents

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
General Officers (0-7>0-10)	1	27,963	11	1	11,507	12	1	11,498	11
Colonel	111	23,368	2,594	117	22,788	2,666	120	22,770	2,732
Lt Colonel	433	19,766	8,559	456	19,275	8,790	468	19,260	9,014
Major	764	17,993	13,747	806	17,547	14,143	864	17,533	15,148
Captain	904	16,485	14,902	918	16,076	14,757	862	16,063	13,846
1st Lieutenant	132	16,254	2,146	155	15,850	2,457	176	15,837	2,787
2nd Lieutenant	48	15,423	740	56	15,040	842	62	15,028	932
Subtotal With Dependents	2,393		\$42,699	2,509		\$43,667	2,553		\$44,470

Without Dependents

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
Colonel	17	20,862	355	17	21,217	361	17	21,200	360
Lt Colonel	63	15,979	1,007	59	16,251	959	59	16,238	958
Major	236	14,687	3,466	231	14,937	3,450	242	14,925	3,612
Captain	789	13,482	10,637	766	13,711	10,503	704	13,700	9,645
1st Lieutenant	284	13,083	3,716	346	13,305	4,604	386	13,294	5,132
2nd Lieutenant	149	12,479	1,859	199	12,691	2,526	213	12,681	2,701

Subtotal w/o Dependents 1,538 \$21,040 1,618 \$22,403 1,621 \$22,408

TOTAL BAH - OVERSEAS \$63,739 \$66,070 \$66,878

Grand Total Basic Allowance for Housing \$642,769 \$717,759 \$778,898

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE - OFFICERS	FY 2001 Actual	\$133,326
	FY 2002 Estimate	\$139,105
	FY 2003 Estimate	\$145,032

PART I - PURPOSE AND SCOPE

Funds provide monthly subsistence allowance as authorized by 37 U.S.C. 402.

PART II - JUSTIFICATION OF FUNDS RECEIVED

Basic allowance for subsistence costs are computed by multiplying the statutory rate by the programmed officer workyears. BAS reform was implemented 1 Jan 1998 as a cost neutral effort to provide all eligible personnel with a BAS payment. This reform limits the growth of BAS to 1 percent per year in order to allow the department to make partial BAS payments with the remaining pay raise resources going to members receiving subsistence-in-kind (SIK) payments. The FY 2001 National Defense Authorization Act eliminated the BAS transition program and established, beginning 1 January 2002, the monthly rates for BAS would be indexed to increases in the U.S. Department of Agriculture Food Plan. The percent rate increase is 3.0 percent for FY 2001, 3.7 percent for FY 2002, and 3.0 percent thereafter.

Details of the computation are provided in the following table:

<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
Statutory			Statutory			Statutory		
<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
69,431	1,920.27	\$133,326	70,305	1,978.59	\$139,105	71,047	2,041.36	\$145,032

(Amount in Thousands)

PROJECT: STATION ALLOWANCE, OVERSEAS - OFFICERS	FY 2001 Actual	\$54,233
	FY 2002 Estimate	\$50,596
	FY 2003 Estimate	\$48,617

PART I - PURPOSE AND SCOPE

Funds provide payment of a per diem allowance to officers on duty outside the Continental United States. The station allowance considers all elements of the cost of living, including quarters, subsistence and other necessary incidental expenses as prescribed by the Joint Travel Regulation and authorized under the provisions of 37 U.S.C. 403 and 405.

PART II - JUSTIFICATION OF FUNDS REQUESTED

This allowance is authorized for the purpose of defraying the average excess costs experienced by service members. The Moving-In Housing Allowance is intended to offset initial costs such as rent deposits, electrical current transformers and other overseas unique initial housing costs. The Temporary Lodging Allowance covers the off-base housing (hotel) costs for military members permanently relocating in or out of an overseas location. The number of personnel entitled to an overseas station allowance is based, as directed in guidance, on historical data adjusted for known changes of each type of allowance.

Included in this budget submission are adjustments to the Foreign Currency Fluctuation rates as a result of improved rates in the North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP) as well as revised rates developed by the Per Diem, Travel and Transportation Committee.

The workyears for Cost of Living, Moving-In and Temporary Lodging allowances are based on authorized overseas strengths for each fiscal year.

(Amount in Thousands)

STATION ALLOWANCES, OVERSEAS - OFFICERS

Cost of Living

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
General	39	6,376.77	246	38	6,210.53	236	38	6,105.26	232
Colonel	503	6,776.09	3,406	482	6,569.53	3,167	467	6,486.32	3,029
Lt Colonel	1,277	6,250.06	7,979	1,226	6,059.53	7,429	1,188	5,982.78	7,108
Major	2,150	5,410.47	11,631	2,071	5,245.54	10,864	2,007	5,179.10	10,394
Captain	3,339	4,967.38	16,587	3,155	4,815.96	15,194	3,054	4,754.96	14,522
1st Lieutenant	793	4,433.96	3,517	719	4,298.80	3,091	696	4,244.35	2,954
2nd Lieutenant	392	3,639.53	1,425	410	3,528.58	1,447	397	3,483.89	1,383
Subtotal Cost of Living	8,493		\$44,791	8,101		\$41,428	7,847		\$39,622

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Payments</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Average Rate</u>	<u>Amount</u>
<u>Temporary Lodging Allowance</u>	15,100	500.46	\$7,557	14,415	509.09	\$7,338	13,942	516.22	\$7,197
<u>Moving-In Housing Allowance</u>	2,583	729.74	\$1,885	2,466	742.33	\$1,830	2,389	752.72	\$1,798
TOTAL STATION ALLOWANCES, OVERSEAS			\$54,233			\$50,596			\$48,617

(Amount in Thousands)

PROJECT: CONUS COST OF LIVING ALLOWANCE (COLA) - OFFICERS	FY 2001 Actual	\$1,066
	FY 2002 Estimate	\$1,145
	FY 2003 Estimate	\$1,213

PART I - PURPOSE AND SCOPE

In the FY 1995 Defense Authorization Act, Congress approved a COLA payment to service members assigned to CONUS high cost areas.

PART II - JUSTIFICATION OF FUNDS REQUESTED

As part of the DoD Quality of Life Initiatives, high cost areas are grouped as Military Housing Areas (MHA) where the cost of goods and services exceeds 108 percent of the national cost of living average. Computation of program cost is the product of the number of members assigned to a designated high-cost area of CONUS, their grade and dependency status, and the percent by which an area's cost of non-housing goods and services exceeds 108 percent of the national cost of living average.

Details of the computations are shown below:

<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
Average			Average			Average		
<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
1,851	575.84	\$1,066	1,874	611.24	\$1,145	1,894	640.37	\$1,213

(Amount in Thousands)

PROJECT: UNIFORM ALLOWANCES - OFFICERS	FY 2001 Actual	\$3,715
	FY 2002 Estimate	\$3,663
	FY 2003 Estimate	\$3,810

PART I - PURPOSE AND SCOPE

Funds provide an initial clothing allowance to officers upon commissioning and an additional allowance for purchase of required uniforms. Authorization for this allowance is under the provisions of 37 U.S.C. 415 and 416. Congress, in the FY 1988-1989 Defense Authorization Act, approved the payment of Civilian Clothing Allowance for Air Force Officers. Officers assigned at locations outside the United States who are required to wear civilian clothing in the performance of their duties and/or a TDY mission are entitled to receive this allowance.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Uniform allowances are determined by applying statutory rates to the programmed number of eligible officers. Starting 1 January 1985, the initial clothing allowance paid to all personnel commissioned or appointed as officers in the Regular or Reserve component is \$200 regardless of source of commission or previous enlisted status. Officers are also entitled to an additional active duty uniform allowance of \$100 to pay for additional uniforms required while they are on active duty for training. The FY 2001 Defense Authorization Act, approved an increase to the one-time initial uniform allowance paid to officers from \$200 to \$400, and the one-time additional uniform allowance paid to officers from \$100 to \$200. The number of payments for the Initial and Additional Allowances are based on the number of accessions programmed.

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	Statutory			Statutory			Statutory		
	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>
Initial Allowances	6,143	400.00	2,457	6,056	400.00	2,422	6,301	400.00	2,520
Additional Allowances	6,143	200.00	1,229	6,056	200.00	1,211	6,301	200.00	1,260
Civilian Clothing	58	502.50	29	59	503.52	30	59	504.53	30
TOTAL UNIFORM ALLOWANCES			\$3,715			\$3,663			\$3,810

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - OFFICER	FY 2001 Actual	\$2,917
	FY 2002 Estimate	\$4,191
	FY 2003 Estimate	\$4,534

PART I - PURPOSE AND SCOPE

Funds provide two types of family separation allowance (FSA I & II) payments, under the provisions of 37 U.S.C. 427, to officers with dependents to compensate for added expenses incurred because of forced separation from dependents:

- (1) Members are entitled to FSA I when travel of dependents to overseas duty station is not authorized and the member maintains two homes, one in CONUS for his or her family and one overseas. FSA I is paid at the BAH II - without/dependent rate.
- (2) FSA II is payable when a member with dependents makes a permanent change of station move, or member is on temporary duty away from permanent duty station for 30 consecutive days or more either in CONUS or overseas, and the travel of dependents to member's duty station is not authorized, and dependents do not reside at or near the duty station. The FY 1998 National Defense Authorization Act increased the FSA payment from \$75 to \$100 for those members in TDY and PCS status.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for family separation payments are determined by multiplying the number of personnel eligible for each type of family separation allowance by the applicable statutory rate.

In FY2001 the incremental cost for military personnel contingency requirements in Bosnia and Southwest Asia was centrally managed as part of the Overseas Contingency Operations Transfer Fund (OCOTF). In FY 2002 funding requirements for Bosnia, Kosovo and Southwest Asia was transferred back to the Service's Military Personnel Appropriation. Additionally, funding was added in FY 2002 to support Balkan operations.

Details of the cost computation are provided in the following tables:

(Amount in Thousands)

FAMILY SEPARATION ALLOWANCES - OFFICER

PCS Overseas with Dependents not Authorized and Maintain Two Homes

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Statutory Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Statutory Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Statutory Rate</u>	<u>Amount</u>
Colonel	4	10,441.80	42	4	10,764.00	43	4	11,028.60	44
Lt Colonel	13	10,055.76	131	13	10,365.36	135	13	10,620.00	138
Major	31	9,317.76	289	31	9,603.96	298	32	9,839.76	315
Captain	28	7,472.76	209	28	7,700.40	216	29	7,888.56	229
1st Lieutenant	9	5,923.80	53	9	6,107.40	55	9	6,257.76	56
2nd Lieutenant	4	4,992.36	20	4	5,145.36	21	4	5,271.36	21
Subtotal	89		\$744	89		\$768	91		\$803
<u>PCS CONUS or Overseas with dependents not authorized</u>	687	1,200.00	\$824	696	1,200.00	\$835	703	1,200.00	\$844
<u>TDY CONUS or Overseas for more than 30 days with dependents not residing near TDY station</u>	1,124	1,200.00	\$1,349	2,157	1,200.00	\$2,588	2,406	1,200.00	\$2,887
TOTAL FAMILY SEPARATION ALLOWANCE			\$2,917			\$4,191			\$4,534

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - OFFICERS

FY 2001 Actual	\$60,729
FY 2002 Estimate	\$103,591
FY 2003 Estimate	\$122,004

PART I - PURPOSE AND SCOPE

Funds provide:

- (1) Lump sum terminal leave payments to officers for unused accrued leave at time of discharge (under honorable conditions), retirement or death under provisions of 10 U.S.C. 701, and 37 U.S.C. 501.
- (2) Severance pay to officers who are involuntarily discharged or released from active duty, including severance pay to officers not eligible for retirement under any provision of law on the date of elimination by promotion list passover under provisions of 10 U.S.C. 637(a); disability severance pay paid to a member separated from the service for a physical disability under provisions of 10 U.S.C. 1212; and severance pay paid to certain members who voluntarily separate under the Voluntary Separation Incentive (VSI)/Special Separation Benefit (SSB) programs under the provisions of U.S.C. 1775 and 1174a, and certain members who retire under the Temporary Early Retirement Authority (TERA) under the provisions of 10 U.S.C. 8911, 8914 as amended.
- (3) \$30,000 Lump Sum Bonus authorized in the FY 2000 National Defense Authorization Act.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Lump sum terminal leave payments are determined by multiplying the projected number of eligibles for each applicable separation payment at rates based on past experience and adjusted for pay raises. For leave accumulated prior to 1 September 1976 and retained throughout the career, payments include basic pay, basic allowance for subsistence and basic allowance for quarters. For leave accumulated after 1 September 1976, to include lowering to the 1 September 1976 leave balance, the rate payable is basic pay only. Leave payments will not exceed the career total of 60 days.

Severance pays are determined by multiplying a member's basic pay rate for a specified number of months times years of service times a specific percent based on the separation criteria.

The FY 1992 Defense Authorization Act approved two voluntary separation programs to employ during the force drawdown. The programs apply to officer and enlisted members who have more than 6 and less than 20 years of service. The first is the VSI Program and the second is the SSB Program. VSI is calculated as follows: annual basic pay X 2.5 percent X years of service with annuity payments for twice the years of service. SSB payments are calculated as follows: annual basic pay X 15 percent X years of service. These programs were used to reduce involuntary separations and will be offered to members in overage specialties to facilitate force-shaping requirements during the drawdown. The current authority to make VSI and SSB payments expire on December 31, 2001, and Congress did not extend the authority in FY 2002 or FY2003.

The FY 1999 National Defense Authorization Act extended the active duty early retirement program for use during the force drawdown. The early retirement program is necessary to shape the 15-20 year segment of the force. It will assist the services in achieving their drawdown goals of maintaining readiness and treating people fairly. The criteria for early retirement will include such factors as grade, years of service, and skill, with a focus on the population where the inventory exceeds requirements. Members approved for early retirement will receive the same benefits as individuals with 20 or more years of service. However, their retired pay will be reduced by one percent for each year that they are short of 20 years of active duty. The early retirement amount is the product of 2.5 percent X years of service X basic pay (adjusted for COLA) X reduction factor. For members who leave under the early retirement program, the Air Force is required to establish a subaccount within the Military Personnel Appropriation to fund up front all early retirement payments including cost of living adjustments, which will cover the entire initial period. This period is defined as that period equal to the difference between 20 years and the number of years completed by the member. As with the VSI and SSB program, the early retirement program authority expires December 31, 2001, and was not extended by Congress in FY 2002 or FY2003.

The FY 2000 National Defense Authorization Act provided for a \$30K Lump Sum Bonus provision to members within 180 days of completing 15 years of military service the option to accept a one-time \$30,000 lump sum bonus to remain under the reduced 40 percent "Redux" retirement plan. The FY 2002 NDAA authorized the option to receive the bonus in annual installments.

(Amount in Thousands)

SEPARATION PAYMENTS - OFFICERS

Lump Sum Terminal Leave Payments

Grade	FY 2001 Actual				FY 2002 Estimate				FY 2003 Estimate			
	Payments	Days	Average Rate	Amount	Payments	Days	Average Rate	Amount	Payments	Days	Average Rate	Amount
General Officers (0-7>0-10)	79	40	5,507.14	435	80	40	5,782.50	463	79	40	6,019.58	476
Colonel	1,369	24	3,474.83	4,757	1,139	24	3,648.57	4,156	1,189	24	3,798.16	4,516
Lt Colonel	1,451	20	3,396.74	4,929	1,141	20	3,566.58	4,069	1,161	20	3,712.81	4,311
Major	1,142	20	3,112.35	3,554	816	20	3,314.65	2,705	896	20	3,450.55	3,092
Captain	2,008	16	2,084.13	4,185	1,085	16	2,209.18	2,397	2,100	16	2,299.75	4,829
1st Lieutenant	96	15	1,548.14	149	154	15	1,625.55	250	202	15	1,692.19	342
2nd Lieutenant	58	16	1,258.59	73	120	16	1,321.52	159	146	16	1,375.70	201
Subtotal Lump Sum Terminal Leave			\$18,082				\$14,199					\$17,767

Separation Pay

Fail Promotion/Unfit	155		60,000.00	9,300	295		61,800.00	18,231	487		63,654.00	30,999
Disability	25		50,512.00	1,263	25		52,027.00	1,301	25		53,588.00	1,340
Severance Pay, Non Disability												
Invol-Half Pay 5%	4		25,000.00	100	3		25,750.00	77	3		26,523.00	80
Invol-Half Pay 10%	25		66,192.00	1,655	25		68,178.00	1,704	25		70,223.00	1,756
SSB	65		69,000.00	4,485	0		0.00	0	0		0.00	0
VSI	60		160,000.00	9,600	0		0.00	0	0		0.00	0
VSI Trust Fund				8,779				32,579				31,262
15 Year Retirement	87		85,800.00	7,465	0		0.00	0	0		0.00	0
\$30K Lump Sum Bonus	1			0	1			35,500	1			38,800
Subtotal Separation Pay			\$42,647				\$89,392					\$104,237
TOTAL SEPARATION PAYMENTS			\$60,729				\$103,591					\$122,004

(Amount in Thousands)

PROJECT: SOCIAL SECURITY TAX (EMPLOYER'S CONTRIBUTION) - OFFICERS	FY 2001 Actual	\$263,333
	FY 2002 Estimate	\$280,335
	FY 2003 Estimate	\$294,071

PART I - PURPOSE AND SCOPE

Funds represent the Air Force contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA) under provisions of 26 U.S.C. 3101 and 3111.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Social security costs are based on the percentage rate set by law on a member's salary for a calendar year. P.L. 98-21, "Social Security Amendment of 1983" dated 20 April 1983, established the tax rate while the maximum taxable income is determined by the Social Security Administration. The Old Age, Survivor and Disability Insurance (OASDI) rate set by statute is 6.2 percent and the Hospital Insurance (HI) is 1.45 percent. There is no wage cap on the 1.45 percent medical contribution. The government's contribution for Social Security is as follows:

Calendar Year 2001 - 7.65% on First \$80,400 and 1.45% on the remainder

Calendar Year 2002 - 7.65% on First \$84,900 and 1.45% on the remainder

Calendar Year 2002 - 7.65% on First \$89,100 and 1.45% on the remainder

Details of the computations are shown below:

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Officers	69,431	3,792.73	263,333	70,305	3,987.41	280,335	71,047	4,139.11	294,071
TOTAL SOCIAL SECURITY TAX			\$263,333			\$280,335			\$294,071

PAY AND ALLOWANCES OF ENLISTED

MILITARY PERSONNEL, AIR FORCE
SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)

2. Pay and Allowances of Enlisted

FY 2002 Direct Program ----- 11,417,719

Increases:

Defense Health Program -----		1,328,732
- Start Defense Health Program Accruals	1,328,732	
Basic Pay -----		507,517
- 1 Jan 03 pay raise includes 4.1 percent pay raise	211,990	
- Change in workyears/longevity	178,622	
- Annualization of 1 Jan 02 4.6 percent pay raise and targeted pay raises	116,905	
Housing Allowances -----		152,167
- Change in workyears	79,257	
- Changes in rates	76,084	
- Foreign Currency Exchange Rate Adjustments	-3,174	
Social Security (FICA) -----		38,825
- 1 Jan 03 pay raise includes 4.1 percent pay raise	16,217	
- Change in workyears	13,665	
- Annualization of 1 Jan 02 4.6 percent pay raise and targeted pay raises	8,943	
Clothing Allowance -----		2,446
- Changes in rates	1,649	
- Change in payments	797	
Special Pay -----		5,806
- Adjustments for Contingency Operations	3,787	
- Change in workyears	1,431	
- Changes in pay rates	588	
Overseas Station Allowances -----		2,709
- Change in workyears	5,001	
- Changes in rates	1,802	
- Foreign Currency Exchange Rate Adjustments	-4,094	
Family Separation Allowance -----		2,703
- Adjustments for Contingency Operations	2,473	

- Change in workyears	157	
- 1 Jan 03 pay raise includes 4.1 percent pay raise	55	
- Annualization of 1 Jan 02 4.6 percent pay raise and targeted pay raises	18	
Incentive Pay		409
- Change in workyears	409	
CONUS COLA		58
- Changes in rates	48	
- Changes in workyears	10	
Total Increases		2,041,372
Separations		-959
- 1 Jan 03 pay raise includes 4.1 percent pay raise	3,754	
- Annualization of 1 Jan 02 4.6 percent pay raise and targeted pay raises	2,070	
- Change in LSTL payments	-371	
- Adjustment to VSI Trust Fund	-483	
- \$30,000 Lump Sum Bonus Program	-2,500	
- Change in involuntary separation payments	-3,429	
Selective Reenlistment Bonus		-35,755
- Changes in multiples	24,514	
- Change in payments	-60,269	
Retired Pay Accrual		-52,296
- 1 Jan 03 pay raise includes 4.1 percent pay raise	58,085	
- Change in workyears/longevity	54,122	
- Annualization of 1 Jan 02 4.6 percent pay raise and targeted pay raises	32,032	
- Change in RPA rate to 27.4 percent	-196,535	
Reimbursements		-84,123
- Change in reimbursements	-84,123	
Total Decreases		-173,133
FY 2003 Direct Program		13,285,958

(Amount in Thousands)

PROJECT: BASIC PAY - ENLISTED	FY 2001 Actual	\$6,251,146
	FY 2002 Estimate	\$6,598,455
	FY 2003 Estimate	\$7,105,972

PART I - PURPOSE AND SCOPE

Funds provide basic compensation of enlisted personnel on active duty, including length of service increments, under provision of 37 United States Codes 201, 203, and 205.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding requirements include annualized pay raises of 3.7 percent in FY 2001; 4.6 percent pay raise, as well as targeted raises ranging from an additional 1.4 percent for E-1 and E-2's up to 5.40 percent for E-9's in FY 2002; and 4.1 percent raise in FY 2003. The budget also includes a full year of pay table reform in FY 2001 and an E-5 to E-7 pay raise (one quarter in 2001 and a full year in 2002).

FY 2001 beginning strength was 282,356 with an actual ending strength of 280,410 resulting in the utilization of 284,574 workyears.

FY 2002 beginning strength will be 280,410 and ending with 284,734 using 286,487 workyears.

FY2003 beginning strength will be 284,734 and ending with 285,500 using 289,290 workyears.

(Amount in Thousands)

BASIC PAY - ENLISTED

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Chief Master Sergeant	2,941	46,204	135,886	2,864	50,210	143,801	2,904	54,491	158,242
Senior Master Sergeant	5,895	38,721	228,260	5,737	41,435	237,713	5,787	43,487	251,659
Master Sergeant	29,886	32,497	971,205	30,012	35,068	1,052,461	29,670	37,376	1,108,946
Technical Sergeant	43,224	27,571	1,191,729	43,840	29,129	1,277,015	45,479	31,127	1,415,625
Staff Sergeant	70,249	22,669	1,592,475	72,918	23,598	1,720,719	76,579	24,871	1,904,596
Senior Airman	54,194	18,591	1,007,521	55,334	18,763	1,038,232	60,148	19,769	1,189,066
Airman First Class	53,797	15,197	817,553	51,932	15,585	809,360	45,097	16,461	742,342
Airman	10,861	13,904	151,011	11,814	14,661	173,205	13,507	15,328	207,035
Airman Basic	13,527	11,496	155,506	12,036	12,126	145,949	10,119	12,695	128,461
Total Basic Pay	284,574		\$6,251,146	286,487		\$6,598,455	289,290		\$7,105,972

(Amount in Thousands)

PROJECT: RETIRED PAY ACCRUAL - ENLISTED	FY 2001 Actual	\$1,850,339
	FY 2002 Estimate	\$1,999,332
	FY 2003 Estimate	\$1,947,036

PART I - PURPOSE AND SCOPE

Funds provide for the Department of Defense's contribution to the Military Retirement Fund, under provisions of 10 United States Code 1466. Retired pay accrual amounts are approved rates based on the latest economic assumptions, i.e., interest salary and cost-of-living adjustments.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of:

- (a) Retired Pay Accrual Normal Cost Percentage (NCP) approved by the Board of Actuaries.
- (b) The approved percentages are 29.6 percent in FY 2001, 30.3 percent for FY 2002 and 27.4 percent for FY 2003.

The computation of fund requirements is shown in the following table:

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	Average		Amount	Average		Amount	Average		Amount
<u>Workyears</u>	<u>Rate</u>	<u>Workyears</u>		<u>Rate</u>	<u>Workyears</u>		<u>Rate</u>		
RPA	284,574	6,502.14	\$1,850,339	286,487	6,978.79	\$1,999,332	289,290	6,730.40	\$1,947,036
Total	284,574	6,502.14	\$1,850,339	286,487	6,978.79	\$1,999,332	289,290	6,730.40	\$1,947,036

(Amount in Thousands)

PROJECT: DEFENSE HEALTH PROGRAM ACCRUAL - ENLISTED	FY 2001 Actual	\$0
	FY 2002 Estimate	\$0
	FY 2003 Estimate	\$1,328,732

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

The computation of fund requirements is shown in the following table:

	<u>FY 2003 Estimate</u>
	<u>Amount</u>
Enlisted	\$1,309,521
Cadets	\$19,211
Total	\$1,328,732

(Amount in Thousands)

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED	FY 2001 Actual	\$32,077
	FY 2002 Estimate	\$32,841
	FY 2003 Estimate	\$33,250

PART I - PURPOSE AND SCOPE

The purpose of Incentive Pay for Hazardous Duty is to help the Air Force attract and retain enlisted volunteers in duties requiring more than normal exposure to hazardous duties in peacetime. The FY 1998 National Defense Authorization Act (NDAA) increased the minimum monthly incentive pay to \$150 per month.

Funds provide payment to enlisted personnel under provisions of 37 United States Code 301 as follows:

- (1) Crew Member - A member who is required by competent orders to participate frequently and regularly in aerial flights. Minimum monthly flight requirements must be attained in order to qualify for this pay. Depending on rank the amounts range from \$150 to \$240 per month.
- (2) Non-Crew Member - Involves frequent and regular participation in aerial flights. Enlisted personnel non-crew members are classified as "operational support flyers." They are required to perform critical in-flight duties (such as maintenance) that cannot be performed by an assigned crew member. This amount was increased from \$110 to \$150 in the FY 1998 NDAA.
- (3) Parachute Jumping - Incentive pay for hazardous duty to induce volunteer enlisted personnel to enter into and remain in duty involving parachute jumping from an aircraft in aerial flight. Members, who perform duty involving parachute jumping at a high altitude with a low opening (HALO) as an essential part of duty, are entitled to pay at the monthly rate of \$225.
- (4) Demolition - Explosive demolition as a primary duty including training for such duty. Paid to members who demolish, by the use of explosives, underwater objects, obstacles or explosives, or who recover and render harmless, by disarming or demolition, explosives which have failed to function as intended or which become a potential hazard. It is paid under specified conditions at a monthly rate of \$150.
- (5) Experimental Stress - Duties involving an unusually high level of physiological or other stress; specifically (a) duty inside a high (hyperbaric) or low pressure (altitude) chamber, (b) duty as a human test subject in thermal stress experiments, and (c) duty as human acceleration/deceleration test subject. Paid at a monthly rate of \$150.
- (6) Toxic Fuel Handlers - Duties in which personnel may be exposed to toxic fuels and propellants. This pay was initiated because of hazards among personnel who work with hypergolic fuel, specifically, hydrazine and nitrogen tetroxide. It is paid at a monthly rate of \$150.
- (7) Live/Hazardous Biological Organisms - Duties in which members may be exposed to toxic pesticides or to various hazardous viruses and

biological organisms and paid at a monthly rate of \$150.

(8) Career Enlisted Flyer Incentive Pay (CEFIP) - Incentive pay to compensate career enlisted aircrew members and is based on years of aviation service rather than solely on rank. The CEFIP rates: \$150 a month for aviation service less than 4 years (which is the current minimum HDIP rate), over 4 years aviation service \$225, over 8 years aviation service \$350, and \$400 for over 14 years of aviation service. Effective FY 2001, Airborne linguists, RC-135 Airborne Maintenance personnel and flight mechanics were converted to aviator AFSCs and are authorized CEFIP which decreased the flying crew members receiving incentive pay for hazardous duty.

(9) Other hazardous duty required by order and authorized under the provisions of 37 United States Code 301.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Incentive duty pay is computed on the basis of the average number of enlisted in each pay grade who are eligible for payment. Average pay rates for flying duty crew members are those prescribed by law, based on average years of service by pay grade. In addition, Career Enlisted Flyer pay has been included in this budget. All other hazardous duty pay is computed at the statutory rate per workyear. The computation of fund requirements is provided in the following tables:

(Amount in Thousands)

INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

Flying Duty Crew Members

Yrs Svc Grade	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Chief Master Sergeant	14	2,880	40	14	2,880	40	15	2,880	43
Senior Master Sergeant	27	2,880	78	27	2,880	78	28	2,880	81
Master Sergeant	117	2,880	337	119	2,880	343	123	2,880	354
Technical Sergeant	208	2,580	537	211	2,580	544	216	2,580	557
Staff Sergeant	344	2,280	784	350	2,280	798	371	2,280	846
Senior Airman	159	1,980	315	162	1,980	321	165	1,980	327
Airman First Class	63	1,800	113	64	1,800	115	67	1,800	121
Airman	19	1,800	34	19	1,800	34	19	1,800	34
Airman Basic	7	1,800	13	7	1,800	13	7	1,800	13
Subtotal Flying Duty Crew	958		\$2,251	973		\$2,286	1,011		\$2,376
<u>Non-Fly Crew Members</u>	297	1,800	\$535	400	1,800	\$720	400	1,800	\$720
Career Enlisted Flyer Incentive Pay									
Yrs Svc									
Less than 4 Yrs Avn Svc	1,112	1,800	2,002	2,595	1,800	4,671	2,600	1,800	4,680
More than 4 Yrs Avn Svc	2,598	2,700	7,015	1,500	2,700	4,050	1,500	2,700	4,050
More than 8 Yrs Avn Svc	1,589	4,200	6,674	1,625	4,200	6,825	1,625	4,200	6,825
More than 14 Yrs Avn Svc	1,448	4,800	6,950	1,500	4,800	7,200	1,500	4,800	7,200
Career Enlisted Flyer Incentive Pay	6,747		\$22,641	7,220		\$22,746	7,225		\$22,755
Subtotal Flying Duty Pay	8,002		\$25,427	8,593		\$25,752	8,636		\$25,851

(Amount in Thousands)

INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

<u>Type</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
<u>Parachute Jumping</u>	1,076	1,980	\$2,130	1,076	1,980	\$2,130	1,076	1,980	\$2,130
<u>Demolition</u>	1,295	1,800	\$2,331	1,295	1,800	\$2,331	1,295	1,800	\$2,331
<u>Other Incentive Duty Pay</u>									
Experimental Stress	402	1,800	724	500	1,800	900	500	1,800	900
Toxic Fuel Handler	691	1,800	1,244	765	1,800	1,377	770	1,800	1,386
Hazardous Bio Org	54	1,800	97	60	1,800	108	62	1,800	112
Parachute HALO	46	2,700	124	90	2,700	243	200	2,700	540
<u>Subtotal Other Incentive Duty Pay</u>	1,193		\$2,189	1,415		\$2,628	1,532		\$2,938
TOTAL INCENTIVE PAY	11,566		\$32,077	12,379		\$32,841	12,539		\$33,250

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED	FY 2001 Actual	\$42,653
	FY 2002 Estimate	\$57,931
	FY 2003 Estimate	\$63,737

PART I - PURPOSE AND SCOPE

Funds provide special pay to enlisted personnel for sea duty or duty outside the 48 contiguous states and the District of Columbia as designated by the Secretary of Defense under the provisions of 37 United States Code 305 and 305a; for duty subject to hostile fire under the provisions of 37 United States Code 310; and for special pay for enlisted members extending duty at designated locations overseas under the provisions of 37 United States Code 314.

(1) Duty at Certain Places (Foreign Duty) - Payment to certain enlisted personnel for purposes of morale and in recognition of the greater than normal hardship experienced at designated locations outside the 48 contiguous states and the District of Columbia. Payment is based on grade with rates ranging from \$8 to \$22.50 per month. All areas that were receiving CPP will continue to receive it until 31 December 2001. All members arriving in CPP areas prior to 1 Jan 02 will receive CPP until they PCS.

(2) Hardship Duty Location Pay (HDLP) - Effective 1 January 2001, enlisted personnel assigned to locations or duties designated by the Secretary of Defense as hardship under the provisions of 37 United States Code 305. Payment is based on member's designated locations with rates ranging from \$50 to \$150 per month.

(3) Overseas Tour Extension Pay (OTEIP) - Purpose is to induce enlisted personnel in certain specified "critical skill" classifications to extend their tours for the convenience of the government. Some military specialties are imbalanced, in that, there are many more positions overseas than in the United States. This results in members being reassigned overseas after less than two years in the United States. This is a career irritant that has resulted in many voluntary separations from the service. A financial incentive for extending tours of duty overseas helps alleviate these problems as well as conserve permanent change of station (PCS) funds. The OTEIP rate changed effective 1 Oct 98 paying members a \$2000 lump sum instead of the previous \$80 per month.

(4) Diving Duty Pay - Authorized for enlisted members of the Air Force under the provisions of 37 United States Code 34. The specific amount to be paid is determined by the Secretary of the Air Force. Although the maximum amount authorized by law is \$300/month for enlisted personnel, the amounts paid by the Air Force is either \$110 or \$150 per month based on divers' skill levels, responsibility, hazard, and need for the incentive. Air Force enlisted members engaged in diving duties fall into two career fields: pararescue and diving duty basic. Changes in the DoD Pay Manual have authorized members to receive pay when they start training. Pararescue divers conduct day/night underwater rescue operations; recover space vehicles; detect and treat decompression sickness, diving accidents/injuries; infiltrate and exfiltrate for land rescue in

a combat environment and; deploy to sea via parachute, helicopter, surface or subsurface vessel. Combat control team members, who receive the diving duty-basic scuba pay, conduct infiltration and exfiltration to establish and manage air landing/off-load areas ashore. They enter water from either surface vessel, parachute or helicopter drop.

(5) Hostile Fire Pay - Paid at a monthly rate of \$150 to members who serve in designated areas subject to specific dangers.

(6) Foreign Language Proficiency Pay (FLPP) - Authorized in 37 United States Code 316 for enlisted members who have been certified as proficient in a foreign language identified by the Secretary of Defense who is: (a) qualified in a military specialty requiring such proficiency; (b) received training to develop such proficiency; (c) assigned to military duties requiring such a proficiency; or (d) is proficient in a language for which DoD has a critical need. The pay, ranging between \$50 and \$100 a month, is based on proficiency skill levels. The FY 2000 NDAA increased the maximum rate for career linguists from \$100 to \$300 a month.

(7) High Deployment Per Diem Allowance - Authorized in the FY 2000 NDAA under the provisions of 37 United States Code 435, allows the payment high-deployment "per diem" to enlisted members. Effective 1 Oct 01, members will receive \$100 a day for each day exceeding established of deployment threshold which currently is 400 days out of the preceding 730 days.

(8) College Loan Repayment Program - Authorized by Public Law 99-145, Section 2171 this recruiting initiative is designed to attract the college bound/post college drop out population. Maximum amount per recruit will not exceed \$10K.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Amounts are computed by applying statutory or average rates to the average numbers of personnel programmed to be eligible. These areas support the national defense mission and include continuing efforts such as Southwest Asia and Bosnia contingencies. In FY 2001, the incremental cost for military personnel contingency requirements in Bosnia and Southeast Asia were centrally managed as part of the Overseas Contingency Operations Transfer Fund (OCOTF) instead of the military personnel appropriation. Beginning in FY 2002, the funding requirements for Bosnia, Kosovo and Southeast Asia were transferred back to the Service's Military Personnel Appropriation.

Details of the cost computation are provided in the following tables:

(Amount in Thousands)

SPECIAL PAY - ENLISTED

<u>Sea and Foreign Duty, Total</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	Average			Average			Average		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
<u>Sea Duty</u>	7	1,200	\$8	7	1,200	\$8	7	1,200	\$8
<u>Duty at Certain Places</u>									
<u>Grade</u>									
Chief Master Sergeant	96	270	26	79	270	21	79	270	21
Senior Master Sergeant	223	270	60	165	270	45	165	270	45
Master Sergeant	1,287	270	348	800	270	216	800	270	216
Technical Sergeant	2,038	240	489	1,294	240	311	1,294	240	311
Staff Sergeant	4,042	192	776	2,565	192	492	2,565	192	492
Senior Airman	3,790	156	591	2,096	156	327	2,096	156	327
Airman First Class	2,801	108	303	1,640	108	177	1,640	108	177
Airman	387	96	37	237	96	23	237	96	23
Airman Basic	36	96	3	97	96	9	97	96	9
Subtotal Duty at Certain Places	14,700		\$2,633	8,973		\$1,621	8,973		\$1,621
<u>Overseas Tour Extension Pay</u>	15	2,000	\$30	15	2,000	\$30	15	2,000	\$30
<u>Subtotal Sea and Foreign Duty, Total</u>	14,722		\$2,671	8,995		\$1,659	8,995		\$1,659
<u>Diving Duty Basic</u>	12	1,320	\$16	12	1,320	\$16	12	1,320	\$16
<u>Diving Duty Pararescue</u>	643	1,800	\$1,157	647	1,800	\$1,165	658	1,800	\$1,184
<u>Foreign Language Proficiency Pay</u>	8,859	916.56	\$8,120	8,719	1,009.20	\$8,799	8,778	1,044.00	\$9,164
<u>Hostile Fire Pay</u>	13,276	1,800	\$23,897	20,365	1,800	\$36,657	22,806	1,800	\$41,051
<u>HDLP</u>	9,847	487	\$4,792	10,604	720	\$7,635	11,781	744	\$8,765
<u>High-Deployment Per Diem Allowance</u>	0	0	\$0	0	0	\$0	52	36,500	\$1,898

(Amount in Thousands)

SPECIAL PAY - ENLISTED

<u>Other Special Pay</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	Average			Average			Average		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
<u>College Loan Payback Program</u>			2,000			2,000			0
<u>Subtotal Other Special Pay</u>			\$2,000			\$2,000			\$0
TOTAL SPECIAL PAY			\$42,653			\$57,931			\$63,737

(Amount in Thousands)

PROJECT: SPECIAL DUTY ASSIGNMENT PAY - ENLISTED

FY 2001 Actual	\$22,265
FY 2002 Estimate	\$25,727
FY 2003 Estimate	\$25,727

PART I - PURPOSE AND SCOPE

Special Duty Assignment Pay (SDAP) is authorized by United States Code 307 and is a monetary allowance to compensate enlisted personnel who serve in duties which are extremely difficult and/or duties which involve an unusual degree of responsibility. As of this submission, the Air Force has limited such designations to 46 specific duties.

PART II - JUSTIFICATION OF FUNDS REQUIRED

SDAP is currently authorized for recruiters, basic military training instructors, human intelligence debriefers, combat controllers, pararescue personnel, tactical air command and control personnel, enlisted weapons directors, army ranger instructors, parachute instructors, test parachute program, PAVE HAWK/LOW aircrew, combat weather personnel, test parachutists, Phoenix Raven SF personnel; forward personnel, flying crew chiefs, defense couriers, members of two joint and two headquarters operational and support commands, members of three special government agencies, and classified Air Force projects. These are extremely difficult duties that may involve an unusual degree of responsibility in military skill. The Air Force conducts SDAP reviews and requires periodic justification of these duties, resulting in changes as needed. This program is dynamic and additions or deletions of skills are required throughout the year. Beginning in FY 2002, eligible Command Chief Master Sergeants and First Sergeants were authorized SDAP.

SPECIAL DUTY ASSIGNMENT PAY - ENLISTED

	<u>FY 2001 Actual</u>		<u>FY 2002 Estimate</u>		<u>FY 2003 Estimate</u>	
	<u>Workyears</u>	<u>Amount</u>	<u>Workyears</u>	<u>Amount</u>	<u>Workyears</u>	<u>Amount</u>
SD-6 (\$375)	1,970	8,865	2,108	9,486	2,108	9,486
SD-5 (\$275)	1,447	4,775	1,531	5,052	1,531	5,052
SD-4 (\$220)	673	1,777	743	1,962	743	1,962
SD-3 (\$165)	2,177	4,310	2,454	4,859	2,454	4,859
SD-2 (\$110)	1,806	2,384	3,178	4,195	3,178	4,195
SD-1 (\$55)	233	154	262	173	262	173
TOTAL SPECIAL DUTY ASSIGNMENT PAY	8,306	\$22,265	10,276	\$25,727	10,276	\$25,727

(Amount in Thousands)

PROJECT: SELECTIVE REENLISTMENT BONUS - ENLISTED

FY 2001 Actual	\$168,703
FY 2002 Estimate	\$257,892
FY 2003 Estimate	\$222,137

PART I - PURPOSE AND SCOPE

A Selective Reenlistment Bonus (SRB) is authorized by United States Code 308 as an incentive to attract additional reenlistments in critical military specialties which are characterized by retention levels insufficient to sustain the career force at an adequate level. An SRB is a retention tool used to address reenlistment problems between 17 months to 14 years of total active federal military service. The bonus amount is calculated by taking the member's base pay multiplied by the number of years and months of reenlistment multiplied by the SRB multiple. The Air Force pays SRBs under the installment program by paying 50 percent upon the reenlistment date with the remainder paid in equal annual payments on the anniversary of the member's reenlistment date. Accelerated payments are installment payments made in advance of the normal anniversary dates. Average rates paid change in connection with multiples authorized, years of reenlistment and annual pay raises. The FY 1988 National Defense Authorization Act (NDAA) changed the SRB pay methodology. The FY00 NDAA increased the maximum payment to \$60,000.

PART II - JUSTIFICATION OF FUNDS REQUIRED

Selective reenlistment bonus requirements are based on retention trends, current and projected manning levels, and year group shortages in critical skills. Bonuses are successful in both attracting reenlistment of members currently serving in the designated skills, and in attracting members serving in other skills to reenlist for service in the designated skills. To ensure the most prudent and effective expenditure of funds, the Air Force performs a top-to-bottom review of all skills twice each year.

SRB multiples are authorized for 158 specialties in Zone A, 151 specialties in Zone B, and 73 specialties in Zone C. The FY 02 budget included 154 skills but has been recently increased to 161 skills. The goal of the SRB is to maintain skill manning in line with required end strength. Retaining an adequate budget allows for the distribution of bonuses to alleviate manning shortfalls. As retention continues to be a top priority, expanded monetary inducements will be required to keep these highly trained and experienced personnel in the Air Force.

The need for bonuses is not directly tied to the overall strength levels, but rather to needs in specific skills. Thus, there will always be some skills with insufficient retention continuing the need for an SRB.

For shortage skills, the Air Force continually evaluates the SRB program and offers bonuses where appropriate. Other initiatives to fill shortage skills include: increased promotion opportunity to members in chronic critical shortage skills; retraining members from overage skills into shortage skills; and returning previously qualified specialists to shortage skills.

(Amount in Thousands)

SELECTIVE REENLISTMENT BONUS (SRB)

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	<u>No. Pmts</u>	<u>Average Rate</u>	<u>Amount</u>	<u>No. Pmts</u>	<u>Average Rate</u>	<u>Amount</u>	<u>No. Pmts</u>	<u>Average Rate</u>	<u>Amount</u>
Initial Payments	17,336	7,089.06	122,896	21,003	9,683.00	203,372	13,203	10,325.68	136,330
Anniversary Payments	35,647	1,254.69	44,726	46,348	1,152.82	53,431	59,570	1,422.16	84,718
Accelerated Payments	248	4,358.87	1,081	250	4,357.20	1,089	250	4,356.00	1,089
TOTAL	53,231		\$168,703	67,601		\$257,892	73,023		\$222,137

REENLISTMENT BONUS OUTYEAR IMPACT
MILITARY PERSONNEL, AIR FORCE

	<u>FY 2001</u>		<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>	
	<u>Number</u>	<u>Amount</u>												
Prior Obligations	20,267	\$22,296	16,053	\$15,134	13,537	\$12,810	6,975	\$6,513						
Accelerated Payments	248	\$1,081	250	\$1,089	250	\$1,089	250	\$1,089	250	\$1,089	250	\$1,089	250	\$1,089
Prior Year	15,380	\$22,430	13,965	\$15,144	10,865	\$11,782	10,126	\$10,980	9,124	\$9,894				
FY 2001														
Past Year	17,336	\$122,896	16,331	\$23,154	15,383	\$21,811	14,491	\$20,546	13,651	\$19,354	12,859	\$18,232		
FY 2002														
Current Year			21,003	\$203,372	19,785	\$38,315	18,637	\$36,093	17,556	\$34,000	16,538	\$32,028	15,579	\$30,170
FY 2003														
Budget Year					13,203	\$136,330	12,437	\$25,685	11,716	\$24,195	11,039	\$22,792	10,396	\$21,470
FY 2004														
Budget Year							12,500	\$133,459	11,775	\$25,144	11,092	\$23,685	10,449	\$22,312
FY 2005														
Budget Year									12,500	\$137,997	11,775	\$25,999	11,092	\$24,491
FY 2006														
Budget Year											12,500	\$142,689	11,775	\$26,883
FY 2007														
Budget Year													12,500	\$147,540
Annual Payments	35,895	\$45,806	46,599	\$54,521	59,820	\$85,807	62,916	\$100,906	64,072	\$113,676	63,553	\$123,825	59,541	\$126,415
Total	53,231	\$168,703	67,601	\$257,892	67,653	\$222,137	75,416	\$234,365	76,572	\$251,673	76,053	\$266,514	72,041	\$273,955

Note: Some amounts may not add due to rounding.

(Amount in Thousands)

PROJECT: ENLISTMENT BONUS	FY 2001 Actual	\$123,832
	FY 2002 Estimate	\$132,836
	FY 2003 Estimate	\$132,836

PART I - PURPOSE AND SCOPE

An Enlistment Bonus (EB) is authorized by 37 United States Code 308a as an incentive to induce individuals to enlist for a period of at least four years in specific, critical military skills. The EB program was implemented in Oct 98 to: (1) improve our ability to sustain our critical/technical skills by having initial enlistment for six years instead of four; (2) position the AF for a better return on our recruiting and training investment; (3) provide Recruiting Service (RS) another tool to help attract new recruits with technical abilities into our USAF; and (4) with anticipated improved retention through the first six years, reduce our non-prior service goal. The maximum bonus authorized by law is \$20,000; the Air Force authorizes a maximum of \$12,000 for a 6-year enlistment and \$3,000 for a 4-year enlistment. We currently only have two skills authorized \$12,000. Combat Controllers (CCT) and Pararescue (PJ). The Air Force currently pays an EB to 85 skills (83 AFSCs and 2 Open Aptitude Index).

PART II - JUSTIFICATION OF FUNDS REQUIRED

In Jan 01, due to difficulties in meeting goals in hard to fill months - Feb, Mar, Apr, and May - we increased all Mechanical and Electrical skills by \$5,000. In addition to the 6-year EB, the AF authorized a 4-year EB. As of FY02, the following is a further breakout of the bonus amounts and number of skills authorized an EB for a 6-year enlistment: \$12,000 - 2 skills; \$10,000 - 1 skill; \$9,000 - 6 skills, \$8,000 - 8 skills; \$7,000 - 6 skills, \$6,000 - 9 skills, \$5,000 - 14 skills, \$4,000 - 15 skills, \$3,000 - 13 skills, \$2,000 - 9 skills. Also in FY 01, the Prior Service Selective Reenlistment Bonus Program began as a test program for selected skills as a means to target prior service accessions into critical skills. The FY02 and FY03 programs continue these skills and the Prior Service Selective Reenlistment Bonus Program.

(Amount in Thousands)

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Payments	Average Rate	Amount	Payments	Average Rate	Amount	Payments	Average Rate	Amount
New Payments	4,165	1,000	4,165	1,846	1,000	1,846	1,846	1,000	1,846
	490	2,000	980	433	2,000	866	433	2,000	866
	717	3,000	2,151	490	3,000	1,470	490	3,000	1,470
	571	4,000	2,284	663	4,000	2,652	663	4,000	2,652
	1,413	5,000	7,065	2,731	5,000	13,655	2,731	5,000	13,655
	1,001	6,000	6,006	1,357	6,000	8,142	1,357	6,000	8,142
	360	7,000	2,520	429	7,000	3,003	429	7,000	3,003
	519	8,000	4,152	404	8,000	3,232	404	8,000	3,232
	550	9,000	4,950	279	9,000	2,511	279	9,000	2,511
	250	10,000	2,500	417	10,000	4,170	417	10,000	4,170
	100	11,000	1,100	101	11,000	1,111	101	11,000	1,111
	103	12,000	1,236	140	12,000	1,680	140	12,000	1,680
	190	13,000	2,470	165	13,000	2,145	165	13,000	2,145
Residual:	2,413	1,000	2,413	3,801	1,000	3,801	3,801	1,000	3,801
	618	2,000	1,236	741	2,000	1,482	741	2,000	1,482
	859	3,000	2,577	1,271	3,000	3,813	1,271	3,000	3,813
	1,639	4,000	6,556	1,148	4,000	4,592	1,148	4,000	4,592
	2,475	5,000	12,375	4,293	5,000	21,465	4,293	5,000	21,465
	1,714	6,000	10,284	2,198	6,000	13,188	2,198	6,000	13,188
	1,431	7,000	10,017	1,007	7,000	7,049	1,007	7,000	7,049
	100	8,000	800	976	8,000	7,808	976	8,000	7,808
	2,530	9,000	22,770	417	9,000	3,753	417	9,000	3,753
	400	10,000	4,000	673	10,000	6,730	673	10,000	6,730
	375	11,000	4,125	125	11,000	1,375	125	11,000	1,375
	250	12,000	3,000	241	12,000	2,892	241	12,000	2,892
	0	13,000	0	515	13,000	6,695	515	13,000	6,695
	0	14,000	2,100	93	14,000	1,302	93	14,000	1,302
	0	17,000	0	24	17,000	408	24	17,000	408
TOTAL	25,233		\$123,832	26,978		\$132,836	26,978		\$132,836

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING - ENLISTED	FY 2001 Actual	\$1,239,744
	FY 2002 Estimate	\$1,389,885
	FY 2003 Estimate	\$1,542,052

PART I - PURPOSE AND SCOPE

In the FY 1998 National Defense Authorization Act, Congress approved the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ), variable housing allowance (VHA) and Overseas Housing Allowance (OHA). Payment to service members is authorized by revisions to 37 United States Code 403.

PART II - JUSTIFICATION OF FUNDS REQUIRED

Effective 1 Jan 1998, Overseas Housing Allowance (OHA) was linked to BAH and is now displayed in the BAH exhibit. OHA has been renamed BAH Overseas and includes the former BAQ allowance paid to overseas members.

The BAH budget reflects housing costs based on current market values resulting from the a contractor generated survey of actual housing costs rather than the previous member survey methodology. In addition, this budget includes the initiative to reduce out-of-pocket housing costs from 18.8 percent to 15 percent in FY 2001, reduced to 11.3 percent in FY 2002, and 7.5 percent in FY 2003 for military members.

Included in this budget submission is the Foreign Currency Fluctuation rates as a result of improved rates in the North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP) as well as revised rates developed by the Per Diem, Travel and Transportation Committee.

The computation of requirements is provided in the following table:

(Amount in Thousands)

BASIC ALLOWANCE FOR HOUSING (DOMESTIC) - ENLISTED

With Dependents

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Chief Master Sergeant	1,698	11,512	19,548	2,136	12,266	26,201	2,198	13,089	28,771
Senior Master Sergeant	3,232	10,446	33,762	3,632	11,130	40,425	3,684	11,877	43,754
Master Sergeant	16,200	9,683	156,857	17,719	10,316	182,795	17,840	11,009	196,392
Technical Sergeant	21,120	8,792	185,693	24,421	9,368	228,768	25,222	9,996	252,107
Staff Sergeant	24,581	7,727	189,936	29,821	8,232	245,501	34,796	8,785	305,679
Senior Airman	10,460	7,460	78,035	14,680	7,948	116,680	15,410	8,481	130,699
Airman First Class	5,861	6,821	39,975	6,061	7,267	44,045	6,261	7,754	48,547
Airman	787	6,709	5,280	956	7,148	6,834	1,054	7,627	8,039
Airman Basic	1,104	7,348	8,112	982	7,829	7,688	926	8,354	7,736
Subtotal with Dependents	85,043		\$717,198	100,408		\$898,937	107,391		\$1,021,724

Without Dependents - Full Allowance

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Chief Master Sergeant	302	8,998	2,718	192	9,587	1,841	195	10,230	1,995
Senior Master Sergeant	684	8,076	5,524	375	8,605	3,227	379	9,181	3,480
Master Sergeant	3,709	7,128	26,439	2,212	7,595	16,800	2,181	8,104	17,675
Technical Sergeant	7,198	6,388	45,981	4,701	6,806	31,995	4,796	7,263	34,833
Staff Sergeant	18,614	5,708	106,247	13,861	6,082	84,301	14,557	6,489	94,466
Senior Airman	18,525	5,289	97,987	18,784	5,636	105,866	20,419	6,014	122,806
Airman First Class	9,118	5,434	49,550	9,404	5,790	54,445	7,643	6,178	47,218
Airman	457	5,252	2,400	1,196	5,596	6,693	1,367	5,971	8,163
Airman Basic	41	6,217	255	41	6,624	272	41	7,067	290
Subtotal without Dependents (Full)	58,648		\$337,101	50,766		\$305,440	51,578		\$330,926

BASIC ALLOWANCE FOR HOUSING (OVERSEAS) - ENLISTED

With Dependents

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Chief Master Sergeant	125	15,718	1,965	136	14,051	1,911	141	13,138	1,852
Senior Master Sergeant	308	14,978	4,613	323	13,390	4,325	328	12,519	4,106
Master Sergeant	1,355	15,008	20,336	1,386	13,416	18,595	1,405	12,544	17,625
Technical Sergeant	1,824	14,526	26,495	2,024	12,986	26,283	2,069	12,142	25,122
Staff Sergeant	2,619	14,016	36,708	2,893	12,530	36,248	3,854	11,715	45,148
Senior Airman	1,018	13,919	14,170	1,439	12,443	17,906	1,129	11,634	13,135
Airman First Class	400	14,268	5,707	558	12,755	7,118	602	11,926	7,179
Airman	35	14,817	519	38	13,246	503	43	12,385	533
Airman Basic	3	14,085	42	3	12,591	38	3	11,773	35
Subtotal with Dependents	7,687		\$110,555	8,800		\$112,927	9,574		\$114,735

Without Dependents

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Chief Master Sergeant	26	11,737	305	25	11,034	276	25	10,817	270
Senior Master Sergeant	74	11,896	880	74	11,182	827	74	10,963	811
Master Sergeant	401	11,566	4,638	401	10,873	4,360	401	10,659	4,274
Technical Sergeant	953	10,915	10,402	967	10,261	9,922	1,003	10,059	10,090
Staff Sergeant	3,005	10,482	31,498	3,119	9,853	30,732	3,276	9,660	31,645
Senior Airman	1,806	9,444	17,056	1,844	8,878	16,371	2,004	8,704	17,444
Airman First Class	437	8,889	3,884	442	8,356	3,693	437	8,191	3,580
Airman	32	8,920	285	35	8,385	293	40	8,221	329
Airman Basic	2	7,745	15	2	7,877	16	2	7,722	15
Subtotal without Dependents	6,736		\$68,963	6,909		\$66,490	7,262		\$68,458
Total Basic Allowance for Housing (Overseas)			\$179,518			\$179,417			\$183,193
Grand Total Basic Allowance for Housing			\$1,239,744			\$1,389,885			\$1,542,052

(Amount in Thousands)

PROJECT: STATION ALLOWANCE, OVERSEAS - ENLISTED	FY 2001 Actual	\$203,695
	FY 2002 Estimate	\$202,232
	FY 2003 Estimate	\$204,941

PART I - PURPOSE AND SCOPE

Funds provide payment of a per diem allowance to enlisted personnel on duty outside the continental United States. The station allowance considers all elements of the cost of living; subsistence and other necessary incidental expenses as prescribed by the the Joint Travel Regulation and authorized under the provisions of 37 United States Code 403 and 405.

Included in this budget submission is the Foreign Currency Fluctuation rates as a result of improved rates in the North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP) as well as revised rates developed by the Per Diem, Travel and Transportation Committee.

PART II - JUSTIFICATION OF FUNDS REQUIRED

Station Allowances, Overseas consists of: (a) Cost Of Living Allowance (COLA), (b) Temporary Lodging Allowance (TLA), and (c) Moving-In Housing Allowance (MIHA).

COLA is based on the most recent experience derived from the results of yearly surveys that determine the cost of goods and services by area, and biweekly decisions by the DoD Per Diem Travel and Transportation Committee for adjustments relative to the value of the dollar against foreign currency. TLA covers the off-base housing (hotels) costs for military members permanently relocating in or out of an overseas location. MIHA is intended to offset initial costs such as rent deposits, electrical current transformers and other overseas unique initial housing costs. The number of personnel entitled to an overseas station allowance is based on historical data adjusted for known changes in each type of allowance.

The workyears for cost of living allowance, temporary lodging allowance, and moving-in allowance are based on authorized overseas strengths for each fiscal year.

(Amount in Thousands)

STATION ALLOWANCES, OVERSEAS - ENLISTED

Cost of Living

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Chief Master Sergeant	513	4,985	2,557	527	4,818	2,539	546	4,856	2,651
Senior Master Sergeant	1,152	4,889	5,632	1,181	4,725	5,580	1,179	4,762	5,614
Master Sergeant	5,241	4,618	24,203	5,330	4,463	23,790	5,310	4,498	23,886
Technical Sergeant	7,911	4,276	33,827	8,014	4,133	33,120	7,880	4,165	32,822
Staff Sergeant	14,795	3,709	54,879	14,916	3,585	53,475	14,630	3,613	52,862
Senior Airman	10,088	2,890	29,155	10,536	2,793	29,430	11,116	2,815	31,294
Airman First Class	8,527	2,127	18,139	8,630	2,056	17,743	8,898	2,072	18,437
Airman	1,490	1,803	2,686	1,544	1,742	2,690	1,470	1,756	2,581
Airman Basic	211	1,486	314	228	1,437	328	261	1,448	378
Subtotal Cost of Living	49,928		\$171,392	50,906		\$168,695	51,290		\$170,525
REVISED Subtotal Cost of Living			\$171,392			\$168,695			\$170,525
	<u>Payments</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Average Rate</u>	<u>Amount</u>
<u>Temporary Lodging Allowance</u>	53,428	484.62	\$25,892	54,528	492.98	\$26,881	55,228	499.88	\$27,607
<u>Moving-In Housing Allowance</u>	10,317	621.41	\$6,411	10,529	632.13	\$6,656	10,623	640.98	\$6,809
TOTAL STATION ALLOWANCES, OVERSEAS			\$203,695			\$202,232			\$204,941

(Amount in Thousands)

PROJECT: CONUS COST OF LIVING ALLOWANCE (COLA) - ENLISTED	FY 2001 Actual	\$933
	FY 2002 Estimate	\$997
	FY 2003 Estimate	\$1,055

PART I - PURPOSE AND SCOPE

In the Fiscal Year 1995 National Defense Authorization Act, Congress approved the payment of a COLA to service members assigned to high cost areas in CONUS.

PART II - JUSTIFICATION OF FUNDS REQUIRED

As part of the DoD Quality of Life Initiatives, high cost areas are grouped as Military Housing Areas (MHA) where the cost of goods and services exceeds 108 percent of the national cost of living average. The entitlement was implemented 1 July 1995. Computation of program cost is the product of military member by grade and dependency status, the number of members assigned to a designated high-cost area of CONUS, and the percent by which an area's cost of non-housing goods and services exceeds 108 percent of the national cost of living average.

Details of the computation are shown below:

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Avg Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Avg Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Avg Rate</u>	<u>Amount</u>
CONUS COLA	1,975	472.44	\$933	1,988	501.48	\$997	2,008	525.38	\$1,055

(Amount in Thousands)

PROJECT: CLOTHING ALLOWANCES - ENLISTED

FY 2001 Actual	\$121,824
FY 2002 Estimate	\$126,098
FY 2003 Estimate	\$128,544

PART I - PURPOSE AND SCOPE

Funds provide payment to enlisted personnel for prescribed clothing, authorized by the Secretary of Defense under the provisions of 37 United States Code 418. This project includes:

- 1) Initial clothing allowances upon enlistment,
- (2) Civilian clothing allowances when authorized,
- (3) Basic replacement allowance payable to a member upon completion of six months active duty for the remainder of the first three years of continuous service,
- (4) Standard replacement allowance payable to a member upon completion of 36 months of active duty through the remainder of active duty, and
- (5) Supplemental clothing allowances for personnel assigned to special organizations or details where the nature of duties requires additional items of individual uniform clothing.

Both basic and standard replacement allowances are cash allowances for the enlisted member to purchase the required items. Effective October 1, 1985, all replacement allowances are paid annually.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The annual rates prescribed by the Secretary of Defense are used to determine clothing allowance requirements. Estimates also include new payments standards, approved in the FY 1988 NDAA, for civilian clothing allowance. The new system pays a lower initial allowance at the start of the tour followed by an annual replacement (continuing) allowance as long as the member remains in a qualifying assignment. Previous policy authorized one lump-sum payment at the start of the tour. The number of payments for the initial and additional allowances are based on the number of accessions programmed.

The computation of requirements is provided in the following table:

(Amount in Thousands)

CLOTHING ALLOWANCES - ENLISTED

<u>Initial Allowances</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	Statutory			Statutory			Statutory		
	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>
<u>Military Clothing</u>									
Civilian Life (Male)	26,929	1,054.05	28,385	27,965	1,068.35	29,876	27,640	1,082.24	29,913
Civilian Life (Female)	8,452	1,238.37	10,467	8,485	1,256.18	10,659	9,360	1,272.51	11,911
Officer Tng School (Male)	924	717.50	663	1,045	729.70	763	1,168	739.18	863
Officer Tng School (Female)	317	927.47	294	358	943.24	338	400	955.50	382
AF Academy Prep (Male)	142	787.50	112	142	800.89	114	142	811.30	115
AF Academy Prep (Female)	38	788.53	30	38	801.94	30	38	812.36	31
Subtotal Military Clothing			\$39,951			\$41,780			\$43,215
<u>Civilian Clothing</u>									
Initial	950	799.47	759	956	811.47	776	966	822.02	794
Continuing	1,249	266.49	333	1,257	271.02	341	1,270	274.54	349
TDY	1,728	399.74	691	1,740	405.74	706	1,757	411.01	722
Subtotal Civilian Clothing			\$1,783			\$1,823			\$1,865
TOTAL INITIAL ALLOWANCES			\$41,734			\$43,603			\$45,080

(Amount in Thousands)

CLOTHING ALLOWANCES - ENLISTED

<u>Maintenance Allowance</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	Statutory			Statutory			Statutory		
<u>Military Clothing</u>	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Rate</u>	<u>Amount</u>
Airmen (Male)	61,015	201.12	12,271	63,362	205.20	13,002	62,626	207.87	13,018
Airmen (Female)	19,697	225.72	4,446	19,774	230.40	4,556	19,813	233.40	4,624
Subtotal			\$16,717			\$17,558			\$17,642
Standard Maintenance Allowance									
<u>Military Clothing (37th Month)</u>									
Airmen (Male)	173,766	287.28	49,919	174,934	291.60	51,011	175,646	295.39	51,884
Airmen (Female)	34,714	322.44	11,193	34,947	331.20	11,575	34,489	335.51	11,571
Subtotal			\$61,112			\$62,586			\$63,455
<u>Supplemental Maint. Allow.</u>	9,036	250.18	\$2,261	9,241	254.43	\$2,351	9,186	257.74	\$2,367
TOTAL CLOTHING ALLOWANCE			\$121,824			\$126,098			\$128,544

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - ENLISTED	FY 2001 Actual	\$15,753
	FY 2002 Estimate	\$21,976
	FY 2003 Estimate	\$24,679

PART I - PURPOSE AND SCOPE

Under the provision of 37 United States Code 427, two types of family separation allowance (FSA) payments are made to enlisted personnel with dependents to compensate for added expenses incurred because of forced separation from dependents:

(1) Members are entitled to FSA I when travel of dependents to the overseas duty station is not authorized and the member maintains two homes, one in the continental United States (CONUS) for his or her family and one overseas.

(2) FSA II is payable when a member with dependents makes a permanent change of station or is on temporary duty travel for 30 consecutive days or more either in CONUS or overseas and the travel of dependents to his or her duty station is not authorized and dependents do not reside at or near the duty station.

The FY 1998 NDAA increased the Family Separation Allowance Type II rates from \$75 to \$100 per month

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for family separation payments are determined by multiplying the number of personnel eligible for each type of family separation allowance by the applicable statutory rate.

In FY 2001 the incremental cost for military personnel contingency requirements in Bosnia and Southeast Asia were centrally managed as part of the Overseas Contingency Operations Transfer Fund (OCOTF) instead of the military personnel appropriation. Beginning in FY 2002, the funding requirements for Bosnia, Kosovo and Southeast Asia were transferred back to the Service's Military Personnel Appropriation. Details of the cost computation are provided in the following tables:

(Amount in Thousands)

FAMILY SEPARATION ALLOWANCES - ENLISTED

PCS Overseas with Dependents not Authorized and Maintain Two Homes

<u>Grade</u>	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
Chief Master Sergeant	11	6,760.80	74	11	7,053.36	78	11	7,351.20	81
Senior Master Sergeant	23	6,207.36	143	22	6,476.40	142	23	6,750.00	155
Master Sergeant	96	5,301.00	509	96	5,529.60	531	95	5,762.76	547
Technical Sergeant	132	4,797.96	633	134	5,005.80	671	139	5,217.36	725
Staff Sergeant	157	4,426.20	695	163	4,617.96	753	171	4,813.20	823
Senior Airman	35	3,848.40	135	36	4,015.80	145	39	4,185.96	163
Airman First Class	5	3,776.40	19	5	3,941.16	20	4	4,107.60	16
Airman	1	3,066.36	3	1	3,200.40	3	1	3,336.36	3
Airman Basic	0	2,737.80	0	0	2,855.76	0	0	2,976.36	0
Subtotal	460		\$2,211	468		\$2,343	483		\$2,513
<u>PCS CONUS or Overseas with dependents not authorized</u>	5,137	1,200.00	\$6,164	5,172	1,200.00	\$6,206	5,222	1,200.00	\$6,266
<u>TDY CONUS or Overseas for more than 30 days with dependents not residing near TDY station</u>	6,148	1,200.00	\$7,378	11,189	1,200.00	\$13,427	13,250	1,200.00	\$15,900
TOTAL FAMILY SEPARATION ALLOWANCE			\$15,753			\$21,976			\$24,679

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - ENLISTED

FY 2001 Actual	\$49,938
FY 2002 Estimate	\$136,125
FY 2003 Estimate	\$135,166

PART I - PURPOSE AND SCOPE

Funds provide payment to enlisted personnel for:

- (1) Lump sum terminal leave (LSTL) payments for unused accrued leave at time of discharge (under honorable conditions), retirement or death under provisions of 10 United States Code 501.
- (2) Severance pay to members separated for physical disability under provisions of 10 United States Code 1212.
- (3) Donations for discharge under certain conditions under the provisions of 10 United States Code 1048.
- (4) Separation Pay for discharge under provisions of 10 United States Code 1174 as amended.
- (5) Voluntary Separation Incentive and Special Separation Benefits programs under the provision of United States Code 1775 and 1774a.
- (6) \$30,000 Lump Sum Bonus program was provided for in the FY 2000 National Defense Authorization Act.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Lump sum terminal leave is accrued leave earned by an active duty member. Payments are paid to members to compensate for the accrued leave at the time of retirement or separation. Also, members reenlisting on their date of separation have the option to receive pay for all or a portion of their accrued leave. The total requirement for separation payments is determined by multiplying the projected number of payments by the estimated average cost per payment. For leave accumulated prior to September 1976 and retained throughout a member's career, payments include basic pay, \$1.25 per day quarters allowance to members in pay grade E-5 through E-9 with dependents, and \$.70 per day to all members for subsistence. For leave accumulated after September 1, 1976, the rate payable is basic pay only. Leave payments will not exceed a career total of 60 days.

Severance pay for disability is computed at two months basic pay at the grade held at time of discharge multiplied by the number of years active service, but not more than 12 years. In addition, Title 10, Section 1174 of the United States Code was amended to authorize payment of separation pay to enlisted members who are discharged involuntarily or denied reenlistment who have completed six or more, but less than 20 years of active service immediately before that discharge. Enlisted separation pay is calculated by multiplying a members' basic pay rate for a specified number of months times years of service times a specific percent based on the separation criteria.

The FY 1992 Defense Authorization Act approved two voluntary separation pay programs for implementation during the force drawdown. The programs apply to both officer and enlisted members who have more than six and less than 20 years of service. The first is the Voluntary Separation Incentive (VSI) Program, and the second is the Special Separation Benefit (SSB) program. VSI payments are calculated as follows: annual base pay times number of years of service with annuity payments for twice the years of service. SSB payments are calculated as follows: annual base pay times 15 percent times number of years of service. These programs were used to reduce involuntary separations and were offered to members in overage specialties to facilitate force shaping requirements during the drawdown. The current authority to make VSI, SSB, and TERA payments expired in December 31, 2001, and Congress did not extend the authority in FY 2002 or FY 2003.

The FY 2000 National Defense Authorization Act provided for a \$30,000 Lump Sum Bonus provision to members within 180 days of completing 15 years of military service, the option to accept a one-time \$30,000 lump sum bonus to remain under the reduced 40 percent retirement plan. This provision is reflected in FY 2001. The FY 2002 NDAA authorized the option to receive the bonus in annual installments in order to take advantage of the Thrift Savings Plan.

SEPARATION PAYMENTS - ENLISTED

Lump Sum Terminal Leave Payments

<u>Grade</u>	<u>FY 2001 Actual</u>				<u>FY 2002 Estimate</u>				<u>FY 2003 Estimate</u>			
	<u>Payments</u>	<u>Days</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Days</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Payments</u>	<u>Days</u>	<u>Average Rate</u>	<u>Amount</u>
Chief Master Sergeant	408	11.9	1,502.75	613	408	11.9	1,594.20	650	362	11.9	1,718.49	622
Senior Master Sergeant	733	11.7	1,240.66	909	733	11.7	1,315.63	964	646	11.7	1,417.89	916
Master Sergeant	3,624	12.4	1,103.80	4,000	3,624	12.4	1,166.92	4,229	3,219	12.4	1,275.08	4,104
Technical Sergeant	3,635	15.7	1,186.37	4,312	3,635	15.7	1,256.09	4,566	3,344	15.7	1,384.46	4,630
Staff Sergeant	5,091	18.5	1,148.80	5,849	5,091	18.5	1,230.03	6,262	5,195	18.5	1,272.42	6,610
Senior Airman	9,161	10.6	538.11	4,930	9,161	10.6	570.57	5,227	9,665	10.6	591.03	5,712
Airman First Class	2,969	16.1	669.70	1,988	2,969	16.1	704.93	2,093	3,133	16.1	737.10	2,309
Airman	1,394	17.8	679.76	948	1,394	17.8	714.84	996	1,474	17.8	749.26	1,104
Airman Basic	2,385	14.2	445.92	1,064	2,385	14.2	468.99	1,119	2,525	14.2	491.39	1,241
Subtotal LSTL	29,400			\$24,613	29,400			\$26,106	29,563			\$27,248
<u>Separation Pay</u>												
Disability	603		16,088.37	9,701	603		17,198.47	10,371	603		17,903.60	10,796
Severance Pay, Non Disability												
Invol-Half Pay 5%	379		9,949.87	3,771	500		10,304.00	5,152	500		10,726.00	5,363
Invol-Half Pay 10%	354		19,864.41	7,032	300		19,916.67	5,975	300		20,693.00	6,221
SSB	0		0.00	0	0		0.00	0	0		0.00	0
VSI	0		0.00	0	0		0.00	0	0		0.00	0
VSI Trust Fund*				3,021				9,821				9,338
15 Year Retirement	0		0.00	0	0		0.00	0	0		0.00	0
Subtotal Separation Pay				\$23,525				\$31,319				\$31,718
\$30,000 Lump Sum Bonus				\$1,800				\$78,700				\$76,200
TOTAL SEPARATION PAYMENTS				\$49,938				\$136,125				\$135,166

*Payments to the VSI Trust Fund are in compliance with the amounts directed by OSD. Based on the Deputy Secretary's Program Budget Decision, sufficient funds are already in the VSI Trust Fund to cover recipients.

(Amount in Thousands)

PROJECT: SOCIAL SECURITY TAX (EMPLOYER'S CONTRIBUTION) - ENLISTED	FY 2001 Actual	\$478,211
	FY 2002 Estimate	\$504,782
	FY 2003 Estimate	\$543,607

PART I - PURPOSE AND SCOPE

Funds represent the Air Force contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA) under provisions of 26 United States Code 3101, and 3111.

Social Security costs are based on the percentage rates set by law on a member's salary for a calendar year. Public Law 98-21, "Social Security Amendment of 1983" dated 20 April 1983 establishes the tax rate while the maximum taxable income is determined by the Social Security Administration. The Old Age, Survivor and Disability Insurance (OASDI) rate, set by statute, is 6.2 percent and the Hospital Insurance (HI) is 1.45 percent. There is no wage cap on the 1.45 percent medical contribution. The Government's contribution for Social Security is as follows:

- Calendar Year 2001 - 7.65% on first \$80,400 and 1.45% on the remainder
- Calendar Year 2002 - 7.65% on first \$84,900 and 1.45% on the remainder
- Calendar Year 2003 - 7.65% on first \$89,100 and 1.45% on the remainder

(Amount in Thousands)

Details of the computations are shown below:

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
Enlisted	284,574	1,680.445	478,211	286,487	1,761.972	504,782	289,290	1,879.107	543,607
TOTAL SOCIAL SECURITY TAX			\$478,211			\$504,782			\$543,607

PAY & ALLOWANCES OF CADETS

**MILITARY PERSONNEL, AIR FORCE
SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)**

3. Pay and Allowances of Cadets

FY 2002 Direct Program ----- \$48,773

Increases:

Basic Pay -----		1,038
- 1 Jan 03 Payraise of 4.1 Percent -----	1,130	
- Annualization of 1 Jan 02 pay raise of 5.0 percent -----	453	
- Change in the number of workyears -----	-545	

Subsistence -----		103
- Rate increase (\$5.60 to \$5.75 per day) -----	228	
- Change in workyears -----	-125	

Total Increases ----- 1,141

Decreases:

FICA -----		-93
- Cadet Pay rate changes -----	-52	
- Change in workyears -----	-41	

Total Decreases ----- -93

FY 2003 Direct Program ----- \$49,821

(Amount in Thousands)

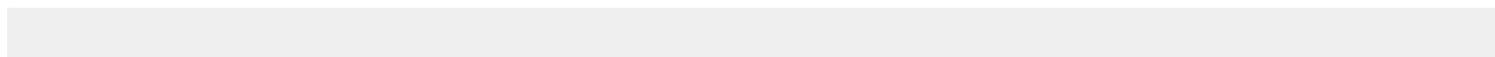
PROJECT: ACADEMY CADETS	FY 2001 Actual	\$41,182
	FY 2002 Estimate	\$48,773
	FY 2003 Estimate	\$49,821

PART I - PURPOSE AND SCOPE

The funds requested are (a) for basic pay, commuted rations allowance, and employer's share of FICA tax for cadets appointed to the United States Air Force Academy under the provisions of 37 U.S.C. 201, 203, and 422 and the Federal Insurance Contributions Act; and (b) for the difference between the value of the commuted ration allowance (money cadets receive while away from the Air Force Academy) and the cost of operational rations.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Requirements are determined by multiplying estimated annual rates and statutory rates by the projected workyears. The FY00 National Defense Authorization Act (Sec. 531) requires cadet strength limitations to be measured annually as of the day before graduation versus the end of the fiscal year. Subsistence rates are \$5.45 per day for FY 2001, \$5.60 for FY 2002, and \$5.75 for FY 2003. The FY01 National Defense Authorization Act (Sec. 612) approved linking Cadet pay to 35 percent of the basic pay of a second lieutenant with less than two years of service effective 1 October 2001. Additionally, the budget includes pay raises of 5.0 percent in FY 2002, and 4.1 percent in FY 2003.



	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
<u>Basic Pay</u>	4,234	7,200.00	\$30,485	4,230	8,705.03	\$36,822	4,169	9,081.14	\$37,859
<u>Subsistence</u>	4,234	1,989.25	\$8,422	4,230	2,044.00	\$8,646	4,169	2,098.75	\$8,750
<u>Social Security Tax (Employer's Contribution)</u>			\$2,274			\$3,305			\$3,212
Total Academy Cadets			\$41,182			\$48,773			\$49,821

SUBSISTENCE OF ENLISTED PERSONNEL

**MILITARY PERSONNEL, AIR FORCE
SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)**

4. Subsistence of Enlisted Personnel

FY 2002 Direct Program ----- \$784,741

Increases:

Basic Allowance for Subsistence (BAS) -----	34,466	
- 1 Jan 03 3.0 percent BAS Raise	24,305	
- Annualization of 1 Jan 02 3.7 percent BAS raise	6,475	
- Change in Rations-in-Kind Not Available	506	
- Change in Augmentation Rations	862	
- Change in the number of meals recouped at the discounted meal rate	23,023	
- Elimination of Leave Rations 31 Dec 2001	-17,479	
- Elimination of Partial Bas rate 31 Dec 2001	-3,226	

Subsistence-In-Kind (SIK) -----	1,927	
- Increase for inflation (1.3 percent)	1,252	
- Change in workyears	1,126	
- Adjustment in Cash Sales Estimates	-451	

Family Subsistence Supplemental Allowance (FSSA) -----	36	
- Program Increase	36	

Total Increases ----- 36,429

FY 2003 Direct Program ----- \$821,170

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE

FY2001 Actual	\$681,933
FY2002 Estimate	\$687,941
FY2003 Estimate	\$722,407

PART I - PURPOSE AND SCOPE

The Subsistence-In-Kind (SIK) account provides subsistence to active duty enlisted personnel when they do not receive an allowance for subsistence. Funds requested also provide for the payment of subsistence allowances to active duty enlisted personnel under the provisions of 37 United StatesCode 402. Included are allowances when (1) individual is authorized to mess separately; (2) individual is in leave status; (3) rations-in-kind are not available; (4) augmentation of subsistence allowance for meals taken separately is authorized; and (5) partial allowance for members subsisted-in-kind.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The requirement is based on the average number of enlisted personnel entitled to receive several types of allowances. Distribution of personnel in the various categories is developed on the basis of actual experience, which indicates that approximately 82 percent of enlisted personnel draw basic allowance for subsistence (BAS) in lieu of subsisting in Air Force dining halls.

Beginning 1 January 1998, BAS reform initiated a Partial BAS payment. Partial BAS was a cost neutral effort to eventually compensate enlisted members receiving subsistence-in-kind to the same level as enlisted members receiving BAS. BAS reform limited the growth of BAS to 1.0 percent per year in order to allow the Department to fund Partial BAS with the difference between the annual Basic Pay raise and the reduced BAS pay raise.

Effective 1 January 2002, BAS reform ended the transition period, as authorized by the FY01 National Defense Authorization Act. One BAS rate has been implemented for all enlisted members except for those members receiving the Rations in Kind Not Available (RIKNA) rate which has been grandfathered at the current FY01 rate of \$8.63 per day. The enlisted BAS rate (inflated by 3.7%) will be set at the monthly cost of the USDA's liberal food plan for a male in the United States who is between 20 and 50 years of age. All enlisted members, except those in basic training will receive BAS. All Air Force E-6s and below who are assigned to single-type government quarters and are directed to use the dining facility will have three meals a day deducted from their pay, whether meals are eaten or not. The discounted meal rate is determined annually by the OSD Comptroller and is effective the first of each October. Charges at the discounted meal rate are deducted directly from the member's pay account leaving a residual amount of BAS in the member's pay.

BASIC ALLOWANCE FOR SUBSISTENCE

	FY2001 Actual			Transition Year to Full BAS FY2002 Estimate			New BAS Requirement FY2003 Estimate		
	Payments	Rate	Amount	Payments	Rate	Amount	Payments	Rate	Amount
<u>When Authorized to Mess Separately</u>	187,196	2,788.54	522,004	187,879	704.72	132,402	0	0	0
<u>Leave Rations</u>	24,710	2,788.54	68,905	24,803	704.72	17,479	0	0	0
<u>When Rations-In-Kind Not Available</u>	21,775	3,140.48	68,384	23,348	793.96	18,537	0	0	0
<u>Augmentation of Commuted Rations Allowance for Meals Taken Separately</u>	3,399	2,872.51	9,764	3,649	723.79	2,641	0	0	0
<u>Partial BAS</u>	43,412	296.60	12,876	42,600	75.73	3,226	0	0	0
Total	280,492		\$681,933	282,279		\$174,285	0		\$0

	FY2001 Actual			Transition Year to Full BAS FY2002 Estimate			New BAS Requirement FY2003 Estimate		
	Payments	Rate	Amount	Payments	Rate	Amount	Payments	Rate	Amount
<u>When Authorized to Mess Separately</u>	0	0.00	0	235,405	2,174.40	511,865	243,136	2,965.80	721,093
<u>When Rations-In-Kind Not Available</u>	0	0.00	0	23,348	2,362.50	55,160	23,557	3,149.95	74,203
<u>Augmentation of Commuted Rations Allowance for Meals Taken Separately</u>	0	0.00	0	3,649	2,302.67	8,402	3,877	3,070.62	11,905
<u>Less Collections</u>	0	0.00	0	33,521	1,842.75	61,771	34,077	2,488.32	84,794
Subtotal BAS			\$0			\$513,656			\$722,407
Grand Total BAS			\$681,933			\$687,941			\$722,407

(Amount in Thousands)

PROJECT: SUBSISTENCE-IN-KIND	FY2001 Actual	\$119,854
	FY2002 Estimate	\$121,708
	FY2003 Estimate	\$124,086

PART I - PURPOSE AND SCOPE

The Subsistence-In-Kind (SIK) account provides subsistence to active duty enlisted personnel when they do not receive an allowance for subsistence. Funds requested also provide for special rations, operational rations, augmentation rations, testing of new food items, and payment for meals furnished under contract at commercial facilities where the payment of the commuted ration would create an individual hardship or the costs of the establishment of a government mess facility are prohibitive. In FY 1997, funding for SIK transferred from O&M to the Military Personnel Appropriation.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SIK costs for active duty enlisted personnel not receiving an allowance for subsistence is computed by multiplying the basic daily food allowance (BDFA) by the estimated number entitled to the allowance. The BDFA, which represents the cost of meals for one person for one day, is based on actual experience. Funding requirements include an inflationary adjustments of 1.8 percent in FY 2001, 1.7 percent in FY 2002 and 1.3 percent in FY 2003. Other SIK elements are computed at the contract rate per unit.

Defense Supply Center-Philadelphia (DSCP) surcharges increased substantially since FY 1996 creating significant unfunded costs in the SIK budgets. Air Force has absorbed these increases by deferring the purchase of operational replacement rations wherever possible. However, operational rations for FY 2001, 2002 and 2003 include requirements for heat and serve Unitized Group Rations (UGRs) in support of the Expeditionary Aerospace Forces (EAFs).

Force Structure Summary

<u>Subsistence-in-Kind</u>	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>
Average Enlisted Strength	284,574	286,487	289,290
Members Receiving BAS	237,080	239,681	270,570
Total Enlisted Eligible to be Subsisted	47,494	46,806	46,546
Total Enlisted Electing to be Subsisted	33,297	33,521	34,077
Others to be Subsisted	8,112	8,167	8,302
Total to be Subsisted	41,409	41,688	42,379

(Amount in Thousands)

SUBSISTENCE-IN-KIND

	<u>FY2001 Actual</u>				<u>FY2002 Estimate</u>				<u>FY2003 Estimate</u>			
	<u>Number</u>	<u>Daily Rate</u>	<u>Annual Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Daily Rate</u>	<u>Annual Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Daily Rate</u>	<u>Annual Rate</u>	<u>Amount</u>
<u>Subsistence in Mess</u>												
CONUS												
Air Force	24,203	6.15	2,244.75	54,331	24,366	6.17	567.64	13,831	0	0.00	0.00	0
Others	6,976	6.15	2,244.75	15,659	7,023	6.17	567.64	3,987	0	0.00	0.00	0
Overseas												
Air Force	9,094	6.75	2,463.75	22,405	9,155	6.77	622.84	5,702	0	0.00	0.00	0
Others	1,136	6.75	2,463.75	2,799	1,144	6.77	622.84	713	0	0.00	0.00	0
Subtotal Subsistence	41,409			\$95,194	41,688			\$24,233	0			\$0
<u>Special Rations</u>												
CONUS	1,606,404		2.84	4,562	407,048		2.89	1,176	0		0.00	0
Overseas	1,201,272		3.26	3,916	305,087		3.32	1,013	0		0.00	0
Subtotal Special Rations	2,807,676			\$8,478	712,135			\$2,189	0			\$0
<u>Operational Rations</u>												
Meals Ready to Eat	126,364		74.09	9,362	32,053		75.05	2,406	0		0.00	0
Unitized Group Rations	2,566		229.76	590	771		232.75	179	0		0.00	0
Subtotal Operational Rations	128,930			\$9,952	32,824			\$2,585	0			\$0
<u>Augmentation Rations</u>												
Supplemental	742,500		6.72	4,990	190,623		6.81	1,298	0		0.00	0
Missile Crew	158,071		5.33	843	40,284		5.40	218	0		0.00	0
Combat Alert	95,717		4.15	397	24,340		4.20	102	0		0.00	0
Subtotal Augmentation Rations	996,288			\$6,230	255,246			\$1,618	0			\$0
Total SIK				\$119,854				\$30,625				\$0

(Amount in Thousands)

SUBSISTENCE-IN-KIND

<u>Subsistence in Mess</u>	<u>FY2001 Actual</u>			<u>FY2002 Estimate</u>			<u>FY2003 Estimate</u>		
	<u>Number</u>	<u>Annual Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Annual Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Annual Rate</u>	<u>Amount</u>
Trainee/Non-Pay Status	0	0.00	0	4,206	1,654.49	6,959	4,269	2,271.50	9,697
Members Taking Meals in Mess	0	0.00	0	37,482	1,732.76	64,947	38,110	2,314.10	88,190
Subtotal Subsistence-In-Mess	0		\$0	41,688		\$71,906	42,379		\$97,887
<u>Operational Rations</u>									
Meals Ready to Eat	0	0.00	0	95,373	75.05	7,158	130,338	76.03	9,910
Unitized Group Rations	0	0.00	0	2,563	232.75	597	3,134	235.78	739
Other Package Operational Rations			0			0			0
Subtotal Operational Rations	0		\$0	97,936		\$7,755	133,472		\$10,649
<u>Augmentation Rations</u>									
Augmentation Rations	0	0.00	0	763,139	6.36	4,854	1,034,904	6.44	6,665
Other - Regionalization	0	0.00	0	0	0.00	0	0	0.00	0
Other - Messing	0	0.00	0	2,146,405	3.06	6,568	2,866,105	3.10	8,885
Subtotal Augmentation Rations/Other	0		\$0	2,909,544		\$11,422	3,901,009		\$15,550
Revised FY 02 SIK						\$91,083			
Grand Total SIK			\$119,854			\$121,708			\$124,086

(Amount in Thousands)

PROJECT: FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE (FSSA)

FY2001 Actual	\$55
FY2002 Estimate	\$1,141
FY2003 Estimate	\$1,177

PART I - PURPOSE AND SCOPE

Family Supplemental Subsistence Allowance (FSSA) was authorized in the 2001 National Defense Authorization Act. Under the provision of United States Code 37 402a, the Family Subsistence Allowance Program was established to supplement a member's Basic Allowance for Subsistence (BAS) in cases where the combined effect of a member's household income level and household size make them eligible for the FSSA program. The program increases a member's BAS by an amount intended to remove the member's household from eligibility for benefits under the U.S. Department of Agriculture's Food Stamp Program.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Effective 1 May 2001, eligible members can receive a monthly entitlement that will be paid in an amount equal to the total dollars required to bring that member's household income to 130 percent of the poverty line, not to exceed \$500 per month. FSSA is a non-taxable supplemental subsistence allowance and the entitlement authority expires 20 September 2006.

(Amount in Thousands)

FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE

	<u>FY2001 Actual</u>	<u>FY2002 Estimate</u>	<u>FY2003 Estimate</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Total FSSA	\$55	\$1,141	\$1,177

PERMANENT CHANGE OF STATION TRAVEL

**SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)**

5. Permanent Change of Station Travel

FY 2002 Direct Program	-----	\$876,647
Increases		
Transportation of Household Goods/Port Handling Charges	-----	63,694
- Increase in MTMC/fuel rates and number of shipments of household goods	63,510	
- Increase in port handling charges of household goods	184	
Transportation of Privately-Owned Vehicles	-----	17,991
- Increased number of POV shipments	17,991	
Travel of Military Member and Family	-----	11,481
- Increase in number of overall pcs moves	11,481	
Dislocation Allowance (DLA)	-----	9,166
- Increased dislocation allowance rates	9,166	
Temporary Lodging Expenses/Trailer Allowances/Nontemporary Storage	-----	8,421
- Increase in temporary lodging expenses	4,427	
- Increase in nontemporary storage	3,815	
- Increase in trailer allowances	179	
Total Increases	-----	110,753
Decreases:		
Reimbursements	-----	-39
- Increase in reimbursable moves to support agencies causes a decrease in direct authority	-39	
Total Decreases	-----	-39
FY 2003 Direct Program	-----	\$987,361

PURPOSE AND SCOPE

For expenses incident to Permanent Change of Station (PCS) travel of military personnel either individually or as part of organized units. PCS travel costs include mileage; monetary allowance in lieu of transportation; transportation by common carrier (rail, bus, air or water, including Air Mobility Command (AMC) and Military Sealift Command (MSC)); per diem allowances; payment of Dislocation Allowance (DLA); payment of Temporary Lodging Entitlement (TLE); actual and necessary expenses and cost of subsistence while in a travel status; issuance of meal tickets in lieu of subsistence; travel of dependents and transportation of baggage and household goods; reimbursement for pet quarantine fees; port handling charges for household goods; baggage and privately-owned vehicles passing through CONUS Military Traffic Management Command (MTMC) terminals; payments authorized for transportation of dependents, personal and household effects of deceased military personnel; costs of contract packing, crating, handling and temporary storage of household goods; costs of nontemporary storage of household goods; cost of trailer allowances; travel incident to organizational movements on PCS whether for training or non-training purposes; expenses incident to PCS movement of any military group traveling under one order from the same point of origin to the same destination; minor supplies and services incident to troop or organizational PCS movements; expenses and allowances incident to separation travel, discharge or release. The term "CONUS" (Continental United States) applies to the contiguous 48 states. Expenses include all authorized temporary duty (TDY) travel directly related to and an integral part of PCS movements of individuals or organizational units.

PROGRAM AND PRICE CHANGES

1. Program Changes:

The Air Force is committed to improving the quality of life for its members while maintaining an acceptable PERSTEMPO. The operational account will experience a decrease in FY 2002 to comply with Congressional cut of \$60M applied to the Air Force PCS program. This action requires partial implementation of the Base of Preference program which is one of the Air Force's major retention initiatives. Costs of shipping household goods and privately-owned vehicles overseas, added and/or expanded entitlements, such as temporary housing allowance between PDS, minimum per diem rate, temporary subsistence expenses, increased weight allowance for junior enlisted members and dislocation allowances, have also resulted in greater than anticipated increases.

2. Price Changes:

FY 2002 will experience increased rate changes in expanded entitlements to include temporary lodging expenses and Dislocation Allowance (DLA) rates for enlisted personnel in the ranks of E-1 through E-4 adjusted to the E-5 level. The intent of the increased rates is to provide much needed relief to our junior enlisted personnel who incur the same expenses in moving costs as senior members. Costs of shipping household goods and Privately-Owned Vehicles (POVs) overseas are experiencing greater than anticipated rate increases. Commercial carrier fuel cost increased in FYs 2002 and 2003. Additionally, increases arise from the AMC Patriot Express "Y Class" rate initiative that increases passenger air fare from the historical 85% to 100%. These costs are reflected in the budget estimates.

(Amount in Thousands)

SUMMARY OF REQUIREMENTS BY TYPES OF MOVES

<u>Travel of Military Member</u>	<u>FY 2001 Actual</u>		<u>FY 2002 Estimate</u>		<u>FY 2003 Estimate</u>	
	<u>Number</u>	<u>Amount *</u>	<u>Number</u>	<u>Amount *</u>	<u>Number</u>	<u>Amount *</u>
Accession Travel	44,067	76,643	46,007	65,555	46,992	95,779
Training Travel	10,450	58,681	10,450	62,785	10,450	65,087
Operational Travel Between Duty Stations	18,560	152,662	17,423	145,092	22,029	166,545
Rotational Travel To and From Overseas	45,964	452,629	45,354	440,115	44,754	466,133
Separation Travel	45,396	106,563	39,592	98,620	45,845	120,933
Travel of Organized Units	1,048	4,460	1,035	6,404	1,048	6,614
Nontemporary Storage *		21,500		21,601		25,446
Temporary Lodging Expense *		36,636		37,838		42,226
Temporary Early Retirement Authority	87	505				
Total Obligations	165,572	\$910,279	159,861	\$878,010	171,118	\$988,763
Less Reimbursements		-1,319		-1,363		-1,402
Total Direct Program		\$908,960		\$876,647		\$987,361

* NOTE: Nontemporary Storage (NTS) and Temporary Lodging Expense (TLE) are reflected as separate line items. NTS and TLE amounts are merged with travel type in detailed pages.

(Amount in Thousands)

SUMMARY OF REQUIREMENTS BY TYPES OF COST

	FY 2001 Actual		FY 2002 Estimate		FY 2003 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Travel of Military Member						
Mileage and Per Diem	121,645	\$86,500	117,573	\$86,194	125,853	\$90,531
AMC	31,798	28,159	30,733	28,060	32,898	29,472
Commercial Air	11,955	11,997	11,555	11,954	12,368	12,556
Travel of Family Members						
Mileage and Per Diem	65,080	45,645	66,431	46,494	72,989	49,142
AMC	30,971	29,673	31,614	30,225	34,735	31,947
Commercial Air	11,023	12,613	11,252	12,847	12,363	13,579
Transportation of Household Goods						
M Tons - MSC ¹	30,500	4,905	44,718	4,475	47,867	5,243
S Tons - AMC ²	9,365	39,782	13,730	36,295	14,697	48,890
Land Shipment, CONUS & Overseas	49,540	349,833	72,633	319,165	77,748	367,596
ITGBL ³	19,629	92,137	28,779	84,059	30,806	98,491
Dislocation Allowance	60,460	98,381	60,084	108,083	58,772	104,571
Trailer Allowance	1,230	2,627	1,275	2,774	1,330	2,953
Transportation of POVs	14,696	47,768	15,395	46,539	21,213	64,530
Port Handling Charges		1,620		1,406		1,590
Nontemporary Storage		21,500		21,601		25,446
Temporary Lodging Expense		36,636		37,838		42,226
Temporary Early Retirement Authority	87	505				
		Total Obligations		\$910,279		\$878,010
		Less Reimbursements		-1,319		-1,363
		Total Direct Program		\$908,960		\$876,647
						\$988,763
						-1,402
						\$987,361

¹ M Tons refers to measurement ton or 40 cubic feet

² S Tons refers to short tons or 2,000 pounds

³ ITGBL - International Through Government Bill of Lading

(Amount in Thousands)

PROJECT: ACCESSION TRAVEL

FY 2001 Actual	\$78,392
FY 2002 Estimate	\$68,001
FY 2003 Estimate	\$98,338

PART I - PURPOSE AND SCOPE

Funds provide for:

PCS movements of active duty Air Force commissioned officers, to include Air National Guard (ANG) officers called or recalled to extended active duty, officers who are appointed or recalled from enlisted status, and officers appointed from enlisted status upon graduation from Officer Training School (OTS). A PCS move commences from a member's home or point where orders were received to their first permanent duty station or training school of 20 weeks or more. And in some cases, from the station where they served as enlisted to their new permanent duty station or training school of 20 weeks or more. Also included are PCS movements of enlistees, reenlistees and prior service personnel from recruiting station or place of enlistment to first permanent duty station or training school of 20 weeks or more and recalled enlisted reservists from home to first permanent duty station or training school of 20 weeks or more. PCS movements of individuals selected as Air Force Academy cadets upon entry into the Academy and individuals who travel to the academies but fail to pass the entrance physical examinations and are required to return home.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for accession travel cover the PCS movement of members entering active duty. The PCS requirements for accession travel are directly related to officer, enlisted and cadet gains as reflected in the Air Force personnel programs. These gains are required to meet planned Air Force manpower levels. This category of move results primarily from approved end strengths; consequently, adjustments in accession travel can only be accommodated via adjustments in officer, enlisted or cadet strengths. Officer accessions include academy graduates, ROTC, medical officers, judge advocate general officers, chaplains, reserve officers and OTS graduates. Enlisted accessions include prior and non-prior service personnel, recalled reserves, USAF Preparatory School, and Officer Training School.

Average rates are based upon statistical data, ratios, and percentages derived from actual accession PCS move costs during a given accounting period. The number of accession moves (officer, enlisted and cadet) times the appropriate rates for each element of expense (e.g., military member, dependents, household goods, etc.) results in the estimated funding required. The number of moves and the associated fiscal year requirements are shown in the tables on the following pages.

(Amount in Thousands)

ACCESSION TRAVEL

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Accession Travel</u>									
(1) Member Travel	6,143	517.83	\$3,181	6,056	527.17	\$3,193	6,301	536.13	\$3,378
(2) Family Member Travel	2,515	2,515.00	1,173	2,238	480.70	1,076	3,939	2,515.00	1,902
(3) Trans of Household Goods									
(a) Land & ITGBL	4,311	4,964.74	21,403	2,390	5,054.14	12,079	3,742	5,140.06	19,234
(b) Overseas	374	943.85	353	378	960.51	363	392	976.84	383
(4) Trailer Allowance	24	1,625.00	39	24	1,641.14	39	25	1,669.04	42
(5) Global POV	229	3,250.34	744	231	3,023.00	698	246	3,234.61	796
(6) Port Handling (HHGS)	478	31.38	15	482	31.56	15	502	32.09	16
(7) Nontemporary Storage			426			472			479
Subtotal Officer Accession Travel			\$27,334			\$17,935			\$26,230
<u>Enlisted Accession Travel</u>									
(1) Member Travel	36,653	657	\$24,070	38,733	669	\$25,894	39,448	680	\$26,820
(2) Family Member Travel	9,443	243	2,295	9,863	249	2,456	17,120	252	4,307
(3) Trans of Household Goods									
(a) Land & ITGBL	4,405	4,682	20,623	3,637	4,766	17,334	7,432	4,847	36,022
(b) Overseas	5,991	145	869	3,839	148	567	5,992	150	900
(4) Trailer Allowance	17	2,000	34	18	2,056	37	18	2,056	37
(5) Global POV	376	3,250	1,222	393	3,023	1,188	403	3,235	1,304
(6) Port Handling (HHGS)	794	33	26	829	33	27	850	33	28
(7) Nontemporary Storage			1,323			1,974			2,080
Subtotal Enlisted Accession Travel			\$50,462			\$49,477			\$71,498
<u>Cadet Accession Travel</u>	1,271	469	\$596	1,218	484	\$589	1,243	491	\$610
Total Accession Travel			\$78,392			\$68,001			\$98,338
Accession Moves									
Officer	6,143			6,056			6,301		
Enlisted	36,653			38,733			39,448		
Cadets	1,271			1,218			1,243		
Total Accession Moves	44,067			46,007			46,992		

(Amount in Thousands)

PROJECT: TRAINING TRAVEL

FY 2001 Actual	\$64,448
FY 2002 Estimate	\$68,648
FY 2003 Estimate	\$73,044

PART I - PURPOSE AND SCOPE

Funds provide for the PCS movements of:

- (1) Officers and enlisted personnel from previous permanent duty stations to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction for a 20-week period or more.
- (2) Officers and enlisted school graduates and eliminees from school to their next permanent CONUS duty station excluding Academy, OTS, flying training, and ROTC graduates.
- (3) Enlisted personnel ordered to training leading to a commission.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for training travel cover PCS requirements for officer and enlisted personnel engaged in Air Force and outside agency training programs. The PCS requirements for training travel are the direct result of Air Force training programs covering technical training, career training and flying training. These types of training are required to maintain the skill level and educational requirements necessary to fulfill the Air Force mission. Adjustments in training travel are directly responsive to training programs that generate the move requirements. This category of travel contains basic and advanced technical training, retraining, professional military education (e.g., Air War, National War, and Industrial Colleges, Medical Training, Air Force Institute of Technology) and undergraduate pilot and navigator training.

Average rates are based on statistical data, ratios, and percentages extracted from actual PCS training move costs. The number of officer and enlisted training moves times the average rate for each element of expense (e.g., military member, dependent, household goods, etc.) results in the estimated funding required.

The number of moves and fiscal year requirements are shown on the following page.

(Amount in Thousands)

TRAINING TRAVEL

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Training Travel</u>									
(1) Member Travel	6,400	531.09	\$3,399	6,400	539.69	\$3,454	6,400	548.28	\$3,509
(2) Family Member Travel	4,389	530.19	2,327	5,319	538.64	2,865	5,389	631.29	3,402
(3) Trans of Household Goods	6,400	5,298.44	33,910	5,980	5,696.82	34,067	6,400	5,787.97	37,043
(4) Dislocation Allowance	5,949	1,625.32	9,669	4,948	2,436.14	12,054	5,949	1,805.35	10,740
(5) Trailer Allowance	18	1,777.78	32	18	1,777.78	32	18	1,833.33	33
(6) Nontemporary Storage			639			650			660
(7) Temporary Lodging Expense			3,011			3,058			3,108
Subtotal Officer Training Travel			\$52,987			\$56,180			\$58,495
<u>Enlisted Training Travel</u>									
(1) Member Travel	4,050	369.38	\$1,496	4,050	375.31	\$1,520	4,050	381.19	\$1,544
(2) Family Member Travel	1,607	304.29	489	2,007	309.42	621	1,607	314.21	505
(3) Trans of Household Goods	1,148	4,459.06	5,119	1,148	4,794.43	5,504	1,148	4,871.35	5,593
(4) Dislocation Allowance	1,798	1,229.14	2,210	1,798	1,471.64	2,646	1,798	1,492.03	2,683
(5) Trailer Allowance	12	2,500.00	30	12	1,833.33	22	12	2,916.31	35
(6) Nontemporary Storage			126			129			130
(7) Temporary Lodging Expense			1,991			2,026			4,059
Subtotal Enlisted Training Travel			\$11,461			\$12,468			\$14,549
Total Training Travel			\$64,448			\$68,648			\$73,044
Training Moves									
Officer	6,400			6,400			6,400		
Enlisted	4,050			4,050			4,050		
Total Training Moves	10,450			10,450			10,450		

(Amount in Thousands)

PROJECT: OPERATIONAL TRAVEL	FY 2001 Actual	\$163,298
	FY 2002 Estimate	\$159,860
	FY 2003 Estimate	\$182,422

PART I - PURPOSE AND SCOPE

Funds provide for the PCS movements of:

- (1) Officers and enlisted personnel to and from permanent duty stations located within the United States.
- (2) Officers and enlisted personnel to and from permanent duty stations located within an overseas area when no transoceanic travel is involved.
- (3) Dependents, household goods, personal effects, trailer allowances and privately owned vehicles of officers and enlisted personnel who are interned (including hospitalized or imprisoned), missing, or captured when no transoceanic travel is involved.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimate for operational travel covers PCS requirements for operational reassignment of officer and enlisted personnel between both duty stations (1) within the CONUS and (2) within overseas areas when no transoceanic travel is involved. Operational moves are predicated upon the approved Air Force force structure and are necessary to support skill leveling among units, to fill new/unprogrammed requirements, and to accommodate valid humanitarian assignments. The estimates include actions taken by the Air Force to limit operational reassignments and reduce costs to the minimum necessary to carry out the Air Force mission (manning floor, minimum CONUS tour lengths, do-it-yourself move program, maximum use of low-cost moves).

The operational PCS program reflects Air Force's requirement to strengthen its capability and simultaneously decrease the size of the force. We anticipate a gradual decline in operational PCS moves as the Air Force end strength stabilizes and fewer base closures and force structure actions are required. In an effort to prevent a hollow force, operational requirements for enlisted members increased slightly to fill vacancies which are mission essential.

Average rates are based upon statistical data, ratios, and percentages derived from actual PCS operational move costs. The number of officer and enlisted moves and associated numbers for each element of expense (e.g., military member, dependents, household goods, etc.) times the average rate results in estimates of how much funding is required. The number of moves and associated fiscal year requirements are shown on the following page.

(Amount in Thousands)

OPERATIONAL TRAVEL

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Operational Travel</u>									
(1) Member Travel	7,711	691.22	\$5,330	6,680	712.28	\$4,758	9,168	714.22	\$6,548
(2) Family Member Travel	6,526	572.94	3,739	6,432	591.11	3,802	8,726	592.02	5,166
(3) Trans of Household Goods	7,711	6,969.78	53,744	6,680	5,635.78	37,647	9,168	5,958.44	54,627
(4) Dislocation Allowance	7,162	1,987.99	14,238	6,359	2,635.16	16,757	7,982	2,477.57	19,776
(5) Trailer Allowance	77	1,688.31	130	98	1,744.90	171	93	1,752.69	163
(6) Nontemporary Storage			622			1,248			1,086
(7) Temporary Lodging Expense			3,680			5,790			5,882
Subtotal Officer Operational Travel			\$81,483			\$70,173			\$93,248
<u>Enlisted Operational Travel</u>									
(1) Member Travel	10,849	495.62	\$5,377	10,743	511.50	\$5,495	12,861	512.09	\$6,586
(2) Family Member Travel	8,826	428.17	3,779	11,962	505.10	6,042	11,007	442.45	4,870
(3) Trans of Household Goods	10,849	4,939.35	53,587	10,743	4,794.28	51,505	12,861	3,951.33	50,818
(4) Dislocation Allowance	9,643	1,200.15	11,573	11,175	1,571.63	17,563	11,107	1,496.62	16,623
(5) Trailer Allowance	520	2,240.38	1,165	594	2,276.09	1,352	591	2,314.72	1,368
(6) Nontemporary Storage			1,152			1,406			1,620
(7) Temporary Lodging Expense			5,182			6,324			7,289
Subtotal Enlisted Operational Travel			\$81,815			\$89,687			\$89,174
Total Operational Travel			\$163,298			\$159,860			\$182,422
Operational Moves									
Officer	7,711			6,680			9,168		
Enlisted	10,849			10,743			12,861		
Total Operational Moves	18,560			17,423			22,029		

(Amount in Thousands)

PROJECT: ROTATIONAL TRAVEL

FY 2001 Actual	\$487,316
FY 2002 Estimate	\$472,111
FY 2003 Estimate	\$502,180

PART I - PURPOSE AND SCOPE

Funds provide for the PCS movements of:

- (1) Officers and enlisted personnel from permanent duty stations in CONUS, or training of 20 weeks or more duration, to permanent duty stations overseas.
- (2) Officers and enlisted personnel from permanent duty stations overseas to permanent duty stations in CONUS, or training of 20 weeks or more.
- (3) Officers and enlisted personnel from permanent duty stations in one overseas area to permanent duty stations in another overseas area when transoceanic travel is involved.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Rotational moves are made in accordance with overseas tour policies approved by the Secretary of Defense. FY 2001 decreases are the result of delayed moves from FY 1999 as well as Air Force's continuing restructure and consolidation efforts in overseas locations and theater drawdown actions such as the withdrawal from Panama.

Average rates are based upon statistical data, ratios, and percentages derived from actual PCS rotational moves. The number of officer and enlisted moves and associated numbers for each element of expense (e.g., military member, dependents, household goods, etc.) times the appropriate average rate results in the estimated funding required. The number of moves and associated fiscal year requirements are shown on the following pages.

on the following pages.

(Amount in Thousands)

ROTATIONAL TRAVEL

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Rotational Travel</u>									
(1) Member Travel	7,136	1,547.51	\$11,043	7,287	1,575.41	\$11,480	7,384	1,602.11	\$11,830
(2) Family Member Travel	5,468	2,557.43	13,984	5,584	2,603.51	14,538	7,032	2,647.61	18,618
(3) Trans of Household Goods									
(a) Land & ITGBL	8,879	4,075.57	36,187	9,067	4,968.90	45,053	7,384	4,213.43	31,112
(b) Overseas			11,135			7,693			13,713
(4) Dislocation Allowance	6,420	2,102.18	13,496	6,556	2,436.09	15,971	7,032	2,477.53	17,422
(5) Trailer Allowance	86	3,232.56	278	87	3,287.36	286	97	3,340.21	324
(6) Global POV	3,018	3,250.34	9,810	4,943	3,023.00	14,943	6,733	3,023.00	20,354
(7) Port Handling (HHGS)	11,333	50.30	570	11,573	51.07	591	11,304	51.93	587
(8) Nontemporary Storage			4,970			5,072			6,473
(9) Temporary Lodging Expenses			3,406			3,518			4,012
Subtotal Officer Rotational Travel			\$104,879			\$119,145			\$124,445

(Amount in Thousands)

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Enlisted Rotational Travel</u>									
(1) Member Travel	38,828	1,430.62	\$55,548	38,067	1,456.38	\$55,440	37,370	1,481.13	\$55,350
(2) Family Member Travel	27,708	1,676.38	46,449	27,165	1,706.57	46,359	24,298	1,710.59	41,564
(3) Trans of Household Goods									
(a) Land & ITGBL	37,418	3,822.30	143,023	33,167	4,153.32	137,753	37,370	3,951.24	147,658
(b) Overseas			31,341			20,703			32,479
(4) Dislocation Allowance	28,756	1,611.18	46,331	28,567	1,471.66	42,041	24,172	1,496.69	36,178
(5) Trailer Allowance	90	2,344.44	211	89	2,382.02	212	88	2,420.45	213
(6) Global POV	10,013	3,250.34	32,546	8,759	3,023.00	26,478	12,579	3,023.00	38,026
(7) Port Handling (HHGS)	27,696	24.44	677	23,132	24.81	574	28,076	25.11	705
(8) Nontemporary Storage			7,562			6,844			8,269
(9) Temporary Lodging Expenses			18,749			16,562			17,293
Subtotal Enlisted Rotational Travel			\$382,437			\$352,966			\$377,735
Total Rotational Travel			\$487,316			\$472,111			\$502,180
Rotational Moves									
Officer	7,136			7,287			7,384		
Enlisted	38,828			38,067			37,370		
Total Rotational Moves	45,964			45,354			44,754		

(Amount in Thousands)

PROJECT: SEPARATION TRAVEL	FY 2001 Actual	\$111,552
	FY 2002 Estimate	\$102,208
	FY 2003 Estimate	\$125,375

PART I - PURPOSE AND SCOPE

Funds provide for the PCS movements of:

- (1) Officers and enlisted personnel upon release, normal and early retirement, or separation from the Air Force from last permanent duty station to home of record or point of entry into the service or to home of selection when authorized by law.
- (2) Dependents, household goods, trailer allowances and personal effects of officers and enlisted personnel who are deceased.
- (3) Eliminated Air Force Academy cadets to home of record or point of entry into the service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for separation travel cover general separations and retirements from the Air Force. The PCS requirements for separation travel are based upon officer, enlisted and cadet losses as reflected in Air Force personnel programs. Separation travel covers disability separations, honorable separations, enlisted personnel on expiration term of service and normal early releases, retirements, etc.

Average rates are based on statistical data, ratios, and percentages derived from actual officer, enlisted and cadet separation PCS move costs. The number of separation moves (officer, enlisted and cadets) and associated numbers for each element of expense (e.g., military member, dependents, household goods, etc.) times the appropriate rate for each category results in the estimated funding required.

The number of moves and fiscal year requirements are shown on the following pages.

(Amount in Thousands)

SEPARATION TRAVEL

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
<u>Officer Separation Travel</u>									
(1) Member Travel	6,217	370.28	2,302	4,852	365.83	1,775	6,867	268.39	1,843
(2) Family Member Travel	5,033	501.89	2,526	3,657	507.79	1,857	5,409	516.55	2,794
(3) Trans of Household Goods									
(a) Land & ITGBL	3,867	5,695.63	22,025	2,583	6,454.12	16,671	3,774	5,546.90	20,934
(b) Overseas	1,097	1,117.59	1,226	792	763.89	605	1,172	776.45	910
(4) Trailer Allowance	25	2,360.00	59	18	2,444.44	44	27	2,518.52	68
(5) Global POV	278	3,250.34	904	283	3,023.00	856	382	3,234.61	1,236
(6) Port Handling (HHGS)	2,286	80.49	184	1,651	41.19	68	2,442	41.36	101
(7) Nontemporary Storage			2,123			1,576			2,394
Subtotal Officer Separation Travel			\$31,349			\$23,452			\$30,280

(Amount in Thousands)

SEPARATION TRAVEL

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted Separation Travel									
(1) Member Travel	38,709	341.08	\$13,203	34,409	342.41	\$11,782	38,682	354.30	\$13,705
(2) Family Member Travel	34,888	312.89	10,916	34,409	281.84	9,698	34,895	323.28	11,281
(3) Trans of Household Goods									
(a) Land & ITGBL	8,501	5,499.94	46,755	7,541	6,553.60	49,421	8,641	7,091.08	61,274
(b) Overseas	7,036	369.39	2,599	6,152	408.90	2,516	7,037	414.81	2,919
(4) Trailer Allowance	347	1,780.98	618	303	1,808.63	548	347	1,838.62	638
(5) Global POV	45,396	3,250.34	2,542	39,592	3,023.00	2,376	870	3,234.61	2,814
(6) Port Handling (HHGS)	4,048	36.56	148	3,539	37.08	131	4,049	37.79	153
(7) Nontemporary Storage			2,361			2,012			2,048
Subtotal Enlisted Separation Travel			\$79,142			\$78,483			\$94,832
Cadet Separation Travel	383	1,451.70	\$556	331	824.77	\$273	296	888.51	\$263
Subtotal Separation Travel			\$111,047			\$102,208			\$125,375
TERA									
Officer	87	5,804.60	505	0		0	0		0
Enlisted	0	-	0	0		0	0		0
Subtotal TERA	87		\$505	0		\$0	0		\$0
Total Separation Travel			\$111,552			\$102,208			\$125,375
Separation Moves									
Officer	6,304			4,852			6,867		
Enlisted	38,709			34,409			38,682		
Cadets	383			331			296		
Total Separation Moves	45,396			39,592			45,845		

(Amount in Thousands)

PROJECT: TRAVEL OF ORGANIZED UNITS	FY 2001 Actual	\$5,273
	FY 2002 Estimate	\$7,182
	FY 2003 Estimate	\$7,404

PART I - PURPOSE AND SCOPE

Funds provided for the CONUS or overseas movement of:

- (1) Officer and enlisted personnel directed to move as members of an organized unit movement.
- (2) Officer and enlisted replacements directed to move as part of the unit move.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for organized unit travel include requirements for relocation of Air force units from both the CONUS and overseas in accordance with published Air Force programs. These moves are required as a result of changes in force reductions, force positioning and the requirement to maintain strategic and tactical integrity of units.

The Air Force estimate of organized unit move requirements is based on the most comprehensive planning data available on the DOD regulation definition of a unit move and on historical program change request data. Anticipated moves are tracked throughout the operating and budget years since mission requirements dictate changes to the initial schedule. The estimated number of moves increase as more force structure actions occur, for example, base closure, unit realignments, public announcements, and internal Air Force restructure. The uncertainty surrounding areas such as competition and privatization, and expeditionary aerospace force, makes this the most volatile category of the PCS budget.

The average rates are based upon statistical data, ratios, and percentages derived from actual PCS organized unit move costs. The number of officer and enlisted organized unit moves and associated numbers for each element of expense (e.g., military member, dependents, household goods, etc.) times the average rates result in the estimated fund requirements. The number of moves and fiscal year requirements are shown on the following pages.

(Amount in Thousands)

TRAVEL OF ORGANIZED UNITS

	FY 2001 Estimate			FY 2002 Estimate			FY 2003 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Unit Travel</u>									
(1) Member Travel	55	709.09	\$39	52	711.54	\$37	55	727.27	\$40
(2) Family Member Travel	47	531.91	25	44	545.45	24	47	553.19	26
(3) Trans of Household Goods									
(a) Land & ITGBL	55	6,963.64	383	52	7,480.77	389	55	7,600.00	418
(b) Overseas									
(4) Dislocation Allowance	54	1,888.89	102	51	2,019.61	103	54	2,092.59	113
(5) Nontemporary Storage			128			123			132
(6) Temporary Lodging Expense			36			34			38
Subtotal Officer Unit Travel			\$713			\$710			\$767
<u>Enlisted Unit Travel</u>									
(1) Member Travel	993	519.64	516	983	527.98	519	993	536.76	533
(2) Family Member Travel	623	365.97	228	617	371.15	229	623	377.21	235
(3) Trans of Household Goods									
(a) Land & ITGBL	993	3,902.32	3,875	983	4,195.32	4,124	993	4,262.84	4,233
(b) Overseas									
(4) Dislocation Allowance	678	1,123.89	762	690	1,324.64	914	678	1,376.11	933
(5) Trailer Allowance	14	2,214.29	31	14	2,214.29	31	14	2,285.71	32
(6) Nontemporary Storage			68			74			76
(7) Temporary Lodging Expense			581			581			595
Subtotal Enlisted Unit Travel			\$6,061			\$6,472			\$6,637
Total Unit Travel			\$6,774			\$7,182			\$7,404
Unit Travel Moves									
Officer	55			52			55		
Enlisted	993			983			993		
Total Unit Travel Moves	1,048			1,035			1,048		

OTHER MILITARY PERSONNEL COSTS

**MILITARY PERSONNEL, AIR FORCE
SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)**

6. Other Military Personnel Costs

FY 2002 Direct Program -----		\$61,296
<u>Increases:</u>		
Unemployment Compensation -----		6,747
- Increase in number of takers based on projected unfavorable economic conditions	6,747	
Special Compensation for Disabled Retirees -----		2,000
- Increase in accordance with FY 2001 NDAA expanded entitlement for certain severely disabled retirees	2,000	
Mass Transit -----		1,190
- Increase in number of anticipated participants in the fringe benefit program as mass transportation becomes more accessible	1,190	
Montgomery GI Bill -----		54
- Increased amortization payment determined by the DoD Education Benefits Board of Actuaries.	54	
Total Increases -----		9,991
<u>Decreases:</u>		
Survivor Benefits -----		-160
- Reduction based on revised estimates from the Veterans Administration.	-160	
Total Decreases -----		-160
FY 2003 Direct Program -----		\$71,127

(Amount in Thousands)

PROJECT: APPREHENSION OF AIR FORCE DESERTERS, ABSENTEES, AND MILITARY PRISONERS	FY 2001 Actual	\$100
	FY 2002 Estimate	\$100
	FY 2003 Estimate	\$100

PART I - PURPOSE AND SCOPE

The funds are for expenses associated with the apprehension of military deserters, absentees, and escaped military prisoners and for their delivery to the control of the Department of Defense. Included is the cost of detention and subsistence provided during the period a military member is detained in civil confinement for safekeeping when so requested by military authority, cost of reimbursement for expenses incurred, transportation, lodging, and subsistence of escort guards

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on factors developed from historical data. Estimates are depicted as follows:

	<u>FY 2001 Actual</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
Expenses Incident to the Apprehension and Delivery of Deserters, Absentees and Prisoners	\$100	\$100	\$100

(Amount in Thousands)

PROJECT: INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSIT PROGRAM

FY 2001 Actual	\$595
FY 2002 Estimate	\$595
FY 2003 Estimate	\$595

PART I - PURPOSE AND SCOPE

These funds pay interest (Int) on savings deposits of \$5.00 or more for overseas members of the uniformed services who participate in temporary duty in support of contingency operations. Under the provisions of P.L. 8-538, August 14, 1966, as amended in FY 1991 by Title 10, United States Code, Section 1035, service members are permitted to deposit unallotted amounts into the savings program. The interest rate is not to exceed ten percent per year.

PART II - JUSTIFICATION OF FUNDS REQUESTED

These funds pay interest on savings accounts for members deployed in support of contingency operations.

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Number</u>	<u>Avg Int Payment</u>	<u>Amount</u>	<u>Number</u>	<u>Avg Int Payment</u>	<u>Amount</u>	<u>Number</u>	<u>Avg Int Payment</u>	<u>Amount</u>
Officer	181	723.76	\$131	181	723.76	\$131	181	723.76	\$131
Enlisted	1,165	398.28	464	1,165	398.28	464	1,165	398.28	464
Total	1,346		\$595	1,346		\$595	1,346		\$595

(Amount in Thousands)

PROJECT: DEATH GRATUITIES

FY 2001 Actual	\$1,506
FY 2002 Estimate	\$1,506
FY 2003 Estimate	\$1,506

PART I - PURPOSE AND SCOPE

Death gratuities are paid to beneficiaries of military personnel who die under certain conditions. The death must have occurred (a) while on active duty or while traveling to or from duty, (b) during the 120-day period following date of discharge or release, under honorable conditions, from active duty (including retirement for either disability or length of service), or (c) while traveling to or from or while at a place for final acceptance or for entry into active duty in the military service. The benefits are covered under provisions of 10 U.S.C. 1475-78 as amended by the Bill H.R. 1281, dated March 22, 1991.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funds required are based on mortality rates, historical trends and the statutory gratuity amount. Details of the computation are:

	<u>FY 2001 Actual</u>			0	<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>		<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Death Gratuity	251	6,000.00	\$1,506		251	6,000.00	\$1,506	251	6,000.00	\$1,506

(Amount in Thousands)

PROJECT: UNEMPLOYMENT BENEFITS PAID TO EX-SERVICE MEMBERS	FY 2001 Actual	\$28,550
	FY 2002 Estimate	\$19,709
	FY 2003 Estimate	\$26,456

PART I - PURPOSE AND SCOPE

Funds are for payments of unemployment benefits to eligible ex-service members as prescribed in Section 8521(a), Paragraph 1 of Title 5, United States Code. Generally, eligibility is defined as at least 365 days of continuous active service in the Armed Forces whereupon the individual is discharged under honorable conditions. The member must complete a first full-term of active service or is discharged before a first-term is completed under an early release program, because of hardship, for medical reasons, or for personality disorders or inaptitude. Additionally, an officer cannot resign for the good of the Air Force and still be eligible for this entitlement.

Prior to FY 1984, the Department of Labor budgeted and paid the individual states for the Federal Government's share of applicable unemployment compensation for ex-servicemen. Beginning in FY 1984, the Department of Defense was required to budget for the costs of regular and extended unemployment benefits. The benefits were payable for 13 weeks after a four-week waiting period. In FY 1991 PL 102-164 changed benefits criteria to 26 weeks after a one-week waiting period.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on Department of Labor factors derived from projected economic assumptions and Department of Defense historical experience.

	<u>FY 2001 Actual</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
Unemployment Compensation	\$28,550	\$19,709	\$26,456

(Amount in Thousands)

PROJECT: SURVIVORS' BENEFITS & QUARTERS ALLOWANCE	FY 2001 Actual	\$3,094
	FY 2002 Estimate	\$3,450
	FY 2003 Estimate	\$3,290

PART I - PURPOSE AND SCOPE

Provisions of 10 U.S.C 1450 -1451, Public Law 98-94 (Section 943) and Public Law 99-227 provide for payment of social security and educational benefits to widows and orphans of Air Force military personnel who died on active duty or veterans who died from service-related causes. Under the provisions of Public Law 99-227, 12 December 1985, quarters allowance is paid to eligible family members of military members who die in the line of duty. Eligibility is limited to (a) family members who did not occupy government quarters on the date of the military member's death, or (b) family members who occupied government quarters on a rental basis on the date of the military member's death, (c) family members who vacated government quarters within 90 days of the military member's death. Quarters allowance is paid at the rate paid to the member prior to death. Payments terminate 90 days after the member dies.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates for the Reinstated Entitlement Program (REP) are provided by the Department of Veterans Affairs. They are based on average benefit payments and caseload data. Historical data is used to estimate quarters allowance requirements.

	<u>FY 2001 Actual</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
Survivors' Benefits	\$2,552	\$2,908	\$2,748
Quarters Allowance	542	542	542
Total	\$3,094	\$3,450	\$3,290

(Amount in Thousands)

**PROJECT: EDUCATION BENEFITS (MONTGOMERY GI BILL) &
CIVILIAN COMMUNITY CORPS**

FY 2001 Actual	\$3,465
FY 2002 Estimate	\$3,636
FY 2003 Estimate	\$3,690

PART I - PURPOSE AND SCOPE

Public Law 101-510 dated November 5, 1990 allows members who are involuntarily separated from the armed services to enroll in the Montgomery GI Bill Program. The FY 1993 National Defense Authorization Act allows members exercising the Voluntary Separation Incentive/Special Separation Benefit (VSI/SSB) options to convert from the Veterans Educational Assistance Program (VEAP) to the Montgomery GI Bill. Most military members who receive VSI/SSB entered the service when VEAP was in effect. Beginning in July 1985, the All Volunteer Educational Assistance Program, known as the Montgomery GI Bill, became effective and no new enrollments were accepted into VEAP. The Services are now required to make contributions to the Department of Defense Education Benefits Fund to cover the conversions as determined by the Board of Actuaries.

The 1990 National and Community Act, Subsection 162(a) (2) (C), requires the Department of Defense to reimburse the Corporation for National Service/Civilian Community Corps (CCC) for 50 percent of the supplemental salary for cadre members who are receiving military retirement pay.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are the Board of Actuaries' projected payments into the Department of Defense Education Benefits Fund and historical data for civilian community corps requirements.

	<u>FY 2001 Actual</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
Education Benefits	\$3,415	\$3,586	\$3,640
Civilian Community Corps	50	50	50
Total	\$3,465	\$3,636	\$3,690

(Amount in Thousands)

PROJECT: ADOPTION REIMBURSEMENT PROGRAM

FY 2001 Actual	\$800
FY 2002 Estimate	\$800
FY 2003 Estimate	\$800

PART I - PURPOSE AND SCOPE

The FY 1988/1989 National Defense Authorization Act (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. The program is now administered under the provisions of Title 10 U.S.C. 1052.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funds are required to pay expenses incurred by active service members in the adoption of a child under the age of 18 years. Expenses include agency fees; legal fees; medical expenses for the child, the biological mother, and the adopting parents; temporary foster care; transportation expenses; and other expenses approved by OSD (FM&P).

	<u>FY 2001 Actual</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
Expenses for Adoptions	\$800	\$800	\$800

(Amount in Thousands)

PROJECT: SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES

FY 2001 Actual	\$10,322
FY 2002 Estimate	\$18,400
FY 2003 Estimate	\$20,400

PART I - PURPOSE AND SCOPE

Section 658 of the FY 2000 National Defense Authorization Act (P.L. 106-65) provided for compensation to certain severely disabled retirees of the Uniformed Services. Payments are made to military retirees who (1) have a minimum VA disability rating of at least 70%, (2) receive the minimum disability rating within four years of retirement, (3) retire with a non-disability retirement, and (4) have 20-plus years of service for the purposes of computing retired pay. The FY 2001 NDAA expanded the FY 2000 NDAA provision to include former members of the uniformed services retired for disability under Chapter 61 of Title 10, USC.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on FY 2001 empirical data of Air Force eligible disabled retirees who receive disability payments and projected increased population in accordance with the expansion. Budget year estimate is in compliance with fiscal guidance. Estimates are presented below:

	<u>FY 2001 Actual</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
Compensation for Severely Disabled Retirees	\$10,322	\$18,400	\$20,400

(Amount in Thousands)

PROJECT: TRANSPORTATION SUBSIDY PROGRAM

FY 2001 Actual	\$972
FY 2002 Estimate	\$13,100
FY 2003 Estimate	\$14,290

PART I - PURPOSE AND SCOPE

Executive Order 13150 dated April 21, 2000 ordered Federal Agencies to implement a transportation fringe benefit program that offers qualified Federal employees the option to exclude from taxable wages or receive direct compensation, consistent with Section 132 of Title 26, U.S.C., for employee commuting costs incurred through the use of mass transportation and vanpools, not to exceed the maximum level allowed by law (26 U.S.C. 132 (f) (2)). The program is designed to reduce Federal employees' contribution to traffic congestion and air pollution and to expand their commuting alternatives by encouraging mass transportation.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on a percentage of the eligible Air Force military population located in the National Capitol Region. The region is defined as the District of Columbia, Montgomery, Prince George's and Frederick counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia; and all cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of the above cited counties. The District of Columbia Metropolitan Area metrorail extended its services further into rural areas. As a result, mass transportation availability became more accessible. The number of personnel taking advantage of this mode of transportation has increased. Then effective July 2001, the mass transportation fringe benefit program was offered CONUS wide. Additionally, effective January 2002, the initial rate of \$65 per month for qualified federal personnel has increased to \$100 per month.

	<u>FY 2001 Actual</u>			<u>FY 2002 Estimate</u>			<u>FY 2003 Estimate</u>		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Officer	416	817.31	\$340	3,997	1,147.01	\$4,585	4,610	1,085.03	\$5,002
Enlisted	774	816.54	632	7,424	1,147.01	8,515	7,751	1,198.30	9,288
Total	1,190		\$972	11,421		\$13,100	12,361		\$14,290

SECTION 5

SPECIAL ANALYSIS

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
Assigned Outside DoD:									
<u>Nonreimbursable Personnel:</u>									
Exec Office of the President, White House (WHMO)	13	13	26	9	9	18	6	8	14
Office of National Drug & Control Policy (ONDCP)	13	0	13	11	0	11	9	0	9
Office of the Vice President (OVP)	3	6	9	3	6	9	3	6	9
Department of State (DOS)	19	0	19	20	1	21	16	1	17
Department of Energy (DOE)	10	0	10	7	0	7	7	0	7
Department of Commerce (DOC)	2	0	2	2	0	2	0	0	0
Department of Transportation (DOT)	2	0	2	2	3	5	1	3	4
U.N. Truce Supervision Organization (UNTSO)	1	0	1	1	0	1	1	0	1
Drug Enforcement Administration (DEA)	2	9	11	2	5	7	2	4	6
US Customs Service (USCS)	1	0	1	1	0	1	1	0	1
National Security Council (NSC)	4	1	5	0	0	0	0	0	0
Central Intelligence Agency (CIA)	6	1	7	6	1	7	2	0	2
National Science & Technology Council (NSTC)	1	0	1	1	0	1	0	0	0
UN Iraq/Kuwait Observation Mission (UNIKOM)	2	0	2	2	0	2	2	0	2
US Military Observer Group (USMOG), Washington	1	0	1	1	0	1	1	0	1
Department of Health & Human Services (DHHS)	0	0	0	1	0	1	0	0	0
Law Enforcement SP (LESP)	0	0	0	0	3	3	0	3	3
Subtotal Nonreimbursable Personnel	80	30	110	69	28	97	51	25	76
<u>Reimbursable Personnel:</u>									
American Battle Monuments Commission	2	0	2	1	0	1	1	0	1
Office of Science & Technology Policy	2	0	2	1	0	1	0	0	0
Central Intelligence Agency	8	2	10	7	3	10	6	3	9
Department of Transportation	14	0	14	12	1	13	10	0	10
NASA	5	0	5	34	1	35	33	1	34
SGNASA	0	0	0	1	0	1	1	0	1
Vice Commander (CV)	0	0	0	1	0	1	1	0	1
Exec Office of the President (WHMO)	0	1	1	0	1	1	0	1	1
Department of Energy (DOE)	1	0	1	1	0	1	0	0	0
Program Management (PM)	0	1	1	0	1	1	0	1	1
Department of State (DOS)	14	0	14	8	0	8	4	0	4
Subtotal Reimbursable Personnel	46	4	50	66	7	73	56	6	62
Total Outside DoD	126	34	160	135	35	170	107	31	138

	FY 2001 Actual			FY 2002 Estimate			FY 2003 Estimate		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
Assigned to DoD Activities in Support of Non-DoD Functions:									
NASA	35	1	36	34	1	35	34	1	35
Foreign Military Sales	196	670	866	266	771	1,037	260	762	1,022
Subtotal Non-DoD Functions	231	671	902	300	772	1,072	294	763	1,057
Assigned to DoD Activities in Support of DoD Functions:									
Working Capital Fund (WCF):									
Information Services Activity Group (ISAG)	205	713	918	262	889	1,151	261	877	1,138
HQ US Transportation Command (TRANSCOM)	96	32	128	97	33	130	97	33	130
Military Traffic Management Command (MTMC)	8	0	8	8	0	8	8	0	8
Defense Courier Service (DCS)	11	88	99	11	100	111	11	100	111
Defense Commissary Agency (DeCA)	4	1	5	2	1	3	2	1	3
Defense Finance & Accounting Service (DFAS)	34	649	683	33	538	571	33	494	527
Defense Information Systems Agency (DISA)	9	38	47	9	8	17	9	8	17
Defense Logistics Agency (DLA)	119	39	158	138	33	171	138	33	171
Depot Maintenance Activity Group (DMAG)	78	141	219	78	148	226	78	148	226
Supply Management Activity Group (SMAG)	25	24	49	45	16	61	45	16	61
Subtotal Working Capital Fund	589	1,725	2,314	683	1,766	2,449	682	1,710	2,392
Total - Reimbursable	866	2,400	3,266	1,049	2,545	3,594	1,032	2,479	3,511
Total - Nonreimbursable	80	30	110	69	28	97	51	25	76
Grand Total	946	2,430	3,376	1,118	2,573	3,691	1,083	2,504	3,587

REIMBURSABLE PROGRAM
DEPARTMENT OF THE AIR FORCE
(Amount in Thousands)

	<u>FY 2001 Actual</u>	<u>FY 2002 Estimate</u>	<u>FY 2003 Estimate</u>
<u>SUBSISTENCE</u>	\$26,032	\$26,049	\$26,500
<u>NON-STRENGTH RELATED:</u>			
Medical	1,271	1,274	1,301
Other Non-Strength Training Cases	24,119	24,185	24,790
SUBTOTAL	\$25,390	\$25,459	\$26,091
<u>STRENGTH RELATED:</u>			
Officer - Basic Pay	51,891	52,347	54,199
- Other Pay and Allowances	14,251	15,150	16,666
Enlisted - Basic Pay	41,861	39,859	36,904
- Other Pay and Allowances	1,420	2,271	7,225
Retired Pay Accrual	27,751	27,938	24,963
Health Care Accrual	0	0	250,007
PCS Travel	1,319	1,363	1,402
SUBTOTAL	\$138,493	\$138,928	\$391,366
TOTAL PROGRAM	\$189,915	\$190,436	\$443,957