

**DEPARTMENT OF THE
AIR FORCE**

**Fiscal Year (FY) 2019 Budget Estimates
Overseas Contingency Operations (OCO) Request**



**MILITARY PERSONNEL APPROPRIATION
February 2018**

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MILITARY PERSONNEL OVERVIEW

The FY 2019 Overseas Contingency Operations Request provides funding to continue security stabilization efforts in Afghanistan and Iraq. Support to Operation Freedom's Sentinel (OFS) encompasses all actions to restore stability, support counter terrorism operations against the remnants of al Qaeda in Afghanistan, the Horn of Africa, the Philippines, and detainee operations on U.S. Naval Station Guantanamo Bay, Cuba. Support to Operation Inherent Resolve (OIR) focuses on the operations to eliminate the Islamic State of Iraq and Syria (ISIS). European Deterrence Initiative (EDI) will continue efforts started in FY 2015 to reassure allies of the U.S. commitment to their security and territorial integrity as members of the NATO Alliance, provide near-term flexibility and responsiveness to the evolving concerns of our allies and partners in Europe, especially Central and Eastern Europe, and help increase the capability and readiness of U.S. allies and partners. These efforts are in addition to ongoing daily military operations around the globe. In response to the attacks on the United States on September 11, 2001, the President invoked his authority (10 US Code 12302) to order to active duty Ready Reserve members and delegated his authority to the Secretary of Defense in Proclamation 7463 of September 14, 2001. This declaration of national emergency has been extended, thereby continuing the authority to order to active duty Ready Reserve members. In order to sustain current military operations, funding is requested to finance the incremental costs (i.e., pay, allowances, subsistence, and other personnel costs) for personnel mobilized for duty and for incremental Active Duty costs in support of OFS, OIR and EDI. The Air Force's military personnel requirement of \$991 million is comprised of the following major costs:

(\$ in Thousands)

<u>Summary by Appropriation</u>	<u>FY 2017</u>	<u>FY 2018*</u>	<u>FY 2019</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Request</u>
Military Personnel, Air Force	880,864	914,119	964,508
Military Personnel FY 2018 CR Adjustment	-	(25,208)	-
Reserve Personnel, Air Force	20,567	20,569	21,076
Reserve Personnel FY 2018 CR Adjustment	-	(34)	-
National Guard Personnel, Air Force	5,128	5,004	5,460
National Guard FY 2018 CR Adjustment	-	284	-
TOTAL MILITARY PERSONNEL	906,559	914,734	991,044

* Reflects the FY 2018 President's Budget request with an undistributed adjustment to match the Annualized Continuing Resolution funding level by appropriation.

MILITARY PERSONNEL OVERVIEW

Summary By Category

(\$ in Thousands)

<u>FY 2017 Actuals</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization*	716,282	-	-	716,282
AC Deployment Costs	44,799	-	-	44,799
Subsistence in Kind (SIK)	102,828	-	-	102,828
Casualty and Disability	6,588	-	-	6,588
Additional Mobilization and Deployment Costs	10,367	-	-	10,367
Pre- and Post-Mobilization Training	-	20,567	5,128	25,695
TOTAL	880,864	20,567	5,128	906,559

*Includes the EDI requirements (\$28.4 million)

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2018 Estimate*</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization**	736,569	-	-	736,569
AC Deployment Costs	38,279	-	-	38,279
Subsistence in Kind (SIK)	116,347	-	-	116,347
Casualty and Disability	7,356	-	-	7,356
Additional Mobilization and Deployment Costs	15,568	-	-	15,568
Pre- and Post-Mobilization Training	-	20,569	5,004	25,573
TOTAL	914,119	20,569	5,004	939,692
FY18 CR Adjustment	(25,208)	(34)	284	(24,958)
Revised FY 2018 Military Personnel Program	888,911	20,535	5,288	914,734

* Reflects the FY 2018 President's Budget request with an undistributed adjustment to match the Annualized Continuing Resolution funding level by appropriation.

**Includes the EDI requirements (\$29.4 million)

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2019 Total Request</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization	783,009	-	-	783,009
AC Deployment Costs	46,635	-	-	46,635
Subsistence in Kind (SIK)	118,489	-	-	118,489
Casualty and Disability	7,429	-	-	7,429
Additional Mobilization and Deployment Costs	8,946	-	-	8,946
Pre- and Post-Mobilization Training	-	21,076	5,460	26,536
TOTAL	964,508	21,076	5,460	991,044

*Includes the EDI requirements (\$53.5 million)

The following table reflects mobilization and deployment assumptions. Mobilization numbers include personnel deployed to theater as well as personnel remaining in CONUS supporting Operation Freedom's Sentinel, Operation Inherent Resolve and European Deterrence Initiative.

Average Strength

	<u>FY 2017 Actuals</u>	<u>FY 2018* Estimate</u>	<u>FY 2019 Request</u>
Active Air Force	12,271	12,370	12,370
Air Force Reserve Mobilization	2,745	2,760	2,839
Air Force National Guard Mobilization	5,343	5,398	5,522
TOTAL	20,359	20,528	20,731

* Reflects the FY2018 President's Budget and does not include the additional authorizations provided in the FY2018 NDAA.

MILITARY PERSONNEL OVERVIEW

<u>Reserve & Guard Mobilization/Deployment Costs</u>	<u>\$ 829.6 Million</u>
<ul style="list-style-type: none">· Basic military pay and entitlements (e.g., Basic Allowance for Housing (BAH), retired pay accrual and social security contributions, incentive pays, etc.) for Reserve and National Guard members on active duty to provide essential military operation support or backfill for those active personnel deployed overseas in support of OFS, OIR and EDI.· Special Pays for Mobilized Reserve and National Guard Personnel and Deployed Active Personnel:<ul style="list-style-type: none">· Imminent Danger Pay (IDP) (\$225 per month)· Family Separation Allowance (FSA) (\$250 per month)· Hardship Duty Location Pay (\$100 per month) · Basic Allowance for Subsistence (BAS) for Reserve Component members in support of OFS, OIR and EDI.	
<u>Subsistence-in-Kind Costs</u>	<u>\$ 118.5 Million</u>
<ul style="list-style-type: none">· Funds requested provide Subsistence-in-Kind (SIK) (food and drink) for all Active and Reserve Component members in support of OFS, OIR and EDI	
<u>Casualty and Disability Benefits</u>	<u>\$ 7.4 Million</u>
<ul style="list-style-type: none">· Casualty Benefits pay for the following benefits associated with the death or traumatic injury of Service members:· Reimbursement to the Department of Veterans Affairs for Traumatic Injury Protection claims under the Servicemembers' Group Life Insurance (SGLI).· Funding is for SGLI/T-SGLI insurance premiums the Department of Defense pays on behalf of service members.· Funding is for Death Gratuities payments to survivors of members who die while on active duty.	
<u>Additional Mobilization Deployment Cost</u>	<u>\$ 8.9 Million</u>
<ul style="list-style-type: none">· Additional Mobilization/Deployment Benefits for unemployment benefits to ex-service members discharged or released under honorable conditions.	
<u>Pre- and Post-Mobilization Programs</u>	<u>\$ 26.5 Million</u>
<ul style="list-style-type: none">· Pre & Post Mobilization Training: Continuing overseas contingency operations have highlighted the need for additional funding to accelerate qualification and certification training for many assigned personnel who are not currently at authorized skill levels· Yellow Ribbon Reintegration Program: Section 582 of the FY08 NDAA established a national combat veteran reintegration program for Guard and Reserve members and their families.	

12304B: Selective Reserve: Order to Active Duty for Preplanned Missions in Support of CENTCOM (OCO)

Introduction: The National Defense Authorization Act (NDAA) 2012, by order of 10 U.S.C. (SS) 12304b, provides the authority for the Secretary of the Air Force to involuntarily activate members of the Selective Reserves for not more than 365 consecutive days. In FY19, the Air Force plans to utilize 12304b in support of pre-planned CENTCOM operations funded by Overseas Contingency Operations (OCO) supplemental funding if 12302 (involuntary mobilization) authority is not available. Identified operations/missions are:

OPERATION FREEDOM'S SENTINEL (OFS)/Operation Inherent Resolve (OIR) Airlift (1,875 MYs (411 Officer, 1,464 Enlisted) ~ 192.9M)

Rapid Global Mobility provides US Central Command with inter-theater and intra-theater airlift to include cargo, airdrops, air refueling and Aeromedical airlift in support of contingency operations in Afghanistan and against ISIS. Activated Airmen will be placed on orders for a period no longer than 250 days.

OEF/OIR and OEF- Horn of Africa (HOA) Combat Air Forces Aviation (867 MYs (182 Officer, 685 Enlisted) ~ 89.2M)

Provides direct warfighting support to OEF/OIR and OEF-HOA for Combat, Combat Search and Rescue/Personnel Recovery operations and Aerospace Control and Warning. Activated Airmen will be placed on orders for a period no longer than 250 days.

OEF/OIR and OEF-HOA Expeditionary Combat Support (3,146 MYs (411 Officer, 2,735 Enlisted) ~ 303.4M)

Provides direct support to OEF/OIR and OEF-HOA for combat units; includes security forces, personnel, civil engineering, transportation, logistics, and medical personnel for operating and maintaining OEF/OIR and OEF-HOA assets and bases. Activated Airmen will be placed on orders for a period no longer than 365 days.

AIR FORCE M-1
FY 2019 Overseas Contingency Operations Request

	FY 2017	FY 2018*	FY 2019
	Actuals	Estimate	Request
MILITARY PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: PAY AND ALLOWANCES OF OFFICERS			
BASIC PAY	102,369	122,568	109,903
RETIRED PAY ACCRUAL	23,340	27,700	27,146
BASIC ALLOWANCE FOR HOUSING	31,527	38,118	34,021
BASIC ALLOWANCE FOR SUBSISTENCE	3,556	4,276	3,741
SPECIAL PAYS	8,503	6,093	8,797
ALLOWANCES	5,717	6,577	5,917
SOCIAL SECURITY TAX	7,831	9,376	8,408
TOTAL BUDGET ACTIVITY 1	182,843	214,708	197,933
BUDGET ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
BASIC PAY	283,141	279,399	307,674
RETIRED PAY ACCRUAL	64,556	63,144	75,995
BASIC ALLOWANCE FOR HOUSING	118,849	118,426	129,809
SPECIAL PAYS	35,602	23,327	37,166
ALLOWANCES	23,848	23,238	24,955
SOCIAL SECURITY TAX	21,660	21,374	23,537
TOTAL BUDGET ACTIVITY 2	547,656	528,908	599,136
BUDGET ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
BASIC ALLOWANCE FOR SUBSISTENCE	30,582	30,311	32,575
SUBSISTENCE-IN-KIND	102,828	117,214	118,489
TOTAL BUDGET ACTIVITY 4	133,410	147,525	151,064
BUDGET ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
UNEMPLOYMENT COMPENSATION	10,367	15,568	8,946
DEATH GRATUITIES	300	1,007	1,000
SGLI EXTRA HAZARD PAYMENTS	6,288	6,403	6,429
TRAUMATIC SGLI	-	-	-
TOTAL BUDGET ACTIVITY 6	16,955	22,978	16,375
TOTAL MILITARY PERSONNEL, AIR FORCE	880,864	914,119	964,508
FY18 CR Adjustment		(25,208)	
Revised FY 2018 Military Personnel Program		888,911	

AIR FORCE M-1
FY 2019 Overseas Contingency Operations Request

	FY 2017	FY 2018*	FY 2019
	Actuals	Estimate	Request
RESERVE PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	20,567	20,569	21,076
TOTAL RESERVE PERSONNEL, AIR FORCE	20,567	20,569	21,076
FY18 CR Adjustment	-	<u>(34)</u>	-
Revised FY 2018 Reserve Personnel Program		20,535	
NATIONAL GUARD PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	5,128	5,004	5,460
TOTAL NATIONAL GUARD PERSONNEL, AIR FORCE	5,128	5,004	5,460
FY18 CR Adjustment	-	<u>284</u>	-
Revised FY 2018 Guard Personnel Program		5,288	
GRAND TOTAL AIR FORCE MILITARY PERSONNEL	906,559	939,692	991,044
REVISED FY 2018 CR ADJUSTED GRAND TOTAL		914,734	

* Reflects the FY 2018 President's Budget request with an undistributed adjustment to match the Annualized Continuing Resolution funding level by appropriation.

ACTIVE AIR FORCE MILITARY PERSONNEL COSTS

RESERVE MOBILIZATION AND ACTIVE DEPLOYMENT COSTS

PAY AND ALLOWANCES OF OFFICERS

Appropriation: Military Personnel, Air Force
 Budget Activity 1: Pay and Allowances of Officers
 Budget Line Item: Basic Pay

FY 2019
 (\$ in Thousands)
 109,903

The funds requested provide for the monthly basic compensation for mobilized Air National Guard (ANG) and Air Force Reserve (AFR) officers.

Part II - Justification of Funds Requested

The request provides basic pay for mobilized Reserve and Guard officer personnel. Funding requirements include a basic pay increase of 2.40% in 2018, and 2.60% in 2019 effective January 1 of each year.

	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
<u>Total Incremental Costs</u>	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Basic Pay (Reserve/Guard Mobilization)	1,168	87,645	102,369	1,370	89,466	122,568	1,195	91,969	109,903
Total			102,369			122,568			109,903

Appropriation: Military Personnel, Air Force
Budget Activity 1: Pay and Allowances of Officers
Budget Line Item: Retired Pay Accrual

FY 2019
(\$ in Thousands)
27,146

The funds requested provide for Retired Pay Accrual payments to the Department of Defense's Military Retirement Fund, in accordance with 10 U.S.C 1466 for mobilized Reserve and Guard officer

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Retirement Board of Actuaries approved part-time Normal Cost Percentages (NCP) of 22.60 percent of basic pay for 2018 and 24.70 percent for 2019 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

<u>Total Incremental Costs</u>	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Retired Pay Accrual	1,168	19,983	23,340	1,370	20,219	27,700	1,195	20,512	27,146
Total			23,340			27,700			27,146

Appropriation: Military Personnel, Air Force
 Budget Activity 1: Pay and Allowances of Officers
 Budget Line Item: Basic Allowance for Housing

FY 2019
 (\$ in Thousands)
 34,021

The funds requested provide Basic Allowance for Housing (BAH) for mobilized Reserve and Guard officer personnel in accordance with 37 U.S.C. 403.

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with adequate government quarters. This allowance enables such personnel to obtain civilian housing as a substitute. The 2018 BAH increase is 2.20 percent effective 1 January 2018 and the 2019 BAH increase is 3.20 percent effective 1 January 2019.

<u>Total Incremental Costs</u>	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Allowance for Housing	1,168	26,992	31,527	1,370	27,823	38,118	1,195	28,469	34,021
Total			31,527			38,118			34,021

Appropriation: Military Personnel, Air Force
Budget Activity 1: Pay and Allowances of Officers
Budget Line Item: Basic Allowance for Subsistence

FY 2019
 (\$ in Thousands)
3,741

The funds requested provide Basic Allowance for Subsistence (BAS) for mobilized Reserve and Guard officer personnel in accordance with 37 U.S.C. 402.

Part II - Justification of Funds Requested

All officers, regardless of dependency status and pay grade, are paid a monthly BAS at the same statutory rate. The rates are derived as a product of (a) the preceding year rate and (b) the percentage increase as determined by the Secretary of Agriculture. The FY 2018 BAS increase is 0.2 percent and FY 2019 BAS increase is 2.6 percent.

<u>Total Incremental Costs</u>	<u>FY 2017 Actuals</u>			<u>FY 2018 Estimate</u>			<u>FY 2019 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Allowance for Subsistence	1,168	3,044	3,556	1,370	3,122	4,276	1,195	3,131	3,741
Total			3,556			4,276			3,741

Appropriation: Military Personnel, Air Force
Budget Activity 1: Pay and Allowances of Officers
Budget Line Item: Special Pays and Allowance

FY 2019

(\$ in Thousands)
14,714

The funds requested provide for payments to officers for the following special pays in support of Operation Freedom's Sentinel and Operation Inherent Resolve.

Family Separation Allowance (FSA): Paid at the rate of \$250 per month to members with dependents who are on duty away from home for a period of more than 30 continuous days in accordance with 37 U.S.C. 427.

Hostile Fire/Imminent Danger Pay (IDP): Paid to members who serve in designated areas subject to specific dangers. The FY 2005 NDAA Section 623 made the monthly rate of \$225 permanent. Members eligible for IDP are paid the full monthly rate of \$225 for any complete or partial month they served in a qualifying area. The FY 2012 NDAA modified IDP payments, limiting eligibility to only the actual days served in a qualifying area. Effective 1 January 2012, service members receive \$7.50 for each day they are on official duty in an IDP area up to the maximum monthly rate of \$225.

Hardship Duty Pay (HDP): Paid at the rate of \$100 per month to personnel performing duty in a location that is designated by the Secretary of Defense as hardship duty in accordance with 37 U.S.C. 305.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of officers eligible for each type of payment and rate of payment. Summary cost computations provided in the following table:

	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	663	3,000	1,990	778	3,000	2,334	693	3,000	2,079
Hostile Fire/Imminent Danger Pay	666	2,700	1,797	330	2,700	891	693	2,700	1,871
Hardship Duty Pay	858	1,200	1,030	643	1,200	772	878	1,200	1,054
Subtotal Mobilization Incremental Cost	2,187		4,817	1,751		3,997	2,265		5,004
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	1,242	3,000	3,727	1,399	3,000	4,243	1,279	3,000	3,838
Hostile Fire/Imminent Danger Pay	1,324	2,700	3,576	801	2,700	2,191	1,390	2,700	3,754
Hardship Duty Pay	1,750	1,200	2,100	1,849	1,200	2,239	1,765	1,200	2,118
Subtotal Deployed Active Incremental Cost	4,317		9,403	4,049		8,673	4,434		9,710
<u>Grand Total Special/Incentive Pays</u>									
Family Separation Allowance	1,906	3,000	5,717	2,177	3,000	6,577	1,973	3,000	5,917
Hostile Fire/Imminent Danger Pay	1,990	2,700	5,373	1,131	2,700	3,082	2,083	2,700	5,625
Hardship Duty Pay	2,608	1,200	3,130	2,492	1,200	3,011	2,644	1,200	3,172
Grand Total Incremental Cost	6,504		14,220	5,800		12,670	6,699		14,714

Appropriation: Military Personnel, Air Force
Budget Activity 1: Pay and Allowances of Officers
Budget Line Item: Social Security Tax

FY 2019
 (\$ in Thousands)
8,408

The funds requested provide the Air Force employer contribution for mobilized Reserve and Guard officer personnel as required by the provisions of 26 U.S.C. 3111 for (a) Old-age, Survivors, Disability Insurance and (b) Hospital Insurance.

Part II - Justification of Funds Requested

The Federal Insurance Contribution Act (FICA) tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The Old-age, Survivor, and Disability Insurance (OASDI), or more commonly known as Social Security, rate of tax is 6.2 percent and the Hospital Insurance (HI), or commonly known as Medicare, rate of tax is 1.45 percent. The maximum amount of earnings per individual that tax is payable are:

<u>Calendar Year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2017	\$127,200	No upper limit
2018	\$128,400	No upper limit
2019	\$135,600	No upper limit

<u>Total Incremental Costs</u>	<u>FY 2017 Actuals</u>			<u>FY 2018 Estimate</u>			<u>FY 2019 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Social Security Tax	1,168	6,705	7,831	1,370	6,844	9,376	1,195	7,036	8,408
Total			<u>7,831</u>			<u>9,376</u>			<u>8,408</u>

PAY AND ALLOWANCES OF ENLISTED

Appropriation: Military Personnel, Air Force
 Budget Activity 2: Pay and Allowances of Enlisted
 Budget Line Item: Basic Pay

FY 2019
 (\$ in Thousands)
 307,674

The funds requested provide for the monthly basic compensation for mobilized Air National Guard and Air Force Reserve enlisted personnel.

Part II - Justification of Funds Requested

The request provides basic pay for mobilized Reserve and Guard enlisted personnel. Funding requirements include a basic pay increase of 2.40% in 2018, and 2.60% in 2019, effective 1 January of each year.

<u>Total Incremental Costs</u>	<u>FY 2017 Actuals</u>			<u>FY 2018 Estimate</u>			<u>FY 2019 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Pay (Reserve/Guard Mobilization)	6,920	40,916	<u>283,141</u>	6,688	41,776	<u>279,399</u>	7,166	42,935	<u>307,674</u>
Total			283,141			279,399			307,674

Appropriation: Military Personnel, Air Force
Budget Activity 2: Pay and Allowances of Enlisted
Budget Line Item: Retired Pay Accrual

FY 2019
 (\$ in Thousands)
75,995

The funds requested provide for Retired Pay Accrual payments to the Department of Defense's Military Retirement Fund, in accordance with 10 U.S.C 1466 for mobilized Reserve and Guard enlisted personnel.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Retirement Board of Actuaries approved part-time Normal Cost Percentages (NCP) of 22.60 percent of basic pay for 2018 and 24.70 percent for 2019 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

<u>Total Incremental Costs</u>	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Retired Pay Accrual	6,920	9,329	64,556	6,688	9,441	63,144	7,166	10,605	75,995
Total			64,556			63,144			75,995

Appropriation: Military Personnel, Air Force
 Budget Activity 2: Pay and Allowances of Enlisted
 Budget Line Item: Basic Allowance for Housing

FY 2019
 (\$ in Thousands)
129,809

The funds requested provide Basic Allowance for Housing (BAH) for mobilized Reserve and Guard enlisted personnel in accordance with 37 U.S.C. 403.

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with adequate government quarters. This allowance enables such personnel to obtain civilian housing as a substitute. The 2018 BAH increase is 2.20 percent effective 1 January 2018 and the 2019 BAH increase is 3.20 percent effective 1 January 2019.

<u>Total Incremental Costs</u>	<u>FY 2017 Actuals</u>			<u>FY 2018 Estimate</u>			<u>FY 2019 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Allowance for Housing	6,920	17,175	118,849	6,688	17,707	118,426	7,166	18,115	129,809
Total			118,849			118,426			129,809

Appropriation: Military Personnel, Air Force
Budget Activity 2: Pay and Allowances of Enlisted
Budget Line Item: Special Pays and Allowance

FY 2019
(\$ in Thousands)
62,121

The funds requested provide for payments to officers for the following special pays in support of Operation Freedom's Sentinel and Operation Inherent Resolve.

Family Separation Allowance (FSA): Paid at the rate of \$250 per month to members with dependents who are on duty away from home for a period of more than 30 continuous days in accordance with 37 U.S.C. 427.

Hostile Fire/Imminent Danger Pay (IDP): Paid to members who serve in designated areas subject to specific dangers. The FY 2005 NDAA Section 623 made the monthly rate of \$225 permanent. Members eligible for IDP are paid the full monthly rate of \$225 for any complete or partial month they served in a qualifying area. The FY 2012 NDAA modified IDP payments, limiting eligibility to only the actual days served in a qualifying area. Effective 1 January 2012, service members receive \$7.50 for each day they are on official duty in an IDP area up to the maximum monthly rate of \$225.

Hardship Duty Pay (HDP): Paid at the rate of \$100 per month to personnel performing duty in a location that is designated by the Secretary of Defense as hardship duty in accordance with 37 U.S.C. 305.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of service members eligible for each type of payment and rate of payment. Summary cost computations provided in the following table:

	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	3,235	3,000	9,705	3,127	3,000	9,381	3,440	3,000	10,319
Hostile Fire/Imminent Danger Pay	2,767	2,700	7,470	1,118	2,700	3,019	2,866	2,700	7,739
Hardship Duty Pay	5,733	1,200	6,879	3,449	1,200	4,139	5,948	1,200	7,137
Subtotal Mobilization Incremental Cost	11,734		24,054	7,694		16,539	12,254		25,195
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	4,714	3,000	14,143	4,569	3,000	13,857	4,879	3,000	14,636
Hostile Fire/Imminent Danger Pay	4,062	2,700	10,967	2,467	2,700	6,760	4,371	2,700	11,800
Hardship Duty Pay	8,572	1,200	10,286	7,778	1,200	9,409	8,741	1,200	10,490
Subtotal Deployed Active Incremental Cost	17,348		35,396	14,814		30,026	17,990		36,926
<u>Grand Total Special/Incentive Pays</u>									
Family Separation Allowance	7,949	3,000	23,848	7,696	3,000	23,238	8,318	3,000	24,955
Hostile Fire/Imminent Danger Pay	6,829	2,700	18,437	3,585	2,700	9,779	7,237	2,700	19,540
Hardship Duty Pay	14,304	1,200	17,165	11,227	1,200	13,548	14,689	1,200	17,626
Grand Total Incremental Cost	29,082		59,450	22,508		46,565	30,244		62,121

Appropriation: Military Personnel, Air Force
 Budget Activity 2: Pay and Allowances of Enlisted
 Budget Line Item: Social Security Tax

FY 2019
 (\$ in Thousands)
 23,537

The funds requested provide the Air Force employer contribution for mobilized Reserve and Guard enlisted personnel as required by the provisions of 26 U.S.C. 3111 for (a) Old-age, Survivors, Disability Insurance and (b) Hospital Insurance.

Part II - Justification of Funds Requested

The Federal Insurance Contribution Act (FICA) tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The Old-age, Survivor, and Disability Insurance (OASDI), or more commonly known as Social Security, rate of tax is 6.20 percent and the Hospital Insurance (HI), or commonly known as Medicare, rate of tax is 1.45 percent. The maximum amount of earnings per individual that tax is payable are:

<u>Calendar Year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2017	\$127,200	No upper limit
2018	\$128,400	No upper limit
2019	\$135,600	No upper limit

<u>Total Incremental Costs</u>	<u>FY 2017 Actuals</u>			<u>FY 2018 Estimate</u>			<u>FY 2019 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Social Security Tax	6,920	3,130	21,660	6,688	3,196	21,374	7,166	3,285	23,537
Total			<u>21,660</u>			<u>21,374</u>			<u>23,537</u>

**BASIC ALLOWANCE FOR
SUBSISTENCE OF ENLISTED
PERSONNEL**

Appropriation: Military Personnel, Air Force
Budget Activity 4: Pay and Allowances of Enlisted
Budget Line Item: Basic Allowance for Subsistence / Subsistence-in-Kind

FY 2019

(\$ in Thousands)
151,064

The funds requested for this budget activity are for the payment of authorized Basic Allowances for Subsistence (BAS) and Subsistence-in-Kind (SIK) for mobilized Reserve and Guard enlisted personnel. Subsistence-in-Kind includes the cost of procuring subsistence for garrison dining facilities (Subsistence in Messes), operational rations, and augmentation rations. The Air Force provides subsistence in messing facilities and operational rations for members of all military services deployed in theater.

Part II - Justification of Funds Requested

Basic Allowance for Subsistence is paid to all enlisted members (except recruits and holdees) in accordance with 37 U.S.C 402. The rates are derived as a product of (a) the preceding year rate and (b) the percentage increase as determined by the Secretary of Agriculture. The FY 2018 BAS increase is 0.2 percent and FY 2019 BAS increase is 2.6 percent effective.

Subsistence-in-Kind is the cost of bulk subsistence for dining facilities operated in theater. This requirement is dependent on the number of personnel using the dining facilities and the cost of food. This is an additional cost above the BAS since members are authorized to continue receiving their BAS even though food is provided in theater. Operational Rations are rations used for field subsistence. Operational rations include the Meal-Ready-to Eat (MRE), Unitized Group Rations (UGR) that include "heat and serve" and A-ration varieties, and other operational rations served determine costs for operational rations.

	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Total Incremental Costs									
Basic Allowance for Subsistence	6,920	4,419	30,582	6,688	4,532	30,311	7,166	4,546	32,575
Subsistence-in-Kind	18,193	5,652	102,828	19,563	5,947	117,214	19,563	6,057	118,489
Total			133,410			147,525			151,064

OTHER MILITARY PERSONNEL COSTS

Appropriation: Military Personnel, Air Force
 Budget Activity 6: Other Military Personnel Costs
 Budget Line Item: Casualty and Disability

FY 2019
 (\$ in Thousands)
7,429

The funds requested will provide for the incremental Servicemembers' Group Life Insurance (SGLI) for Air Force personnel in support of Operation Freedom's Sentinel, in accordance with the provisions of Title 38 U.S.C. 1965-1980A and Death Gratuity payments under the provisions of Title 10 U.S.C. 1475-91.

Part II - Justification of Funds Requested

SGLI: Cost estimates are provided by the Director of the Department of Veterans Affairs' Insurance Services. The VA notifies the Under Secretary of Defense (Comptroller) of the installments that will be required from the military services. Section 606 of the FY 2008 National Defense Authorization Act directs the Department to pay the full premium for coverage under SGLI program during service in Operation Freedom's Sentinel. The amount the Department pays increased from \$27 per month to \$29 per month due to the SGLI premium increase from \$26 to \$28 effective July 1, 2014.

Death Gratuity: Funds requirements are based on mortality rates, historical trends and the statutory gratuity amount. The rate was increased from \$12,420 to \$100,000 by the FY 2006 NDAA, P.L. 109-13.

<u>Total Incremental Costs</u>	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
SGLI	-	-	-	-	-	-	-	-	-
T-SGLI (Prospective)	-	-	-	-	-	-	-	-	-
SGLI/T-SGLI Insurance Premium	18,475	348	6,288	18,265	294	6,403	18,475	348	6,429
Death Gratuities	3	100,000	300	10	100,000	1,007	10	100,000	1,000
Total	18,478		6,588	18,275		7,410	18,485		7,429

Appropriation: Military Personnel, Air Force
 Budget Activity 6: Other Military Personnel Costs
 Budget Line Item: Unemployment Compensation

FY 2019
 (\$ in Thousands)
 8,946

Unemployment benefits are for payments to ex-Service members who are discharged or released under honorable conditions as prescribed in Title 5, United States Code, 8521 through 8525.

Part II - Justification of Funds Requested

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

<u>Total Incremental Costs</u>	FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Unemployment Compensation			10,367			15,568			8,946
Total			10,367			15,568			8,946

AIR FORCE RESERVE MILITARY PERSONNEL COSTS

**RESERVE PRE- AND POST-
DEPLOYMENT MOBILIZATION
TRAINING**

Appropriation: Reserve Personnel, Air Force
 Budget Activity 1: Reserve Component Training and Support
 Budget Line Item: Special Training

FY 2019
 (\$ in Thousands)
 21,076

Funding in these programs support Pre and Post Mobilization Training and the Yellow Ribbon Reintegration Program (YRRP) for Reserve members returning from deployments.

Part II - Justification of Funds Requested

Pre and Post Mobilization Training (Special Training): The continuing overseas contingency operations have highlighted the need for additional funding to accelerate qualification and certification training for many assigned personnel who are not currently at authorized skill levels, reducing the availability of deployable personnel in critical skill sets such as Security Forces. Training will include On-The-Job skill and proficiency development and those formal schools necessary for individuals to achieve early readiness certification. This allows the Air Force Reserve to increase readiness levels and readily fill deployment requirements.

Yellow Ribbon Reintegration Program: The FY 2019 OCO Supplemental Request supports the members' pay and allowance and travel costs for reintegration training through the pre and post deployment phases. The "strength" represents the total number of participants attending various events and administrating the YRRP. Section 582 of the FY 2008 National Defense Authorization Act directs the establishment of "a national combat veteran reintegration program to provide National Guard and Reserve members and their families with sufficient information, services, referral and proactive outreach opportunities through the entire deployment cycle." The pre-deployment phase (from first notification of mobilization until deployment of the mobilized unit) focuses on educating members, families and affected communities on combat deployment. The post-deployment phase (from arrival at home station until 365 days following demobilization) consists of 2 reintegration activities after unit demobilization. The focus is on reconnecting members and their families with the service providers (i.e. TRICARE, JAG, Department of Veterans Affairs, etc.) to ensure a clear understanding of the entitled benefits. In addition, combat stress, transition and how members and their families can address these issues is also integral to this post-deployment phase.

<u>Total Incremental Costs</u>		<u>FY 2017 Actuals</u>				<u>FY 2018 Estimate</u>				<u>FY 2019 Request</u>			
		<u>Strength</u>	<u>Workdays</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Workdays</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Workdays</u>	<u>Rate</u>	<u>Amount</u>
Special Training	Pre/Post Mobilization	1,310	-	6,323	8,283	1,287	-	6,909	8,892	1,312	-	6,704	8,796
Special Training	Yellow Ribbon - Training	2,839	23,818	315	7,512	3,297	28,587	260	7,470	2,725	22,866	330	7,547
Special Training	Yellow Ribbon - Travel	2,839	23,818	200	4,772	3,297	28,587	147	4,207	2,725	22,866	207	4,733
Total					20,567				20,569				21,076

AIR GUARD MILITARY PERSONNEL COSTS

GUARD PRE- AND POST-DEPLOYMENT MOBILIZATION TRAINING

Appropriation: National Guard Personnel, Air Force
 Budget Activity 1: Reserve Component Training and Support
 Budget Line Item: Special Training

FY 2019
 (\$ in Thousands)
 5,460

Part I - Purpose and Scope

Funding in this program supports the Yellow Ribbon Reintegration Program for Air National Guard members returning from deployments.

Part II - Justification of Funds Requested

Yellow Ribbon Reintegration Program: The FY 2019 OCO Request supports the members' pay and allowance and travel costs for reintegration training through the pre- and post- deployment phases. The "strength" represents the total number of participants attending various events. Due to smaller separated groups of Yellow Ribbon eligible service members, we are using a model similar to the AF Reserve to conduct a small number of regional events. The larger deployment groups will continue to execute within their states.

Section 582 of the FY 2008 National Defense Authorization Act directs the establishment of "a national combat veteran reintegration program to provide National Guard and Reserve members and their families with sufficient information, services, referral and proactive outreach opportunities through the entire deployment cycle." The pre-deployment phase (from first notification of mobilization until deployment of the mobilized unit) focuses on educating Members, families and affected communities on combat deployment. The post-deployment phase (from arrival at home station until 180 days following demobilization) consists of reintegration activities at the 30-60-90 day interval after unit demobilization. The focus is on reconnecting members and their families with the service providers (i.e. TRICARE, JAG, Department of Veterans Affairs, etc.) to ensure a clear understanding of the entitled benefits. In addition, combat stress and transition and how members and their families can address these issues is also integral to this post-deployment phase.

<u>Total Incremental Costs</u>		FY 2017 Actuals			FY 2018 Estimate			FY 2019 Request		
		Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Special Training	Yellow Ribbon - Training									
	Officers	1,454	404	588	1,389	413	574	1,484	422	625
	Enlisted	15,844	180	2,849	15,140	184	2,781	16,175	188	3,036
	Yellow Ribbon - Travel									
	Officers	1,454	132	192	1,389	135	187	1,484	138	204
	Enlisted	15,844	95	1,499	15,140	97	1,461	16,175	99	1,595
	Total			5,128			5,004			5,460