

**DEPARTMENT OF THE
AIR FORCE**

**Fiscal Year (FY) 2018 Budget Estimates
Overseas Contingency Operations (OCO) Request**



**MILITARY PERSONNEL APPROPRIATION
May 2017**

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MILITARY PERSONNEL OVERVIEW

The FY 2018 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 Reassurance Initiative (ERI) 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 ERI. The Air Force's military personnel requirement of \$938.4 million is comprised of the following major costs:

(\$ in Thousands)

<u>Summary by Appropriation</u>	FY 2016	FY 2017	FY 2018
	<u>Actuals</u>	<u>Estimate</u>	<u>Request</u>
Military Personnel, Air Force	856,608	888,911	912,779
Reserve Personnel, Air Force	18,697	20,535	20,569
National Guard Personnel, Air Force	5,155	5,288	5,004
TOTAL MILITARY PERSONNEL	880,460	914,734	938,352
FY2017 CR Adjustment*	-	1,945	-
Revised Total Program	880,460	916,679	938,352

*A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

MILITARY PERSONNEL OVERVIEW

Summary By Category

(\$ in Thousands)

<u>FY 2016 Actuals</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization*	686,242	-	-	686,242
AC Deployment Costs	39,537	-	-	39,537
Subsistence in Kind (SIK)	104,116	-	-	104,116
Casualty and Disability	7,450	-	-	7,450
Additional Mobilization and Deployment Costs	19,263	-	-	19,263
Pre- and Post-Mobilization Training	-	18,697	5,155	23,852
	856,608	18,697	5,155	880,460

*Includes the European Reassurance Initiative requirements (\$17.9 million)

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2017 Estimate</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization*	719,887	-	-	719,887
AC Deployment Costs	40,541	-	-	40,541
Subsistence in Kind (SIK)	105,357	-	-	105,357
Casualty and Disability	7,442	-	-	7,442
Additional Mobilization and Deployment Costs	15,684	-	-	15,684
Pre- and Post-Mobilization Training	-	20,535	5,288	25,823
	888,911	20,535	5,288	914,733
FY2017 CR Adjustment**	6,230	(1,825)	(2,460)	1,945
Revised Total Program	895,141	18,710	2,828	916,678

*Includes the European Reassurance Initiative requirements (\$11.215 million)

**A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2018 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*	735,229	-	-	735,229
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
	912,779	20,569	5,004	938,352

*Includes the European Reassurance Initiative requirements (\$29.362 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 Reassurance Initiative.

Average Strength

	<u>FY 2016 Actuals</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Request</u>
Active Air Force	11,295	11,591	12,236
Air Force Reserve Mobilization	2,405	2,696	2,671
Air Force National Guard Mobilization	5,443	5,387	5,387
TOTAL	19,143	19,674	20,294

MILITARY PERSONNEL OVERVIEW

<u>Reserve & Guard Mobilization/Deployment Costs</u>	<u>\$ 773.5 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 ERI.· 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 and OIR.	
<u>Subsistence-in-Kind Costs</u>	<u>\$ 116.3 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 ERI	
<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>\$ 15.6 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>\$ 25.6 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 involuntary activate members of the Selective Reserves for not more than 365 consecutive days. In FY18, 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 2018 Overseas Contingency Operations Request

	FY 2016	FY 2017*	FY 2018
	Actuals	Estimate	Request
MILITARY PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: PAY AND ALLOWANCES OF OFFICERS			
BASIC PAY	103,190	120,383	122,568
RETIRED PAY ACCRUAL	23,734	27,460	27,700
BASIC ALLOWANCE FOR HOUSING	31,502	37,073	38,118
BASIC ALLOWANCE FOR SUBSISTENCE	3,652	4,220	4,276
SPECIAL PAYS	7,898	6,350	6,045
ALLOWANCES	5,798	6,914	6,531
SOCIAL SECURITY TAX	7,894	9,204	9,376
TOTAL BUDGET ACTIVITY 1	183,668	211,604	214,614
BUDGET ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
BASIC PAY	266,944	274,476	279,399
RETIRED PAY ACCRUAL	61,397	62,645	63,144
BASIC ALLOWANCE FOR HOUSING	111,069	115,211	118,426
SPECIAL PAYS	30,830	22,960	23,152
ALLOWANCES	22,077	22,856	23,088
SOCIAL SECURITY TAX	20,421	20,997	21,374
TOTAL BUDGET ACTIVITY 2	512,738	519,145	528,583
BUDGET ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
BASIC ALLOWANCE FOR SUBSISTENCE	29,373	29,679	30,311
SUBSISTENCE-IN-KIND	104,116	105,357	116,347
TOTAL BUDGET ACTIVITY 4	133,489	135,036	146,658
BUDGET ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
UNEMPLOYMENT COMPENSATION	19,263	15,684	15,568
DEATH GRATUITIES	1,800	1,000	1,000
SGLI EXTRA HAZARD PAYMENTS	5,650	6,442	6,356
TRAUMATIC SGLI	-	-	-
TOTAL BUDGET ACTIVITY 6	26,713	23,126	22,924
TOTAL MILITARY PERSONNEL, AIR FORCE	856,608	888,912	912,779
FY2017 CR ADJUSTMENT*	-	6,230	-
REVISED TOTAL PROGRAM	856,608	895,142	912,779

AIR FORCE M-1
FY 2018 Overseas Contingency Operations Request

	FY 2016	FY 2017*	FY 2018
	Actuals	Estimate	Request
RESERVE PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	18,697	20,535	20,569
TOTAL RESERVE PERSONNEL, AIR FORCE	18,697	20,535	20,569
FY2017 CR ADJUSTMENT*	-	(1,825)	-
REVISED TOTAL PROGRAM	18,697	18,710	20,569
NATIONAL GUARD PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	5,155	5,288	5,004
TOTAL NATIONAL GUARD PERSONNEL, AIR FORCE	5,155	5,288	5,004
FY2017 CR ADJUSTMENT*	-	(2,460)	-
REVISED TOTAL PROGRAM	5,155	2,828	5,004
GRAND TOTAL AIR FORCE MILITARY PERSONNEL	880,460	914,735	938,352

* A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

**ANALYSIS OF APPROPRIATION CHANGES
MILITARY PERSONNEL - AIR FORCE
FY 2017**

	FY2017* PRESIDENT'S BUDGET	FY2017 NOV. AMENDMENT	FY2017 REQ. FOR ADDL. APPROPRIATIONS	FY2017* COLUMN FY2018 PRES BUD	LESS FY2017 SAA** ENACTMENT	INTERNAL REALIGNMENT/ REPROGRAMMING	PROPOSED DD1415 ACTION	REMAINING FY2017 * OCO REQUEST
PAY AND ALLOWANCES OF OFFICERS								
BASIC PAY	104,751	5,585	10,047	120,383	7,154			113,229
RETIRE PAY ACCRUAL	24,721	1,318	1,421	27,460	1,677			25,783
BASIC ALLOWANCE FOR HOUSING	33,351	1,778	1,944	37,073	2,270			34,803
BASIC ALLOWANCE FOR SUBSISTENCE	3,745	200	275	4,220	264			3,956
SPECIAL PAYS	5,227	323	800	6,350	361			5,989
ALLOWANCES	5,610	304	1,000	6,914	337			6,577
SOCIAL SECURITY TAX	8,013	427	764	9,204	547			8,657
TOTAL PAY OCO OBLIGATIONS OFFICERS	185,418	9,935	16,251	211,604	12,610	-	-	198,994
PAY AND ALLOWANCES OF ENLISTED								
BASIC PAY	199,730	10,476	64,270	274,476	16,179			258,297
RETIRE PAY ACCRUAL	47,136	2,472	13,037	62,645	4,261			58,384
BASIC ALLOWANCE FOR HOUSING	86,671	4,546	23,994	115,211	6,220			108,991
SPECIAL PAYS	20,006	1,154	1,800	22,960	1,315			21,645
ALLOWANCES	19,146	810	2,900	22,856	942			21,914
SOCIAL SECURITY TAX	15,279	801	4,917	20,997	1,399			19,598
TOTAL PAY OCO OBLIGATIONS ENLISTED	387,968	20,259	110,918	519,145	30,316	-	-	488,829
SUBSISTENCE OF ENLISTED PERSONNEL								
BASIC ALLOWANCE FOR SUBSISTENCE	22,208	1,165	6,306	29,679	1,605			28,074
SUBSISTENCE-IN-KIND	93,369	4,888	7,100	105,357	5,413			99,944
TOTAL OCO OBLIGATIONS SUBSISTENCE	115,577	6,053	13,406	135,036	7,018	-	-	128,018
OTHER MILITARY PERSONNEL COSTS								
UNEMPLOYMENT COMPENSATION	24,626	1,058	(10,000)	15,684	1,515			14,169
DEATH GRATUITIES	1,000	-	-	1,000	-			1,000
SGLI EXTRA HAZARD PAYMENTS	5,307	335	800	6,442	371			6,071
TRAUMATIC SGLI	-	-	-	-	-			-
TOTAL OCO OBLIGATIONS OTHER	30,933	1,393	(9,200)	23,126	1,886	-	-	21,240
TOTAL OCO OBLIGATIONS	719,896	37,640	131,375	888,911	51,830	-	-	837,081
FY2017 CR ADJUSTMENT	6,236			6,236				6,230
REVISED FY 2017 OCO PROGRAM	726,126			895,147				843,311

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**Security Assistance Appropriation (SAA) Act, 2017 (P.L. 114-254)

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 2018
 (\$ in Thousands)
 122,568

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. The 2017 military pay raise reflects a 2.10 percent base pay raise effective 1 January 2017 and 2.10 percent effective 1 January 2018.

	FY 2016 Actuals			FY 2017 Estimate			FY 2018 Request		
<u>Total Incremental Costs</u>	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Basic Pay (Reserve/Guard Mobilization)	1,200	85,992	103,190	1,374	87,615	120,383	1,370	89,466	122,568
Total			103,190			120,383			122,568
Enacted in SAA						7,154			
Remaining FY2017 Request						113,229			

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

FY 2018
(\$ in Thousands)
27,700

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 22.80 percent of basic pay for 2017 and 22.60 percent for 2018 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

<u>Total Incremental Costs</u>	FY 2016 Actuals			FY 2017 Estimate			FY 2018 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	1,200	19,778	<u>23,734</u>	1,374	19,985	<u>27,460</u>	1,370	20,219	<u>27,700</u>
Total			23,734			27,460			27,700
Enacted in SAA						1,677			
Remaining FY2017 Request						25,783			

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

FY 2018
 (\$ in Thousands)
 38,118

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 2017 BAH increase is 2.80 percent effective 1 January 2017 and the 2018 BAH increase is 3.20 percent effective 1 January 2018.

<u>Total Incremental Costs</u>	FY 2016 Actuals			FY 2017 Estimate			FY 2018 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	1,200	26,252	31,502	1,374	26,982	37,073	1,370	27,823	38,118
Total			31,502			37,073			38,118
Enacted in SAA						2,270			
Remaining FY2017 Request						34,803			

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

FY 2018
 (\$ in Thousands)
4,276

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 2017 BAS increase is 0.025 percent and FY 2018 BAS increase is 2.55 percent.

	FY 2016 Actuals			FY 2017 Estimate			FY 2018 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>
<u>Total Incremental Costs</u>									
Basic Allowance for Subsistence	1,200	3,043	<u>3,652</u>	1,374	3,071	<u>4,220</u>	1,370	3,122	<u>4,276</u>
Total			3,652			4,220			4,276
Enacted in SAA						264			
Remaining FY2017 Request						3,956			

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

FY 2018

(\$ in Thousands)
12,576

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 2016 Actuals			FY 2017 Estimate			FY 2018 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	682	3,000	2,045	841	3,000	2,522	778	3,000	2,334
Hostile Fire/Imminent Danger Pay	613	2,700	1,655	359	2,700	970	330	2,700	891
Hardship Duty Pay	924	1,200	1,109	663	1,200	795	643	1,200	772
Subtotal Mobilization Incremental Cost	2,219		4,809	1,863		4,287	1,751		3,997
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	1,251	3,000	3,753	1,464	3,000	4,392	1,399	3,000	4,197
Hostile Fire/Imminent Danger Pay	1,118	2,700	3,019	834	2,700	2,252	801	2,700	2,163
Hardship Duty Pay	1,762	1,200	2,115	1,944	1,200	2,333	1,849	1,200	2,219
Subtotal Deployed Active Incremental Cost	4,131		8,887	4,242		8,977	4,049		8,579
<u>Grand Total Special/Incentive Pays</u>									
Family Separation Allowance	1,933	3,000	5,798	2,305	3,000	6,914	2,177	3,000	6,531
Hostile Fire/Imminent Danger Pay	1,731	2,700	4,674	1,193	2,700	3,222	1,131	2,700	3,054
Hardship Duty Pay	2,686	1,200	3,224	2,607	1,200	3,127	2,492	1,200	2,991
Grand Total Incremental Cost	6,350		13,696	6,105		13,264	5,800		12,576
Enacted in SAA						698			
Remaining FY2017 Request						12,566			

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

FY 2018
(\$ in Thousands)
9,376

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>
2016	\$118,500	No upper limit
2017	\$127,200	No upper limit
2018	\$129,900	No upper limit

	<u>FY 2016 Actuals</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>
<u>Total Incremental Costs</u>									
Social Security Tax	1,200	6,578	7,894	1,374	6,699	9,204	1,370	6,844	9,376
Total			<u>7,894</u>			<u>9,204</u>			<u>9,376</u>
Enacted in SAA						547			
Remaining FY2017 Request						8,657			

PAY AND ALLOWANCES OF ENLISTED

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

FY 2018
 (\$ in Thousands)
 279,399

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. The 2017 military pay raise is 2.10 percent base pay effective 1 January 2017 and 2018 2.10 percent effective 1 January 2018.

<u>Total Incremental Costs</u>	FY 2016 Actuals			FY 2017 Estimate			FY 2018 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 Pay (Reserve/Guard Mobilization)	6,648	40,154	<u>266,944</u>	6,709	40,912	<u>274,476</u>	6,688	41,776	<u>279,399</u>
Total			266,944			274,476			279,399
Enacted in SAA						16,179			
Remaining FY2017 Request						258,297			

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

FY 2018
 (\$ in Thousands)
63,144

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 22.80 percent of basic pay for 2017 and 22.60 percent for 2018 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

	FY 2016 Actuals			FY 2017 Estimate			FY 2018 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Total Incremental Costs									
Retired Pay Accrual	6,648	9,235	<u>61,397</u>	6,709	9,337	<u>62,645</u>	6,688	9,441	<u>63,144</u>
Total			61,397			62,645			63,144
Enacted in SAA						4,261			
Remaining FY2017 Request						58,384			

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

FY 2018
 (\$ in Thousands)
 118,426

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 2017 BAH increase is 2.80 percent effective 1 January 2017 and the 2018 BAH increase is 3.20 percent effective 1 January 2018.

<u>Total Incremental Costs</u>	FY 2016 Actuals			FY 2017 Estimate			FY 2018 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	6,648	16,707	111,069	6,709	17,173	115,211	6,688	17,707	118,426
Total			111,069			115,211			118,426
Enacted in SAA						6,220			
Remaining FY2017 Request						108,991			

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

FY 2018
(\$ in Thousands)
46,240

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 2016 Actuals			FY 2017 Estimate			FY 2018 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	3,108	3,000	9,324	2,719	3,000	8,156	3,127	3,000	9,381
Hostile Fire/Imminent Danger Pay	2,331	2,700	6,293	1,063	2,700	2,871	1,118	2,700	3,019
Hardship Duty Pay	5,533	1,200	6,640	2,688	1,200	3,225	3,449	1,200	4,139
Subtotal Mobilization Incremental Cost	10,972		22,257	6,470		14,252	7,694		16,539
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	4,251	3,000	12,753	4,900	3,000	14,700	4,569	3,000	13,707
Hostile Fire/Imminent Danger Pay	3,194	2,700	8,623	2,589	2,700	6,990	2,467	2,700	6,660
Hardship Duty Pay	7,728	1,200	9,274	8,228	1,200	9,874	7,778	1,200	9,334
Subtotal Deployed Active Incremental Cost	15,173		30,650	15,717		31,564	14,814		29,701
<u>Grand Total Special/Incentive Pays</u>									
Family Separation Allowance	7,359	3,000	22,077	7,619	3,000	22,856	7,696	3,000	23,088
Hostile Fire/Imminent Danger Pay	5,525	2,700	14,916	3,652	2,700	9,861	3,585	2,700	9,679
Hardship Duty Pay	13,261	1,200	15,914	10,916	1,200	13,099	11,227	1,200	13,473
Grand Total Incremental Cost	26,145		52,907	22,187		45,816	22,508		46,240

Enacted in SAA **2,257**

Remaining FY2017 Request **43,559**

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

FY 2018
 (\$ in Thousands)
 21,374

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>
2016	\$118,500	No upper limit
2017	\$127,200	No upper limit
2018	\$129,900	No upper limit

<u>Total Incremental Costs</u>	<u>FY 2016 Actuals</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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	6,648	3,072	20,421	6,709	3,130	20,997	6,688	3,196	21,374
Total			20,421			20,997			21,374
Enacted in SAA						1,399			
Remaining FY2017 Request						19,598			

**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 2018
 (\$ in Thousands)
146,658

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 2017 BAS increase is 0.025 percent and FY 2018 BAS increase is 2.55 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.

<u>Total Incremental Costs</u>	<u>FY 2016 Actuals</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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	6,648	4,418	29,373	6,709	4,424	29,679	6,688	4,532	30,311
Subsistence-in-Kind	17,945	5,802	104,116	17,650	5,969	105,357	19,563	5,947	116,347
Total			133,489			135,036			146,658
Enacted in SAA						7,018			
Remaining FY2017 Request						128,018			

OTHER MILITARY PERSONNEL COSTS

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

FY 2018
 (\$ in Thousands)
 7,356

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>	<u>FY 2016 Actuals</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>
SGLI	-	-	-	-	-	-	-	-	-
T-SGLI (Prospective)	-	-	-	-	-	-	-	-	-
SGLI/T-SGLI Insurance Premium	16,236	348	5,650	18,287	348	6,442	18,265	294	6,356
Death Gratuities	18	100,000	1,800	10	100,000	1,000	10	100,000	1,000
Total	16,254		7,450	18,297		7,442	18,275		7,356
Enacted in SAA						371			
Remaining FY2017 Request						7,071			

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

FY 2018
 (\$ in Thousands)
 15,568

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 2016 Actuals			FY 2017 Estimate			FY 2018 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>
Unemployment Compensation			19,263			15,684			15,568
Total			19,263			15,684			15,568
Enacted in SAA						1,515			
Remaining FY2017 Request						14,169			

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 2018
 (\$ in Thousands)
 20,569

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 2018 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 2016 Actuals</u>				<u>FY 2017 Estimate</u>				<u>FY 2018 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	1,093	-	6,667	7,287	1,310	-	6,787	8,891	1,287	-	6,909	8,892
Special Training	Yellow Ribbon - Training	3,442	29,023	251	7,285	3,469	29,104	256	7,437	3,297	28,587	260	7,470
Special Training	Yellow Ribbon - Travel	3,442	29,023	142	4,125	3,469	29,104	145	4,207	3,297	28,587	147	4,207
Total					18,697				20,535				20,569

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 2018
 (\$ in Thousands)
 5,004

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 2018 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 2016 Actuals			FY 2017 Estimate			FY 2018 Request		
		Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Special Training	Yellow Ribbon - Training									
	Officers	1,441	399	575	2,254	385	867	1,344	415	558
	Enlisted	14,041	200	2,804	12,963	205	2,658	13,100	208	2,722
	Yellow Ribbon - Travel									
	Officers	1,441	151	218	2,254	136	307	1,344	157	212
	Enlisted	14,041	111	1,558	12,963	112	1,456	13,100	115	1,512
	Total			5,155			5,288			5,004