

DEPARTMENT OF THE AIR FORCE

**Fiscal Year (FY) 2005 Budget Estimates
February 2004**



MILITARY PERSONNEL APPROPRIATION

**MILITARY PERSONNEL, AIR FORCE
ACTIVE FORCES
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SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(Amount in Thousands)

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
<u>Direct Program</u>			
Pay and Allowances of Officers	7,895,222	7,169,664	7,652,060
Pay and Allowances of Enlisted	15,397,384	13,826,696	14,888,009
Pay and Allowances of Cadets	49,821	50,362	51,398
Subsistence of Enlisted Personnel	1,070,729	822,044	864,350
Permanent Change of Station Travel	1,002,381	976,484	988,048
Other Military Personnel Programs	95,334	65,918	66,946
TOTAL DIRECT PROGRAM	25,510,871	22,911,168	24,510,811
<u>Reimbursable Program</u>			
Pay and Allowances of Officers	262,542	256,955	263,990
Pay and Allowances of Enlisted	153,556	96,771	87,964
Subsistence of Enlisted Personnel	26,500	27,292	28,114
Permanent Change of Station Travel	1,402	1,433	1,464
TOTAL REIMBURSABLE PROGRAM	444,000	382,451	381,532
<u>Total Baseline Program</u>			
Pay and Allowances of Officers	8,157,764	7,426,619	7,916,050
Pay and Allowances of Enlisted Personnel	15,550,940	13,923,467	14,975,973
Pay and Allowances of Cadets and Midshipmen	49,821	50,362	51,398
Subsistence of Enlisted Personnel	1,097,229	849,336	892,464
Permanent Change of Station Travel	1,003,783	977,917	989,512
Other Military Personnel Costs	95,334	65,918	66,946
TOTAL BASELINE PROGRAM FUNDING	25,954,871	23,293,619	24,892,343
<u>FY 2004 Supplemental Adjustment</u>			
Officer Supplemental		917,090	
Enlisted Supplemental		2,208,610	
Subsistence Supplemental		229,000	
PCS Supplemental		0	
Other Supplemental		30,000	
TOTAL SUPPLEMENTAL ADJUSTMENT		3,384,700	
<u>Total Program</u>			
Pay and Allowances of Officers	8,157,764	8,343,709	7,916,050
Pay and Allowances of Enlisted	15,550,940	16,132,077	14,975,973
Pay and Allowances of Cadets	49,821	50,362	51,398
Subsistence of Enlisted Personnel	1,097,229	1,078,336	892,464
Permanent Change of Station Travel	1,003,783	977,917	989,512
Other Military Personnel Programs	95,334	95,918	66,946
TOTAL PROGRAM	25,954,871	26,678,319	24,892,343

FY 2003 includes \$3,363,400 from Supplemental Appropriations for Operations Noble Eagle, Enduring Freedom and Iraqi Freedom.

SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(Amount in Thousands)

LEGISLATIVE PROPOSALS:

The following legislative proposals are included in the above estimate and submitted for FY 2005.

<u>PROPOSAL</u>	<u>FY 2005</u>
Mod 25 Yrs AD Limit for Recpt of Critical Skills Retention Bonus	100
Reimb for Student Dependent Trvl Lodging Costs	*
Child Only Survivor Benefit Plan (SBP)	890
Military Personnel, AF	990

* Less than \$50,000

SECTION 2

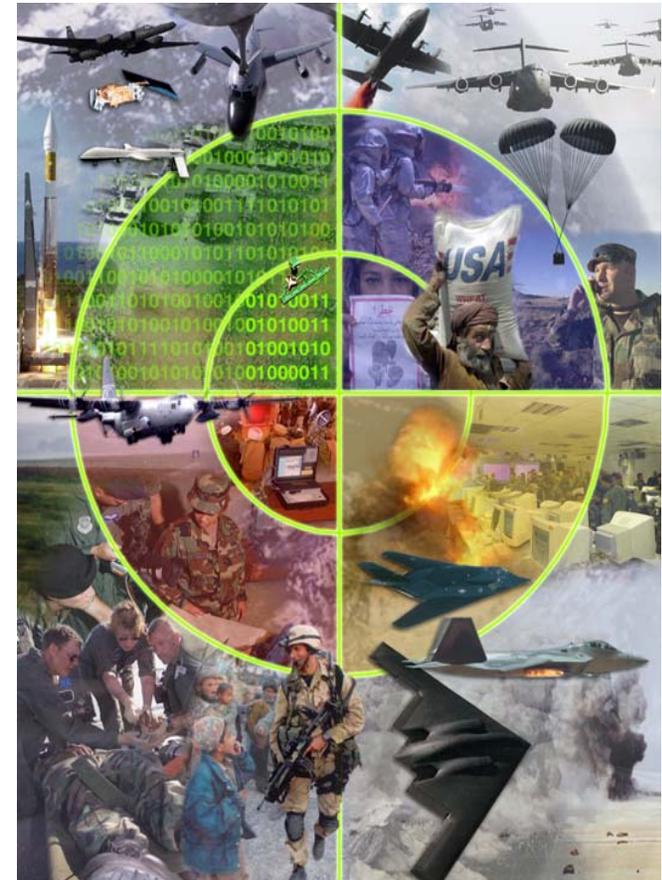
INTRODUCTORY STATEMENT

SECTION II INTRODUCTORY STATEMENT

The Military Personnel Appropriation, Air Force Active Forces, 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 and Defense Health Program accrual are 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. During FY 2003, 4,371 officer and 20,061 enlisted workyears were funded for mobilized Air Reserve Component (ARC) personnel in support of Operations Noble Eagle and Enduring Freedom. Our budget in FY 2004 includes 3,550 officer and 16,175 enlisted workyears funded for mobilized Air Reserve Component (ARC) personnel in support of Operations Noble Eagle, Enduring Freedom and Iraqi Freedom.

The Air Force programmed end strength in FY 2005 of 359,700 is an increase of 400 above the FY 2004 level of 359,300. This increase is the result of additional Special Operations personnel added during the FY 2003 and FY 2004 program/budget reviews. By the end of FY 2005 our

military end strength will have declined by a total of 37% from our FY 1989 endstrength of 570,880.



The Air Force is committed to meeting end strength goals. As a result of stop-loss actions associated with the Global War on Terrorism (GWOT) and unprecedented retention levels, the Air Force exceeded their FY 2003 authorized end strength level of 359,000 by 16,062 (4.5 percent). This over execution above the standard 2 percent flexibility was permissible because the President had invoked section 123(a) U.S.C. Title 10. While



the Air Force has ended all stop-loss actions, they anticipate ending FY 2004 at 16,659 over the target end strength of 359,300 using these forces to support the GWOT.

We are meeting our recruiting goals and are using Enlistment Bonus to encourage the right number and kinds of recruits to enter the Air Force. We have programmed \$63.9M in FY 2005 for this program, down from \$95.5M in FY 2003 and \$72.2M in FY 2004.

The Selective Reenlistment Bonus program is the key to retaining our highly trained enlisted personnel in the right skills. We have budgeted \$250.6M for FY 2005 (this includes new and anniversary payments due to previous years reenlistees). 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 rated manning shortfalls. In 2005, we plan to continue to use ACP. The FY 2004 and FY 2005 budgets include funding for Critical Skills Retention Bonus (CSRB) anniversary payments only. The FY01 National Defense Authorization Act (NDAA) included CSRBs to encourage individuals in critical skills to remain in the Air Force; the FY02 NDAA included CSRBs to encourage highly technical, highly marketable skills, i.e. scientists and engineers (S&Es) to continue as Air Force officers.

President's Management Plan - Performance Metrics. The Air Force is actively implementing the President's Management Agenda initiative of performance-based measures in the Military Personnel Appropriation budget process. Areas measured include end strength, recruiting and retention.

FISCAL YEARS 2004 and 2005



Program Levels. The FY 2004 end strength is projected to be 375,959 with 408,209 workyears. This includes 45,585 workyears funded by the FY04 Supplemental in support of the Global War on Terrorism (GWOT). FY 2005 end strength is projected to be 359,700 with 367,112 workyears. Workyear estimates reflect monthly gain and loss patterns and include man-days for Air Force Guard and Reserve support to active peacetime missions but do not include workyears associated with mobilization. FY 2000 NDAA changed the day on which the 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, Jun 1 for FY 2004 and May 31 for FY 2005. 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 2004 budget is \$26,678,319 and includes \$3,384,700 in GWOT supplemental funding. It also includes \$382,451 in anticipated reimbursements. The FY 2005 budget is \$24,892,343 and includes no GWOT funding or requirements. It also includes \$381,532 in anticipated reimbursements. Reimbursement changes reflect strength changes in several defense wide activities and the Defense Health Program.

Baseline Budget Rates. The Retired Pay Accrual normal cost percentages is 27.1% for FY 2004 and 27.5% for FY 2005. The pay raise for FY 2004 is 4.1% on average and 3.5% for FY 2005. Starting 1 January 2002, BAS changed to a monthly rate and is increased annually based on increases to the US Department of Agriculture food costs. The FY 2004 BAH rates include an average increase of 3.0% based upon the most recent housing survey data. In addition, the budget continues reducing the out-of-pocket housing costs of military members from 7.5% in FY 2003, to 3.5% in FY04 and 0% in FY 2005. Inflation rates are 1.3% for FY 2004 and FY 2005.



MILITARY PERSONNEL, AIR FORCE
Fiscal Year (FY) 2005 President's Budget
Performance Measures and Evaluation Summary

Activity: Active Military Personnel

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

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

PERFORMANCE MEASURES:

	<u>FY 2003 Actual</u>	<u>FY 2004 Planned</u>	<u>FY 2005 Planned</u>
Average Strength	404,637*	408,209*	367,112
End Strength	375,062	375,959	359,700
Authorized End Strength	359,000	359,300	

The Air Force is committed to meeting end strength goals. As a result of stop-loss actions associated with the Global War on Terrorism (GWOT) and unprecedented retention levels, the Air Force exceeded their FY 2003 authorized end strength level of 359,000 by 16,062 (4.5 percent). This over execution above the standard 2 percent flexibility was permissible because the President had invoked section 123(a) U.S.C. Title 10. While the Air Force has ended all stop-loss actions, they anticipate ending FY 2004 at 16,659 over the target end strength of 359,300 using these forces to support the GWOT.

* Includes mobilized forces

Recruiting

1. Numeric goals	37,000	37,000	35,600
Actual	37,144		
2. Quality goals			
a. High School Degree Graduate (HSDG)			
Goal	99%	99%	99%
Actual	99%		
b. Cat I-IIIa			
Goal	80%	80%	80%
Actual	80%		

Historically the Air Force has been able to maintain 99% HSDGs and 80% Cat I-IIIa, therefore we continue to program at the higher rate. It makes sense as long as the Air Force can attract these high quality individuals it is best to do so. DoD goals: minimum 90% HSDG; 60% minimum Cat 1 – IIIa.

SECTION 3

SUMMARY TABLES

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

	<u>FY 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	<u>Workyears</u>	<u>End Strength</u>	<u>Workyears</u>	<u>End Strength</u>	<u>Workyears</u>	<u>End Strength</u>
<u>Direct Program</u>						
Officers	79,016	72,979	70,011	68,551	70,561	68,448
Enlisted	318,240	295,255	285,465	283,855	289,825	284,887
Cadets	4,037	4,085	4,029	4,000	4,097	4,000
TOTAL DIRECT PROGRAM	401,293	372,319	359,505	356,406	364,483	357,335
<u>Reimbursable Program</u>						
Officers	849	779	899	949	899	852
Enlisted	2,495	1,964	2,220	1,945	1,730	1,513
Cadets	0	0	0	0	0	0
TOTAL REIMBURSABLE PROGRAM	3,344	2,743	3,119	2,894	2,629	2,365
<u>Total Program</u>						
Officers	79,865	73,758	70,910	69,500	71,460	69,300
Enlisted	320,735	297,219	287,685	285,800	291,555	286,400
Cadets	4,037	4,085	4,029	4,000	4,097	4,000
TOTAL PROGRAM	404,637	375,062	362,624	359,300	367,112	359,700
<u>FY 2004 Emergency Supplemental</u>						
Officers	0	0	8,614	3,841	0	0
Enlisted	0	0	36,971	12,818	0	0
FY 2004 SUPPLEMENTAL FUNDED STRENGTH	0	0	45,585	16,659	0	0
<u>Revised Total Program</u>						
Officers	79,865	73,758	79,524	73,341	71,460	69,300
Enlisted	320,735	297,219	324,656	298,618	291,555	286,400
Cadets	4,037	4,085	4,029	4,000	4,097	4,000
REVISED TOTAL PROGRAM	404,637	375,062	408,209	375,959	367,112	359,700

1/ FY 2003 AVERAGE STRENGTH INCLUDES 4,371 OFFICER AND 20,061 ENLISTED MOBILIZED RESERVE COMPONENT PERSONNEL IN SUPPORT OF ONE/OEF/OIF
2/ FY 2004 AVERAGE STRENGTH INCLUDES 3,550 OFFICER AND 16,175 ENLISTED MOBILIZED RESERVE COMPONENT PERSONNEL OF ONE/OEF/OIF

**END STRENGTH BY GRADE
(TOTAL PROGRAM)**

	<u>FY 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	Total	Reimb Included	Total	Reimb Included	Total	Reimb Included
<u>Commissioned Officers</u>						
O-10 General	13	0	12	0	12	0
O-9 Lieutenant General	39	0	36	0	36	0
O-8 Major General	83	0	87	0	87	0
O-7 Brigadier General	139	0	139	0	139	0
O-6 Colonel	3,789	3	3,777	3	3,756	3
O-5 Lieutenant Colonel	10,683	49	10,207	59	10,199	53
O-4 Major	16,007	177	15,307	217	15,271	195
O-3 Captain	22,670	468	23,049	570	19,366	511
O-2 1st Lieutenant	9,636	27	11,026	33	11,340	30
O-1 2nd Lieutenant	10,699	55	9,701	67	9,094	60
Officer Subtotal	73,758	779	73,341	949	69,300	852

**END STRENGTH BY GRADE
(TOTAL PROGRAM)**

	<u>FY 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	Total	Reimb Included	Total	Reimb Included	Total	Reimb Included
<u>Enlisted Personnel</u>						
E-9 Chief Master Sergeant	2,857	0	2,858	0	2,865	0
E-8 Senior Master Sergeant	5,718	0	5,716	0	5,728	0
E-7 Master Sergeant	30,362	75	29,142	75	28,640	58
E-6 Technical Sergeant	46,000	231	45,728	230	45,824	179
E-5 Staff Sergeant	75,806	942	78,537	936	77,328	728
E-4 Senior Airman	52,477	377	53,098	374	57,280	291
E-3 Airman First Class	57,963	329	57,713	327	42,339	254
E-2 Airman	12,124	3	12,876	3	13,937	3
E-1 Airman Basic	13,912	7	12,950	0	12,459	0
Enlisted Subtotal	297,219	1,964	298,618	1,945	286,400	1,513
<u>Cadets</u>	4,085	0	4,000	0	4,000	0
TOTAL END STRENGTH	375,062	2,743	375,959	2,894	359,700	2,365

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.

**AVERAGE STRENGTH BY GRADE
(TOTAL PROGRAM)**

	<u>FY 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	Total	Reimb Included	Total	Reimb Included	Total	Reimb Included
<u>Commissioned Officers</u>						
O-10 General	13	0	12	0	12	0
O-9 Lieutenant General	39	0	37	0	36	0
O-8 Major General	92	1	90	1	89	1
O-7 Brigadier General	157	2	157	2	142	2
O-6 Colonel	4,124	44	4,120	47	3,971	50
O-5 Lieutenant Colonel	12,247	130	11,788	133	10,578	133
O-4 Major	19,548	208	18,863	213	16,009	202
O-3 Captain	23,271	247	23,778	269	20,169	254
O-2 1st Lieutenant	9,600	102	10,716	121	11,537	145
O-1 2nd Lieutenant	10,774	115	9,963	113	8,917	112
Officer Subtotal	79,865	849	79,524	899	71,460	899
<u>Enlisted Personnel</u>						
E-9 Chief Master Sergeant	3,456	27	3,393	23	2,880	17
E-8 Senior Master Sergeant	7,091	55	7,125	49	5,847	35
E-7 Master Sergeant	36,167	281	34,725	237	28,891	171
E-6 Technical Sergeant	53,527	416	53,522	366	43,776	260
E-5 Staff Sergeant	80,409	626	83,925	574	71,933	427
E-4 Senior Airman	56,161	437	61,427	420	59,948	356
E-3 Airman First Class	57,099	444	56,582	387	54,314	322
E-2 Airman	12,280	96	10,657	73	11,262	67
E-1 Airman Basic	14,545	113	13,300	91	12,704	75
Enlisted Subtotal	320,735	2,495	324,656	2,220	291,555	1,730
<u>Cadets</u>	4,037	0	4,029	0	4,097	0
TOTAL WORKYEARS	404,637	3,344	408,209	3,119	367,112	2,629

ACTIVE DUTY STRENGTHS BY MONTHS

	FY 2003				FY 2004				FY 2005			
	Officers	Enlisted	Cadets	Total	Officers	Enlisted	Cadets	Total	Officers	Enlisted	Cadets	Total
September	72,032	292,061	4,158	368,251	73,758	297,219	4,085	375,062	73,341	298,618	4,179	376,138
October	71,785	292,388	4,141	368,314	73,510	297,661	4,061	375,232	72,887	286,106	4,161	363,154
November	71,709	291,959	4,119	367,787	73,246	298,108	4,051	375,405	72,772	286,217	4,148	363,137
December	71,673	291,893	4,082	367,648	72,981	299,165	4,036	376,182	70,477	286,435	4,108	361,020
January	71,582	291,910	4,041	367,533	72,929	299,489	4,018	376,436	68,285	286,607	4,077	358,969
February	71,542	292,045	4,023	367,610	72,703	299,536	4,006	376,245	68,479	286,648	4,059	359,186
March	71,447	292,765	4,010	368,222	72,412	300,568	3,999	376,979	68,248	286,848	4,049	359,145
April	71,584	293,272	3,990	368,846	72,204	300,727	3,991	376,922	68,193	286,744	4,037	358,974
May	72,761	294,241	2,964	369,966	73,147	300,775	2,996	376,918	69,162	286,809	3,085	359,056
June	73,803	295,093	4,220	373,116	74,029	300,953	4,266	379,248	70,018	286,877	4,341	361,236
July	73,683	296,707	4,138	374,528	73,891	300,022	4,219	378,132	69,815	286,641	4,264	360,720
August	73,746	296,830	4,097	374,673	73,731	299,947	4,190	377,868	69,655	286,630	4,222	360,507
September	73,758	297,219	4,085	375,062	73,341	298,618	4,179	376,138	69,300	286,400	4,207	359,907
Workyears	79,865	320,735	4,037	404,637	79,524	324,656	4,029	408,209	71,460	291,555	4,097	367,112

MPA MAN-DAY PROGRAM

MAN-DAY Workyears	6,842	27,027	0	33,869	7,067	28,387	0	35,454	1,800	5,000	0	6,800
\$M	649,600	1,427,100	0	2,076,700	698,400	1,560,300	0	2,258,700	184,100	284,400	0	468,500

*FY03 includes 4,371 officer and 20,061 enlisted workyears for mobilization.

**FY04 includes 3,550 officer and 16,175 enlisted workyears for mobilization.

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.

**GAINS AND LOSSES BY SOURCE AND TYPE
OFFICERS**

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Beginning Strength	72,032	73,758	73,341
Gains (By Source):			
Service Academies	981	974	908
ROTC	2,415	2,468	2,468
Health Professions Scholarships	401	330	332
Officer Training School	1,526	1,000	1,000
Other	1,225	1,023	1,016
Gain Adjustment	215	0	0
Total Gains	6,763	5,795	5,724
Losses (By Type):			
Voluntary Separation	1,996	2,528	6,341
Retirement	2,568	3,034	2,900
Involuntary	316	343	218
With Pay	167	315	183
Without Pay	149	28	35
VSI/SSB	0	0	0
15 Year Retirement	0	0	0
Reduction in Force	0	0	0
Other	157	307	306
Loss Adjustment	0	0	0
Total Losses	5,037	6,212	9,765
TOTAL	73,758	73,341	69,300

**GAINS AND LOSSES BY SOURCE AND TYPE
ENLISTED**

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Beginning Strength	292,061	297,219	298,618
Gains (By Source):			
Non Prior Service Enlistments	36,128	36,513	35,000
Male	27,464	27,775	25,900
Female	8,664	8,738	9,100
Prior Service Enlistments	1,016	487	600
Reenlistments	39,258	39,975	40,090
Reserves	50	50	50
Officer Candidate Programs	1,578	825	825
Other	230	230	530
Gain Adjustments	0	0	0
Total Gains	78,260	78,080	77,095
Losses (By Type):			
ETS	8,381	13,203	25,294
Programmed Early Release	0	0	0
VSI/SSB	0	0	0
15 Year Retirement	0	0	0
To Commissioned Officer	1,700	1,000	1,000
Reenlistments	39,258	39,975	40,090
Retirement	11,376	10,033	10,536
Attrition	12,387	12,470	12,393
Other	0	0	0
Loss Adjustments	0	0	0
Total Losses	73,102	76,681	89,313
TOTAL	297,219	298,618	286,400

**GAINS AND LOSSES BY SOURCE AND TYPE
CADETS**

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Beginning Strength	4,158	4,085	4,179
Gains:	1,305	1,311	1,311
Losses:	1,378	1,217	1,283
Graduates	983	970	908
Attrition	395	247	375
TOTAL	4,085	4,179	4,207

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.

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(Amount in Thousands)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
1. Basic Pay	4,432,839	8,097,013	12,529,852	4,524,298	8,505,935	13,030,233	4,205,163	7,685,649	11,890,812
1a. Army Security	45,450	242,333	287,783	30,528	238,069	268,597	0	0	0
2. Retired Pay Accruals	1,214,598	2,218,582	3,433,180	1,226,084	2,305,108	3,531,192	1,156,421	2,113,554	3,269,975
2a. DHP Accrual (over 65)	307,183	1,260,553	1,567,736	319,027	1,323,812	1,642,839	374,546	1,554,279	1,928,825
3. Basic Allowance for Housing	910,751	1,947,735	2,858,486	938,221	1,946,130	2,884,351	976,064	2,034,706	3,010,770
a. With Dependents - Domestic	592,766	1,099,729	1,692,495	628,396	1,134,348	1,762,744	674,854	1,218,323	1,893,177
b. Without Dependents - Domestic	227,849	570,124	797,973	234,102	588,024	822,126	227,352	595,119	822,471
c. Substd Family Housing - Domestic	0	0	0	0	0	0	0	0	0
d. Partial - Domestic	209	8,241	8,450	223	8,647	8,870	210	8,593	8,803
e. With Dependents - Overseas	59,714	149,018	208,732	51,016	117,725	168,741	50,330	117,119	167,449
f. Without Dependents - Overseas	30,213	120,623	150,836	24,484	97,386	121,870	23,318	95,552	118,870
4. Subsistence	159,091	1,097,229	1,256,320	165,092	1,078,336	1,243,428	153,282	892,464	1,045,746
a. Basic Allowance for Subsistence	159,091	831,094	990,185	165,092	841,930	1,007,022	153,282	717,436	870,718
1. Authorized to Mess Separately	159,091	809,661	968,752	165,092	831,293	996,385	153,282	723,375	876,657
2. Rations-In-Kind Not Available	0	129,745	129,745	0	127,106	127,106	0	107,402	107,402
3. Augmentation for Separate Meals	0	984	984	0	987	987	0	858	858
4. Less Collections (Recoupment)	0	109,296	109,296	0	117,456	117,456	0	114,199	114,199
b. Subsistence-In-Kind	0	265,032	265,032	0	235,191	235,191	0	173,774	173,774
1. Subsistence in Messes	0	191,971	191,971	0	174,011	174,011	0	146,830	146,830
2. Operational Rations	0	57,470	57,470	0	51,573	51,573	0	20,932	20,932
3. Augmentation Rations	0	15,591	15,591	0	9,607	9,607	0	6,012	6,012
c. Family Supplemental Subsistence Allowance	0	1,103	1,103	0	1,215	1,215	0	1,254	1,254
5. Incentive - Hazardous Duty - Aviation Career Pay	331,847	41,223	373,070	348,047	41,967	390,014	333,678	34,889	368,567
a. Flying Duty Pay	330,863	31,087	361,950	347,063	31,681	378,744	332,694	26,591	359,285
1. Aviation Career, Officers	131,314	0	131,314	136,854	0	136,854	133,465	0	133,465
2. Crew Members, Enlisted	0	2,781	2,781	0	2,816	2,816	0	2,321	2,321
3. Noncrew Member	1,039	360	1,399	1,039	720	1,759	1,039	720	1,759
4. Aviation Continuation Pay	198,510	0	198,510	209,170	0	209,170	198,190	0	198,190
5. Career Enlisted Flyer Pay	0	27,946	27,946	0	28,145	28,145	0	23,550	23,550
b. Parachute Jumping Pay	194	976	1,170	194	1,080	1,274	194	1,080	1,274
c. Demolition Pay	173	3,605	3,778	173	3,605	3,778	173	2,754	2,927
d. Other Pays	617	5,555	6,172	617	5,601	6,218	617	4,464	5,081
6. Special Pays	251,661	474,817	726,478	245,374	410,765	656,139	223,726	403,043	626,769
a. Medical Pay	139,578	0	139,578	143,899	0	143,899	147,090	0	147,090
b. Dental Pay	25,048	0	25,048	28,178	0	28,178	28,197	0	28,197

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(Amount in Thousands)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
c. Optometrists Pay	965	0	965	986	0	986	1,015	0	1,015
d. Veterinarians Pay	248	0	248	256	0	256	256	0	256
e. Board Certified Pay Non-Physician	4,427	0	4,427	4,256	0	4,256	3,732	0	3,732
f. Nurses Pay	4,311	0	4,311	5,817	0	5,817	5,576	0	5,576
g. Sea and Foreign Duty, Total	0	533	533	0	120	120	0	58	58
1. Sea Duty	0	5	5	0	5	5	0	4	4
2. Duty at Certain Places	0	526	526	0	113	113	0	52	52
3. Overseas Extension Pay	0	2	2	0	2	2	0	2	2
h. Diving Duty Pay	182	1,145	1,327	182	1,158	1,340	166	1,041	1,207
i. Foreign Language Proficiency Pay	3,446	7,234	10,680	3,432	7,322	10,754	3,137	6,576	9,713
j. Hostile Fire Pay	17,906	78,170	96,076	17,886	79,126	97,012	4,928	44,588	49,516
k. Responsibility Pay	2,551	0	2,551	2,200	0	2,200	2,200	0	2,200
l. Hardship Duty Pay	2,718	16,122	18,840	2,706	15,740	18,446	853	5,405	6,258
m. Judge Advocate Continuation Pay	2,321	0	2,321	5,576	0	5,576	4,576	0	4,576
n. Reenlistment Bonus	0	246,653	246,653	0	204,146	204,146	0	250,558	250,558
1. Selective	0	246,653	246,653	0	204,146	204,146	0	250,558	250,558
o. Special Duty Assignment Pay	0	26,662	26,662	0	28,929	28,929	0	28,929	28,929
p. Enlistment Bonus	0	95,457	95,457	0	72,224	72,224	0	63,888	63,888
q. Other Special Pay	47,960	2,841	50,801	30,000	2,000	32,000	22,000	2,000	24,000
7. Allowances	103,835	486,673	590,508	98,407	491,799	590,206	76,783	452,134	528,917
a. Uniform or Clothing Allowances	4,089	123,858	127,947	3,508	125,651	129,159	3,463	118,216	121,679
1. Initial Issue	2,736	45,519	48,255	2,349	45,560	47,909	2,318	44,309	46,627
1a. Military	2,705	43,634	46,339	2,318	43,628	45,946	2,290	42,552	44,842
1b. Civilian	31	1,885	1,916	31	1,932	1,963	28	1,757	1,785
2. Additional	1,353	0	1,353	1,159	0	1,159	1,145	0	1,145
3. Basic Maintenance	0	15,947	15,947	0	16,115	16,115	0	15,706	15,706
4. Standard Maintenance	0	59,805	59,805	0	61,324	61,324	0	55,788	55,788
5. Supplemental	0	2,587	2,587	0	2,652	2,652	0	2,413	2,413
6. Civilian Clothing Maintenance	0	0	0	0	0	0	0	0	0
b. Station Allowance Overseas	82,862	294,113	376,975	78,045	296,541	374,586	64,304	287,090	351,394
1. Cost-of-Living	72,327	258,168	330,495	68,173	260,327	328,500	56,156	223,269	279,425
2. Moving-In Housing	2,529	9,129	11,658	2,390	9,247	11,637	1,969	9,280	11,249
3. Temporary Lodging	8,006	26,816	34,822	7,482	26,967	34,449	6,179	54,541	60,720
c. Family Separation Allowance	14,437	67,256	81,693	14,387	68,124	82,511	5,084	35,167	40,251
1. On PCS, No Government Quarters	1,495	5,330	6,825	1,502	5,442	6,944	714	4,754	5,468
2. On PCS, Dependents Not Authorized	2,019	15,618	17,637	2,010	15,810	17,820	997	7,209	8,206
3. On TDY	10,923	46,308	57,231	10,875	46,872	57,747	3,373	23,204	26,577
d. Personal Money Allowance, General Officers	58	0	58	58	0	58	54	0	54
e. CONUS Cost of Living Allowance	2,389	1,446	3,835	2,409	1,483	3,892	3,878	11,661	15,539

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(Amount in Thousands)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
8. Separation Payments	63,063	135,589	198,652	104,893	95,788	200,681	96,728	109,767	206,495
a. Terminal Leave Pay	15,747	23,995	39,742	17,739	25,237	42,976	24,726	32,265	56,991
b. Severance Pay, Disability	1,142	11,730	12,872	1,380	9,856	11,236	1,421	10,216	11,637
c. Severance Pay, Non-Promotion	9,118	0	9,118	18,817	0	18,817	10,467	0	10,467
d. Severance Pay, Involuntary Half (5%)	112	2,164	2,276	87	2,030	2,117	89	2,099	2,188
e. Severance Pay, Involuntary Full (10%)	113	6,517	6,630	1,808	6,527	8,335	1,863	6,749	8,612
f. VSI Trust Fund	31,262	9,338	40,600	21,362	6,438	27,800	24,862	7,538	32,400
g. \$30,000 Lump Sum Bonus	5,569	81,845	87,414	43,700	45,700	89,400	33,300	50,900	84,200
9. Special Compensation - Combat-Related Disabled	0	27,000	27,000	0	122,000	122,000	0	0	0
10. Social Security Tax Payment	337,446	619,422	956,868	343,738	650,704	994,442	319,659	587,952	907,611
11. Permanent Change of Station Travel	341,987	661,796	1,003,783	327,611	650,306	977,917	354,069	635,443	989,512
12. Other Military Personnel Costs	11,959	83,375	95,334	9,574	86,344	95,918	6,937	60,009	66,946
a. Apprehension of Deserters	2	98	100	2	98	100	2	98	100
b. USSD (MIA)	131	464	595	131	464	595	131	464	595
c. Death Gratuities	306	1,194	1,500	612	2,376	2,988	600	2,364	2,964
d. Unemployment Compensation	0	52,643	52,643	0	61,069	61,069	0	29,044	29,044
e. Survivor Benefits	1,015	1,774	2,789	1,171	2,007	3,178	1,386	2,623	4,009
f. Education Benefits	2,096	2,045	4,141	2,096	2,045	4,141	2,096	2,045	4,141
g. Adoption Reimbursement	500	300	800	500	300	800	500	300	800
h. Special Compensation for Retirees	5,673	13,236	18,909	2,820	6,580	9,400	0	0	0
i. Mass Transit	2,236	7,152	9,388	2,242	7,294	9,536	2,222	7,259	9,481
j. Partial Dislocation Allowance	0	4,469	4,469	0	4,111	4,111	0	15,812	15,812
13. Cadets	49,821	0	49,821	50,362	0	50,362	51,398	0	51,398
<u>Military Personnel Appropriation Total</u>	8,561,531	17,393,340	25,954,871	8,731,256	17,947,063	26,678,319	8,328,454	16,563,889	24,892,343
14. Less Reimbursables:	263,243	180,757	444,000	257,672	124,779	382,451	264,722	116,810	381,532
Retired Pay Accrual	30,357	27,063	57,420	24,604	19,589	44,193	26,827	17,624	44,451
Other	232,886	153,694	386,580	233,068	105,190	338,258	237,895	99,186	337,081
MILITARY PERSONNEL									
APPROPRIATION TOTAL-DIRECT	8,298,288	17,212,583	25,510,871	8,473,584	17,822,284	26,295,868	8,063,732	16,447,079	24,510,811

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL - AIR FORCE
FY 2004
(Amount in Thousands)

	<u>FY 2004 PRESIDENT'S BUDGET</u>	<u>CONGRESSIONAL ACTIONS</u>	<u>SUPPLEMENTAL</u>	<u>AVAILABLE APPROPRIATION</u>	<u>INTERNAL REALIGNMENT/ REPROGRAMMING</u>	<u>SUBTOTAL</u>	<u>OTHER PRICE/ PROGRAM CHANGES</u>	<u>FY 2004 COLUMN FY 2005 REQUEST</u>
<u>PAY AND ALLOWANCES OF OFFICERS</u>								
Basic Pay	3,791,072	-22,988	598,334	4,366,418	-74,471	4,291,947	0	4,291,947
Army Security	0	0	30,528	30,528	0	30,528	0	30,528
Retired Pay Accrual	1,055,418	0	162,149	1,217,567	-16,087	1,201,480	0	1,201,480
Defense Health Program Accrual	324,881	0	0	324,881	-5,854	319,027	0	319,027
Incentive Pay	309,672	-1,773	0	307,899	40,148	348,047	0	348,047
Special Pay	217,411	-1,245	8,783	224,949	20,483	245,432	0	245,432
Basic Allowance for Housing	889,300	-5,091	43,464	927,673	10,548	938,221	0	938,221
Basic Allowance for Subsistence	144,656	-828	22,000	165,828	-736	165,092	0	165,092
Station Allowances Overseas	53,682	-307	0	53,375	24,670	78,045	0	78,045
CONUS COLA	1,172	-7	0	1,165	1,244	2,409	0	2,409
Uniform Allowances	3,552	-20	0	3,532	-24	3,508	0	3,508
Family Separation Allowances	3,916	-22	6,060	9,954	4,433	14,387	0	14,387
Separation Payments	103,486	-592	0	102,894	1,999	104,893	0	104,893
Social Security Tax - Employer's Contribution	306,073	-1,752	45,772	350,093	-6,355	343,738	0	343,738
TOTAL DIRECT OBLIGATIONS	7,204,291	-34,627	917,090	8,086,754	0	8,086,754	0	8,086,754

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL - AIR FORCE
FY 2004
(Amount in Thousands)

	<u>FY 2004</u> <u>PRESIDENT'S</u> <u>BUDGET</u>	<u>CONGRESSIONAL</u> <u>ACTIONS</u>	<u>SUPPLEMENTAL</u>	<u>AVAILABLE</u> <u>APPROPRIATION</u>	<u>INTERNAL</u> <u>REALIGNMENT/</u> <u>REPROGRAMMING</u>	<u>SUBTOTAL</u>	<u>OTHER PRICE/</u> <u>PROGRAM</u> <u>CHANGES</u>	<u>FY 2004</u> <u>COLUMN</u> <u>FY 2005</u> <u>REQUEST</u>
<u>PAY AND ALLOWANCES OF ENLISTED</u>								
Basic Pay	7,259,788	-97,500	1,298,430	8,460,718	-31,965	8,428,753	0	8,428,753
Army Security	0	0	238,069	238,069	0	238,069	0	238,069
Retired Pay Accrual	1,983,870	0	351,874	2,335,744	-50,225	2,285,519	0	2,285,519
Defense Health Program Accrual	1,317,958	0	0	1,317,958	5,854	1,323,812	0	1,323,812
Incentive Pay	33,087	-1,201	0	31,886	10,081	41,967	0	41,967
Special Pay	55,108	-7,761	34,917	82,264	23,202	105,466	0	105,466
Special Duty Assignment Pay	28,929	0	0	28,929	0	28,929	0	28,929
Reenlistment Bonus	196,978	0	0	196,978	7,168	204,146	0	204,146
Enlistment Bonus	101,263	0	0	101,263	-29,039	72,224	0	72,224
Basic Allowance for Housing	1,898,484	-68,921	161,750	1,991,313	-45,183	1,946,130	0	1,946,130
Station Allowances Overseas	224,343	-8,144	0	216,199	80,342	296,541	0	296,541
CONUS COLA	927	-34	0	893	590	1,483	0	1,483
Clothing Allowances	120,491	-4,374	0	116,117	9,534	125,651	0	125,651
Family Separation Allowances	24,326	-3,881	24,240	44,685	23,439	68,124	0	68,124
Separation Payments	99,543	-3,614	0	95,929	-141	95,788	0	95,788
Special Compensation Combat-Related	122,000	0	0	122,000	0	122,000	0	122,000
Social Security Tax - Employer's Contribution	562,190	-7,459	99,330	654,061	-3,357	650,704	0	650,704
Total Direct Obligations Enlisted	14,029,285	-202,889	2,208,610	16,035,006	300	16,035,306	0	16,035,306
<u>PAY AND ALLOWANCES OF CADETS</u>								
Academy Cadets	50,362	0	0	50,362	0	50,362	0	50,362
<u>SUBSISTENCE OF ENLISTED PERSONNEL</u>								
Basic Allowance for Subsistence	713,180	0	176,000	889,180	-47,250	841,930	0	841,930
Subsistence-In-Kind	121,769	-14,120	53,000	160,649	47,250	207,899	0	207,899
Family Supplemental Subsistence Allowance	1,215	0	0	1,215	0	1,215	0	1,215
Total Direct Obligations Subsistence	836,164	-14,120	229,000	1,051,044	0	1,051,044	0	1,051,044

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL - AIR FORCE
FY 2004
(Amount in Thousands)

	<u>FY 2004</u> <u>PRESIDENT'S</u> <u>BUDGET</u>	<u>CONGRESSIONAL</u> <u>ACTIONS</u>	<u>SUPPLEMENTAL</u>	<u>AVAILABLE</u> <u>APPROPRIATION</u>	<u>INTERNAL</u> <u>REALIGNMENT/</u> <u>REPROGRAMMING</u>	<u>SUBTOTAL</u>	<u>OTHER PRICE/</u> <u>PROGRAM</u> <u>CHANGES</u>	<u>FY 2004</u> <u>COLUMN</u> <u>FY 2005</u> <u>REQUEST</u>
<u>PERMANENT CHANGE OF STATION TRAVEL</u>								
Accession Travel	82,417	0	0	82,417	6,310	88,727	0	88,727
Training Travel	83,402	0	0	83,402	-23	83,379	0	83,379
Operating Travel	163,607	0	0	163,607	-6,394	157,213	0	157,213
Rotational Travel	462,470	0	0	462,470	1,878	464,348	0	464,348
Separation Travel	115,238	0	0	115,238	-2,192	113,046	0	113,046
Travel of Organized Units	9,179	0	0	9,179	-1,255	7,924	0	7,924
Nontemporary Storage	25,039	0	0	25,039	600	25,639	0	25,639
Temporary Lodging Expense	35,132	0	0	35,132	1,076	36,208	0	36,208
Total Direct Obligations PCS	976,484	0	0	976,484	0	976,484	0	976,484
<u>OTHER MILITARY PERSONNEL COSTS</u>								
Apprehension Mil Deserters, Absentees, Prisoners	100	0	0	100	0	100	0	100
Interest on Uniformed Svcs Savings	595	0	0	595	0	595	0	595
Death Gratuities	1,494	1,500	0	2,994	-6	2,988	0	2,988
Unemployment Compensation	31,069	0	30,000	61,069	0	61,069	0	61,069
Survivor Benefits	3,178	0	0	3,178	0	3,178	0	3,178
Education Benefits	4,140	0	0	4,140	1	4,141	0	4,141
Adoption Expenses	800	0	0	800	0	800	0	800
Special Compensation for Retirees	9,400	0	0	9,400	0	9,400	0	9,400
Mass Transit	11,030	0	0	11,030	-1,494	9,536	0	9,536
Partial Dislocation Allowance	2,612	0	0	2,612	1,499	4,111	0	4,111
Total Direct Obligations Other	64,418	1,500	30,000	95,918	0	95,918	0	95,918
TOTAL DIRECT OBLIGATIONS	23,161,004	-250,136	3,384,700	26,295,568	300	26,295,868	0	26,295,868

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

FY 2004 DIRECT PROGRAM 26,295,868

Increases:

Defense Health Program Accrual		285,986
- Change in DHP rates	284,792	
- Change in DHP workyears	1,194	
Selective Reenlistment Bonus		46,412
- Change in rates for SRBs	13,978	
- Change in payments for SRBs	32,434	
Housing Allowances		126,419
- Change in workyears for Housing Allowance	20,221	
- Changes in rates for Housing Allowance	106,198	
Subsistence		425
- Rate Increase for Cadets (\$6.05-\$6.25 per day)	275	
- Change in workyears Subsistence	150	
Travel of Military Member and Family		235
- Increase in Separation Travel	235	
Trailer Allowance and Nontemporary Storage		2,504
- Change in number of trailer movements	171	
- Change in Nontemporary Storage requirements	2,333	
Transp Household Goods (HHG)/Port Handling Charges		15,564
- Change in Port Handling charges	37	
- Change in Transportation of Household goods	15,527	

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Partial Dislocation Allowance		11,701
-Increase local moves	11,701	
Survivors' Benefit		831
- Increase based on Dept of VA estimates	831	
CONUS COLA		11,647
- Change in rates for CONUS COLA	552	
- Change in workyears for CONUS COLA	11,095	
Separations		5,814
- Changes to the \$30K Lump Sum Bonus Prgrm	-5,200	
- 1 Jan 05 pay raise of 3.5% effect on Separation	2,299	
- Annualization of 1 Jan 04 4.1% on Separation	889	
- Change in involuntary separation payments	-4,797	
- Change in LSTL payments	12,623	
Family Subsistence Supplemental Allowance (FSSA)		39
- Change in number of payments	39	
Reimbursements		919
- Change in reimbursements	919	
Total Increases		507,577
 <u>Decreases:</u>		
Basic Pay		-1,138,728
- 1 Jan 05 pay raise of 3.5% effect on Basic Pay	304,465	
- Annualized 1 Jan 04 pay raise of 4.1% on Bsc Pay	152,338	
- Changes in workyears/longevity for Basic Pay	-1,595,531	

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Army Security		-268,597
- Cessation of Army Security Support	-268,597	
Retired Pay Accrual		-261,217
- 1 Jan 05 pay raise of 3.5% effect on RPA	83,642	
- Annualization of 1 Jan 04 raise of 4.1 % on RPA	32,329	
- Change in workyears/longevity for RPA	-423,064	
- Change in RPA rate from 27.1% to 27.5%	45,876	
Social Security (FICA)		-86,913
- 1 Jan 05 pay raise of 3.5% effect on FICA	23,215	
- Annualization of 1 Jan 04 4.1% on FICA	8,974	
- Change in workyears/longevity for FICA	-119,102	
Incentive Pay		-21,447
- Change in WYs for Flying Duty Pay	-495	
- Change in WYs for Career Enlist Flyer Incent Pay	-4,595	
- Change in WYs for Demolition	-851	
- Change in WYs for Experimental Stress	-621	
- Change in WYs for Toxic Fuel Handler	-437	
- Change in WYs for Hazardous Bio Org	-79	
- Aviation Incentive Pay Changes in Workyears	-3,389	
- Changes in Aviation Continuation Pay	-10,980	
Special Pay		-67,450
- Judge Advocate Pay program reduction	-1,000	
- Change in WYs for Medical Bonus	2,474	
- Change in WY for Critical Skills Retention Bonus	-8,000	
- Change in WYs for Linguists & Personal Allow	-299	
- Change in rates for Imminent Danger Pay (IDP)	-32,755	
- Change in WYs for IDP and Hardship Duty Loc Pay	-27,870	

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Enlistment Bonus		-8,336
- Change in payments for Enlistment Bonus	-8,336	
Family Separation Allowance		-42,260
- BAH rate 3.0% effect on FSA	161	
- Change in workyears for FSA	-14,002	
- Change in FSA II Rates	-28,419	
Clothing Allowance		-7,480
- Change in rates for Enlisted Clothing Allowance	1,515	
- Change in payments for Enlisted Clothing Allow	-8,950	
- Change in Officer workyears	-45	
Overseas Allowances		-23,192
- Change in COLA rates	695	
- Change in TLA rate computation	30,279	
- Change in MIHA rate	128	
- Change in workyears for Overseas Allowance	-54,294	
Special Compensation for Combat-Related Disabled		-122,000
- Change in program due to FY 2004 NDAA	-122,000	
Basic Allowance for Subsistence (BAS)		-136,304
- 1 Jan 05 rate change effect on BAS	27,751	
- Annualization of 1 Jan 04 rate chg effect on BAS	5,529	
- Change in workyears for BAS	-169,584	
Subsistence-In-Kind (SIK)		-61,417
- Increase for Inflation	2,167	
- Increase in Prime vendor costs	557	
- Change in workyears for SIK	-64,141	

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Dislocation Allowance (DLA)		-2,148
- Change in Rotational PCS moves	-2,148	
Temporary Lodging Expense		-1,954
- Change in number of moves	-1,954	
Transportation of Privately-Owned Vehicles		-2,606
- Change in number of POV moves	-2,606	
Death Gratuities		-24
- Decrease in number of claimants	-24	
Special Compensation for Severely Disabled		-9,400
- Decrease due to FY 2004 NDAA	-9400	
Mass Transit		-55
- Decrease cost based on workyears	-55	
Unemployment Compensation		-32,025
- Decrease based on reduced number of separations	-32,025	
Total Decreases		-2,292,634
FY 2005 DIRECT PROGRAM		24,510,811

SECTION 4

DETAIL OF MILITARY PERSONNEL ENTITLEMENTS

PAY AND ALLOWANCES OF OFFICERS

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

1. Pay and Allowances of Officers

FY 2004 DIRECT PROGRAM 8,086,754

Increases:

Defense Health Program Accrual		55,519	
- Change in DHP rates	55,301		
- Change in DHP workyears	218		
Housing Allowances		37,843	
- Changes in rates for Housing Allowance	49,884		
- Change in workyears for Housing Allowance	-12,041		
CONUS COLA		1,469	
- Change in rates for CONUS COLA	138		
- Change in workyears due new locations	1,331		
Total Increases			94,831

Decreases:

Basic Pay		-319,135	
- 1 Jan 05 pay raise of 3.5% effect on Basic Pay	107,562		
- Annualized 1 Jan 04 pay raise of 4.1% on Bsc Pay	41,574		
- Changes in workyears/longevity for Basic Pay	-468,271		
Retired Pay Accrual		-69,663	
- 1 Jan 05 pay raise of 3.5% effect on RPA	29,580		
- Annualization of 1 Jan 04 raise of 4.1 % on RPA	11,433		
- Change in workyears/longevity for RPA	-126,900		
- Change in RPA rate from 27.1% to 27.5%	16,224		

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Social Security (FICA)		-24,079
- 1 Jan 05 pay raise of 3.5% effect on FICA	8,176	
- Annualization of 1 Jan 04 4.1% on FICA	3,161	
- Change in workyears/longevity for FICA	-35,416	
Basic Allowance for Subsistence		-11,810
- 1 Jan 05 pay raise of 3.0% effect on BAS	2,821	
- Change in workyear for BAS	-14,819	
- Annualization of 1 Jan 04 4.8% on BAS	188	
Incentive Pay		-14,369
- Aviation Incentive Pay Changes in Workyears	-3,389	
- Changes in Aviation Continuation Pay	-10,980	
Reimbursements		-7,035
- Increase in reimbursements	-7,035	
Special Pay		-21,652
- Judge Advocate Pay Program	-1,000	
- Hostile Fire Pay	-12,974	
- Critical Skills Retention Bonus	-8,000	
- Hardship Duty Location Pay	-1,853	
- Medical Bonus	2,474	
- Linguists & Personal Allowance	-299	
Separations		-8,165
- Changes to the \$30K Lump Sum Bonus Prgrm	-10,400	
- 1 Jan 05 pay raise of 3.5% effect on Separation	986	
- Annualization of 1 Jan 04 4.1% on Separation	381	
- Change in LSTL payments	6,667	
- Change in involuntary separation payments	-5,799	

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Family Separation Allowance		-9,303
- Change in workyears for FSA	-5,788	
- BAH rate 3.0% effect on FSA	21	
- Change in FSA Rates	-3,536	
 Clothing Allowance		 -45
- Change in workyears	-45	
 Overseas Allowances		 -13,741
- Change in rates for Overseas Allowance	153	
- Change in workyears for Overseas Allowance	-13,894	
 Army Security		
- Cessation of Army Security Support		-30,528
 Total Decreases		 -529,525
 FY 2005 Direct Program		 7,652,060

(Amount in Thousands)

PROJECT: BASIC PAY - OFFICERS

FY 2005 Estimate	4,205,163
FY 2004 Estimate	4,524,298
FY 2003 Actual	4,432,839

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 include an annualized average pay raise of 4.7 percent in FY 2003. Additionally, the budget includes average pay of 4.1 percent in FY 2004, and pay raise of 3.5 percent in FY 2005. Basic Pay of O-7 to O-10 is limited to Level III of the executive schedule. Basic pay for O-6 and below is limited to Level V of the executive schedule.

FY 2003 beginning strength was 72,032 with an actual ending strength of 73,758 resulting in the utilization of 79,865 workyears. FY 2003 average strength includes 4,371 officer mobilized reserve component personnel in support of ONE/OEF/OIF. FY 2004 beginning strength will be 73,758 and ending with 73,341 using 79,524 workyears. FY 2004 average strength includes 3,550 officer mobilized reserve component personnel in support of ONE/OEF/OIF. FY 2005 beginning strength will be 73,341 and ending with 69,300 using 71,460 workyears.

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
Grade									
General	13	142,499	1,852	12	144,600	1,735	12	144,600	1,735
Lt General	39	134,487	5,245	37	139,595	5,165	36	144,556	5,204
Major General	92	121,141	11,145	90	126,489	11,384	89	130,978	11,657
Brig General	157	108,089	16,970	157	112,191	17,614	142	116,176	16,497
Colonel	4,124	91,329	376,641	4,120	94,782	390,502	3,971	98,005	389,178
Lt Colonel	12,247	74,931	917,680	11,788	77,030	908,030	10,578	79,573	841,723
Major	19,548	63,574	1,242,745	18,863	65,398	1,233,602	16,009	68,094	1,090,117
Captain	23,271	50,438	1,173,743	23,778	51,406	1,222,332	20,169	53,814	1,085,375
1st Lieutenant	9,600	38,978	374,189	10,716	40,486	433,848	11,537	42,066	485,315
2nd Lieutenant	10,774	29,017	312,629	9,963	30,120	300,086	8,917	31,217	278,362
TOTAL BASIC PAY	79,865		4,432,839	79,524		4,524,298	71,460		4,205,163

(Amount in Thousands)

PROJECT: ARMY SECURITY-OFFICER

FY 2005 Estimate	0
FY 2004 Estimate	30,528
FY 2003 Actual	45,450

PART I - PURPOSE AND SCOPE

Provide reimbursement to United States Army (USA) for mobilized Army National Guard (ARNG) providing security at Air Force (AF) installations due to heightened threats caused by the Global War on Terrorism(GWOT). Funding of this requirement for FY 2003 and FY 2004 provided through applicable GWOT supplementals.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of a Memorandum of Agreement (MOA) between USA and USAF on the number of workyears provided by USA to USAF for base security.

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

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Army Security	45,450	30,528	0

(Amount in Thousands)

PROJECT: RETIRED PAY ACCRUAL - OFFICERS

FY 2005 Estimate	1,156,421
FY 2004 Estimate	1,226,084
FY 2003 Actual	1,214,598

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) The approved percentages are 27.4 percent for FY 2003, 27.1 percent for FY 2004, and 27.5 percent for FY 2005.
- (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 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	Basic Pay	Amount	Basic Pay	Amount	Basic Pay	Amount
Retired Pay Accrual	4,432,839	1,214,598	4,524,298	1,226,084	4,205,163	1,156,421

**PROJECT: DEFENSE HEALTH PROGRAM ACCRUAL
(OVER 65) - OFFICERS**

(Amount in Thousands)

FY 2005 Estimate	374,546
FY 2004 Estimate	319,027
FY 2003 Actual	307,183

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 of 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:

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Defense Health Program Accrual (over 65)	307,183	319,027	374,546

(Amount in Thousands)

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICERS

FY 2005 Estimate	333,678
FY 2004 Estimate	348,047
FY 2003 Actual	331,847

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) - Entitlement 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) The Aviation Continuation Pay(ACP) program is a financial incentive (special pay) to compliment non-monetary initiatives to improve flight officer retention. The FY 1998 NDAA, modified in (Sec. 616), allowed bonus adjustment from \$12,000 to \$25,000 as an incentive to aviation career officers. The FY 2000 NDAA approved an enhancement to the ACP program, allowing payment through the grade of O-6 and through 25 years of service. Effective 16 Nov 99, the Air Force increased the annual payments to \$25,000. In FY 2004 the Air Force program authorizes an up front payment option of 50 percent (\$100,000 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 nurses) 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)

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICERS

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>
<u>Aviation Career Incentive Pay</u>									
<u>Yrs Svc Grade</u>									
Less than 2	3,139	1,500	4,709	3,498	1,500	5,247	3,277	1,500	4,916
2 - 3	1,498	1,872	2,804	1,745	1,872	3,267	2,204	1,872	4,126
3 - 4	1,473	2,256	3,323	1,488	2,256	3,357	1,368	2,256	3,086
4 - 6	2,609	2,472	6,449	2,670	2,472	6,600	2,694	2,472	6,660
6 - 14	5,786	7,800	45,131	6,007	7,800	46,855	6,277	7,800	48,961
14 - 22	6,278	10,080	63,282	6,290	10,080	63,403	5,692	10,080	57,375
22 - 23	358	7,020	2,513	533	7,020	3,742	526	7,020	3,693
23 - 24	289	5,940	1,717	326	5,940	1,936	398	5,940	2,364
24 - 25	211	4,620	975	298	4,620	1,377	281	4,620	1,298
Above 25	129	3,000	387	347	3,000	1,041	319	3,000	957
B/G Less than 25	10	2,400	24	12	2,400	29	12	2,400	29
M/G Less than 25	0	2,400	0	0	2,400	0	0	2,400	0
Subtotal Flying Duty Crew	21,780		131,314	23,214		136,854	23,048		133,465
<u>Noncrew Members</u>									
Flying Duty Non-Crew	91	1,800	164	91	1,800	164	91	1,800	164
Flying Duty Non-Rated	394	2,220	875	394	2,220	875	394	2,220	875
Subtotal Flying Duty Noncrew	485			485		1,039	485		1,039
<u>Aviation Continuation Pay</u>									
Pilots	0		177,120	0		169,640	0		156,300
Flight Officers	0		21,390	0		39,530	0		41,890
Subtotal Aviation Continuation Pay	0		198,510	0		209,170	0		198,190
Subtotal Flying Duty Pay	22,265		330,863	23,699		347,063	23,533		332,694
<u>Parachute Jumping</u>	108	1,800	194	108	1,800	194	108	1,800	194
<u>Demolition Duty</u>	96	1,800	173	96	1,800	173	96	1,800	173
<u>Other Incentive Duty Pay</u>									
Parachute HALO	107	2,700	289	107	2,700	289	107	2,700	289
Pressure Chamber Observer	104	1,800	187	104	1,800	187	104	1,800	187
Accel-Decel Subject	52	1,800	94	52	1,800	94	52	1,800	94
Thermal Stress	2	1,800	4	2	1,800	4	2	1,800	4
Toxic Fuel Handler	24	1,800	43	24	1,800	43	24	1,800	43
Subtotal Other Incentive Duty Pay	289		617	289		617	289		617
TOTAL INCENTIVE PAY	22,758		331,847	24,192		348,047	24,026		333,678

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

FY 2005 Estimate	223,780
FY 2004 Estimate	245,432
FY 2003 Actual	251,719

PART I - PURPOSE AND SCOPE

Funds provide for:

(1) Special pay for Health Professionals on active duty such as physicians, dentists, veterinarians, and optometrists under provisions of 37 United States Code (U.S.C.) 301d-e, 302, 302a-j, 303, and 303a-b; the FY 2003 National Defense Authorization Act (NDAA) (P.L. 107-314); Subtitle B, section 612 & 615; the Office of the Assistant Secretary of Defense (OASD) FY 2004 Medical & Dental Officer Special Pay Plan - Action Memorandum, dated 21 Aug 03; DoD Instruction 6000.13, "Medical Manpower & Personnel"; OASD(HA) letters entitled "Policy for Implementation of Special Pay for Pharmacy Officers" & "Policy for Implementation of the Pharmacy Officer Accession", dated 29 Jan 01; OASD(HA) letter entitled "Policy for Implementation of Retention Special Pay for Optometry Officers" dated 12 Jul 01; and ASD(HA) letter entitled "Policy for Implementing Payments of the Nurse Officer Accession Bonus & Incentive Special Pay for Nurse Anesthetist for FY 2004", dated 2 Oct 03.

- (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 - Financial incentive to address retention difficulties and shortages of critical wartime specialties by closing civilian - military pay gap. Paid to officer entitled to VSP, who execute an agreement to remain on active duty for at least one year. Paid as annual bonus not to exceed \$50,000. FY 2003 NDAA increased cap to \$50,000.
- (e) Multi-Year Special Pay (MSP)- Financial incentive to retain a sufficient number of qualified physicians to meet services health care requirements. Paid as an annual bonus not to exceed \$50,000 (FY 2003 NDAA increased cap) for acceptance of a multi-year agreement. 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. Allows for a new payment category of up to \$30,000 payable for a written agreement to accept commission and remain on active duty for a minimum of four years. This is a one-time payment.
- (j) Dental Multi-year Special Pay (MSP) - The FY 1998 NDAA and FY 2003 NDAA (increased cap) authorized payments from \$3,000 to \$50,000 per year for dentists with more than eight years in service who accept long-term contracts to remain on active duty. As known as Dental Officer Multi-year Retention Bonus.

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

- (k) Nurse Anesthetist Incentive Pay - Public Law (P.L.) 103-337, Section 612, the FY 1995 Authorization Act authorizes an ISP to all Certified Registered Nurse Anesthetists. FY 2003 NDAA increased the cap up to \$50,000 payable for minimum 12-month active duty service agreement.
 - (l) Nurse Accession Bonus - An accession bonus of up to \$30,000 has been authorized by the FY 2003 NDAA.
 - (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 Board Certification Pay- 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 & FY 2003 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 \$15,000 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.
 - (r) Optometrists Retention Special Pay - FY 2003 NDAA authorized up to \$15,000 annual payable to officers drawing Optometrist Regular Special Pay who have completed initial active duty service obligation for education and training and execute a minimum 12-month active duty service commitment.
 - (s) Veterinary Corps Officer Board Certified Pay - Financial incentive to encourage veterinary officers to attain board certification, signifying highest level of professional competence. Payment ranges from \$2,000 to \$5,000 per year depending on years of creditable service.
- (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. The FY 2004 NDAA temporarily increased the authorized amount from \$150 to \$225 beginning October 1, 2003 and ending December 31, 2004.
- (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 for whom DoD has a critical need for that language. The FY 2000 NDAA included a provision increasing the maximum Foreign Language Proficiency Pay from \$100 per month to \$300 per month.
- (6) 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.
- (7) Judge Advocate Continuation pay. Authorized in the FY 2000 NDAA under the provisions of 37 U.S.C. 321 allows payment to eligible judge advocates who remain on active duty for a period of obligated service specified in the agreement. The amount paid to an officer under one or more agreements may not exceed \$60,000.
- (8) 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. The Budget reflects anniversary payments only - no new payments authorized.
- (9) Responsibility Pay - An amount which varies by grade, payable to Officers, designated by the Service Secretary in positions of unusual responsibility and critical in nature.

PROJECT: SPECIAL PAY - OFFICERS

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 creditable 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. The Critical Skills Retention Bonus reflects anniversary payments only - no new payments authorized.

Details of the computation are shown in the following tables:

Medical Pay

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Physicians Pay									
Variable Special Pay	3,645	8,000	29,160	3,651	8,000	29,208	3,711	8,000	29,688
Physician Board Certification	2,282	3,600	8,215	2,342	3,600	8,431	2,522	3,600	9,079
Additional Special Pay	2,706	15,000	40,590	2,757	15,000	41,355	2,802	15,000	42,030
Incentive Special Pay	2,513	19,390	48,727	2,602	19,846	51,639	2,646	19,952	52,793
Multi-Year Special Pay	1,011	12,600	12,739	949	13,771	13,069	966	13,771	13,303
Diplomat Pay	35	4,200	147	47	4,200	197	47	4,200	197
Subtotal Physicians Pay			139,578			143,899			147,090
Veterinarians	117	1,200	140	80	1,200	96	80	1,200	96
Vet Board Certification	27	4,000	108	40	4,000	160	40	4,000	160
Subtotal Medical Pay			139,826			144,155			147,346
Dentist Pay									
Dental Additional Pay	877	11,480	10,068	931	11,480	10,688	954	11,480	10,952
Dental Variable Pay	1,001	7,780	7,788	1,016	7,780	7,904	1,039	7,780	8,083
Board Certified Pay	302	5,300	1,601	305	5,360	1,635	312	5,360	1,672
Dental Accession Bonus	37	30,000	1,110	60	30,000	1,800	40	30,000	1,200
Multi-Year Special Pay	341	13,140	4,481	442	13,917	6,151	452	13,917	6,290
Subtotal Dentist Pay			25,048			28,178			28,197
Optometrists	164	1,200	197	167	1,200	200	171	1,200	205

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Optometry Retention</u>	128	6,000	768	131	6,000	786	135	6,000	810
<u>Biomedical Science</u>	619	3,000	1,857	602	3,000	1,806	602	3,000	1,806
<u>Pharmacy Accession</u>	25	30,000	750	21	30,000	630	10	30,000	300
<u>Pharmacy Officers Special Pay</u>	260	7,000	1,820	260	7,000	1,820	271	6,000	1,626
<u>Nurses Bonus</u>									
Nurses Accession Bonus	146	5,325	777	200	10,000	2,000	168	10,000	1,680
Certified Registered Nurse Anesthetists	153	15,000	2,295	169	15,700	2,653	174	15,700	2,732
Nurse Board Certification	413	3,000	1,239	388	3,000	1,164	388	3,000	1,164
Subtotal Nurses Bonus			4,311			5,817			5,576
<u>Personal Allowance - General Officer</u>									
CATEGORY									
Chairman, JCS	1	4,000	4	1	4,000	4	1	4,000	4
Chief of Staff	1	4,000	4	1	4,000	4	1	4,000	4
Sr Member of UN	0	3,075	0	0	2,700	0	0	2,700	0
General	11	2,200	24	11	2,200	24	10	2,200	22
Lieutenant General	51	500	26	51	500	26	47	500	24
Subtotal Personal Allowance*			58			58			54
<u>Hostile Fire Pay</u>	6,632	2,700	17,906	6,624	2,700	17,886	2,433	2,025	4,928
<u>Diving Duty</u>	101	1,800	182	101	1,800	182	92	1,800	166
<u>Linguists</u>	5,269	654	3,446	5,247	654	3,432	4,796	654	3,137
<u>JAG Bonus</u>	137	16,942	2,321	261	21,363	5,576	188	24,342	4,576
<u>Critical Skills Retention Bonus</u>									
New Payments	4,796	10,000	47,960	0	10,000	0	0	10,000	0
Anniversary Payments	0	10,000	0	3,000	10,000	30,000	2,200	10,000	22,000
Subtotal Critical Skills Retention Bonus			47,960			30,000			22,000
<u>Commander Responsibility Pay</u>	2,084	1,224	2,551	1,876	1,173	2,200	1,876	1,173	2,200
<u>Hardship Duty Location Pay</u>	3,965	685	2,718	3,948	685	2,706	1,244	685	853
TOTAL SPECIAL PAY			251,719			245,432			223,780

*Special Pay Total includes General Officer Allowances

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (DOMESTIC) - OFFICERS

FY 2005 Estimate	976,064
FY 2004 Estimate	938,221
FY 2003 Actual	910,751

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 U. S. C. 403.

PART II - JUSTIFICATION OF FUNDS REQUESTED

BAH amounts in this submission reflect housing costs based on current rental market values resulting from the contractor data collection of actual housing costs rather than the previous member survey methodology. In addition, this budget includes the initiative to reduce median out-of-pocket housing costs for military members in 7.5 percent in FY 2003, 3.5 percent in FY 2004, and 0 percent in FY 2005.

The computation of requirements is provided in the following tables:

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (DOMESTIC) - OFFICERS

With Dependents

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Grade									
General	1	9,189	9	1	9,739	10	1	10,323	10
Lt General	5	27,652	138	5	29,310	147	6	31,065	186
Major General	20	22,539	451	20	23,891	478	23	25,295	582
Brig General	53	23,900	1,267	54	25,352	1,369	56	26,848	1,503
Colonel	2,392	18,357	43,910	2,427	19,455	47,217	2,726	20,624	56,221
Lt Colonel	8,082	16,842	136,117	7,899	17,854	141,029	8,281	18,882	156,362
Major	11,123	17,025	189,369	10,834	18,046	195,510	10,533	19,060	200,759
Captain	11,131	14,636	162,913	11,474	15,514	178,008	11,008	16,378	180,289
1st Lieutenant	2,894	10,660	30,850	3,279	11,300	37,053	4,072	11,935	48,599
2nd Lieutenant	2,770	10,015	27,742	2,597	10,618	27,575	2,707	11,209	30,343
Subtotal with Dependents	38,471		592,766	38,590		628,396	39,413		674,854

**Without Dependents -
Full Allowance**

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Grade									
General	0	0	0	0	0	0	0	0	0
Lt General	0	0	0	0	0	0	0	0	0
Major General	3	19,597	59	3	20,616	62	3	21,836	66
Brig General	3	21,635	65	3	22,760	68	3	24,109	72
Colonel	283	16,312	4,616	276	17,165	4,738	270	18,181	4,909
Lt Colonel	1,076	14,192	15,271	1,009	14,930	15,064	919	15,801	14,521
Major	2,602	16,922	44,031	2,448	17,783	43,533	2,108	18,842	39,719
Captain	7,037	11,349	79,863	7,007	11,918	83,509	6,018	12,679	76,302
1st Lieutenant	4,416	8,721	38,512	4,800	9,176	44,045	5,216	9,686	50,522
2nd Lieutenant	5,552	8,183	45,432	5,005	8,608	43,083	4,538	9,088	41,241
Subtotal w/o Dependents	20,972		227,849	20,551		234,102	19,075		227,352

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (DOMESTIC) - OFFICERS

Without Dependents -
Partial Allowance

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>Grade</u>									
Colonel	6	480	3	6	514	3	6	527	3
Lt Colonel	19	360	7	18	386	7	16	395	6
Major	47	360	17	45	386	17	38	395	15
Captain	262	237	62	267	258	69	226	261	59
1st Lieutenant	198	242	48	220	255	56	236	263	62
2nd Lieutenant	601	120	72	556	128	71	496	131	65
Subtotal Partial	1,133		209	1,112		223	1,018		210

Inadequate Family Housing

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>
<u>Grade</u>									
General	0	0	0	0	0	0	0	0	0
Lt General	0	0	0	0	0	0	0	0	0
Major General	0	0	0	0	0	0	0	0	0
Brig General	0	0	0	0	0	0	0	0	0
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	60,576		820,824	60,253		862,721	59,506		902,416

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (OVERSEAS) - OFFICERS

With Dependents

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>
<u>Grade</u>									
General	0	0	0	0	0	0	0	0	0
Lt General	0	0	0	0	0	0	0	0	0
Major General	0	0	0	0	0	0	0	0	0
Brig General	1	13,387	13	1	10,442	10	1	10,578	11
Colonel	118	29,007	3,423	130	22,625	2,941	139	22,920	3,186
Lt Colonel	478	25,458	12,169	507	19,857	10,067	502	20,115	10,098
Major	819	23,076	18,899	871	17,999	15,677	816	18,233	14,878
Captain	898	21,295	19,123	1,011	16,610	16,793	943	16,824	15,865
1st Lieutenant	200	20,850	4,170	246	16,264	4,001	289	16,474	4,761
2nd Lieutenant	94	20,394	1,917	96	15,906	1,527	95	16,116	1,531
Subtotal With Dependents	2,608		59,714	2,862		51,016	2,785		50,330

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (OVERSEAS) - OFFICERS

Without Dependents

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
Grade									
General	0	0	0	0	0	0	0	0	0
Lt General	0	0	0	0	0	0	0	0	0
Major General	0	0	0	0	0	0	0	0	0
Brig General	0	0	0	0	0	0	0	0	0
Colonel	17	21,994	374	17	17,155	292	17	17,378	295
Lt Colonel	87	20,072	1,746	86	15,656	1,346	80	15,860	1,269
Major	245	18,947	4,642	241	14,779	3,562	213	14,971	3,189
Captain	839	16,582	13,912	875	12,933	11,316	768	13,102	10,062
1st Lieutenant	392	15,990	6,268	446	12,473	5,563	494	12,634	6,241
2nd Lieutenant	209	15,651	3,271	197	12,208	2,405	183	12,361	2,262
Subtotal w/o Dependents	1,789		30,213	1,862		24,484	1,755		23,318
TOTAL BAH - OVERSEAS	4,397		89,927	4,724		75,500	4,540		73,648
GRAND TOTAL BAH	64,973		910,751	64,977		938,221	64,046		976,064

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE - OFFICERS

FY 2005 Estimate	153,282
FY 2004 Estimate	165,092
FY 2003 Actual	159,091

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 4.8 percent in FY 2004 and 3.0 percent in FY 2005.

Details of the computation are provided in the following table:

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
BAS	79,865	1,992	159,091	79,524	2,076	165,092	71,460	2,145	153,282

(Amount in Thousands)

PROJECT: STATION ALLOWANCE, OVERSEAS - OFFICERS

FY 2005 Estimate	64,304
FY 2004 Estimate	78,045
FY 2003 Actual	82,862

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

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

This allowance is authorized for the purpose of defraying the average excess costs experienced by service members. 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 PDTATAC for adjustments relative to the value of the dollar against foreign currency. TLA covers the off-base housing (hotel) costs for military members permanently relocating in or out of an overseas location. Per Diem Committee approved simplifying TLA, which simplifies the TLA computation method for TDY. This change includes removal of the deduction for BAS, COLA and housing allowances. This will align the TLA computation with that of the Temporary Lodging Expenses (TLE) that is to be implemented 1 October 2004. 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, Moving-In and Temporary Lodging allowances are based on authorized overseas strengths for each fiscal year.

(Amount in Thousands)

PROJECT: STATION ALLOWANCE, OVERSEAS - OFFICERS

Cost of Living

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>
<u>Grade</u>									
General	3	10,272	31	3	9,727	29	3	9,743	29
Lt. General	6	12,156	73	6	11,535	69	5	11,573	58
Major General	13	11,964	156	13	11,358	148	10	11,376	114
Brig. General	17	9,576	163	16	9,070	145	13	9,096	118
Colonel	528	10,260	5,417	490	9,774	4,789	407	9,810	3,993
Lt Colonel	1,400	9,696	13,574	1,379	9,252	12,759	1,137	9,280	10,551
Major	2,267	8,616	19,532	2,202	8,209	18,076	1,816	8,222	14,931
Captain	3,310	7,140	23,633	3,365	6,793	22,858	2,754	6,787	18,691
1st Lieutenant	1,069	6,132	6,555	1,119	5,812	6,504	915	5,791	5,299
2nd Lieutenant	616	5,184	3,193	571	4,897	2,796	482	4,921	2,372
Subtotal Cost of Living	9,229		72,327	9,164		68,173	7,542		56,156
<u>Temporary Lodging Allowance</u>	13,456	595	8,006	12,408	603	7,482	10,113	611	6,179
<u>Moving-In Housing Allowance</u>	2,767	914	2,529	2,581	926	2,390	2,099	938	1,969
TOTAL STATION ALLOWANCES-OVERSEAS	25,452		82,862	24,153		78,045	19,754		64,304

(Amount in Thousands)

**PROJECT: CONUS COST OF LIVING ALLOWANCE
(COLA) - OFFICERS**

FY 2005 Estimate	3,878
FY 2004 Estimate	2,409
FY 2003 Actual	2,389

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. Increase in COLA CONUS due to additional locations: Lakehurst, Nellis and Tacoma.

Details of the computations are shown below:

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
CONUS COLA	2,349	1,017	2,389	2,339	1,030	2,409	3,715	1,044	3,878

PROJECT: CLOTHING ALLOWANCES - OFFICERS

(Amount in Thousands)

FY 2005 Estimate	3,463
FY 2004 Estimate	3,508
FY 2003 Actual	4,089

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 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Payments	Rate	Amount	Payments	Rate	Amount	Payments	Rate	Amount
Initial Allowances	6,763	400	2,705	5,795	400	2,318	5,724	400	2,290
Additional Allowances	6,763	200	1,353	5,795	200	1,159	5,724	200	1,145
Civilian Clothing	58	541	31	58	548	31	52	556	28
TOTAL CLOTHING ALLOWANCES	13,584		4,089	11,648		3,508	11,500		3,463

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - OFFICERS

FY 2005 Estimate	5,084
FY 2004 Estimate	14,387
FY 2003 Actual	14,437

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 Continental United States (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 2004 National Defense Authorization Act temporary increased the FSA payment from \$100 to \$250 for the period beginning October 1, 2003 and ending December 31, 2004 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.

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - OFFICERS

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

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>PCS Overseas with Dependents not Authorized and Maintain Two Homes</u>									
<u>Grade</u>									
Colonel	3	10,668	32	3	10,788	32	2	11,028	17
Lt Colonel	25	10,272	257	24	10,392	249	11	10,620	116
Major	52	9,516	495	51	9,624	491	22	9,840	221
Captain	64	7,632	488	65	7,716	502	30	7,884	238
1st Lieutenant	20	6,048	121	22	6,120	135	13	6,252	78
2nd Lieutenant	20	5,100	102	18	5,160	93	8	5,268	44
Subtotal	184		1,495	183		1,502	86		714
<u>PCS CONUS or Overseas with dependents not authorized</u>									
	673	3,000	2,019	670	3,000	2,010	604	1,650	997
<u>TDY CONUS or Overseas for more than 30 days with dependents not residing near TDY station</u>									
	3,641	3,000	10,923	3,625	3,000	10,875	2,044	1,650	3,373
TOTAL FAMILY SEPARATION ALLOWANCE	4,498		14,437	4,478		14,387	2,734		5,084

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - OFFICERS

FY 2005 Estimate	96,728
FY 2004 Estimate	104,893
FY 2003 Actual	63,063

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.
- (3) Voluntary Separation Incentive (VSI) - For payment of an annuity to officers voluntarily separating from active duty during the drawdown provisions of 10 U. S. C. 1175.
- (4) \$30,000 Lump Sum Bonus authorized in the FY 2000 National Defense Authorization Act (NDAA).

PART II - JUSTIFICATION OF FUNDS REQUESTED

Lump sum terminal leave payments are determined by multiplying the projected number of eligible 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 2000 NDAA 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)

PROJECT: SEPARATION PAYMENTS - OFFICERS

Lump Sum Terminal Leave Payments

<u>Grade</u>	<u>FY 2003 Actual</u>				<u>FY 2004 Estimate</u>				<u>FY 2005 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>
General	8	17	6,567	53	8	17	6,846	55	8	18	7,096	57
Lt General	24	13	4,946	119	24	13	5,156	124	23	14	5,344	123
Major General	45	17	5,750	259	46	17	5,992	276	50	17	6,202	310
Brig General	35	17	5,147	180	34	17	5,320	181	27	16	5,216	141
Colonel	1,001	16	4,128	4,132	995	17	4,294	4,273	944	16	4,395	4,149
Lt Colonel	1,105	20	4,072	4,500	1,111	20	4,216	4,684	1,113	19	4,220	4,697
Major	1,009	20	3,409	3,440	1,151	20	3,525	4,057	1,828	19	3,572	6,530
Captain	1,248	16	2,227	2,779	1,614	16	2,294	3,703	3,391	16	2,325	7,884
1st Lieutenant	92	23	2,426	223	120	23	2,505	301	254	22	2,553	648
2nd Lieutenant	58	14	1,077	62	76	14	1,116	85	163	13	1,145	187
Subtotal Lump Sum Terminal Leave	4,625			15,747	5,179			17,739	7,801			24,726
<u>Separation Pay</u>												
Fail Promotion/Unfit	161	0	56,636	9,118	287	0	65,564	18,817	155	0	67,531	10,467
Disability	32	0	35,694	1,142	25	0	55,196	1,380	25	0	56,852	1,421
Invol-Half Pay 5%	4	0	28,080	112	3	0	28,922	87	3	0	29,790	89
Invol-Half Pay 10%	2	0	56,636	113	25	0	72,330	1,808	25	0	74,500	1,863
VSI Trust Fund	0	0	0	31,262	0	0	0	21,362	0	0	0	24,862
\$30K Lump Sum Bonus	0	0	0	5,569	0	0	0	43,700	0	0	0	33,300
Subtotal Separation Pay	199			47,316	340			87,154	208			72,002
TOTAL SEPARATION PAYMENTS	4,824			63,063	5,519			104,893	8,009			96,728

(Amount in Thousands)

PROJECT: SOCIAL SECURITY TAX (EMPLOYER'S CONTRIBUTION) - OFFICERS

FY 2005 Estimate	319,659
FY 2004 Estimate	343,738
FY 2003 Actual	337,446

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 2003 - 7.65% on First \$87,000 and 1.45% on the remainder
- Calendar Year 2004 - 7.65% on First \$87,900 and 1.45% on the remainder
- Calendar Year 2005 - 7.65% on First \$89,700 and 1.45% on the remainder

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	<u>Basic Pay</u>	<u>Rate</u>	<u>Amount</u>	<u>Basic Pay</u>	<u>Rate</u>	<u>Amount</u>	<u>Basic Pay</u>	<u>Rate</u>	<u>Amount</u>
Social Security	4,432,839	7.65	337,446	4,524,298	7.65	343,738	4,205,163	7.65	319,659

PAY AND ALLOWANCES OF ENLISTED

**ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)**

2. Pay and Allowances of Enlisted

FY 2004 DIRECT PROGRAM 16,035,306

Increases:

Housing Allowances		88,576
- Changes in rates for Housing Allowance	56,314	
- Change in workyears for Housing Allowance	32,262	
Defense Health Program		230,467
- Change in DHP rates	229,491	
- Change in DHP workyears	976	
Separations		13,979
- Changes to the \$30K Lump Sum Bonus Program	5,200	
- 1 Jan 05 pay raise of 3.5% effect on Separations	1,313	
- Change in LSTL payments	5,956	
- Annualization of 1 Jan 04 4.1% on Separations	508	
- Change in involuntary separation payments	1,002	
Selective Reenlistment Bonus		46,412
- Change in rates for SRBs	13,978	
- Change in payments for SRBs	32,434	
CONUS COLA		10,178
- Change in rates for CONUS COLA	414	
- Change in workyears due to new locations	9,764	
Reimbursements		8,807
-Decrease in Reimbursements	8,807	
Total Increases		398,419

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Decreases:

Basic Pay		-820,286
- 1 Jan 05 pay raise of 3.5% effect on Basic Pay	196,588	
- Annualized 1 Jan 04 raise of 4.1% on Basic Pay	110,642	
- Changes in workyears/longevity for Basic Pay	-1,127,516	
Social Security (FICA)		-62,752
- Annualization of 1 Jan 04 4.1% on FICA	5,813	
- 1 Jan 05 pay raise of 3.5% effect on FICA	15,039	
- Change in workyears/longevity for FICA	-83,604	
Army Security Support		-238,069
- Cessation of Army Security Support	-238,069	
Special Compensation for Combat-Related Disabled		-122,000
- Decrease due to FY 2004 NDAA	-122,000	
Retired Pay Accrual		-191,554
- 1 Jan 05 pay raise of 3.5% effect on RPA	54,062	
- Annualization of 1 Jan 04 raise of 4.1% on RPA	20,896	
- Change in workyears/longevity for RPA	-296,164	
- Change in RPA rate from 27.1% to 27.5%	29,652	
Incentive Pay		-7,078
- Change in WYs for Flying Duty Pay	-495	
- Change in WYs for Career Enlist Flyer Incent Pay	-4,595	
- Change in WYs for Demolition	-851	
- Change in WYs for Experimental Stress	-621	
- Change in WYs for Toxic Fuel Handler	-437	
- Change in WYs for Hazardous Bio Org	-79	

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

Clothing Allowance		-7,435
- Change in rates for Clothing Allowance	1,515	
- Change in payments for Clothing Allowance	-8,950	
Overseas Station Allowances		-9,451
- Change in COLA rates	542	
- Change in TLA rate computation	30,279	
- Change in MIHA rate	128	
- Change in workyears for Overseas Allowance	-40,400	
Enlistment Bonus		-8,336
- Change in payments for Enlistment Bonus	-8,336	
Special Pay		-45,798
- Change in rates for Imminent Danger Pay (IDP)	-19,781	
- Change in WYs for IDP and Hardship Duty Loc Pay	-26,017	
Family Separation Allowance		-32,957
- BAH rate 3.0% effect on FSA	140	
- Change in FSA II Rate	-24,883	
- Change in workyears for FSA	-8,214	
Total Decreases		-1,545,716
FY 2005 DIRECT PROGRAM		14,888,009

(Amount in Thousands)

PROJECT: BASIC PAY - ENLISTED

FY 2005 Estimate	7,685,649
FY 2004 Estimate	8,505,935
FY 2003 Actual	8,097,013

PART I - PURPOSE AND SCOPE

Funds provide basic compensation of enlisted personnel on active duty, including length of service increments, under provision of 37 U.S.C. 201, 203, and 205.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding requirements include pay raises of 4.7%, 4.1%, and 3.5% for FY 2003, FY 2004, and FY 2005, respectively.

FY 2003 beginning strength was 292,061 with an actual ending strength of 297,219 resulting in the utilization of 320,735 workyears.

FY 2003 average strength includes 20,061 enlisted mobilized reserve component personnel in support of ONE/OEF/OIF.

FY 2004 beginning strength will be 297,219 and ending with 298,618 using 324,656 workyears.

FY 2004 average strength includes 16,175 enlisted mobilized reserve component personnel in support of ONE/OEF/OIF.

FY 2005 beginning strength will be 298,618 and ending with 286,400 using 291,555 workyears.

<u>Grade</u>	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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	3,456	53,158	183,714	3,393	56,306	191,046	2,880	57,480	165,542
Senior Master Sergeant	7,091	44,771	317,471	7,125	46,724	332,909	5,847	48,229	281,995
Master Sergeant	36,167	37,996	1,374,201	34,725	39,851	1,383,826	28,891	41,042	1,185,744
Technical Sergeant	53,527	31,551	1,688,830	53,522	32,892	1,760,446	43,776	34,040	1,490,135
Staff Sergeant	80,409	25,518	2,051,877	83,925	26,436	2,218,641	71,933	27,098	1,949,240
Senior Airman	56,161	20,429	1,147,313	61,427	21,039	1,292,363	59,948	21,547	1,291,700
Airman First Class	57,099	16,829	960,919	56,582	17,357	982,094	54,314	17,723	962,607
Airman	12,280	15,328	188,228	10,657	15,909	169,542	11,262	16,474	185,530
Airman Basic	14,545	12,682	184,460	13,300	13,163	175,068	12,704	13,630	173,156
TOTAL BASIC PAY	320,735		8,097,013	324,656		8,505,935	291,555		7,685,649

(Amount in Thousands)

PROJECT: ARMY SECURITY-ENLISTED

FY 2005 Estimate	0
FY 2004 Estimate	238,069
FY 2003 Actual	242,333

PART I - PURPOSE AND SCOPE

Provide reimbursement to United States Army (USA) for mobilized Army National Guard (ARNG) providing security at Air Force (AF) installations due to heightened threats caused by the Global War on Terrorism (GWOT). Funding of this requirement for FY 2003 and FY 2004 provided through applicable GWOT supplementals.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of a Memorandum of Agreement (MOA) between USA and USAF on the number of workyears provided by USA to USAF for base security.

The fund requirements are shown in the following table:

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Army Security	242,333	238,069	0

(Amount in Thousands)

PROJECT: RETIRED PAY ACCRUAL - ENLISTED

FY 2005 Estimate	2,113,554
FY 2004 Estimate	2,305,108
FY 2003 Actual	2,218,582

PART I - PURPOSE AND SCOPE

Funds provide for the Department of Defense's contribution to the Military Retirement Fund, under provisions of 10 U.S.C. 1466. Retired pay accrual amounts are approved rates based on the latest economic assumptions, i.e., interest rates, 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 27.4 percent for FY 2003, 27.1 percent for FY 2004, and 27.5 percent for FY 2005.

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

	<u>FY 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	Basic Pay	Amount	Basic Pay	Amount	Basic Pay	Amount
Retired Pay Accrual	8,097,013	2,218,582	8,505,935	2,305,108	7,685,649	2,113,554

(AMOUNT IN THOUSANDS)

**PROJECT: DEFENSE HEALTH PROGRAM ACCRUAL
(OVER 65) - ENLISTED**

FY 2005 Estimate	1,554,279
FY 2004 Estimate	1,323,812
FY 2003 Actual	1,260,553

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.

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Defense Health Program Accrual (over 65)	1,260,553	1,323,812	1,554,279

(Amount in Thousands)

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

FY 2005 Estimate	34,889
FY 2004 Estimate	41,967
FY 2003 Actual	41,223

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 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.

(Amount in Thousands)

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

(8) Career Enlisted Flyer Incentive Pay (CEFIP) - Incentive pay to compensate career enlisted aircrew members 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. All other hazardous duty pay is computed at the statutory rate per workyear. The computation of fund requirements is provided in the following tables:

Flying Duty Crew Members

Grade	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Chief Master Sergeant	17	2,880	49	17	2,880	49	14	2,880	40
Senior Master Sergeant	33	2,880	95	33	2,880	95	27	2,880	78
Master Sergeant	145	2,880	418	147	2,880	423	121	2,880	348
Technical Sergeant	257	2,580	663	260	2,580	671	214	2,580	552
Staff Sergeant	425	2,280	969	431	2,280	983	356	2,280	812
Senior Airman	197	1,980	390	200	1,980	396	165	1,980	327
Airman First Class	78	1,800	140	79	1,800	142	65	1,800	117
Airman	23	1,800	41	23	1,800	41	19	1,800	34
Airman Basic	9	1,800	16	9	1,800	16	7	1,800	13
Subtotal Flying Duty Crew	1,184		2,781	1,199		2,816	988		2,321

Non-Fly Crew Members

200	1,800	360	400	1,800	720	400	1,800	720
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(Amount in Thousands)

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

Career Enlisted Flyer Incentive Pay

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>
Years of Service									
Less than 4 Yrs Avn Svc	1,602	1,800	2,884	1,713	1,800	3,083	2,200	1,800	3,960
More than 4 Yrs Avn Svc	2,975	2,700	8,033	2,975	2,700	8,033	2,100	2,700	5,670
More than 8 Yrs Avn Svc	1,994	4,200	8,375	1,994	4,200	8,375	1,600	4,200	6,720
More than 14 Yrs Avn Svc	1,803	4,800	8,654	1,803	4,800	8,654	1,500	4,800	7,200
Career Enlisted Flyer Incentive Pay	8,374		27,946	8,485		28,145	7,400		23,550
Subtotal Flying Duty Pay	9,758		31,087	10,084		31,681	8,788		26,591
<u>Parachute Jumping</u>	542	1,800	976	600	1,800	1,080	600	1,800	1,080
<u>Demolition</u>	2,003	1,800	3,605	2,003	1,800	3,605	1,530	1,800	2,754
<u>Other Incentive Duty Pay</u>									
Experimental Stress	725	1,800	1,305	725	1,800	1,305	380	1,800	684
Toxic Fuel Handler	943	1,800	1,697	943	1,800	1,697	700	1,800	1,260
Hazardous Bio Org	94	1,800	169	94	1,800	169	50	1,800	90
Parachute HALO	883	2,700	2,384	900	2,700	2,430	900	2,700	2,430
Subtotal Other Incentive Duty Pay	2,645		5,555	2,662		5,601	2,030		4,464
TOTAL INCENTIVE PAY	14,948		41,223	15,349		41,967	12,948		34,889

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED

FY 2005 Estimate	59,668
FY 2004 Estimate	105,466
FY 2003 Actual	106,045

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 U.S.C. 305 and 305a; for duty subject to hostile fire under the provisions of 37 U.S.C.310; and for special pay for enlisted members extending duty at designated locations overseas under the provisions of 37 U.S.C. 314.

(1) Duty at Certain Places Pay - 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 receive HDLP. Payment is based on member's designated locations with rates ranging from \$50 to \$150 per month.

(3) Overseas Tour Extension Incentive 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 U. S. C. 34. The specific amount to be paid is determined by the Secretary of the Air Force. Although the maximum amount authorized by law is \$340/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 \$225 to members who serve in designated areas subject to specific dangers. P.L. 108-11 provided for a temporary increase Oct 1, 2002 through Sep 30, 2003. P.L. 108-136 extended the time-frame to Dec 31, 2004. Reverts to \$100 unless statute extended or become permanent.

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED

(6) Foreign Language Proficiency Pay (FLPP) - Authorized in 37 U. S. C. 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) College Loan Repayment Program - Authorized by P. L. 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.

(8) Montgomery GI Bill (MGIB) Transferability - Authorized in the National Defense Authorization Act (NDAA) for Fiscal Year 2002, Section 654 of Public Law 107-107 is a test program. The purpose of the test is to enhance recruitment and retention of service members with critical military skills. Under Service Secretary's sole discretion, those with critical military skills may transfer up to one half (18 months) of MGIB entitlement to one or more dependents. The military members transferring benefits must have served six years and agree to serve another four.

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.

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

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<u>Sea and Foreign Duty-Total</u>									
<u>Sea Duty</u>	4	1,200	5	4	1,200	5	3	1,200	4
<u>Duty at Certain Places</u>									
<u>Grade</u>									
Chief Master Sergeant	792	270	3	160	270	43	73	270	20
Senior Master Sergeant	29	270	12	6	270	2	3	270	1
Master Sergeant	159	270	71	32	270	9	15	270	4
Technical Sergeant	248	240	96	50	240	12	23	240	6
Staff Sergeant	562	192	180	114	192	22	51	192	10
Senior Airman	523	156	118	106	156	17	48	156	7
Airman First Class	358	108	44	73	108	8	33	108	4
Airman	23	96	2	5	96	0	2	96	0
Airman Basic	4	96	0	1	96	0	0	96	0
Subtotal Duty at Certain Places	2,698		526	547		113	248		52
<u>Overseas Tour Extension Pay</u>	1	2,000	2	1	2,000	2	1	2,000	2
Subtotal Sea and Foreign Duty-Total	2,703		533	552		120	252		58
<u>Diving Duty Basic</u>	11	1,320	15	11	1,320	15	10	1,320	13
<u>Diving Duty Pararescue</u>	628	1,800	1,130	635	1,800	1,143	571	1,800	1,028
<u>Foreign Language Proficiency Pay</u>	8,565	845	7,234	8,670	845	7,322	7,786	845	6,576
<u>Hostile Fire Pay</u>	28,952	2,700	78,170	29,306	2,700	79,126	22,019	2,025	44,588
<u>HDLP</u>	24,427	660	16,122	23,849	660	15,740	8,189	660	5,405
<u>Other Special Pay</u>									
Air Force Transferability Program	56	8,388	470			0			0
<u>College Loan Payback Program</u>	0		2,371	0		2,000	0		2,000
Subtotal Other Special Pay	56		2,841			2,000			2,000
TOTAL SPECIAL PAY	65,342		106,045	63,023		105,466	38,827		59,668

(Amount in Thousands)

PROJECT: SPECIAL DUTY ASSIGNMENT PAY - ENLISTED

FY 2005 Estimate	28,929
FY 2004 Estimate	28,929
FY 2003 Actual	26,662

PART I - PURPOSE AND SCOPE

Special Duty Assignment Pay (SDAP) is authorized by 37 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 51 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, Command Chief Master Sergeants, First Sergeants, defense attache personnel, AFOSI agents, air traffic control supervisors, postal, and NDAC support personnel, tactical air command and control personnel, enlisted weapons directors, army ranger instructors, parachute instructors, test parachute program, combat weather personnel, Phoenix Raven SF personnel, forward area refueling point personnel, flying crew chiefs, defense couriers, members of two joint and two headquarters operational and support commands, members of three special government agencies, public affairs assigned to recruiting squadrons, air transportation 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.

	<u>FY 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	Number	Amount	Number	Amount	Number	Amount
SD-7 (\$350)	317	1,331	0	0	0	0
SD-6 (\$450)	2,134	9,603	2,170	11,718	2,170	11,718
SD-5 (\$375)	1,214	4,006	1,432	6,444	1,432	6,444
SD-4 (\$300)	764	2,017	676	2,434	676	2,434
SD-3 (\$225)	2,283	4,520	1,494	4,034	1,494	4,034
SD-2 (\$150)	3,813	5,033	2,302	4,144	2,302	4,144
SD-1 (\$75)	231	152	172	155	172	155
TOTAL SPECIAL DUTY ASSIGNMENT PAY	10,756	26,662	8,246	28,929	8,246	28,929

(Amount in Thousands)

PROJECT: SELECTIVE REENLISTMENT BONUS - ENLISTED

FY 2005 Estimate	250,558
FY 2004 Estimate	204,146
FY 2003 Actual	246,653

PART I - PURPOSE AND SCOPE

A Selective Reenlistment Bonus (SRB) is authorized by 37 U. S. C. 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 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 (SRB) 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.

The goal of the SRB is to maintain skill manning in line with requirements. Retaining an adequate budget allows for the distribution of bonuses to alleviate manning shortfalls. The Air Force competes with the civilian sector for highly marketable skills. As retention continues to be a top priority, expanded monetary inducements will be required to keep these highly trained and experienced Air Force personnel.

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.

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Average Rate	Amount	Number	Average Rate	Amount	Number	Average Rate	Amount
Initial Payments	14,183	10,074	142,878	9,609	10,175	97,772	13,507	10,785	145,673
Anniversary Payments	56,641	1,802	102,067	59,852	1,748	104,621	55,717	1,851	103,132
Accelerated Payments	341	5,008	1,708	350	5,008	1,753	350	5,008	1,753
TOTAL	71,165		246,653	69,811		204,146	69,574		250,558

	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	Number	Amount												
Prior Obligations	39,395	59,864	29,041	45,043	17,222	27,662	8,229	14,133	0	0	0	0	0	0
Accelerated Payments	341	1,708	350	1,753	350	1,753	350	1,753	350	1,753	350	1,753	350	1,753
Prior Year	17,246	42,203	16,845	31,439	15,391	28,729	10,312	19,246	8,353	15,589	0	0	0	0
FY 2003 Past Year	14,183	142,878	13,966	28,139	13,642	27,486	12,464	25,113	8,351	16,826	6,764	13,629	0	0
FY 2004 Current Year	0	0	9,609	97,772	9,462	19,255	9,242	18,808	8,445	17,184	5,658	11,514	4,583	9,326
FY 2005 Budget Year	0	0	0	0	13,507	145,673	13,300	28,690	13,097	28,251	12,896	27,819	12,699	27,393
FY 2006 Budget Year	0	0	0	0	0	0	15,200	173,773	14,967	34,223	14,620	33,429	13,358	30,543
FY 2007 Budget Year	0	0	0	0	0	0	0	0	15,500	183,228	15,263	36,085	14,909	35,248
FY 2008 Budget Year	0	0	0	0	0	0	0	0	0	0	15,000	183,347	14,771	34,921
FY 2009 Budget Year	0	0	0	0	0	0	0	0	0	0	0	0	14,000	176,941
Anniversary Payments	56,982	103,775	60,202	106,374	56,067	104,885	53,897	107,743	53,563	113,826	55,551	124,229	60,670	139,184
Total	71,165	246,653	69,811	204,146	69,574	250,558	69,097	281,516	69,063	297,054	70,551	307,576	74,670	316,125

PROJECT: ENLISTMENT BONUS

(Amount in Thousands)

FY 2005 Estimate	63,888
FY 2004 Estimate	72,224
FY 2003 Actual	95,457

PART I - PURPOSE AND SCOPE

An Enlistment Bonus (EB) is authorized by 37 U. S. C. 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 \$6,000 for a 6-year enlistment and \$4,000 for a 4-year enlistment. The Air Force currently pays an EB to 32 skills (30 AFSCs and 2 Open Aptitude Index).

PART II - JUSTIFICATION OF FUNDS REQUIRED

Due to difficulties in meeting goals in hard to fill months - Feb, Mar, Apr, and May - we offer "kicker" incentives to recruits to start training earlier than they would normally. This will result in select skills receiving above the \$6,000 maximum during this period. No AFSC will receive more than \$18,000. As of FY03, the following is a breakout of the bonus amounts and number of skills authorized an EB for a six-year enlistment: \$6,000 - 7 skills; \$4,000 - 13 skills; \$3,000 - 1 skill, \$2,000 - 11 skills. There are 16 skills authorized an EB for a 4-year enlistment.

PROJECT: ENLISTMENT BONUS

(Amount in Thousands)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
New Payments									
1	0	1,000	0	0	1,000	0	0	1,000	0
2	995	2,000	1,990	2,220	2,000	4,440	2,136	2,000	4,272
3	1,049	3,000	3,147	0	3,000	0	0	3,000	0
4	902	4,000	3,608	2,220	4,000	8,880	2,136	4,000	8,544
5	833	5,000	4,165	740	5,000	3,700	712	5,000	3,560
6	650	6,000	3,900	1,110	6,000	6,660	1,068	6,000	6,408
7	925	7,000	6,475	740	7,000	5,180	712	7,000	4,984
8	245	8,000	1,960	0	8,000	0	0	8,000	0
9	581	9,000	5,229	0	9,000	0	0	9,000	0
10	1,249	10,000	12,490	370	10,000	3,700	356	10,000	3,560
Residual:									
1	854	1,000	854	0	1,000	0	0	1,000	0
2	945	2,000	1,890	1,095	2,000	2,190	2,220	2,000	4,440
3	1,361	3,000	4,083	1,149	3,000	3,447	0	3,000	0
4	1,473	4,000	5,892	1,002	4,000	4,008	2,220	4,000	8,880
5	1,508	5,000	7,540	833	5,000	4,165	740	5,000	3,700
6	1,025	6,000	6,150	1,050	6,000	6,300	1,110	6,000	6,660
7	1,125	7,000	7,875	925	7,000	6,475	740	7,000	5,180
8	543	8,000	4,344	245	8,000	1,960	0	8,000	0
9	525	9,000	4,725	181	9,000	1,629	0	9,000	0
10	914	10,000	9,140	949	10,000	9,490	370	10,000	3,700
New Payments	7,429		42,964	7,400		32,560	7,120		31,328
Residual	10,273		52,493	7,429		39,664	7,400		32,560
TOTAL	17,702		95,457	14,829		72,224	14,520		63,888

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (DOMESTIC) - ENLISTED

FY 2005 Estimate	2,034,706
FY 2004 Estimate	1,946,130
FY 2003 Actual	1,947,735

PART I - PURPOSE AND SCOPE

In the FY 1998 NDAA, 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 U. S. C. 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 rental housing market values resulting from the a contractor generated data collection of actual housing costs rather than the previous member survey methodology. In addition, this budget includes the initiative to further reduce median out-of-pocket housing costs from 7.5 percent in FY 2003 to 3.5 percent in FY 2004, and 0 percent in FY 2005 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 Allowance Committee (PDTATAC).

The computation of requirements is provided in the following table:

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (DOMESTIC) - ENLISTED

With Dependents

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<u>Grade</u>									
Chief Master Sergeant	1,926	15,140	29,160	1,868	15,750	29,421	1,844	16,675	30,749
Senior Master Sergeant	3,882	13,702	53,191	3,853	14,248	54,898	3,677	15,175	55,798
Master Sergeant	19,666	12,893	253,554	18,650	13,463	251,085	18,048	14,338	258,772
Technical Sergeant	25,236	11,766	296,927	24,884	12,172	302,888	24,110	12,963	312,538
Staff Sergeant	27,904	9,912	276,584	28,728	10,227	293,801	29,079	10,892	316,728
Senior Airman	10,411	9,470	98,592	11,247	9,890	111,233	12,767	10,434	133,211
Airman First Class	7,411	9,365	69,404	7,254	9,726	70,552	8,223	10,358	85,174
Airman	989	9,999	9,889	847	10,441	8,844	1,042	11,121	11,588
Airman Basic	1,081	11,497	12,428	976	11,912	11,626	1,085	12,687	13,765
Subtotal with Dependents	98,506		1,099,729	98,307		1,134,348	99,875		1,218,323

Without Dependents - Full Allowance

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<u>Grade</u>									
Chief Master Sergeant	350	12,325	4,314	330	12,804	4,225	299	13,535	4,047
Senior Master Sergeant	695	11,173	7,765	670	11,668	7,818	589	12,326	7,260
Master Sergeant	4,362	10,093	44,026	4,018	10,541	42,354	3,573	11,188	39,975
Technical Sergeant	8,707	9,006	78,415	8,353	9,348	78,084	7,302	9,906	72,334
Staff Sergeant	25,378	7,925	201,121	25,414	8,240	209,411	23,281	8,626	200,822
Senior Airman	20,675	7,386	152,706	21,697	7,654	166,069	22,630	8,102	183,348
Airman First Class	10,506	7,316	76,862	9,989	7,586	75,777	10,248	8,029	82,281
Airman	575	7,550	4,341	480	7,838	3,762	540	8,296	4,480
Airman Basic	75	7,656	574	66	7,942	524	68	8,408	572
Subtotal without Dependents (Full)	71,323		570,124	71,017		588,024	68,530		595,119

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (DOMESTIC) - ENLISTED

Without Dependents -
Partial Allowance

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Grade									
Chief Master Sergeant	5	324	2	5	347	2	4	356	1
Senior Master Sergeant	14	264	4	14	283	4	12	290	3
Master Sergeant	91	204	19	87	219	19	73	224	16
Technical Sergeant	246	168	41	246	180	44	201	184	37
Staff Sergeant	1,911	156	298	1,995	167	333	1,710	171	292
Senior Airman	8,585	144	1,236	9,390	154	1,446	9,164	158	1,448
Airman First Class	32,631	132	4,307	32,336	141	4,559	31,039	145	4,501
Airman	9,125	120	1,095	7,919	129	1,022	8,369	132	1,105
Airman Basic	10,321	120	1,239	9,438	129	1,218	9,015	132	1,190
Subtotal without Dependents (Partial)	62,929		8,241	61,430		8,647	59,587		8,593

Inadequate Family Housing

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Grade									
Chief Master Sergeant	0	0	0	0	0	0	0	0	0
Senior Master Sergeant	0	0	0	0	0	0	0	0	0
Master Sergeant	0	0	0	0	0	0	0	0	0
Technical Sergeant	0	0	0	0	0	0	0	0	0
Staff Sergeant	0	0	0	0	0	0	0	0	0
Senior Airman	0	0	0	0	0	0	0	0	0
Airman First Class	0	0	0	0	0	0	0	0	0
Airman	0	0	0	0	0	0	0	0	0
Airman Basic	0	0	0	0	0	0	0	0	0
Subtotal Inadequate Family Housing	0		0	0		0	0		0
TOTAL BAH - DOMESTIC	232,758		1,678,094	230,754		1,731,019	227,992		1,822,035

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (OVERSEAS) - ENLISTED

With Dependents

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>Grade</u>									
Chief Master Sergeant	128	21,144	2,706	126	16,519	2,081	122	16,734	2,042
Senior Master Sergeant	339	19,801	6,713	341	15,458	5,271	320	15,659	5,011
Master Sergeant	1,445	19,873	28,716	1,387	15,532	21,543	1,320	15,734	20,769
Technical Sergeant	2,108	18,825	39,683	2,108	14,670	30,924	1,972	14,861	29,306
Staff Sergeant	2,667	18,172	48,465	2,784	14,109	39,279	2,730	14,292	39,017
Senior Airman	775	18,062	13,998	848	14,097	11,954	946	14,280	13,509
Airman First Class	446	17,879	7,974	442	13,911	6,149	485	14,092	6,835
Airman	40	17,951	718	35	13,985	489	42	14,167	595
Airman Basic	2	22,414	45	2	17,509	35	2	17,737	35
Subtotal with Dependents	7,950		149,018	8,073		117,725	7,939		117,119

Without Dependents

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>Grade</u>									
Chief Master Sergeant	33	15,260	504	32	11,909	381	31	12,065	374
Senior Master Sergeant	87	14,621	1,272	87	11,361	988	79	11,509	909
Master Sergeant	522	14,488	7,563	501	11,276	5,649	456	11,423	5,209
Technical Sergeant	1,229	13,837	17,006	1,229	10,817	13,294	1,099	10,958	12,043
Staff Sergeant	4,395	13,152	57,803	4,587	10,223	46,893	4,298	10,356	44,510
Senior Airman	2,227	12,219	27,212	2,436	9,477	23,086	2,598	9,600	24,941
Airman First Class	771	11,463	8,838	764	8,912	6,809	801	9,028	7,231
Airman	35	11,515	403	30	8,965	269	35	9,082	318
Airman Basic	2	11,086	22	2	8,630	17	2	8,740	17
Subtotal without Dependents	9,301		120,623	9,668		97,386	9,399		95,552

TOTAL BAH - OVERSEAS 17,251 269,641 17,741 215,111 17,338 212,671

GRAND TOTAL BAH 250,009 1,947,735 248,495 1,946,130 245,330 2,034,706

(Amount in Thousands)

PROJECT: STATION ALLOWANCE, OVERSEAS - ENLISTED

FY 2005 Estimate	287,090
FY 2004 Estimate	296,541
FY 2003 Actual	294,113

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.

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 PDTATAC 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. Per Diem Committee approved a simplification of the TLA computation method for TDY. This change includes removal of the deduction for BAS, COLA and housing allowances. This will align the TLA computation with that of Temporary Lodging Expenses(TLE) that is to be implemented 1 October 2004. 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)

PROJECT: STATION ALLOWANCE, OVERSEAS - ENLISTED

Cost of Living

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>Grade</u>									
Chief Master Sergeant	529	7,560	3,999	542	7,280	3,946	464	7,309	3,391
Senior Master Sergeant	1,181	7,032	8,305	1,220	6,763	8,251	1,044	6,787	7,086
Master Sergeant	5,706	6,636	37,865	5,839	6,392	37,323	4,995	6,401	31,973
Technical Sergeant	8,869	6,060	53,746	9,128	5,819	53,116	7,809	5,839	45,597
Staff Sergeant	16,287	5,004	81,500	17,233	4,799	82,701	14,745	4,805	70,850
Senior Airman	9,432	3,900	36,785	10,147	3,732	37,869	8,682	3,742	32,488
Airman First Class	10,066	3,084	31,044	10,875	2,954	32,125	9,304	2,965	27,586
Airman	1,644	2,736	4,498	1,769	2,623	4,640	1,513	2,637	3,990
Airman Basic	191	2,232	426	167	2,129	356	143	2,154	308
Subtotal Cost of Living	53,905		258,168	56,920		260,327	48,699		223,269
<u>Temporary Lodging Allowance</u>	55,176	486	26,816	54,811	492	26,967	49,314	1,106	54,541
<u>Moving-In Housing Allowance</u>	11,719	779	9,129	11,720	789	9,247	11,600	800	9,280
TOTAL STATION ALLOWANCES-OVERSEAS	120,800		294,113	123,451		296,541	109,613		287,090

(Amount in Thousands)

PROJECT: CONUS COST OF LIVING ALLOWANCE (COLA) - ENLISTED

FY 2005 Estimate	11,661
FY 2004 Estimate	1,483
FY 2003 Actual	1,446

PART I - PURPOSE AND SCOPE

In the Fiscal Year 1995 NDAA, 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. Increase in Conus COLA due to additional locations: Lakehurst, Nellis and Tacoma.

Details of the computation are shown below:

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
CONUS									
COLA	1,746	828	1,446	1,767	839	1,483	13,719	850	11,661

(Amount in Thousands)

PROJECT: CLOTHING ALLOWANCE - ENLISTED

FY 2005 Estimate	118,216
FY 2004 Estimate	125,651
FY 2003 Actual	123,858

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 initial 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 the duties requires additional items of individual uniform clothing. This necessitates that he or she has, as a military requirement, additional quantities or special items of individual uniform clothing normally not required for most enlisted members in the Service.

Both basic and standard replacement allowances are cash allowances for the enlisted member to purchase the required items. 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 payment 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)

PROJECT: CLOTHING ALLOWANCE - ENLISTED

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Initial Allowances</u>									
<u>Military Clothing</u>									
Civilian Life (Male)	28,480	1,095.80	31,208	28,120	1,110.05	31,215	27,056	1,124.48	30,424
Civilian Life (Female)	8,664	1,291.00	11,185	8,880	1,307.78	11,613	8,544	1,324.78	11,319
Officer Tng School (Male)	1,045	728.00	761	615	737.46	454	615	747.05	459
Officer Tng School (Female)	358	940.00	337	210	952.22	200	210	964.60	203
AF Academy Prep (Male)	142	799.00	113	142	809.39	115	142	819.91	116
AF Academy Prep (Female)	38	800.00	30	38	810.40	31	38	820.94	31
Subtotal Military Clothing	38,727		43,634	38,005		43,628	36,605		42,552
<u>Civilian Clothing</u>									
Initial	828	822.03	681	838	832.72	698	753	843.54	635
Continuing	1,659	274.01	455	1,679	277.57	466	1,508	281.18	424
TDY	1,845	405.74	749	1,868	411.01	768	1,677	416.36	698
Subtotal Civilian Clothing	4,332		1,885	4,385		1,932	3,938		1,757
TOTAL INITIAL ALLOWANCES	43,059		45,519	42,390		45,560	40,543		44,309
<u>Maintenance Allowance</u>									
<u>Military Clothing</u>									
Airmen (Male)	56,629	205.20	11,620	55,913	207.87	11,623	53,798	210.57	11,328
Airmen (Female)	17,938	241.20	4,327	18,385	244.34	4,492	17,690	247.51	4,378
Subtotal	74,567		15,947	74,298		16,115	71,488		15,706
<u>Standard Maintenance Allowance</u>									
<u>Military Clothing (37th Month)</u>									
Airmen (Male)	161,400	295.20	47,645	163,373	299.04	48,855	146,716	302.93	44,445
Airmen (Female)	35,556	342.00	12,160	35,991	346.45	12,469	32,321	350.95	11,343
Subtotal	196,956		59,805	199,364		61,324	179,037		55,788
<u>Supplemental Maint. Allow.</u>	10,097	256.17	2,587	10,220	259.50	2,652	9,178	262.87	2,413
TOTAL CLOTHING ALLOWANCE	324,679		123,858	326,272		125,651	300,246		118,216

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - ENLISTED

FY 2005 Estimate	35,167
FY 2004 Estimate	68,124
FY 2003 Actual	67,256

PART I - PURPOSE AND SCOPE

Under the provision of 37 U. S. C. 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 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. Statute provided for a temporary increase October 1, 2002 through December 31, 2004. Amount will revert to \$100 unless statute is extended or becomes permanent.

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.

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

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - ENLISTED

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 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>PCS Overseas with Dependents not Authorized and Maintain Two Homes</u>									
<u>Grade</u>									
Chief Master Sergeant	15	7,053	106	15	7,132	107	13	7,292	95
Senior Master Sergeant	25	6,476	162	25	6,548	164	21	6,696	141
Master Sergeant	216	5,530	1,194	208	5,591	1,163	173	5,717	989
Technical Sergeant	306	5,006	1,532	306	5,062	1,549	250	5,175	1,294
Staff Sergeant	371	4,618	1,713	387	4,669	1,807	332	4,774	1,585
Senior Airman	90	4,016	361	98	4,061	398	96	4,152	399
Airman First Class	59	3,941	233	58	3,985	231	56	4,075	228
Airman	8	3,200	26	7	3,236	23	7	3,309	23
Airman Basic	1	2,856	3	0	2,887	0	0	2,952	0
Subtotal	1,091		5,330	1,104		5,442	948		4,754
<u>PCS CONUS or Overseas with dependents not authorized</u>									
	5,206	3,000	15,618	5,270	3,000	15,810	4,369	1,650	7,209
<u>TDY CONUS or Overseas for more than 30 days with dependents not residing near TDY station</u>									
	15,436	3,000	46,308	15,624	3,000	46,872	14,063	1,650	23,204
TOTAL FAMILY SEPARATION ALLOWANCE	21,733		67,256	21,998		68,124	19,380		35,167

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - ENLISTED

FY 2005 Estimate	109,767
FY 2004 Estimate	95,788
FY 2003 Actual	135,589

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 U. S. C. 501.
- (2) Severance pay to members separated for physical disability under provisions of 10 U. S. C. 1212.
- (3) Donations for discharge under certain conditions under the provisions of 10 U. S. C. 1048.
- (4) Separation Pay for discharge under provisions of 10 U. S. C. 1174 as amended.
- (5) Voluntary Separation Incentive and Special Separation Benefits programs under the provision of U. S. C. 1775 and 1774a.
- (6) \$30,000 Lump Sum Bonus program was provided for in the FY 2000 NDAA.

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 U. S. C. 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 NDAA approved two voluntary separation pay programs for implementation during the force drawdown. These programs apply to both officer and enlisted members who have more than six and less than 20 years of service. Voluntary Separation Incentive (VSI) - For payment of an annuity to enlisted members voluntarily separating from active duty during the drawdown provisions of 10 U. S. C. 1175. In particular, the VSI was 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 payments expired in December 31, 2001, and Congress did not extend the authority in FY 2002.

The FY 2000 NDAA 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. The FY 2002 NDAA authorized the option to receive the bonus in annual installments in order to take advantage of the Thrift Savings Plan.

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - ENLISTED

Lump Sum Terminal

Leave Payments

	FY 2003 Actual				FY 2004 Estimate				FY 2005 Estimate			
	Payments	Days	Average Rate	Amount	Payments	Days	Average Rate	Amount	Payments	Days	Average Rate	Amount
<u>Grade</u>												
Chief Master Sergeant	411	11	1,620	666	484	11	1,630	789	424	11	1,730	734
Senior Master Sergeant	674	13	1,562	1,053	778	12	1,559	1,213	687	13	1,656	1,138
Master Sergeant	3,658	13	1,367	5,000	4,225	12	1,354	5,721	3,720	13	1,451	5,398
Technical Sergeant	2,965	17	1,493	4,427	3,204	16	1,460	4,678	3,030	17	1,581	4,790
Staff Sergeant	3,783	18	1,287	4,869	3,630	18	1,330	4,828	5,280	18	1,309	6,912
Senior Airman	5,142	14	768	3,949	4,943	14	802	3,964	7,933	14	815	6,465
Airman First Class	2,411	18	811	1,955	2,323	18	846	1,965	3,773	18	875	3,301
Airman	1,135	19	802	910	1,091	19	836	912	1,783	19	867	1,546
Airman Basic	2,188	15	533	1,166	2,103	15	555	1,167	3,439	15	576	1,981
Subtotal LSTL	22,367			23,995	22,781			25,237	30,069			32,265
<u>Separation Pay</u>												
Disability	598		19,615	11,730	482		20,449	9,856	482		21,195	10,216
Severance Pay, Non Disability	0		0	0	0		0	0	0		0	0
Invol-Half Pay 5%	192		11,271	2,164	200		10,150	2,030	200		10,495	2,099
Invol-Half Pay 10%	321		20,302	6,517	300		21,757	6,527	300		22,497	6,749
SSB	0		0	0	0		0	0	0		0	0
VSI	0		0	0	0		0	0	0		0	0
VSI Trust Fund	0		0	9,338	0		0	6,438	0		0	7,538
15 Year Retirement	0		0	0	0		0	0	0		0	0
Subtotal Separation Pay	1,111			29,749	982			24,851	982			26,602
\$30K Lump Sum Bonus	0			81,845	0			45,700	0			50,900
TOTAL SEPARATION PAYMENTS	23,478			135,589	23,763			95,788	31,051			109,767

(Amount in Thousands)

PROJECT: SPECIAL COMPENSATION

FY 2005 Estimate	0
FY 2004 Estimate	122,000
FY 2003 Actual	27,000

PART I - PURPOSE AND SCOPE

Funds represent the Air Force contribution (as an employer) as required by provisions of Section 636 of the FY2003 NDAA, (P.L. 107-314) added section 1413a to title 10, U.S.C.

Section 636 of the FY 2003 National Defense Authorization Act (10 USC Section 1413a) authorizes special compensation for uniformed services retirees who completed at least 20 years of service creditable for computing the amount of retired pay to which the member is entitled, and who incurred a qualifying combat-related disability. A combat related-disability is:

- 1) any disability rated 10 percent or higher attributable to an injury for which the member was awarded the Purple Heart; or
- 2) a service-connected disability rated at 60 percent or higher incurred as a direct result of armed conflict, while engaged in hazardous service, in the performance of duty under conditions simulating war, or through the instrumentality of war.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The amount of the special compensation would be equal to the amount of veteran's disability compensation to which the retiree would be entitled based solely for the combat-related disability without regard to section 5304 and 5305 of title 38, United States Code. This provision is effective no later than 180 days after enactment (start of entitlement June 1, 2003 - Payable July 1, 2003).

Fund requirements for this incentive program are provided in the following table:

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Special Compensation for Combat-Related Disabled	27,000	122,000	0

(Amount in Thousands)

PROJECT: SOCIAL SECURITY TAX (EMPLOYER'S CONTRIBUTION) - ENLISTED

FY 2005	Estimate	587,952
FY 2004	Estimate	650,704
FY 2003	Actual	619,422

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.

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 2003 - 7.65% on first \$87,000 and 1.45% on the remainder

Calendar Year 2004 - 7.65% on first \$87,900 and 1.45% on the remainder

Calendar Year 2005 - 7.65% on first \$89,700 and 1.45% on the remainder

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	<u>Basic Pay</u>	<u>Rate</u>	<u>Amount</u>	<u>Basic Pay</u>	<u>Rate</u>	<u>Amount</u>	<u>Basic Pay</u>	<u>Rate</u>	<u>Amount</u>
Social Security	8,097,013	7.65	619,422	8,505,935	7.65	650,704	7,685,649	7.65	587,952

PAY AND ALLOWANCES OF CADETS

**ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)**

FY 2004 DIRECT PROGRAM 50,362

Increases:

Basic Pay	693	
- 1 Jan 05 pay raise of 3.5% effect on Basic Pay	315	
- Annualization of 1 Jan 04 4.1% on Basic Pay	122	
- Change in workyears for Basic Pay	256	
 Subsistence	 425	
- Rate Increase (\$6.05-\$6.25 per day)	275	
- Change in workyears Subsistence	150	
 Total Increases:		 1,118

Decreases:

FICA	-82	
- Changes in FICA	-82	
 Total Decrease:		 -82

FY 2005 DIRECT PROGRAM 51,398

(Amount in Thousands)

PROJECT: ACADEMY CADETS

FY 2005 Estimate 51,398
FY 2004 Estimate 50,362
FY 2003 Actual 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 NDAA (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 \$5.75 for FY 2003, \$6.05 for FY 2004, \$6.25 for FY 2005. The FY01 NDAA (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 4.7 percent in FY 2003, and 4.1 percent in FY 2004, and 3.5 percent in FY 2005.

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
<u>Basic Pay</u>	4,037	9,498	38,343	4,029	9,524	38,372	4,097	9,535	39,065
<u>Subsistence</u>	4,037	2,099	8,474	4,029	2,214	8,920	4,097	2,281	9,345
<u>Social Security Tax (Employer's Contribution)</u>			3,004			3,070			2,988
TOTAL ACADEMY CADETS			49,821			50,362			51,398

SUBSISTENCE OF ENLISTED PERSONNEL

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

4. Subsistence of Enlisted Personnel

FY 2004 DIRECT PROGRAM 1,051,044

Increases:

Family Subsistence Supplemental Allowance (FSSA) 39

Total Increases 39

Decreases:

Basic Allowance for Subsistence (BAS) -124,494

- 1 Jan 05 rate change effect on BAS 24,930

- Annualization of 1 Jan 04 rate chg effect on BAS 5,341

- Change in workyears for BAS -154,765

Subsistence-In-Kind (SIK) -61,417

- Increase for Inflation 2,202

- Increase in Prime vendor costs 557

- Change in workyears for SIK -64,176

Reimbursements -822

- Adjustment to Cash Sales Estimate -822

Total Decreases: -186,733

FY 2005 DIRECT PROGRAM 864,350

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE

FY 2005 Estimate	717,436
FY 2004 Estimate	841,930
FY 2003 Actual	831,094

PART I - PURPOSE AND SCOPE

Funds provide for the payment of subsistence allowances to active duty Enlisted Personnel under the provisions of 37 U. S. C. 402.

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 87 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 NDAA. 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 \$262.50 per month. The enlisted BAS rate inflated by 2.5 percent in FY 2003, 4.8 percent in FY 2004, and 3.0 percent in FY 2005. The BAS rate is 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.

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>When Authorized to Mess Separately</u>	277,896	2,914.00	809,661	272,198	3,054.00	831,293	230,008	3,145.00	723,375
<u>When Rations-In-Kind Not Available</u>	41,195	3,150.00	129,745	40,351	3,150.00	127,106	34,096	3,150.00	107,402
<u>Augmentation of Commuted Rations Allowance</u>	1,358	724.00	984	1,330	742.00	987	1,125	763.00	858
<u>Less Collections</u>	42,803	2,555.00	109,296	44,728	2,626.00	117,456	42,390	2,694.00	114,199
GRAND TOTAL	277,646		831,094	269,151		841,930	222,839		717,436

(Amount in Thousands)

PROJECT: SUBSISTENCE-IN-KIND

FY 2005 Estimate	173,774
FY 2004 Estimate	235,191
FY 2003 Actual	265,032

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 are 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 inflationary adjustments of 1.0 percent in FY 2003, 1.3 percent in FY 2004, and 1.3 percent in FY 2005. 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 2003, FY 2004, and FY 2005 include requirements for heat and serve Unitized Group Rations (UGRs) in support of the Expeditionary Aerospace Forces (EAFs).

(Amount in Thousands)

PROJECT: SUBSISTENCE-IN-KIND

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Annual Rate	Amount	Number	Annual Rate	Amount	Number	Annual Rate	Amount
<u>Subsistence in Mess</u>									
Trainee/Non-Pay Status	4,651	2,759.40	12,834	4,161	2,795.27	11,631	3,457	2,839.37	9,816
Members Taking Meals in Mess	64,919	2,759.40	179,137	58,091	2,795.27	162,380	48,255	2,839.37	137,014
Subtotal Subsistence-In-Mess	69,570		191,971	62,252		174,011	51,712		146,830
<u>Operational Rations</u>									
Meals Ready to Eat	551,208	80.30	44,262	486,919	81.34	39,606	163,204	82.40	13,448
Unitized Group Rations	45,233	292.00	13,208	40,477	295.65	11,967	24,729	302.64	7,484
Subtotal Operational Rations	596,441		57,470	527,396		51,573	187,933		20,932
<u>Augmentation Rations</u>									
Augmentation Rations	313,288	7.30	2,287	280,379	7.39	2,072	173,103	7.51	1,300
Other - Messing	2,276,438	3.65	13,304	2,036,486	3.70	7,535	1,253,191	3.76	4,712
Subtotal Augmentation Rations/Other	2,589,726		15,591	2,316,865		9,607	1,426,294		6,012
GRAND TOTAL SIK	3,255,737		265,032	2,906,513		235,191	1,665,939		173,774

(Amount in Thousands)

PROJECT: FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE (FSSA)

FY 2005 Estimate 1,254
FY 2004 Estimate 1,215
FY 2003 Actual 1,103

PART I - PURPOSE AND SCOPE

Family Subsistence Supplemental 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.

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
TOTAL FSSA	1,103	1,215	1,254

PERMANENT CHANGE OF STATION TRAVEL

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

FY 2004 DIRECT PROGRAM		\$976,484
<u>Increases:</u>		
Transp Household Goods (HHG)/Port Handling Charges	15,564	
- Change in Transportation of Household goods	15,527	
- Change in Port Handling charges	37	
Trailer Allowance and Nontemporary Storage	2,504	
- Change in number of trailer movements	171	
- Change in Nontemporary Storage requirements	2,333	
Travel of Military Member and Family	235	
- Increase in Separation Travel	235	
Total Increases		18,303
<u>Decreases:</u>		
Transportation of Privately-Owned Vehicles	-2,606	
- Change in number of POV moves	-2,606	
Dislocation Allowance (DLA)	-2,148	
- Change in Rotational PCS moves	-2,148	
Temporary Lodging Expense	-1,954	
- Change in number of moves	-1,954	
Reimbursements	-31	
- Change in reimbursable moves	-31	
Total Decreases		-6,739
FY 2005 DIRECT PROGRAM		\$988,048

PURPOSE AND SCOPE

These funds are 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 units. PCS travel costs include 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 non-temporary 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.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Air Force budget request incorporates pay raise increases to dislocation allowances. Effective 1 January of each year, the average percentage pay raise increase is 4.1% in FY 2004, and 3.5% in FY 2005. For other cost elements authorized price changes have been included at non-pay inflation.

SUMMARY OF REQUIREMENTS BY TYPES OF MOVES
(Amount in Thousands)

	FY 2003 Actual		FY 2004 Estimate		FY 2005 Estimate	
	Number	Amount*	Number	Amount*	Number	Amount*
Accession Travel	47,070	93,934	45,211	88,848	44,040	88,253
Training Travel	10,450	81,835	10,450	83,501	10,450	85,083
Operational Travel between Duty Stations	21,106	172,319	18,973	157,453	18,406	156,508
Rotational Travel To and From Overseas	44,918	485,904	42,379	465,027	38,031	428,284
Separation Travel	39,276	99,638	43,165	113,215	59,363	161,308
Travel of Organized Units	1,047	6,676	1,166	7,937	1,115	7,761
Nontemporary Storage *	0	25,575	0	25,676	0	28,009
Temporary Lodging Expense *	0	37,902	0	36,260	0	34,306
TOTAL OBLIGATIONS	163,867	1,003,783	161,344	977,917	171,405	989,512
Less Reimbursements		-1,402		-1,433		-1,464
TOTAL DIRECT PROGRAM	163,867	1,002,381	161,344	976,484	171,405	988,048

*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

SUMMARY OF REQUIREMENTS BY TYPES OF COST
(Amount in Thousands)

	<u>FY 2003 Actual</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	<u>Number</u>	<u>Amount*</u>	<u>Number</u>	<u>Amount*</u>	<u>Number</u>	<u>Amount*</u>
<u>Travel of Military Member</u>						
Mileage and Per Diem	120,787	89,681	118,915	87,582	126,289	87,668
AMC	31,574	29,195	31,084	28,512	33,012	28,540
Commercial Air	11,870	12,438	11,687	12,147	12,411	12,159
<u>Travel of Family Members</u>						
Mileage and Per Diem	63,896	47,373	63,457	46,121	69,618	46,177
AMC	30,407	30,796	30,199	29,982	33,130	30,019
Commercial Air	10,822	13,090	10,748	12,744	11,792	12,760
<u>Transportation of Household Goods</u>						
M Tons - MSC	27,420	5,464	26,259	5,337	26,175	5,494
S Tons - AMC	8,419	44,323	8,063	43,291	8,037	51,228
Land Shipment, CONUS & Overseas	44,537	389,764	42,651	380,684	42,514	385,177
ITGBL	17,647	102,654	16,900	100,262	16,845	103,202
Dislocation Allowance	69,683	120,551	65,220	117,172	61,137	115,024
Trailer Allowance	1,287	2,933	1,245	2,864	1,323	3,035
Transportation of POVs	16,673	50,402	15,773	47,681	14,911	45,075
Port Handling Charges	0	1,642	0	1,603	0	1,640
Nontemporary Storage	0	25,575	0	25,676	0	28,009
Temporary Lodging Expense	0	37,902	0	36,260	0	34,306
TOTAL OBLIGATIONS		1,003,783		977,917		989,512
Less Reimbursements		-1,402		-1,403		-1,464
TOTAL DIRECT PROGRAM		1,002,381		976,484		988,048

(Amount in Thousands)

PROJECT: ACCESSION TRAVEL

FY 2005 Estimate	\$90,477
FY 2004 Estimate	\$91,098
FY 2003 Actual	\$96,256

PART I - PURPOSE AND SCOPE

These funds are 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 their first permanent duty station or training school of 20 weeks or more; 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)

PROJECT: ACCESSION TRAVEL

Officer Accession Travel

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel	6,763	538	\$3,641	5,795	546	\$3,166	5,724	555	\$3,174
(2) Family Member Travel	2,855	492	\$1,404	2,447	499	\$1,222	2,417	507	\$1,225
(3) Pet Quarantine	0	0	\$0	0	0	\$0	0	0	\$0
(4) Trans of Household Goods									
(a) Land & ITGBL	4,935	5,161	\$25,469	4,229	5,238	\$22,152	4,177	5,317	\$22,208
(b) Overseas	0	0	\$329	0	0	\$286	0	0	\$287
(5) Dislocation Allowance	3,108	1,611	\$5,007	2,663	1,677	\$4,466	2,630	1,734	\$4,560
(6) Trailer Allowance	27	1,676	\$45	23	1,701	\$39	23	1,726	\$40
(7) Global POV	260	3,023	\$786	223	3,023	\$674	220	3,023	\$665
(8) Port Handling (HHGS)	542	32	\$17	465	33	\$15	459	33	\$15
(9) Nontemporary Storage	0	0	\$438	0	0	\$381	0	0	\$382
Subtotal Officer Accession Travel			\$37,136			\$32,401			\$32,556

Enlisted Accession Travel

(1) Member Travel	39,002	683	\$26,625	38,105	693	\$26,403	37,005	703	\$26,026
(2) Family Member Travel	9,910	254	\$2,519	9,682	258	\$2,498	9,403	262	\$2,463
(3) Pet Quarantine	0	0	\$0	0	0	\$0	0	0	\$0
(4) Trans of Household Goods									
(a) Land & ITGBL	4,653	4,867	\$22,644	4,546	4,940	\$22,455	4,415	5,014	\$22,135
(b) Overseas	0	0	\$565	0	0	\$560	0	0	\$552
(5) Dislocation Allowance	1,932	1,541	\$2,977	1,887	1,604	\$3,027	1,833	1,659	\$3,041
(6) Trailer Allowance	20	2,099	\$42	19	2,131	\$40	19	2,163	\$41
(7) Global POV	394	3,023	\$1,191	385	3,023	\$1,164	374	3,023	\$1,131
(8) Port Handling (HHGS)	835	34	\$28	815	34	\$28	792	35	\$27
(9) Nontemporary Storage	0	0	\$1,884	0	0	\$1,869	0	0	\$1,842
Subtotal Enlisted Accession Travel			\$58,475			\$58,044			\$57,258

Cadet Accession Travel

	1,305	494	\$645	1,311	498	\$653	1,311	506	\$663
TOTAL ACCESSION TRAVEL			\$96,256			\$91,098			\$90,477

(Amount in Thousands)

PROJECT: TRAINING TRAVEL

FY 2005 Estimate	\$91,161
FY 2004 Estimate	\$89,489
FY 2003 Actual	\$87,735

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)

PROJECT: OPERATIONAL TRAVEL

FY 2005 Estimate	\$168,099
FY 2004 Estimate	\$169,178
FY 2003 Actual	\$185,197

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 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).

(Amount in Thousands)

PROJECT: OPERATIONAL TRAVEL

Officer Operational Travel

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel	8,573	727	\$6,235	7,351	738	\$5,427	7,597	749	\$5,692
(2) Family Member Travel	7,348	604	\$4,435	6,301	613	\$3,860	6,511	622	\$4,049
(3) Trans of Household Goods	8,501	5,755	\$48,921	7,291	5,841	\$42,587	7,534	5,929	\$44,667
(4) Dislocation Allowance	8,058	2,377	\$19,154	6,911	2,475	\$17,105	7,141	2,559	\$18,274
(5) Trailer Allowance	85	1,782	\$151	73	1,808	\$132	75	1,836	\$138
(6) Non-Temporary Storage	0	0	\$1,750	0	0	\$1,524	0	0	\$1,601
(7) Temporary Lodging Expense	0	0	\$3,873	0	0	\$3,372	0	0	\$3,544
Subtotal Officer Operational Travel			\$84,519			\$74,007			\$77,965

Enlisted Operational Travel

(1) Member Travel	12,533	522	\$6,546	11,622	530	\$6,161	10,809	538	\$5,816
(2) Family Member Travel	10,491	516	\$5,411	9,729	524	\$5,093	9,048	531	\$4,808
(3) Trans of Household Goods	12,873	4,895	\$63,019	11,937	4,969	\$59,314	11,102	5,043	\$55,992
(4) Dislocation Allowance	11,815	1,436	\$16,966	10,956	1,495	\$16,379	10,190	1,546	\$15,754
(5) Trailer Allowance	609	2,432	\$1,481	565	2,469	\$1,395	526	2,506	\$1,318
(6) Non-Temporary Storage	0	0	\$1,341	0	0	\$1,262	0	0	\$1,191
(7) Temporary Lodging Expense	0	0	\$5,914	0	0	\$5,567	0	0	\$5,255
Subtotal Enlisted Operational Travel			\$100,678			\$95,171			\$90,134

TOTAL OPERATIONAL TRAVEL

\$185,197 **\$169,178** **\$168,099**

(Amount in Thousands)

PROJECT: ROTATIONAL TRAVEL

FY 2005 Estimate	\$459,906
FY 2004 Estimate	\$499,262
FY 2003 Actual	\$521,763

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. They are driven by Air Force's continuing restructure and consolidation efforts in overseas locations.

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.

(Amount in Thousands)

PROJECT: ROTATIONAL TRAVEL

Officer Rotational Travel

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel	7,596	1,609	\$12,219	7,002	1,633	\$11,433	6,954	1,657	\$11,525
(2) Family Member Travel	5,894	2,658	\$15,669	5,433	2,698	\$14,660	5,396	2,739	\$14,779
(3) Pet Quarantine	57	550	\$31	52	550	\$29	52	550	\$29
(4) Trans of Household Goods									
(a) Land & ITGBL	9,026	5,074	\$45,796	8,320	5,150	\$42,847	8,263	5,227	\$43,192
(b) Overseas	0	0	\$13,025	0	0	\$12,190	0	0	\$12,286
(5) Dislocation Allowance	6,914	2,377	\$16,435	6,374	2,475	\$15,776	6,330	2,559	\$16,198
(6) Trailer Allowance	91	3,357	\$305	84	3,407	\$286	83	3,458	\$287
(7) Global POV	5,723	3,023	\$17,301	5,275	3,023	\$15,946	5,239	3,023	\$15,837
(8) Port Handling (HHGS)	12,261	52	\$639	11,302	53	\$598	11,225	54	\$603
(9) Nontemporary Storage	0	0	\$5,933	0	0	\$5,553	0	0	\$5,597
(10) Temporary Lodging Expenses	0	0	\$4,115	0	0	\$3,851	0	0	\$3,882
Subtotal Officer Rotational Travel			\$131,468			\$123,169			\$124,215

Enlisted Rotational Travel

(1) Member Travel	37,322	1,487	\$55,502	35,377	1,509	\$53,399	31,077	1,532	\$47,612
(2) Family Member Travel	27,406	1,743	\$47,757	25,974	1,769	\$45,941	22,819	1,795	\$40,966
(3) Pet Quarantine	306	550	\$168	290	550	\$160	255	550	\$140
(4) Trans of Household Goods									
(a) Land & ITGBL	36,226	4,241	\$153,633	34,335	4,305	\$147,798	30,165	4,369	\$131,796
(b) Overseas	0	0	\$34,561	0	0	\$33,248	0	0	\$29,649
(5) Dislocation Allowance	29,358	1,436	\$42,158	27,826	1,495	\$41,600	24,446	1,546	\$37,794
(6) Trailer Allowance	86	2,432	\$209	81	2,469	\$200	71	2,506	\$178
(7) Global POV	9,841	3,023	\$29,749	9,328	3,023	\$28,198	8,195	3,023	\$24,773
(8) Port Handling (HHGS)	27,269	27	\$747	25,846	28	\$718	22,706	28	\$640
(9) Nontemporary Storage	0	0	\$7,547	0	0	\$7,261	0	0	\$6,475
(10) Temporary Lodging Expenses	0	0	\$18,264	0	0	\$17,570	0	0	\$15,668
Subtotal Enlisted Rotational Travel			\$390,295			\$376,093			\$335,691

TOTAL ROTATIONAL TRAVEL

\$521,763 **\$499,262** **\$459,906**

(Amount in Thousands)

PROJECT: SEPARATION TRAVEL

FY 2005 Estimate	\$170,993
FY 2004 Estimate	\$119,819
FY 2003 Actual	\$105,311

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)

PROJECT: SEPARATION TRAVEL

Officer Separation Travel

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel	5,037	374	\$1,882	6,212	379	\$2,355	9,765	385	\$3,758
(2) Family Member Travel	4,052	519	\$2,101	4,997	526	\$2,630	7,855	534	\$4,196
(3) Trans of Household Goods									
(a) Land & ITGBL	2,792	6,590	\$18,400	3,443	6,689	\$23,031	5,413	6,790	\$36,752
(b) Overseas	0	0	\$703	0	0	\$880	0	0	\$1,404
(4) Trailer Allowance	20	2,496	\$50	25	2,533	\$63	39	2,571	\$100
(5) Global POV	455	3,023	\$1,375	562	3,023	\$1,699	883	3,023	\$2,669
(6) Port Handling (HHGS)	1,829	42	\$77	2,256	43	\$96	3,547	43	\$154
(7) Nontemporary Storage	0	0	\$2,375	0	0	\$2,973	0	0	\$4,743
Subtotal Officer Separation Travel			\$26,963			\$33,727			\$53,776

Enlisted Separation Travel

(1) Member Travel	33,844	350	\$11,833	36,706	355	\$13,026	49,223	360	\$17,730
(2) Family Member Travel	30,504	288	\$8,779	33,083	292	\$9,664	44,365	296	\$13,154
(3) Trans of Household Goods									
(a) Land & ITGBL	7,520	6,692	\$50,323	8,156	6,792	\$55,398	10,937	6,894	\$75,402
(b) Overseas	0	0	\$3,085	0	0	\$3,396	0	0	\$4,622
(4) Trailer Allowance	305	1,847	\$563	330	1,875	\$619	443	1,903	\$843
(5) Global POV	0	3,023	\$0	0	3,023	\$0	0	3,023	\$0
(6) Port Handling (HHGS)	3,540	38	\$134	3,839	38	\$148	5,149	39	\$201
(7) Nontemporary Storage	0	0	\$3,298	0	0	\$3,631	0	0	\$4,942
Subtotal Enlisted Separation Travel			\$78,015			\$85,882			\$116,894

Cadet Separation Travel

	395	842	\$333	247	849	\$210	375	862	\$323
TOTAL SEPARATION TRAVEL			\$105,311			\$119,819			\$170,993

(Amount in Thousands)

PROJECT: TRAVEL OF ORGANIZED UNITS

FY 2005 Estimate	\$8,876
FY 2004 Estimate	\$9,071
FY 2003 Actual	\$7,521

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 CONUS and OCONUS locations 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 in 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 (e.g. 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)

PROJECT: TRAVEL OF ORGANIZED UNITS

Officer Unit Travel

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel	57	727	\$41	132	737	\$97	132	749	\$99
(2) Family Member Travel	49	557	\$27	113	565	\$64	113	574	\$65
(3) Trans of Household Goods									
(a) Land & ITGBL	57	7,639	\$435	132	7,753	\$1,023	132	7,870	\$1,039
(b) Overseas	0	0	\$0	0	0	\$0	0	0	\$0
(4) Dislocation Allowance	56	2,377	\$133	130	2,475	\$322	130	2,559	\$333
(5) Trailer Allowance	0	0	\$0	0	0	\$0	0	0	\$0
(6) Nontemporary Storage	0	0	\$145	0	0	\$342	0	0	\$347
(7) Temporary Lodging Expense	0	0	\$38	0	0	\$90	0	0	\$91
Subtotal Officer Unit Travel			\$819			\$1,938			\$1,974

Enlisted Unit Travel

(1) Member Travel	990	539	\$534	1,034	547	\$566	983	555	\$546
(2) Family Member Travel	621	379	\$235	649	385	\$250	617	390	\$241
(3) Trans of Household Goods									
(a) Land & ITGBL	990	4,284	\$4,241	1,034	4,348	\$4,496	983	4,413	\$4,338
(b) Overseas	0	0	\$0	0	0	\$0	0	0	\$0
(4) Dislocation Allowance	695	1,436	\$998	726	1,495	\$1,085	690	1,546	\$1,067
(5) Trailer Allowance	14	2,261	\$32	15	2,295	\$34	14	2,329	\$33
(6) Nontemporary Storage	0	0	\$71	0	0	\$75	0	0	\$72
(7) Temporary Lodging Expense	0	0	\$591	0	0	\$627	0	0	\$605
Subtotal Enlisted Unit Travel			\$6,702			\$7,133			\$6,902
TOTAL UNIT TRAVEL			\$7,521			\$9,071			\$8,876

OTHER MILITARY PERSONNEL COSTS

ACTIVE FORCES
SCHEDULE OF INCREASES AND DECREASES
(Amount in Thousands)

6. Other Military Personnel Costs

FY 2004 DIRECT PROGRAM 95,918

Increases:

Survivors' Benefit	831	831
- Increase based on Dept of VA estimates	831	
Partial Dislocation Allowance		11,701
-Increase in local moves due to privatization and renovation of housing units	11,701	
Total Increases		12,532

Decreases:

Unemployment Compensation	-32,025	-32,025
- Decrease based on reduced number of separations	-32,025	
Special Compensation		-9,400
-Decrease due to FY 2004 NDAA	-9,400	
Mass Transit		-55
- Decrease cost based on workyears	-55	
Death Gratuities		-24
- Decrease in number of claimants	-24	
Total Decreases		-41,504

FY 2005 DIRECT PROGRAM 66,946

(Amount in Thousands)

PROJECT: APPREHENSION OF AIR FORCE DESERTERS, ABSENTEES, AND MILITARY PRISONERS

FY 2005 Estimate	100
FY 2004 Estimate	100
FY 2003 Actual	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.

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 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 2006 Estimate 595
FY 2005 Estimate 595
FY 2003 Actual 595

PART I - PURPOSE AND SCOPE

These funds pay interest 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, U. S. C., Section 1035, service members are permitted to deposit up to \$10,000 of their monthly unallotted pays into the savings program while they are deployed in the SDP status. The interest rate is not to exceed ten percent per year.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Interest on Uniformed Services Savings Deposit	595	595	595

(Amount in Thousands)

PROJECT: DEATH GRATUITIES

FY 2005 Estimate 2,964
FY 2004 Estimate 2,988
FY 2003 Actual 1,500

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 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. The rate was increased from to \$6,000 to \$12,000.

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted	199	6,000	1,194	198	12,000	2,376	197	12,000	2,364
Officer	51	6,000	306	51	12,000	612	50	12,000	600
TOTAL	250		1,500	249		2,988	247		2,964

(Amount in Thousands)

PROJECT: UNEMPLOYMENT BENEFITS PAID TO EX-SERVICE MEMBERS

FY 2005 Estimate	29,044
FY 2004 Estimate	61,069
FY 2003 Actual	52,643

PART I - PURPOSE AND SCOPE

The funds are for payments of unemployment benefits to eligible ex-active duty service members and demobilized Guard and Reserve personnel as prescribed in Section 8521(a), Paragraph 1 of Title 5, U. S. C. 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 or demobilized. Active duty personnel must complete a first full-term of active service or be 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, eligibility is subject to numerous applicable state laws.

The Department of Labor is the Executive Agency, as administered by individual states, for the Federal Government's share of applicable unemployment compensation. Benefits are payable up 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 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Unemployment Compensation	52,643	61,069	29,044

(Amount in Thousands)

PROJECT: SURVIVORS' BENEFITS

FY 2005 Estimate	4,009
FY 2004 Estimate	3,178
FY 2003 Actual	2,789

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. 10 USC was modified by the FY 2004 NDAA to provide an annuity to dependent child(ren) in lieu of an annuity for the surviving spouse. 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 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Survivors' Benefits	2,789	3,178	4,009

(Amount in Thousands)

PROJECT: EDUCATION BENEFITS (MONTGOMERY GI BILL)

FY 2005 Estimate 4,141
FY 2004 Estimate 4,141
FY 2003 Actual 4,141

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 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Education Benefits	4,091	4,091	4,091
Civilian Community Corps	50	50	50
TOTAL	4,141	4,141	4,141

(Amount in Thousands)

PROJECT: ADOPTION EXPENSES

FY 2005 Estimate	800
FY 2004 Estimate	800
FY 2003 Actual	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 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Expenses for Adoptions	800	800	800

(Amount in Thousands)

PROJECT: SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES

FY 2005 Estimate	0
FY 2004 Estimate	9,400
FY 2003 Actual	18,909

PART I - PURPOSE AND SCOPE

Section 658, of the FY 2000 NDAA (P.L. 106-65), as amended by Section 657, FY 2001 NDAA and Section 641, FY 2002 NDAA, provides 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 60%, (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.

Section 641 of the FY 2004 NDAA modified the source of funds for this program and transferred it to the Department of Treasury.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on empirical data of Air Force eligible disabled retirees who received disability payments and projected increased population in accordance with the expanded benefit criteria. Budget year estimate is in compliance with fiscal guidance.

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Compensation for Severely Disabled Retirees	18,909	9,400	0

(Amount in Thousands)

PROJECT: MASS TRANSPORTATION

FY 2005 Estimate	9,481
FY 2004 Estimate	9,536
FY 2003 Actual	9,388

PART I - PURPOSE AND SCOPE

Executive Order 13150 dated April 21, 2000 directed 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 the number of CONUS Air Force personnel who took advantage of this mode of transportation in FY 2003. The maximum monthly subsidy allowed is \$100 per participant. Budget rate includes 4.75 percent administrative fee.

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted	6,235	1,147	7,152	5,803	1,257	7,294	5,775	1,257	7,259
Officer	1,949	1,147	2,236	1,784	1,257	2,242	1,768	1,257	2,222
TOTAL	8,184		9,388	7,587		9,536	7,543		9,481

(Amount in Thousands)

PROJECT: PARTIAL DISLOCATION ALLOWANCE

FY 2005	Estimate	15,812
FY 2004	Estimate	4,111
FY 2003	Actual	4,469

PART I - PURPOSE AND SCOPE

Title 37, United States Code, Section 407, as amended by the FY 2002 NDAA, authorized a partial dislocation allowance payment to service members who are ordered, for the convenience of the Government, to move into or out of military family housing. This includes privatization or renovation of housing units.

PART II - JUSTIFICATION OF FUNDS REQUESTED

A \$535 allowance was directed by JFTR, para U5630.B, item 15 for FY 2004. Payments for partial dislocation allowance will grow as 18,136 units are privatized and 2,640 housing renovations require members to relocate. Overall, expect increase of 24,660 government moves.

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Partial Dislocation Allowance	4,469	4,111	15,812

SECTION 5

SPECIAL ANALYSIS

ACTIVE FORCES
MILITARY PERSONNEL ASSIGNED OUTSIDE DoD
(End Strength)

Assigned Outside DoD:

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
Nonreimbursable Personnel:									
Exec Office of the President, White House (WHMO)	16	14	30	16	14	30	16	14	30
Office of National Drug & Control Policy (ONDCP)	8	0	8	8	0	8	8	0	8
Office of the Vice President (OVP)	3	6	9	3	6	9	3	6	9
Department of State (DOS)	19	1	20	19	1	20	19	1	20
Department of Energy (DOE)	8	0	8	8	0	8	8	0	8
Department of Commerce (DOC)	0	0	0	0	0	0	0	0	0
Department of Transportation (DOT)	1	0	1	1	0	1	1	0	1
U.N. Truce Supervision Organization (UNTSO)	1	0	1	1	0	1	1	0	1
Drug Enforcement Administration (DEA)	1	4	5	1	4	5	1	4	5
US Customs Service (USCS)	0	0	0	0	0	0	0	0	0
National Security Council (NSC)	3	0	3	3	0	3	3	0	3
Central Intelligence Agency (CIA)	8	1	9	8	1	9	8	1	9
National Science & Technology Council (NSTC)	0	0	0	0	0	0	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)	2	0	2	2	0	2	2	0	2
Law Enforcement SP (LESP)	0	3	3	0	3	3	0	3	3
Subtotal Non-Reimbursable Personnel	73	29	102	73	29	102	73	29	102

**ACTIVE FORCES
MILITARY PERSONNEL ASSIGNED OUTSIDE DoD
(End Strength)**

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
Reimbursable Personnel:									
American Battle Monuments Commission	1	0	1	1	0	1	1	0	1
Office of Science & Technology Policy	1	0	1	1	0	1	1	0	1
Central Intelligence Agency	8	2	10	8	2	10	8	2	10
Department of Transportation	13	1	14	13	1	14	13	1	14
National Aeronautics Space Administration (NASA)	3	0	3	3	0	3	3	0	3
Space & Missile Support, Vice Cmdr (CV)	1	0	1	1	0	1	1	0	1
White House Office (WHO)	1	0	1	0	0	0	0	0	0
Department of Energy (DOE)	1	0	1	1	0	1	1	0	1
Department of State (DOS)	10	0	10	10	0	10	10	0	10
Subtotal Reimbursable Personnel	39	3	42	38	3	41	38	3	41

ACTIVE FORCES
MILITARY PERSONNEL ASSIGNED OUTSIDE DoD
(End Strength)

	<u>FY 2003 Actual</u>			<u>FY 2004 Estimate</u>			<u>FY 2005 Estimate</u>		
	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>
Total Outside DoD Assigned to DoD Activities in Support Non DoD Functions:									
NASA	30	1	31	30	1	31	30	1	31
Foreign Military Sales-Includes FMS Training below **Training Cases	184	551	735	221	401	622	137	230	367
	95	42	137	73	8	81	63	4	67
Subtotal Non-DoD Functions	214	552	766	251	402	653	167	231	398
Assigned to DoD Activities in Support of DoD Functions: Working Capital Fund (WCF)									
Information Services Activity Group (ISAG)	168	701	869	264	875	1,139	264	875	1,139
HQ US Transportation Command (TRANSCOM)	84	26	110	89	31	120	90	31	121
Military Traffic Management Command (MTMC)	8	1	9	1	0	1	8	0	8
Defense Courier Service (DCS)	6	102	108	9	100	109	8	102	110
Defense Commissary Agency (DECA)	3	2	5	2	1	3	2	1	3
Defense Finance & Accounting Service (DFAS)	23	378	401	26	328	354	6	64	70
Defense Information Systems Agency (DISA)	5	21	26	9	8	17	9	8	17
Defense Logistics Agency (DLA)	113	34	147	138	33	171	138	33	171
Depot Maintenance Activity Group (DMAG)	66	131	197	78	148	226	78	148	226
Supply Management Activity Group (SMAG)	50	13	63	44	16	60	44	17	61
Subtotal Working Capital Fund	526	1,409	1,935	660	1,540	2,200	647	1,279	1,926
Total - Reimbursable	779	1,964	2,743	949	1,945	2,894	852	1,513	2,365
Total - Nonreimbursable	73	29	102	73	29	102	73	29	102
Grand Total	852	1,993	2,845	1,022	1,974	2,996	925	1,542	2,467

**ACTIVE FORCES
REIMBURSABLE PROGRAM
(Amount in Thousands)**

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Subsistence	\$26,500	\$27,292	\$28,114
Non Strength Related:			
Other Non-Strength Training Cases	71,029	51,336	50,623
Strength Related:			
Officer - Basic Pay	115,196	106,179	113,838
Other Pay and Allowances	44,987	41,465	44,455
Enlisted - Basic Pay	102,692	84,542	74,787
Other Pay and Allowances	24,774	26,011	23,800
Retired Pay Accrual	57,420	44,193	44,451
PCS Travel	1,402	1,433	1,464
Strength Related Subtotal	\$346,471	\$303,823	\$302,795
TOTAL PROGRAM	\$444,000	\$382,451	\$381,532