

DEPARTMENT OF THE AIR FORCE

Fiscal Year (FY) 2018 Budget Estimates



MILITARY PERSONNEL APPROPRIATION May 2017

**MILITARY PERSONNEL, AIR FORCE
ACTIVE FORCES
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SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(Amount in Thousands)
FY 2016 Actual **FY 2017 Estimate *** **FY 2018 Estimate**

Direct Program

Pay and Allowances of Officers	8,503,246	8,772,365	9,029,401
Pay and Allowances of Enlisted Personnel	16,273,644	16,709,136	17,363,647
Pay and Allowances of Cadets	73,415	76,488	78,280
Subsistence of Enlisted Personnel	1,062,539	1,089,342	1,130,938
Permanent Change of Station Travel	1,174,509	1,242,933	1,255,467
Other Military Personnel Costs	111,747	103,551	105,007
FY 2017 CR Adjustment		(550,019)	
TOTAL DIRECT PROGRAM	27,199,100	27,443,796	28,962,740

Reimbursable Program

Pay and Allowances of Officers	231,998	237,272	241,087
Pay and Allowances of Enlisted Personnel	182,795	187,604	191,385
Subsistence of Enlisted Personnel	34,232	35,193	35,721
Permanent Change of Station Travel	1,981	2,036	2,067
TOTAL REIMBURSABLE PROGRAM	451,006	462,105	470,260

Total Baseline Program

Pay and Allowances of Officers	8,735,244	9,009,637	9,270,488
Pay and Allowances of Enlisted Personnel	16,456,439	16,896,740	17,555,032
Pay and Allowances of Cadets	73,415	76,488	78,280
Subsistence of Enlisted Personnel	1,096,771	1,124,535	1,166,659
Permanent Change of Station Travel	1,176,490	1,244,969	1,257,534
Other Military Personnel Costs	111,747	103,551	105,007
FY 2017 CR Adjustment		(550,019)	
TOTAL BASELINE PROGRAM FUNDING	27,650,106	27,905,901	29,433,000

OCO Funding - FY 2016 P.L. 114-113; FY 2017 P.L. 114-254

Pay and Allowances of Officers	183,668	13,683	0
Pay and Allowances of Enlisted Personnel	512,738	28,639	0
Subsistence of Enlisted Personnel	133,489	7,627	0
Permanent Change of Station Travel	0	0	0
Other Military Personnel Costs	26,713	1,882	0
TOTAL OCO FUNDING	856,608	51,830	0

SECTION 2

INTRODUCTORY STATEMENT

The Military Personnel, Air Force Appropriation 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. The budget activity structure and detailed justification demonstrate how the military personnel program is controlled. It displays the inventory of officers, enlisted, and cadet personnel with associated workyears. This overview addresses programming actions affecting grade structure, promotions, gains and losses, subsistence, PCS travel, and other related issues.



In these fiscally challenging times, our biggest leadership challenge is taking care of people while striking the right balance between maintaining today's readiness while posturing future modernization and recapitalization priorities. The Air Force takes a balanced approach to maintain core capabilities and is committed to providing the competitive military compensation necessary to recruit and retain high quality and experienced Airmen who boldly work around the clock and across the globe to defend our Nation.

The Fiscal Year 2018 President's Budget (PB) request supports the Air Force's steadfast pursuit of readiness recovery by sustaining the end strength growth provided in the 2017 National Defense Authorization Act and increasing the size of the Active Duty force to 325,100 Airmen. This growth will help the Air Force address the personnel imbalance with ongoing and projected global demands for airpower while taking the foundational steps to set the conditions for improved readiness, giving special focus to improving pilot production, absorption, and retention to remediate the Air Force's acute pilot shortage. Achieving this force level begins to mitigate unit under-manning caused by force structure buy-backs, addresses maintenance manpower stressors tied to transitioning from the A-10 to F-35, and expands training capacity to "right-size" the pipeline. Additional manpower will help the Air Force address shortages in critical areas, such as pilots, maintainers, cyber, intelligence, nuclear, and other combat specialties.

The Air Force will continue to employ a variety of monetary incentives to encourage the recruiting and retention of talented Airmen. Selective Retention Bonuses (SRBs) will be offered to preserve enlisted experience in specialties with low manning or poor retention and high replacement training costs, such as cyber, maintenance, nuclear, pararescue, and ISR. Critical Skills Retention Bonuses (CSRBs) will be offered to officers and enlisted Airmen who reenlist or agree to continue serving on active duty for at least one additional year in specialties with current or projected manning shortages, skill imbalances, and high training or replacement costs, such as RPA, battlefield airmen, and intelligence. Special Duty Assignment Pay (SDAP) will be used to compensate members with duties which are extremely difficult and/or involve an unusual degree of responsibility in a military skill, such as basic military training instructors, combat controllers, cyber warfare operators, and explosive ordnance disposal personnel.

Ultimately the FY 2018 Military Personnel Appropriation will provide competitive pay and compensation to our most precious resource - Airmen - who support and defend America's interests around the globe, bind themselves to our Air Force core values, and are the backbone of Air Force readiness.

FISCAL YEARS 2016, 2017 and 2018

The end strength and work year estimates reflect monthly gain and loss patterns and also include man-days for Air Force Guard and Reserve support to active peacetime and Overseas Contingency Operation (OCO) missions (FY 2016 actual only). The FY 2000 NDAA changed the day on which the U.S. Air Force Academy end strength limitation of 4,000 cadets is measured. Title 10 U.S.C., 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 graduation date was June 2 for FY 2016 and will be May 24 for FY 2017 and May 31 for FY 2018. Authorized cadet strength remains programmed at 4,000 each year, however cadet strength may exceed 4,000 at the end of each fiscal year.

Funding Levels

The FY 2016 actual of \$28.5 billion includes \$451.0 million in reimbursements and \$856.6 million of OCO.

The FY 2017 budget estimate is \$27.9 billion to include \$462.1 million in anticipated reimbursements.

The FY 2018 budget request is \$29.4 billion to include \$470.3 million in anticipated reimbursements.

Baseline Budget Rates

The FY 2018 Justification Book reflects a 2.1% pay raise in FY 2017 and FY 2018, effective 1 January each year. It reflects an annualized 0.025% increase for subsistence in FY 2017 and a 2.55% increase for subsistence in FY 2018. The budget reflects an annualized 2.8% increase for housing allowances in FY 2017 and a 3.1% increase for housing allowances in FY 2018. In addition, the full time Retired Pay Accrual (RPA) normal cost percentage decreased to 28.9% in FY 2017 and 28.5% in FY 2018.

Medicare-Eligible Retiree Health Care Fund

The Ronald W. Reagan National Defense Authorization Act (NDAA) for Fiscal Year 2005 (Public Law (P.L.) 108-375) provided permanent, indefinite appropriations to finance the cost of TRICARE benefits accrued by uniformed service members. Since these costs are actually borne in support of the Department of Defense, they will be shown as part of the DoD discretionary total. The appropriations requested for the military personnel accounts exclude retiree health accrual funding. Total obligations on behalf of military personnel include both the amounts requested for appropriation and amounts paid from the permanent, indefinite authority.

MILITARY PERSONNEL, AIR FORCE
Fiscal Year (FY) 2018 President's Budget
 Performance Measures and Evaluation Summary

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, average strength, and recruiting and retention.

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 and allowances, individual clothing, subsistence, and permanent change of station.

PERFORMANCE MEASURES:

	<u>FY 2016 Actual</u>	<u>FY 2017 Planned</u>	<u>FY 2018 Planned</u>
Average Strength (Work years)	325,695	323,736	328,080
End Strength	317,883	321,125	325,100
Authorized End Strength	320,715	321,000	

The FY 2016 actuals include 7,848 work years for Air Force Guard and Reserve on Active duty in support of the Overseas Contingency Operations. The FY 2000 NDAA changed the day on which the U.S. Air Force Academy end strength limitation of 4,000 cadets is measured. Title 10 U.S.C., 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 graduation date was June 2 for FY 2016 and will be May 24 for FY 2017 and May 31 for FY 2018.

Recruiting

	<u>FY 2016 Actual</u>	<u>FY 2017 Planned</u>	<u>FY 2018 Planned</u>
1. Numeric goals	31,761	31,250	29,250
2. Quality goals			
a. High School Degree Graduate (HSDG)			
Benchmark	90.00%	90.00%	90.00%
Actual	99.50%		
b. Cat I-IIIa*			
Goal	60.00%	60.00%	60.00%
Actual	95.00%		

* The DoD has established a correlation between first term enlistment attrition and quality indicators such as HSDG and Category I-IIIa Armed Forces Qualification Test (AFQT) scores. DoD Benchmarks are: Minimum 90% HSDG; 60% Cat I-IIIa (AFQT score 50-99). AF 10 year average for HSDG and Cat I-IIIa are 99% and 85% respectively.

Performance Metrics
MILITARY PERSONNEL, AIR FORCE
Fiscal Year (FY) 2018 President's Budget
(\$ in Thousands)

The Air Force Operation and Maintenance appropriation, BA 03, includes the recruiting program. This metric represents the recruiting of Air Force personnel for total end strength of 325,100 in FY 2018.

<u>Treasury Code</u>	<u>Appropriation Title</u>	<u>FY 2018 BA 03</u>	<u>FY 2018 BA Assoc w/Metrics</u>	<u>Percent FY 2018 BA Assoc w/Metrics</u>
57	3400	\$2,135,882	\$24,804	1.16%

In the FY 2013 NDAA SASC Report (Report 112-173, sec. 401), the SASC directs a statement on dwell time and an assessment of whether the requested reductions in active duty end-strength are reversible within 1 year.

Dwell Time Assessment

Dwell time for the Active Component refers to the period of time between operational deployments described below, and for the Reserve Component the time between the release from involuntary duty pursuant to operational deployment described below and the reporting date for a subsequent tour, excluding any voluntary active duty performed between two periods of involuntary active duty. Current dwell time goals are 1:5 for the Reserve Components and 1:2 for the Active Components.

An operational deployment begins when the majority of a unit or detachment, or an individual not attached to a unit or detachment, departs homeport/station/base or departs from an en-route training location to meet a Secretary of Defense approved operational requirement. Operational requirements include those recorded in Joint Capabilities Requirements Manager (JCRM) or Electronic-Joint Manpower and Personnel System (eJMPS) and contained in the annual Global Force Management Allocation Plan (GFMALP). Forces deployed in support of EXORDS, OPLANS or CONPLANS approved by the Secretary of Defense are also included.

Dwell Time

(ratio of operationally deployed years to non-deployed years)

	Actual	Current Year Forecast	Budget Year Forecast
<i>Active</i>	94% of deployers achieved 1:2 dwell or better before their next deployment	Same percentage or better	Same percentage or better
<i>Guard</i>	97% achieved 1:5 mob-to-dwell or better	Same percentage or better	Same percentage or better
<i>Reserve</i>	96% achieved 1:5 mob-to-dwell or better	Same percentage or better	Same percentage or better

Exhibit PB-30Y

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SECTION 3
SUMMARY TABLES

**MILITARY PERSONNEL, AIR FORCE
SUMMARY OF MILITARY PERSONNEL STRENGTH**

	FY 2016 Actual		FY 2017 Estimate		FY 2018 Estimate	
	<u>Work Years</u>	<u>End Strengths</u>	<u>Work Years</u>	<u>End Strengths</u>	<u>Work Years</u>	<u>End Strengths</u>
<u>DIRECT BASELINE PROGRAM</u>						
Officers	61,607	60,460	62,012	61,217	62,964	61,982
Enlisted	251,359	252,427	256,848	254,981	260,262	258,333
Cadets	4,047	4,160	4,053	4,125	4,058	4,000
Total Direct Program	317,013	317,047	322,913	320,323	327,284	324,315
<u>REIMBURSABLE PROGRAM</u>						
Officers	497	501	493	481	476	469
Enlisted	337	335	330	321	320	316
Cadets	0	0	0	0	0	0
Total Reimbursable Program	834	836	823	802	796	785
<u>TOTAL BASELINE PROGRAM</u>						
Officers	62,104	60,961	62,505	61,698	63,440	62,451
Enlisted	251,696	252,762	257,178	255,302	260,582	258,649
Cadets	4,047	4,160	4,053	4,125	4,058	4,000
Total Program	317,847	317,883	323,736	321,125	328,080	325,100
<u>OCO Supplemental</u>						
Officers	1,200	0	0	0	0	0
Enlisted	6,648	0	0	0	0	0
Supplemental Funded Strength	7,848	0	0	0	0	0
<u>REVISED TOTAL PROGRAM</u>						
Officers	63,304	60,961	62,505	61,698	63,440	62,451
Enlisted	258,344	252,762	257,178	255,302	260,582	258,649
Cadets	4,047	4,160	4,053	4,125	4,058	4,000
Revised Total Program	325,695	317,883	323,736	321,125	328,080	325,100

Note: USAFA cadet strength limitation of 4,000 is measured according to Title 10 U.S.C., Section 9342 on the last day of the academic year (the day before graduation) not the end of the fiscal year.

MILITARY PERSONNEL, AIR FORCE
SUMMARY OF MILITARY PERSONNEL STRENGTH

The Air Force is required to document the number of Reserve and National Guard members who have performed operational support duty for the Air Force for 1) a period greater than 1,095 consecutive days, or 2) cumulatively for 1,095 days out of the previous 1,460 days and thereby exceeds the threshold.

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
AF Reserve	2	15	15
AF Guard	1	25	25

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

	FY 2016 Actual		FY 2017 Estimate		FY 2018 Estimate	
	Total	Reimb Included	Total	Reimb Included	Total	Reimb Included
<u>Commissioned Officers</u>						
O-10 General	13	0	14	0	14	0
O-9 Lieutenant General	40	0	41	0	42	0
O-8 Major General	91	1	97	1	92	1
O-7 Brigadier General	153	1	145	1	149	1
O-6 Colonel	3,320	27	3,395	26	3,415	26
O-5 Lieutenant Colonel	9,585	79	9,812	76	10,011	75
O-4 Major	12,902	106	13,488	105	13,396	101
O-3 Captain	21,252	175	21,010	165	21,577	162
O-2 1st Lieutenant	6,901	57	6,787	53	6,781	51
O-1 2nd Lieutenant	6,704	55	6,909	54	6,974	52
Officer Subtotal	60,961	501	61,698	481	62,451	469
<u>Enlisted Personnel</u>						
E-9 Chief Master Sergeant	2,515	3	2,510	3	2,580	3
E-8 Senior Master Sergeant	4,995	7	5,020	6	5,085	6
E-7 Master Sergeant	24,484	32	25,100	32	25,267	31
E-6 Technical Sergeant	39,677	53	39,659	50	40,426	49
E-5 Staff Sergeant	59,395	79	62,686	79	63,108	78
E-4 Senior Airman	59,550	79	59,050	74	58,810	72
E-3 Airman First Class	43,852	58	43,825	55	45,365	55
E-2 Airman	7,021	9	6,856	9	7,343	9
E-1 Airman Basic	11,273	15	10,596	13	10,665	13
Enlisted Subtotal	252,762	335	255,302	321	258,649	316
<u>Cadets</u>	4,160	0	4,125	0	4,000	0
TOTAL END STRENGTH	317,883	836	321,125	802	325,100	785

Note: USAFA cadet strength limitation of 4,000 is measured according to Title 10 U.S.C., Section 9342 on the last day of the academic year (the day before graduation) not the end of the fiscal year.

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

	<u>FY 2016 Actual 1/</u>		<u>FY 2017 Estimate</u>		<u>FY 2018 Estimate</u>	
	Total	Reimb Included	Total	Reimb Included	Total	Reimb Included
<u>Commissioned Officers</u>						
O-10 General	12	0	13	0	13	0
O-9 Lieutenant General	40	0	41	0	40	0
O-8 Major General	96	1	91	1	93	1
O-7 Brigadier General	145	1	153	1	154	1
O-6 Colonel	3,464	27	3,489	27	3,531	26
O-5 Lieutenant Colonel	10,380	77	10,275	78	10,480	76
O-4 Major	13,610	104	13,650	106	13,780	103
O-3 Captain	21,652	174	20,986	170	21,447	164
O-2 1st Lieutenant	7,386	59	7,024	55	6,964	52
O-1 2nd Lieutenant	6,519	54	6,783	55	6,938	53
Officer Subtotal	63,304	497	62,505	493	63,440	476
<u>Enlisted Personnel</u>						
E-9 Chief Master Sergeant	2,573	3	2,543	3	2,616	3
E-8 Senior Master Sergeant	5,289	7	5,144	7	5,216	6
E-7 Master Sergeant	25,869	33	25,337	32	25,712	32
E-6 Technical Sergeant	41,593	53	40,422	52	40,782	50
E-5 Staff Sergeant	61,722	81	61,473	79	62,911	79
E-4 Senior Airman	63,246	82	59,895	77	59,404	73
E-3 Airman First Class	42,909	57	44,687	57	46,022	55
E-2 Airman	5,891	8	6,995	9	7,173	9
E-1 Airman Basic	9,252	13	10,682	14	10,746	13
Enlisted Subtotal	258,344	337	257,178	330	260,582	320
<u>Cadets</u>	4,047	0	4,053	0	4,058	0
TOTAL WORKYEARS	325,695	834	323,736	823	328,080	796

1/ Includes 1,200 officers and 6,648 enlisted voluntary and involuntary Reserve Component active duty work years in support of Overseas Contingency Operations (OCO).

ACTIVE DUTY STRENGTHS BY MONTHS

	FY 2016 Actual				FY 2017 Estimate				FY 2018 Estimate			
	Officers	Enlisted	Cadets	Total	Officers	Enlisted	Cadets	Total	Officers	Enlisted	Cadets	Total
September	61,004	246,322	4,031	311,357	60,961	252,762	4,160	317,883	61,698	255,302	4,125	321,125
October	60,683	245,867	4,023	310,573	60,720	251,829	4,152	316,701	61,457	256,752	4,103	322,312
November	60,475	246,229	4,011	310,715	60,634	252,425	4,141	317,200	61,784	256,970	4,086	322,840
December	60,306	246,695	3,995	310,996	60,425	252,679	4,122	317,226	61,906	257,474	4,068	323,448
January	60,235	247,362	3,993	311,590	60,395	253,424	4,109	317,928	61,339	257,497	4,066	322,902
February	60,089	247,824	3,970	311,883	60,418	254,375	4,086	318,879	61,248	257,335	4,040	322,623
March	60,289	248,323	3,959	312,571	60,656	254,649	4,075	319,380	61,457	257,631	4,027	323,115
April	60,151	248,775	3,952	312,878	60,560	254,348	4,068	318,976	61,420	257,328	4,014	322,762
May	60,354	249,328	3,933	313,615	60,875	255,129	3,080	319,084	61,685	257,968	3,998	323,651
June	61,444	250,084	4,258	315,786	61,492	255,090	4,285	320,867	62,304	257,660	4,133	324,097
July	61,120	250,855	4,199	316,174	61,541	255,165	4,199	320,905	62,615	257,699	4,074	324,388
August	60,829	251,955	4,174	316,958	61,611	255,647	4,174	321,432	62,585	258,354	4,024	324,963
September	60,961	252,762	4,160	317,883	61,698	255,302	4,125	321,125	62,451	258,649	4,000	325,100
Average End Strength	60,580	248,570	4,047	313,197	60,888	254,066	4,053	319,007	61,823	257,470	4,058	323,351

ACTIVE DUTY FOR OPERATIONAL SUPPORT (ADOS) (MPA Man-days)

	FY 2016 Actual 1/				FY 2017 Estimate				FY 2018 Estimate 2/			
	Officers	Enlisted	Cadets	Total	Officers	Enlisted	Cadets	Total	Officers	Enlisted	Cadets	Total
Average Strength (non-12304b)	2,715	9,754	0	12,469	1,435	2,239	0	3,674	1,303	2,110	0	3,413
Dollars in Millions (non-12304b)	399	828	0	1,226	214	192	0	407	199	185	0	384
Average Strength (12304b)	9	20	0	29	182	873	0	1,055	314	1,002	0	1,316
Dollars in Millions (12304b)	1	2	0	3	27	75	0	102	48	88	0	136
Total Average Strength	63,304	258,344	4,047	325,695	62,505	257,178	4,053	323,736	63,440	260,582	4,058	328,080

Strength in the FY 2018 President's Budget Baseline Request:

End Strength	60,961	252,762	4,160	317,883	61,698	255,302	4,125	321,125	62,451	258,649	4,000	325,100
Average Strength	63,304	258,344	4,047	325,695	62,505	257,178	4,053	323,736	63,440	260,582	4,058	328,080

1/ Includes 1,200 officers and 6,648 enlisted voluntary and involuntary Reserve Component active duty work years in support of Overseas Contingency Operations (OCO).

2/ In accordance with the National Commission on the Structure of the Air Force report, the FY 2018 President's Budget for Operation and Maintenance, Air Force appropriation includes funding to complement the Military Personnel, Air Force appropriation requirements for Active Duty for Operational Support (ADOS). These funds fully source the Air Reserve Component support to the Active Component in a voluntary (10 U.S.C. §12301(d)) or involuntary (10 U.S.C. §12304b) status.

Note: USAFA cadet strength limitation of 4,000 is measured according to Title 10 U.S.C., Section 9342 on the last day of the academic year (the day before graduation) not the end of the fiscal year.

ACTIVE DUTY STRENGTHS BY MONTHS

The 2012 NDAA, by order of Title 10 U.S.C., Section 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 FY 2018, the Air Force plans to utilize 12304b in support of pre-planned combatant command enduring operations funded in the baseline. Identified operations/missions are:

Rapid Global Mobility Operations in support of Combatant Commanders (647 MY, \$71M)

Provides combatant commands with inter-theater and intra-theater airlift to include cargo, airdrops, air refueling and Aeromedical airlift in support of enduring missions and exercises. Activated Airmen will be placed on orders for a period no longer than 365 days.

Theater Security Cooperation (523 MY, \$49M)

Provides CAF deterrence support for EUCOM, and PACOM. Activated Airmen will be placed on orders for a period no longer than 365 days.

Agile Combat Support (84 MY, \$9M)

Provides Guard and Reserve Agile Combat Support for all Combatant Commanders. Activated Airmen will be placed on orders for a period no longer than 365 days.

CYBERCOM Mission Operations Support (62 MY, \$7M)

Provides Guard and Reserve support for cyber mission operations supporting combatant commands. Activated Airmen will be placed on orders for a period no longer than 365 days.

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

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Beginning Strength	61,004	60,961	61,698
Gains (By Source):			
Service Academies	807	982	963
ROTC	1,659	2,136	2,280
Health Professions Scholarships	500	500	500
Officer Training School	1,188	1,107	1,265
Other	90	90	90
Gain Adjustment	0	0	0
Total Gains	4,244	4,815	5,098
Losses (By Type):			
Voluntary Separation	2,137	1,868	2,107
Retirement	1,938	2,000	2,028
Total Involuntary	210	210	210
With Pay	179	179	179
Without Pay	31	31	31
VSI/SSB	2	0	0
TERA	0	0	0
Reduction in Force	0	0	0
Other	0	0	0
Loss Adjustment	0	0	0
Total Losses	4,287	4,078	4,345
TOTAL	60,961	61,698	62,451

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

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Beginning Strength	246,322	252,762	255,302
Gains (By Source):			
Non Prior Service Enlistments	31,525	31,000	29,000
Male	24,491	24,605	22,528
Female	7,034	6,395	6,472
Prior Service Enlistments	236	250	250
Reenlistments	35,494	29,817	30,542
Reserves	0	0	0
Officer Candidate Programs	700	400	400
Other	1,368	75	0
Gain Adjustments	0	0	0
Total Gains	69,323	61,542	60,192
Losses (By Type):			
ETS	7,683	9,860	8,072
Programmed Early Release	20	26	45
VSI/SSB	0	0	0
TERA	3	0	0
To Commissioned Officer	690	287	197
Reenlistments	35,494	29,817	30,542
Retirement	5,595	6,172	6,021
Attrition	10,228	9,287	9,145
Other	3,170	3,553	2,823
Loss Adjustments	0	0	0
Total Losses	62,883	59,002	56,845
TOTAL	252,762	255,302	258,649

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

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Beginning Strength	4,031	4,160	4,125
Gains:	1,205	1,205	1,205
Losses:	1,076	1,240	1,330
Graduates	807	982	995
Attrition	269	258	335
TOTAL	4,160	4,125	4,000

Note: USAFA cadet strength limitation of 4,000 is measured according to Title 10 U.S.C., 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 2016 Actual			FY 2017 Estimate *			FY 2018 Estimate		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
1. Basic Pay	4,763,321	8,836,921	13,600,242	4,884,402	8,922,249	13,806,651	4,969,886	9,209,338	14,179,224
2. Retired Pay Accruals	1,476,098	2,743,884	4,219,982	1,402,827	2,570,946	3,973,773	1,407,970	2,617,286	4,025,256
3. TSP - Matching Contributions	0	0	0	0	0	0	55,447	100,601	156,048
4. Basic Allowance for Housing	1,445,366	3,598,797	5,044,163	1,463,681	3,608,451	5,072,132	1,524,644	3,739,482	5,264,126
a. With Dependents - Domestic	975,507	2,216,730	3,192,237	988,772	2,222,586	3,211,358	1,034,899	2,323,857	3,358,756
b. Without Dependents - Domestic	340,580	852,198	1,192,778	343,653	845,477	1,189,130	359,330	879,646	1,238,976
c. Differential - Domestic	19	719	738	16	752	768	16	792	808
d. Partial - Domestic	186	4,847	5,033	197	5,325	5,522	206	5,600	5,806
e. With Dependents - Overseas	84,141	327,840	411,981	86,448	337,032	423,480	85,819	334,070	419,889
f. Without Dependents - Overseas	43,400	190,677	234,077	43,009	191,201	234,210	42,714	189,169	231,883
g. Moving-In Housing	1,533	5,786	7,319	1,586	6,078	7,664	1,660	6,348	8,008
5. Subsistence	192,616	1,230,260	1,422,876	190,238	1,124,535	1,314,773	198,005	1,166,659	1,364,664
a. Basic Allowance for Subsistence	192,616	997,548	1,190,164	190,238	991,508	1,181,746	198,005	1,029,962	1,227,967
1. Authorized to Mess Separately	192,616	1,118,655	1,311,271	190,238	1,115,285	1,305,523	198,005	1,158,561	1,356,566
2. Rations-In-Kind Not Available	0	0	0	0	0	0	0	0	0
3. Augmentation for Separate Meals	0	0	0	0	0	0	0	0	0
4. Less Collections (Recoupment)	0	(121,107)	(121,107)	0	(123,777)	(123,777)	0	(128,599)	(128,599)
b. Subsistence-In-Kind	0	232,704	232,704	0	133,019	133,019	0	136,688	136,688
1. Subsistence in Messes	0	217,325	217,325	0	120,224	120,224	0	123,565	123,565
2. Operational Rations	0	11,487	11,487	0	8,904	8,904	0	9,132	9,132
3. Augmentation Rations	0	3,892	3,892	0	3,891	3,891	0	3,991	3,991
c. Family Supplemental Subsistence Allowance	0	8	8	0	8	8	0	9	9
6. Incentive - Hazardous Duty - Aviation Career Pay	212,140	37,048	249,188	233,529	37,187	270,716	236,704	40,719	277,423
a. Flying Duty Pay	211,040	27,669	238,709	232,333	27,669	260,002	234,701	26,417	261,118
1. Aviator Pay, Officers	132,516	0	132,516	132,638	0	132,638	132,563	0	132,563
2. Crew Members, Enlisted	0	2,020	2,020	0	2,020	2,020	0	869	869
3. Noncrew Member	0	234	234	0	234	234	0	133	133
4. Aviator Retention Pay	77,450	0	77,450	98,621	0	98,621	101,312	0	101,312
5. Career Enlisted Flyer Pay	0	25,415	25,415	0	25,415	25,415	0	25,415	25,415
6. HDIP-Aviation	1,074	0	1,074	1,074	0	1,074	826	0	826
b. Parachute Jumping Pay	151	1,041	1,192	187	1,058	1,245	106	236	342
c. Demolition Pay	318	4,105	4,423	319	4,135	4,454	149	2,920	3,069
d. Battlefield Airmen Skill Incentive Pay	0	0	0	0	0	0	1,573	8,654	10,227
e. Other Pays	631	4,233	4,864	690	4,325	5,015	175	2,492	2,667

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(Amount in Thousands)

	FY 2016 Actual			FY 2017 Estimate *			FY 2018 Estimate		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
7. Special Pays	299,409	379,611	679,020	300,481	407,026	707,507	336,933	481,217	818,150
a. Medical Pay	179,760	0	179,760	184,721	0	184,721	181,228	0	181,228
b. Dental Pay	41,521	0	41,521	38,365	0	38,365	45,822	0	45,822
c. Health Professions Officers Pay	17,274	0	17,274	20,748	0	20,748	19,688	0	19,688
d. Nurse Pay	22,383	0	22,383	22,707	0	22,707	23,490	0	23,490
e. Sea and Foreign Duty, Total	0	68	68	0	210	210	0	210	210
1. Sea Duty	0	0	0	0	4	4	0	4	4
2. Overseas Extension Pay	0	68	68	0	206	206	0	206	206
f. Continuation Pay	0	0	0	0	0	0	32,002	58,731	90,733
g. Diving Duty Pay	412	1,977	2,389	428	1,991	2,419	92	74	166
h. Foreign Language Proficiency Bonus	7,288	22,765	30,053	6,968	21,970	28,938	7,308	23,057	30,365
i. Hostile Fire Pay	6,027	21,413	27,440	1,353	6,496	7,849	1,353	6,496	7,849
j. Responsibility Pay	0	0	0	0	0	0	0	0	0
k. Hardship Duty Pay	4,421	20,949	25,370	1,198	5,035	6,233	1,198	5,035	6,233
l. Judge Advocate Continuation Pay	3,911	0	3,911	3,911	0	3,911	3,911	0	3,911
m. JAG Student Loan Repayment	5,157	0	5,157	5,200	0	5,200	5,200	0	5,200
n. Retention Bonus	6,672	2,970	9,642	7,652	2,970	10,622	5,845	2,970	8,815
o. Reenlistment Bonus	0	233,875	233,875	0	269,669	269,669	0	281,547	281,547
p. Special Duty Assignment Pay	0	53,650	53,650	0	64,961	64,961	0	64,961	64,961
q. Enlistment Bonus	0	13,403	13,403	0	16,125	16,125	0	16,492	16,492
r. Education Benefits (College Fund)	0	0	0	0	0	0	0	0	0
s. Loan Repayment Program	0	2,590	2,590	0	2,166	2,166	0	1,250	1,250
t. Assignment Incentive Pay	4,149	5,935	10,084	6,662	15,336	21,998	9,229	20,297	29,526
u. Personal Money Allowance	48	2	50	51	2	53	50	2	52
v. Health Prof. Scholarship Program (HPSP)	384	0	384	401	0	401	401	0	401
w. Pay and Allowance Continuation Pay (PAC)	2	14	16	116	95	211	116	95	211
8. Allowances	119,260	555,106	674,366	110,255	523,264	633,519	112,425	530,970	643,395
a. Uniform or Clothing Allowances	2,425	132,556	134,981	2,664	135,451	138,115	2,796	136,630	139,426
1. Initial Issue	2,053	49,126	51,179	2,290	48,755	51,045	2,416	46,950	49,366
1a Military	1,698	46,131	47,829	1,926	45,638	47,564	2,039	43,729	45,768
1b Civilian	355	2,995	3,350	364	3,117	3,481	377	3,221	3,598
2. Additional	372	0	372	374	0	374	380	0	380
3. Basic Maintenance	0	13,355	13,355	0	13,877	13,877	0	14,356	14,356
4. Standard Maintenance	0	64,588	64,588	0	67,117	67,117	0	69,426	69,426
5. Supplemental	0	5,487	5,487	0	5,702	5,702	0	5,898	5,898
6. New Uniform Up Front Purchase	0	0	0	0	0	0	0	0	0
b. Station Allowance Overseas	105,547	375,772	481,319	102,057	362,565	464,622	103,998	368,739	472,737
1. Cost-of-Living	91,058	335,576	426,634	87,066	320,344	407,410	88,312	324,636	412,948
2. Temporary Lodging	14,489	40,196	54,685	14,991	42,221	57,212	15,686	44,103	59,789
c. Family Separation Allowance	10,597	45,447	56,044	4,827	23,877	28,704	4,902	24,195	29,097
1. On PCS, No Government Quarters	1,858	16,214	18,072	1,869	16,566	18,435	1,899	16,785	18,684
2. On TDY	8,739	29,233	37,972	2,958	7,311	10,269	3,003	7,410	10,413
d. CONUS Cost of Living Allowance	608	970	1,578	624	1,010	1,634	646	1,045	1,691
e. Catastrophical Injured Aid Allowance	83	361	444	83	361	444	83	361	444

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(Amount in Thousands)

	FY 2016 Actual			FY 2017 Estimate *			FY 2018 Estimate		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
9. Separation Payments	48,242	141,786	190,028	51,203	145,064	196,267	48,922	130,904	179,826
a. Terminal Leave Pay	18,629	29,286	47,915	18,546	31,380	49,926	18,760	30,931	49,691
b. Severance Pay, Disability	2,479	39,200	41,679	2,526	39,945	42,471	2,579	41,624	44,203
c. Severance Pay, Non-Promotion	213	0	213	217	0	217	222	0	222
d. Severance Pay, Involuntary Half (5%)	51	7,905	7,956	52	8,055	8,107	53	8,504	8,557
e. Severance Pay, Involuntary Full (10%)	6,844	36,989	43,833	12,484	37,692	50,176	12,746	39,777	52,523
f. VSI Trust Fund	18,942	5,658	24,600	16,478	4,922	21,400	14,322	4,278	18,600
g. Vol Separation Pay	184	0	184	0	0	0	0	0	0
h. Career Status Bonus (30k)	900	22,570	23,470	900	23,070	23,970	240	5,790	6,030
i. TERA	0	178	178	0	0	0	0	0	0
10 Social Security Tax Payment	362,460	676,024	1,038,484	373,021	682,553	1,055,574	379,552	704,515	1,084,067
11 Permanent Change of Station Travel	366,701	809,789	1,176,490	390,733	854,236	1,244,969	398,623	858,911	1,257,534
12 Other Military Personnel Costs	66,208	72,252	138,460	61,847	41,704	103,551	62,928	42,079	105,007
a. Apprehension of Deserters	1	15	16	1	15	16	1	15	16
b. USSD (MIA)	1,236	1,017	2,253	1,615	1,076	2,691	1,615	1,076	2,691
c. Death Gratuities	2,800	13,500	16,300	2,500	12,000	14,500	2,500	12,000	14,500
d. Unemployment Compensation	12,608	50,432	63,040	6,686	26,746	33,432	6,782	27,134	33,916
e. Allowance for Family Qtrs and Travel	0	0	0	0	0	0	0	0	0
f. Education Benefits	16	63	79	20	80	100	15	60	75
g. Adoption Reimbursement	176	283	459	176	284	460	176	284	460
h. Mass Transit	3,068	969	4,037	3,681	1,160	4,841	3,681	1,160	4,841
i. Partial Dislocation Allowance	69	336	405	70	343	413	71	350	421
j. Extra Hazard Reimb. for SGLI	0	5,550	5,550	0	0	0	0	0	0
k. ROTC	29,275	0	29,275	29,447	0	29,447	29,557	0	29,557
l. JROTC	16,946	0	16,946	17,651	0	17,651	18,530	0	18,530
m. T-SGLI	13	87	100	0	0	0	0	0	0
13 Cadets	73,415	0	73,415	76,488	0	76,488	78,280	0	78,280
<u>Military Personnel Appropriation Total</u>	9,425,236	19,081,478	28,506,714	9,538,705	18,917,215	28,455,920	9,810,319	19,622,681	29,433,000
14 Less Reimbursables:	(232,637)	(218,369)	(451,006)	(237,911)	(224,194)	(462,105)	(241,742)	(228,518)	(470,260)
Retired Pay Accrual	(39,891)	(32,760)	(72,651)	(38,064)	(31,268)	(69,332)	(38,080)	(31,350)	(69,430)
Other	(192,746)	(185,609)	(378,355)	(199,847)	(192,926)	(392,773)	(203,662)	(197,168)	(400,830)
MILITARY PERSONNEL									
APPROPRIATION TOTAL-DIRECT	9,192,599	18,863,109	28,055,708	9,300,794	18,693,021	27,993,815	9,568,577	19,394,163	28,962,740
FY 2017 CR Adjustment						(550,019)			
Revised FY 2017 Direct Program						27,443,796			

* 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 AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL - AIR FORCE
FY 2017 ***

(Amount in Thousands)

	<u>FY 2017*</u> <u>PRESIDENT'S</u> <u>BUDGET</u>	<u>CONGRESSIONAL</u> <u>ACTIONS</u>	<u>APPROPRIATION</u>	<u>INTERNAL</u> <u>REALIGNMENT/</u> <u>REPROGRAMMING</u>	<u>SUBTOTAL</u>	<u>FY 2017 REQUEST</u> <u>FOR ADDITIONAL</u> <u>APPROPRIATIONS</u>	<u>FY 2017* COLUMN FY</u> <u>2018 PRES BUD</u>
<u>PAY AND ALLOWANCES OF OFFICERS</u>							
Basic Pay	4,755,425	0	4,755,425	0	4,755,425	(2,732)	4,752,693
Retired Pay Accrual	1,394,817	0	1,394,817	0	1,394,817	(30,054)	1,364,763
TSP - Matching Contributions	0	0	0	0	0	0	0
Incentive Pay	224,133	0	224,133	0	224,133	2,983	227,116
Special Pay	295,755	0	295,755	0	295,755	(3,525)	292,230
Basic Allowance for Housing	1,471,194	0	1,471,194	0	1,471,194	(44,102)	1,427,092
Basic Allowance for Subsistence	193,855	0	193,855	0	193,855	(8,841)	185,014
Station Allowances Overseas	102,631	0	102,631	0	102,631	(574)	102,057
CONUS COLA	317	0	317	0	317	290	607
Uniform Allowances	2,569	0	2,569	0	2,569	95	2,664
Family Separation Allowances	4,833	0	4,833	0	4,833	(6)	4,827
Catastrophical Injured Aid Allowance	150	0	150	0	150	(67)	83
Separation Payments	53,535	0	53,535	0	53,535	(3,261)	50,274
Social Security Tax - Employer's Contribution	363,137	0	363,137	0	363,137	(192)	362,945
Reimbursables	237,272	0	237,272	0	237,272	0	237,272
TOTAL OBLIGATIONS OFFICERS	9,099,623	0	9,099,623	0	9,099,623	(89,986)	9,009,637
Less Reimbursables	(237,272)	0	(237,272)	0	(237,272)	0	(237,272)
TOTAL DIRECT OBLIGATIONS OFFICERS	8,862,351	0	8,862,351	0	8,862,351	(89,986)	8,772,365
<u>PAY AND ALLOWANCES OF ENLISTED</u>							
Basic Pay	8,703,383	0	8,703,383	0	8,703,383	110,671	8,814,054
Retired Pay Accrual	2,559,623	0	2,559,623	0	2,559,623	(19,945)	2,539,678
TSP - Matching Contributions	0	0	0	0	0	0	0
Incentive Pay	35,163	0	35,163	0	35,163	1,572	36,735
Special Pay	49,138	0	49,138	0	49,138	6,449	55,587
Special Duty Assignment Pay	65,623	0	65,623	0	65,623	(662)	64,961
Reenlistment Bonus	226,080	0	226,080	0	226,080	43,589	269,669
Enlistment Bonus	16,127	0	16,127	0	16,127	(2)	16,125
Basic Allowance for Housing	3,637,735	0	3,637,735	0	3,637,735	(66,577)	3,571,158
Station Allowances Overseas	355,243	0	355,243	0	355,243	7,322	362,565
CONUS COLA	552	0	552	0	552	446	998
Clothing Allowances	124,700	0	124,700	0	124,700	10,751	135,451
Family Separation Allowances	21,246	0	21,246	0	21,246	2,631	23,877
Catastrophical Injured Aid Allowance	1,260	0	1,260	0	1,260	(899)	361
Separation Payments	108,967	0	108,967	0	108,967	34,674	143,641
Social Security Tax - Employer's Contribution	665,807	0	665,807	0	665,807	8,469	674,276
Reimbursables	187,604	0	187,604	0	187,604	0	187,604
TOTAL OBLIGATIONS ENLISTED	16,758,251	0	16,758,251	0	16,758,251	138,489	16,896,740
Less Reimbursables	(187,604)	0	(187,604)	0	(187,604)	0	(187,604)
TOTAL DIRECT OBLIGATIONS ENLISTED	16,570,647	0	16,570,647	0	16,570,647	138,489	16,709,136

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

(Amount in Thousands)

	<u>FY 2017*</u> <u>PRESIDENT'S</u> <u>BUDGET</u>	<u>CONGRESSIONAL</u> <u>ACTIONS</u>	<u>APPROPRIATION</u>	<u>INTERNAL</u> <u>REALIGNMENT/</u> <u>REPROGRAMMING</u>	<u>SUBTOTAL</u>	<u>FY 2017 REQUEST</u> <u>FOR ADDITIONAL</u> <u>APPROPRIATIONS</u>	<u>FY 2017* COLUMN FY</u> <u>2018 PRES BUD</u>
<u>PAY AND ALLOWANCES OF CADETS</u>							
Academy Cadets	72,144	0	72,144	0	72,144	4,344	76,488
<u>SUBSISTENCE OF ENLISTED PERSONNEL</u>							
Basic Allowance for Subsistence	972,469	0	972,469	0	972,469	(16,154)	956,315
Subsistence-In-Kind	131,986	0	131,986	0	131,986	1,033	133,019
Family Supplemental Subsistence Allowance	8	0	8	0	8	0	8
Reimbursables	35,193	0	35,193	0	35,193	0	35,193
TOTAL OBLIGATIONS SUBSISTENCE	1,139,656	0	1,139,656	0	1,139,656	(15,121)	1,124,535
Less Reimbursables	(35,193)	0	(35,193)	(0)	(35,193)	0	(35,193)
TOTAL DIRECT OBLIGATIONS SUBSISTENCE	1,104,463	0	1,104,463	0	1,104,463	(15,121)	1,089,342
<u>PERMANENT CHANGE OF STATION TRAVEL</u>							
Accession Travel	90,791	0	90,791	0	90,791	18,011	108,802
Training Travel	71,207	0	71,207	0	71,207	(3,284)	67,923
Operational Travel	263,646	0	263,646	0	263,646	12,643	276,289
Rotational Travel	567,998	0	567,998	0	567,998	(7,316)	560,682
Separation Travel	147,938	0	147,938	0	147,938	12,677	160,615
Travel of Organized Units	9,204	0	9,204	0	9,204	(1,933)	7,271
Nontemporary Storage	23,664	0	23,664	0	23,664	2,817	26,481
Temporary Lodging Expense	34,701	0	34,701	0	34,701	169	34,870
Reimbursables	2,036	0	2,036	0	2,036	0	2,036
TOTAL OBLIGATIONS PCS	1,211,185	0	1,211,185	0	1,211,185	33,784	1,244,969
Less Reimbursables	(2,036)	0	(2,036)	(0)	(2,036)	0	(2,036)
TOTAL DIRECT OBLIGATIONS PCS	1,209,149	0	1,209,149	0	1,209,149	33,784	1,242,933

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

(Amount in Thousands)

	<u>FY 2017*</u> <u>PRESIDENT'S</u> <u>BUDGET</u>	<u>CONGRESSIONAL</u> <u>ACTIONS</u>	<u>APPROPRIATION</u>	<u>INTERNAL</u> <u>REALIGNMENT/</u> <u>REPROGRAMMING</u>	<u>SUBTOTAL</u>	<u>FY 2017 REQUEST</u> <u>FOR ADDITIONAL</u> <u>APPROPRIATIONS</u>	<u>FY 2017* COLUMN FY</u> <u>2018 PRES BUD</u>
OTHER MILITARY PERSONNEL COSTS							
Apprehension Mil Deserters, Absentees, Prisoners	16	0	16	0	16	0	16
Interest on Uniformed Svcs Savings	2,691	0	2,691	0	2,691	0	2,691
Death Gratuities	16,000	0	16,000	0	16,000	(1,500)	14,500
Unemployment Compensation	53,431	0	53,431	0	53,431	(19,999)	33,432
Survivor Benefits	0	0	0	0	0	0	0
Education Benefits	79	0	79	0	79	21	100
Adoption Expenses	435	0	435	0	435	25	460
Mass Transit	4,841	0	4,841	0	4,841	0	4,841
Partial Dislocation Allowance	723	0	723	0	723	(310)	413
SROTC	29,445	0	29,445	0	29,445	2	29,447
JROTC	18,200	0	18,200	0	18,200	(549)	17,651
Extra Hazard Reimb. for SGLI	0	0	0	0	0	0	0
TSGLI	0	0	0	0	0	0	0
Stop Loss Retroactive Pay	0	0	0	0	0	0	0
Preventive Health Allow Demonstration Project	0	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS OTHER	125,861	0	125,861	0	125,861	(22,310)	103,551
TOTAL DIRECT OBLIGATIONS	27,944,615	0	27,944,615	0	27,944,615	49,200	27,993,815
FY 2017 CR Adjustment							(550,019)
Revised FY 2017 Direct Program							27,443,796

* 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.

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

	<u>BA 1 Officer</u>	<u>BA 2 Enlisted</u>	<u>BA 3 Cadets</u>	<u>BA 4 Subsistence</u>	<u>BA 5 PCS</u>	<u>BA 6 Other</u>	<u>Total</u>
FY 2017 DIRECT PROGRAM	8,772,365	16,709,136	76,488	1,089,342	1,242,933	103,551	27,993,815
Pricing Increase	187,711	383,921	1,698	28,673	28,571	1,171	631,745
Annualization (PI):	36,180	63,923	294	6,320	0	0	106,717
- Annualization 1 Jan 17 raise of 2.1% on Basic Pay	25,644	46,842	273	0	0	0	72,759
- Annualization of raise on RPA	7,365	13,497	0	0	0	0	20,862
- Annualization on FICA	1,959	3,584	21	0	0	0	5,564
- Annualization 1 Jan 17 inflation rate of 0% on BAS	1,212	0	0	6,320	0	0	7,532
Pay Raise (PI):	104,902	191,767	883	0	2,799	0	300,351
- 1 Jan 18 pay raise of 2.1% effect on Basic Pay	76,932	140,524	820	0	0	0	218,276
- 1 Jan 18 pay raise effect on RPA	22,094	40,492	0	0	0	0	62,586
- 1 Jan 18 pay raise effect on FICA	5,876	10,751	63	0	0	0	16,690
- 1 Jan 18 pay raise of 2.1% effect on DLA for PCS moves	0	0	0	0	2,799	0	2,799
Inflation Rate (PI):	3,637	0	0	22,353	16,376	0	42,366
- 1 Jan 18 inflation rate of 3.4% effect on BAS	3,637	0	0	18,960	0	0	22,597
- Increase for Inflation for SIK	0	0	0	3,393	0	0	3,393
- Increase in rate for Land (HHG)	0	0	0	0	12,962	0	12,962
- Increase in rate for ITGBL (HHG)	0	0	0	0	3,414	0	3,414
BAH Rates (PI):	38,707	80,874	0	0	0	0	119,581
- Housing Allowance rate 1 Jan 18 increase of 3.2%	38,658	80,686	0	0	0	0	119,344
- Increase in MIHA Pricing	49	188	0	0	0	0	237
Other (PI):	4,285	47,357	521	0	9,396	1,171	62,730
- Increase in FICA Pricing	4	1	0	0	0	0	5
- Increase in Clothing Pricing	7	2,708	0	0	0	0	2,715
- Increase in COLA Pricing	11	40	0	0	0	0	51
- Increase in TLA Pricing	465	1,309	0	0	0	0	1,774
- Increase in CONUS COLA Pricing	13	21	0	0	0	0	34
- Increase in Special Pay Pricing	3,074	205	0	0	0	0	3,279
- Increase in LSTL Pricing	390	660	0	0	0	0	1,050
- Increase in Separation Payments Pricing	321	1,800	0	0	0	0	2,121
- Increase in Selective Reenlistment Bonus Pricing	0	40,613	0	0	0	0	40,613
- Increase in Cadet Subsistence Pricing	0	0	521	0	0	0	521
- Increase in Total Mile-Per Diem Pricing	0	0	0	0	3,986	0	3,986
- Increase in Total AMC Pricing	0	0	0	0	1,465	0	1,465
- Increase in Total Comm Air Pricing	0	0	0	0	624	0	624
- Increase in M Tons MSC Pricing	0	0	0	0	182	0	182
- Increase in S Tons AMC Pricing	0	0	0	0	1,474	0	1,474
- Increase in Trans of POV Pricing	0	0	0	0	2	0	2
- Increase in NonTemp Storage Pricing	0	0	0	0	896	0	896
- Increase in Temp Lodging Pricing	0	0	0	0	767	0	767
- Increase in Unemployment Benefits Pricing	0	0	0	0	0	669	669
- Increase in Partial DLA Pricing	0	0	0	0	0	8	8
- Increase in ROTC Pricing	0	0	0	0	0	132	132
- Increase in JROTC Pricing	0	0	0	0	0	362	362

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

	<u>BA 1 Officer</u>	<u>BA 2 Enlisted</u>	<u>BA 3 Cadets</u>	<u>BA 4 Subsistence</u>	<u>BA 5 PCS</u>	<u>BA 6 Other</u>	<u>Total</u>
Program Increase	124,338	358,642	96	12,923	300	517	496,816
Strength (PGI):	79,752	283,451	70	0	0	517	363,790
- Increase in Base Pay Program	0	97,915	65	0	0	0	97,980
- Increase in FICA Program	0	7,488	5	0	0	0	7,493
- Increase in RPA Program	0	28,261	0	0	0	0	28,261
- Increase in TSP Matching Contribution Program	55,447	100,601	0	0	0	0	156,048
- Increase in BAS Program	2,819	0	0	0	0	0	2,819
- Increase in Clothing Program	125	0	0	0	0	0	125
- Increase in BAH Program	21,361	49,186	0	0	0	0	70,547
- Increase in JROTC workyears	0	0	0	0	0	517	517
Other (PGI):	44,586	75,191	26	12,923	300	0	133,026
- Increase in Special Pay Program	32,571	61,013	0	0	0	0	93,584
- Increase in FSA Program	75	318	0	0	0	0	393
- Increase in Aviator Retention Pay Program	8,893	0	0	0	0	0	8,893
- Increase in BASIP Program	1,573	8,654	0	0	0	0	10,227
- Increase in COLA Program	1,235	4,252	0	0	0	0	5,487
- Increase in TLA Program	230	573	0	0	0	0	803
- Increase in CONUS COLA Program	9	14	0	0	0	0	23
- Increase in Enlisted Bonus Program	0	367	0	0	0	0	367
- Increase in Cadet Subsistence Program	0	0	26	0	0	0	26
- Increase in Subsistence - BAS Enlisted Program	0	0	0	12,646	0	0	12,646
- Increase in SIK Total Program	0	0	0	276	0	0	276
- Increase in Family Subsist Sup Allow Program	0	0	0	1	0	0	1
- Increase in POV Contracts	0	0	0	0	300	0	300
Total Increases	312,049	742,563	1,794	41,596	28,871	1,688	1,128,561

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

	<u>BA 1 Officer</u>	<u>BA 2 Enlisted</u>	<u>BA 3 Cadets</u>	<u>BA 4 Subsistence</u>	<u>BA 5 PCS</u>	<u>BA 6 Other</u>	<u>Total</u>
Pricing Decrease	(25,794)	(35,992)	(2)	0	0	0	(61,788)
Other (PD):	(25,794)	(35,992)	(2)	0	0	0	(61,788)
- Decrease in RPA Pricing	(19,592)	(35,992)	0	0	0	0	(55,584)
- Decrease in FICA Pricing	0	0	(2)	0	0	0	(2)
- Decrease in Aviator Retention Pay Pricing	(6,202)	0	0	0	0	0	(6,202)
Program Decrease	(29,219)	(52,060)	0	0	(16,337)	(232)	(97,848)
Strength (PGD):	(25,267)	(1,529)	0	0	(8,806)	(22)	(35,624)
- Decrease in Base Pay Program	(18,998)	0	0	0	0	0	(18,998)
- Decrease in FICA Program	(1,454)	0	0	0	0	0	(1,454)
- Decrease in RPA Program	(4,740)	0	0	0	0	0	(4,740)
- Decrease in Clothing Program	0	(1,529)	0	0	0	0	(1,529)
- Decrease in AP Program	(75)	0	0	0	0	0	(75)
- Decrease in Land Ship Program	0	0	0	0	(6,249)	0	(6,249)
- Decrease in ITGBL Program	0	0	0	0	(1,645)	0	(1,645)
- Decrease in Disloc Allow Program	0	0	0	0	(912)	0	(912)
- Decrease in ROTC workyears	0	0	0	0	0	(22)	(22)
Other (PGD):	(3,952)	(50,531)	0	0	(7,531)	(210)	(62,224)
- Decrease in LSTL Program	(176)	(1,109)	0	0	0	0	(1,285)
- Decrease in Flying Duty Crew Program	0	(1,151)	0	0	0	0	(1,151)
- Decrease in Non-Fly Crew Member Program	0	(101)	0	0	0	0	(101)
- Decrease in HDIP Program	(248)	0	0	0	0	0	(248)
- Decrease in Parachute Jumping Program	(81)	(822)	0	0	0	0	(903)
- Decrease in Demolition Duty Program	(170)	(1,215)	0	0	0	0	(1,385)
- Decrease in Other Incentive Pay Program	(466)	(1,867)	0	0	0	0	(2,333)
- Decrease in Separation Payments Program	(2,811)	(15,531)	0	0	0	0	(18,342)
- Decrease in Selective Reenlistment Bonus Program	0	(28,735)	0	0	0	0	(28,735)
- Decrease in Total Mile-Per Diem Program	0	0	0	0	(3,576)	0	(3,576)
- Decrease in Total AMC Program	0	0	0	0	(970)	0	(970)
- Decrease in Total Comm Air Program	0	0	0	0	(414)	0	(414)
- Decrease in M Tons MSC Program	0	0	0	0	(88)	0	(88)
- Decrease in S Tons AMC Program	0	0	0	0	(708)	0	(708)
- Decrease in NonTemp Storage Program	0	0	0	0	(598)	0	(598)
- Decrease in Temp Lodging Program	0	0	0	0	(217)	0	(217)
- Decrease in Defense Personnel Property System (DPS)	0	0	0	0	(960)	0	(960)
- Decrease in Unemployment Benefits Program	0	0	0	0	0	(185)	(185)
- Decrease in Education Benefits Program	0	0	0	0	0	(25)	(25)
Total Decreases	(55,013)	(88,052)	(2)	0	(16,337)	(232)	(159,636)
FY 2018 DIRECT PROGRAM	9,029,401	17,363,647	78,280	1,130,938	1,255,467	105,007	28,962,740

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SECTION 4
DETAIL OF MILITARY
PERSONNEL ENTITLEMENTS

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**PAY AND ALLOWANCES
OF OFFICERS**

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

	<u>Amount</u>
FY 2017 DIRECT PROGRAM	8,772,365
Pricing Increase	187,711
Annualization (PI):	36,180
Annualization 1 Jan 17 raise of 2.1% on Basic Pay	25,644
Annualization of raise on RPA	7,365
Annualization of raise on FICA	1,959
Annualization 1 Jan 17 inflation rate of 0% on BAS	1,212
Pay Raise (PI):	104,902
1 Jan 18 pay raise of 2.1% effect on Basic Pay	76,932
1 Jan 18 pay raise effect on RPA	22,094
1 Jan 18 pay raise effect on FICA	5,876
Inflation Rate (PI):	3,637
1 Jan 18 inflation rate of 3.4% effect on BAS	3,637
BAH Rates (PI):	38,707
1 Jan 18 inflation rate of 3.2% effect on BAH	38,658
Increase in MIHA Payments	49
Other (PI):	4,285
Increase in FICA Payments	4
Increase in Clothing Payments	7
Increase in COLA Payments	11
Increase in TLA Payments	465
Increase in CONUS COLA Payments	13
Increase in Special Pay Payments	3,074
Increase in LSTL Payments	390
Increase in Separation Payments	321

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

		<u>Amount</u>
Program Increase	124,338	
Strength (PGI):	79,752	
Increase in workyear for TSP Matching Contribution	55,447	
Increase in workyear for BAS	2,819	
Increase in workyears for Clothing Allowance	125	
Increase in workyears Housing Allowance	21,361	
Other (PGI):	44,586	
Increase in Special Pay Payments	32,571	
Increase in FSA Program	75	
Increase in Aviator Retention Pay Payments	8,893	
Increase in BASIP Payments	1,573	
Increase in COLA Payments	1,235	
Increase in TLA Payments	230	
Increase in CONUS COLA Payments	9	
Total Increases		312,049
Pricing Decrease		(25,794)
Other (PI):	(25,794)	
Decrease in RPA Rate Payments	(19,592)	
Decrease in Aviator Retention Pay Payments	(6,202)	

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

		<u>Amount</u>
Program Decrease	(29,219)	
Strength (PGD):	(25,267)	
Decrease change in WY/longevity for Basic Pay	(18,998)	
Decrease on workyears/longevity for FICA	(1,454)	
Decrease in workyears/longevity for RPA	(4,740)	
Decrease Aviation Pay Workyears	(75)	
Other (PGD):	(3,952)	
Decrease in LSTL Program	(176)	
Decrease in HDIP Payments	(248)	
Decrease in Parachute Jumping Payments	(81)	
Decrease in Demolition Duty Payments	(170)	
Decrease in Other Incentive Pay Payments	(466)	
Decrease in Separation Payments	(2,811)	
Total Decreases		(55,013)
FY 2018 DIRECT PROGRAM		9,029,401

(Amount in Thousands)

PROJECT: BASIC PAY - OFFICERS

FY 2018 Estimate 4,969,886
FY 2017 Estimate 4,884,402
FY 2016 Actual 4,763,321

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding requirements include a basic pay increase of 1.3% in 2016, 2.1% in 2017, and 2.1% in 2018, effective January 1 each year. The annualized pay raise is 1.90% for FY 2017 and 2.10% for FY 2018. Per FY 2007 NDAA, pay tables are expanded to 40 years of service.

FY 2016 beginning strength was 61,004 and end strength was 60,961 using 63,304 workyears.

FY 2017 beginning strength was 60,961 and end strength will be 61,698 using 62,505 workyears.

FY 2018 beginning strength will be 61,698 and end strength will be 62,451 using 63,440 workyears.

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

<u>Grade</u>	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
General	12	181,500	2,178	13	185,625	2,413	13	189,665	2,466
Lt General	40	181,462	7,258	41	184,320	7,557	40	188,191	7,528
Major General	96	166,760	16,009	91	169,396	15,415	93	172,946	16,084
Brig General	145	145,524	21,101	153	147,810	22,615	154	150,916	23,241
Colonel	3,464	124,061	429,747	3,489	126,418	441,072	3,531	129,073	455,756
Lt Colonel	10,380	100,389	1,042,039	10,275	102,297	1,139,101	10,480	104,445	1,094,581
Major	13,610	84,697	1,152,725	13,650	86,306	1,178,079	13,780	88,119	1,214,274
Captain	21,652	67,081	1,452,445	20,986	68,401	1,435,471	21,447	69,805	1,497,116
1st Lieutenant	7,386	53,114	392,301	7,024	54,187	380,610	6,964	55,336	385,363
2nd Lieutenant	6,519	37,969	247,518	6,783	38,636	262,069	6,938	39,417	273,477
TOTAL BASIC PAY	63,304		4,763,321	62,505		4,884,402	63,440		4,969,886

(Amount in Thousands)

PROJECT: RETIRED PAY ACCRUAL - OFFICERS

FY 2018 Estimate 1,407,970
FY 2017 Estimate 1,402,827
FY 2016 Actual 1,476,098

PART I - PURPOSE AND SCOPE

Funds requested provide for the Department of Defense’s contribution to its Military Retirement Fund, in accordance with Title 10 U.S.C., Section 1466. Effective FY 2008, P.L. 109-364, Title V, Section 591 directs the Department of Defense to contribute at the part-time rate for Reserve Component soldiers who are mobilized or on active duty for operational support, rather than the full-time rate as previously mandated.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of:

- a) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.
- b) Retired Pay Accrual (RPA) Normal Cost Percentage (NCP) approved by the Department of Defense Retirement Board of Actuaries. The full-time RPA is 31.4% for FY 2016, 28.9% for FY 2017, and 28.5% for FY 2018. The part-time RPA rate is 23.0% for FY 2016, 22.8% for FY 2017, and 22.6% for FY 2018.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Active Component									
Retired Pay Accrual - Full Time	60,580	23,481	1,422,469	60,888	22,511	1,370,655	61,823	22,248	1,375,410
Reserve Component									
Retired Pay Accrual - Part Time	2,724	19,688	53,629	1,617	19,896	32,172	1,617	20,136	32,560
Total Retired Pay Accrual	63,304	23,318	1,476,098	62,505	22,443	1,402,827	63,440	22,194	1,407,970

(Amount in Thousands)

PROJECT: THRIFT SAVINGS PLAN (TSP) - MATCHING CONTRIBUTIONS

FY 2018 Estimate	55,447
FY 2017 Estimate	0
FY 2016 Actual	0

PART I - PURPOSE AND SCOPE

The National Defense Authorization Act (NDAA) 2016, Public Law 114-92, Section 632(2), authorized the Secretary to make contributions to the Thrift Savings Fund, in accordance with section 8432 for the benefit of the member who falls under the new modernized retirement system. Automatic contributions of one-percent of basic pay for the benefit of the member will begin on or after the day that is 60 days after the date the member enters a uniformed service, or on or after the date the member elects the new modernized retirement system. Once the member either reaches two years and one day after first entering uniformed service, or elects the new retirement system, the Service will provide matching contributions of no more than five percent of the member's basic pay. The matching will continue until the member completes 26 years of service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The amount the Service contributes is based on the percentage of basic pay the member elects to contribute to the Thrift Savings Fund. The Services will begin making automatic and matching TSP contributions payments in FY 2018 pursuant to the January 1, 2018 effective date of the modernized retirement system.

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Thrift Savings Plan (TSP) - Matching Contributions			0			0			55,447

(Amount in Thousands)

PROJECT: INCENTIVE PAY - OFFICERS

FY 2018 Estimate	236,704
FY 2017 Estimate	233,529
FY 2016 Actual	212,140

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 the provisions of Title 37 U.S.C., Section 301 as follows:

- (1) Aviation Incentive Pay AvIP (formerly Aviator Pay, AP) - 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 \$850. The FY 1998 NDAA, modified in Section. 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.
- (2) Hazardous Duty Incentive Pay (HDIP) - Aviation - 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 in fixed monthly amounts ranging from \$150 to \$250 and non-crew members in fixed monthly amounts of \$150 only when performing such duties.
- (3) Aviator Bonus AvB, (formerly Aviation Retention Pay ARP) - Financial incentive to compliment non-monetary initiatives to improve rated officer retention. The FY 2000 NDAA approved an enhancement to the ARP program, allowing payment through the grade of O-6 and through 25 years of service and bonus adjustment from \$12,000 to \$25,000 as an incentive to aviation career officers. The 2017 NDAA §616 increased the maximum bonus to \$35K.
- (4) Parachute Jumping - Incentive pay for hazardous duty to encourage officers to enter into, and remain on, duty involving parachute jumping from an aircraft in aerial flight. Members who perform this duty are entitled to pay at the monthly rate of \$150. 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) 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. Participate as students or instructors in instructional training, including in the field or fleet provided live explosives are used in the training. Participate in proficiency training, including in the field or fleet for the maintenance of skills in the duties provided live explosives are used. Experiment with or develop tools, equipment, or procedures for the demolition and rendering harmless of explosives, provided live explosives are used. Demolition is paid under specified conditions at a monthly rate of \$150.
- (6) Battlefield Airmen Skill Incentive Pay - A monthly skill incentive pay to service members qualified and serving as Battlefield Airmen defined in Air Force Policy Directive 10-35, dated February 1, 2017. Battlefield airmen conduct operations in the ground domain in contested, denied, operational limited, and permissive environments under severe environmental conditions. Battlefield Airmen encompasses the following critical AFSCs: Combat Rescue Officer, Special Tactics Officer, and Air Liaison Officer.
- (7) 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 acceleration/deceleration test subject, or (c) duty as a human test subject in thermal stress experiments. It is paid under specified conditions in a monthly amount of \$150.
- (8) Chemical Munitions - Duties in which members handle chemical munitions or components of such munitions. Paid at a monthly rate of \$150.
- (9) 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. Paid at a monthly rate of \$150.

(Amount in Thousands)

PROJECT: INCENTIVE PAY - OFFICERS

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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 Incentive Pay</u>									
<u>Yrs Svc Grade</u>									
Less than 2	2,325	1,500	3,488	3,857	1,500	5,786	4,271	1,500	6,407
2 - 3	1,241	1,872	2,323	1,257	1,872	2,353	1,320	1,872	2,471
3 - 4	1,302	2,256	2,937	1,404	2,256	3,167	1,250	2,256	2,820
4 - 6	2,956	2,472	7,307	3,009	2,472	7,438	2,741	2,472	6,776
6 - 14	8,712	7,800	67,954	8,643	7,800	67,415	8,749	7,800	68,242
14 - 22	4,547	10,080	45,834	4,278	10,200	43,636	4,249	10,200	43,340
22 - 23	147	7,020	1,032	155	7,020	1,088	144	7,020	1,011
23 - 24	166	5,940	986	166	5,940	986	166	5,940	986
24 - 25	103	4,620	476	127	4,620	587	71	4,620	328
Above 25	51	3,000	153	51	3,000	153	51	3,000	153
B/G Less than 25	11	2,400	26	12	2,400	29	12	2,400	29
Subtotal Flying Duty Crew	21,561		132,516	22,959		132,638	23,024		132,563
<u>HDIP-AVIATION</u>									
Flying Duty Crew	33	2,160	71	33	2,160	71	34	2,160	73
Flying Duty Non-Crew	64	1,800	115	64	1,800	115	64	1,800	115
Flying Duty Non-Rated	405	2,193	888	405	2,193	888	291	2,193	638
Subtotal HDIP-Aviation	502		1,074	502		1,074	389		826
<u>Aviator Bonus</u>									
Pilots	3,201	24,196	77,450	3,076	32,061	98,621	3,372	30,045	101,312
Subtotal Aviator Bonus	3,201		77,450	3,076		98,621	3,372		101,312
Subtotal Flying Duty Pay			211,040			232,333			234,701
<u>Parachute Jumping</u>	84	1,800	151	104	1,800	187	59	1,800	106
<u>Parachute HALO</u>	190	2,700	513	192	2,700	518	1	2,700	3
<u>Demolition Duty</u>	177	1,800	318	177	1,800	319	83	1,800	149

(Amount in Thousands)

PROJECT: INCENTIVE PAY - OFFICERS

Battlefield Airmen Skill Incentive Pay

BASIP Combat Rescue	0	0	0	0	0	0	125	7,128	891
BASIP Special Tactic	0	0	0	0	0	0	85	6,412	545
BASIP Air Liaison Officer	0	0	0	0	0	0	59	2,322	137
Subtotal BASIP	0		0	0		0	269		1,573

Other Incentive Duty Pay

Accel-Decel Subject	4	1,800	7	7	1,800	13	7	1,800	13
Chemical Munitions Handler	0	0	0	1	1,800	2	1	1,800	2
Hazardous Bio Org	3	1,800	5	3	1,800	5	3	1,800	5
Pressure Chamber Observer	53	1,800	96	70	1,800	126	70	1,800	126
Thermal Stress Experiments	1	1,800	2	2	1,800	4	2	1,800	4
Toxic Fuel Handler	4	1,800	8	12	1,800	22	12	1,800	22
Subtotal Other Incentive Duty Pay	65		118	95		172	95		172

TOTAL INCENTIVE PAY 212,140 233,529 236,704

(Amount in Thousands)

PROJECT: AVIATION BONUS - BUSINESS CASE ANALYSIS

PART I - PURPOSE AND SCOPE

The National Defense Authorization Act (NDAA) for FY 2017, Public Law 114-328, Section 616(b)(2)(B), directs the Secretary concerned to provide the business case analysis of the amount required to address manning shortfalls by aircraft type category in the budget justification documents.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The aviation bonus program authorized in title 37 §334(c) remains a flexible and cost effective tool to shape the aviation community. The amount requested for each aircraft type category is necessary to influence the retention behavior of specific experienced aviators in order to meet emerging Service requirements and increased demand.

In addition to offering the aviation bonus, the AF is also providing the non-monetary incentives to maximize combat readiness now and in the future. For a more detailed explanation on the use of non-monetary incentives to address manning shortfalls and the business case analysis supporting the amount requested by aircraft type refer to the Department's annual report to Congress on the Aviation Continuation Pay Programs pursuant to title 37 §301b(i).

<u>Aircraft Type category:</u>	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Fighter	819	24,672	20,206	775	31,992	24,794	761	30,104	22,909
Bomber	293	23,962	7,021	281	32,075	9,013	317	30,697	9,731
Mobility	1,221	24,037	29,349	1,174	32,084	37,667	1,205	30,302	36,514
Special Ops	242	24,103	5,833	236	32,038	7,561	360	30,961	11,146
C2ISR	266	23,977	6,378	259	31,985	8,284	303	29,620	8,975
Rescue	144	24,056	3,464	141	32,128	4,530	153	29,229	4,472
RPA	216	24,069	5,199	210	32,248	6,772	273	27,711	7,565
Total	3,201	24,196	77,450	3,076	32,061	98,621	3,372	30,045	101,312

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

FY 2018 Estimate	336,933
FY 2017 Estimate	300,481
FY 2016 Actual	299,409

PART I - PURPOSE AND SCOPE

Funds provide for:

- (1) Special pay for Health Professionals on active duty is authorized under Title 37 U.S.C., Sections 301 through 355 and policies of the Office of the Assistant Secretary of Defense for Health Affairs (HA) and the Undersecretary of Defense. Implementation of Title 37 U.S.C Section 335, allows Accession Bonus (Consolidated Special Pay – CSP); Retention Bonus (CSP); Incentive Pay (CSP), and Board Certified Pay (CSP) for other health professions to include professions not previously authorized: all Dentists, Nurses, Physician Assistants, Clinical Psychologists, Clinical Social Workers, and AF Public Health Officers. Based upon the 30 December 2015 publishing of Department of Defense Instruction 6000.13, Accession and Retention Policies, Programs, and Incentives for Military Health Professions Officers (HPOs), all remaining dentists and nurses will transition to the four (4) new pay categories beginning in FY 2017, and the physicians and remaining Biomedical Science Corps (BSC) health professions officers will transition in FY 2018.
 - (a) Physician Pay: Legacy -
 - i. Medical Additional Special Pay (ASP) - Lump sum annual payment for physicians not in internship or initial residency training who execute an agreement to remain on active duty for one year. Officers receive \$15,000 per year.
 - ii. Medical Board Certified Pay (BCP) - Monthly payment 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 creditable service.
 - iii. Early Career Incentive Special Pay (Subcategory of Medical Officers Incentive Special Pay) (EC-ISP) - This incentive pay addresses retention difficulties and shortages in the medical specialties for physicians who have completed initial residency and nearing completion of their service obligation. Additionally, this incentive is paid in four equal payments initially and on the anniversary dates of the agreement at 62.5% of the current pay plan's 4-yr MISP/MSP pay rate. Rates for each specialty are set by Health Affairs across all services.
 - iv. Medical Incentive Special Pay (ISP/MISP) - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to officers entitled to VSP who have completed residency training and execute an agreement to remain on active duty for at least one year. Paid as annual bonus not to exceed \$75,000 (FY 2008 NDAA increased cap to \$75,000) as either a single year contract (ISP) or as a multi-year contract (MISP) in conjunction with MSP. Rates for each specialty are set by Health Affairs across all services.
 - v. 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 \$75,000 per year (FY 2008 NDAA increased cap to \$75,000) for acceptance of a multi-year agreement. Rates for each specialty are set by Health Affairs across all services. MSP program replaced the Medical Officer Retention Bonus.
 - vi. Medical Variable Special Pay (VSP) - 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.
 - vii. Critically Short Wartime Specialties Accession Bonus (CSWS-AB) for Physicians - A single lump sum or 4-installment payments of an accession bonus not to exceed \$400,000 to fully qualified physicians in specialties designated by Health Affairs as a critically short wartime specialty. The new accessions must execute a written agreement to remain on active duty for not less than four (4) consecutive years and are not eligible for multiple-year bonuses (MISP/MSP). The amount authorized varies by critical wartime specialty and is set across all services by Health Affairs. The qualifying critical wartime specialties are determined by each service Secretary concerned from the list of qualifying specialties provided by Health Affairs.

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

- (b) Physician Pay: Consolidation of Special Pay -
 - i. Incentive Pay - Medical - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to officers who execute an agreement to remain on active duty for at least one year. Paid in equal monthly installments not to exceed \$100,000 annually. Incentive Pay rates are set by Health Affairs.
 - ii. Retention Bonus - Medical - Financial incentive to retain a sufficient number of qualified dental professionals to meet services health care requirements. Paid as an annual bonus not to exceed \$75,000. Retention Bonus rates are set by Health Affairs across all services and vary by number of years the contract is written
 - iii. Board Certification Pay - Medical - Monthly payment paid to physicians who become certified or recertified as having successfully met specified post-graduate education, training and experience requirements. The total annual pay is set by Health Affairs at \$6,000.
 - iv. CWSAB - Medical - Critically Short Wartime Specialties Accession Bonus (CSWS-AB) for Physicians - A single lump sum or 4-installment payments of an accession bonus not to exceed \$400,000 to fully qualified physicians in specialties designated by Health Affairs as a critically short wartime specialty. The new accessions must execute a written agreement to remain on active duty for not less than four (4) consecutive years and are not eligible for multiple-year bonuses (MISP/MSP). The amount authorized varies by critical wartime specialty and is set across all services by Health Affairs. The qualifying critical wartime specialties are determined by each service Secretary concerned from the list of qualifying specialties provided by Health Affairs.
- (c) Dentist Pay: Legacy -
 - i. Dental Officer Accession Bonus (DOAB) - This is a one-time payment. Rates for each specialty are set by Health Affairs across all services. The Health Affairs cap among the services is currently at \$75,000 for a four-year written obligation.
 - ii. Dental Additional Special Pay (ASP) - Lump sum annual payment for dental officers not in internship or initial residency training who execute an agreement to remain on active duty for one year. Payments are \$10,000 to \$15,000 depending on years of creditable service.
 - iii. Dental Board Certified Pay (BCP) - Monthly payment 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 of years of creditable service.
 - iv. Dental Officer Multi-year Retention Bonus (DOMRB) - Financial incentive to retain a sufficient number of qualified dentists to meet services' dental care requirements. Paid as an annual bonus not to exceed \$50,000 per each year for acceptance of a multi-year agreement. Rates for each specialty are set by Health Affairs across all services.
 - v. Dental Variable Special Pay - 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 \$7,000 per year.
 - vi. Oral Maxillofacial Surgeons Incentive Special Pay (OMF-ISP) - This incentive addresses retention difficulties and shortages for this specialty. Payment is made to those dentists whose specialty is in Oral Maxillofacial Surgery and who execute an agreement to remain on active duty for at least one year. This pay is a subcategory of Dental Special Pay. It is paid as an annual bonus not to exceed \$50,000. The rate for this specialty is set by Health Affairs across all services. Oral Maxillofacial Surgeons who enter into a one year agreement will be paid an ISP of \$30,000. OMF who enter a Dental Officer Multi-year Retention Bonus (DOMRB) agreement for two (2), three (3) or four (4) years shall be paid an annual ISP of \$50,000 during the contracted period. Refined by HA Policy 10-012.
 - vii. Critically Short Wartime Specialties Accession Bonus (CSWS-AB) for Dentists - A single lump sum or 4-installment payments of an accession bonus not to exceed \$400,000 to fully qualified dentists in a specialty designated by Health Affairs as a critically short wartime specialty. The new accession must execute a written agreement to remain on active duty for not less than four (4) consecutive years and are not eligible for multiple-year bonuses (DOMRB). The amount authorized varies by critical wartime specialty and is set across all services by Health Affairs. The qualifying critical wartime specialties are determined by each service Secretary concerned from the list of qualifying specialties provided by Health Affairs.

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

- (d) Dentist Pay: Consolidation of Special Pay -
 - i. Accession Bonus - Dental - A single lump sum or 4-installment payments of an accession bonus not to exceed \$400,000 to fully qualified dental professionals in specialties designated by Health Affairs as a critically short wartime specialty. The new accessions must execute a written agreement to remain on active duty for not less than four (4) consecutive years and are not eligible for multiple-year bonuses (IP/RB). The amount authorized varies by critical wartime specialty and is set across all services by Health Affairs. The qualifying critical wartime specialties are determined by each service Secretary concerned from the list of qualifying specialties provided by Health Affairs. Current rate is \$300,000.
 - ii. Incentive Pay - Dental - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to officers who execute an agreement to remain on active duty for at least one year. Paid in equal monthly installments not to exceed \$100,000 annually. Current rates range from \$20,000 to \$75,000.
 - iii. Retention Bonus - Dental - Financial incentive to retain a sufficient number of qualified dental professionals to meet services health care requirements. Paid as an annual bonus not to exceed \$75,000. Retention Bonus rates are set by Health Affairs across all services and vary by number of years the contract is written.
 - iv. Board Certification Pay - Dental - Monthly incentive paid to dental professionals who become certified or recertified as having successfully met specified post-graduate education, training and experience requirements. The total annual pay is set by Health Affairs at \$6,000.
 - v. Critically Short Wartime Specialties Accession Bonus (CSWS-AB) for Dentists - A single lump sum or 4-installment payments of an accession bonus not to exceed \$400,000 to fully qualified dentists in a specialty designated by Health Affairs as a critically short wartime specialty. The new accession must execute a written agreement to remain on active duty for not less than four (4) consecutive years and are not eligible for multiple-year bonuses (DOMRB). The amount authorized varies by critical wartime specialty and is set across all services by Health Affairs. The qualifying critical wartime specialties are determined by each service Secretary concerned from the list of qualifying specialties provided by Health Affairs.
- (e) Nurse Pay: Legacy -
 - i. Certified Registered Nurse Anesthetists Incentive Special Pay (CRNA-ISP) - Paid as an annual bonus not to exceed \$50,000 per each year for acceptance of a single or multi-year agreement.
 - ii. Nurse Accession Bonus (NAB) - An accession bonus of up to \$30,000 for a four-year contract. Currently offered alone or in conjunction with Health Professions Loan Repayment Program (HPLRP).
 - iii. Nurse Board Certified Pay - Title 37 U.S.C., Section 302C authorizes financial incentive to encourage NC officers who are also healthcare providers to attain board certification, signifying the highest level of professional competence. Annual payments range from \$2,000 - \$5,000 depending upon years of creditable service. HA policy indicates which nursing specialties are eligible for board certified pay.
 - iv. Nurse Corps Incentive Pay (NC-ISP) - Authorized by Title 37 U.S.C., Section 302e. This is a financial incentive to retain a sufficient number of registered nurses in specialties identified by the service from the list of qualifying specialties published by Health Affairs to meet the medical requirements of the service. Rates for registered nurses other than CRNAs are set by Health Affairs across all services and vary by number of years the contract is written. Current amounts per contract vary by number of years of the contract from \$5,000 for a single year to \$20,000 for a four-year contract.
- (f) Nurse Pay: Consolidation of Special Pay -
 - i. Accession Bonus - Nurse - A single lump sum or installment payments of an accession bonus not to exceed \$75,000 to fully qualified nurses. Current rates are \$20,000 for a three-year contract and \$30,000 for a four-year contract. The new accessions must execute a written agreement to remain on active duty for three (3) or four (4) consecutive years and are not eligible for multiple-year bonuses (IP/RB). The amount authorized is set across all services by Health Affairs.
 - ii. Incentive Pay - Nurse - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to Certified Registered Nurse Anesthetists who execute an agreement to remain on active duty for at least one year. Paid in equal monthly installments not to exceed \$15,000 annually.
 - iii. Retention Bonus - Nurse - This is a financial incentive to retain a sufficient number of registered nurses in specialties identified by the service from the list of qualifying specialties published by Health Affairs to meet the medical requirements of the service. Rates for registered nurses other than CRNAs are set by Health Affairs across all services and vary by number of years the contract is written. Current amounts range from \$10,000 for a two-year contract to \$20,000 for a four-year contract.
 - iv. Board Certification Pay - Nurse - Financial incentive to encourage NC officers who are also healthcare providers to attain board certification, signifying the highest level of professional competence. Annual amount is \$6,000 paid in equal monthly increments. HA policy determines which nursing specialties are eligible for board certified pay.

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

- (g) Health Professional Officers Pay: Legacy -
 - i. Non-Physician Board Certification Pay (NP-BCP) - Title 37 U.S.C., Section 302c (d(1)) authorizes financial incentive to encourage BSC officers who are also healthcare providers to attain board certification, signifying the highest level of professional competence. Annual payments range from \$2,000 - \$5,000 depending upon years of creditable service as a Non-Physician Health Care Provider. This category is for officers who select Biomedical Sciences Corps specialties (AFSC 42X/43X) as dictated by HA policy.
 - ii. Pharmacy Accession Bonus - Title 37, U.S.C., Section 302j authorizes 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 (4) years. The maximum bonus may not exceed \$30,000 paid in a single lump sum.
 - iii. Pharmacy Officers Special Pay (POSP) - Title 37 U.S.C., Section 302i authorizes payment of \$15,000 per year for a two (2) year contract obligation per Health Affairs.
 - iv. Optometrists Duty Pay (ODP) - Special pay amount of \$100 per month is authorized by Title 37 U.S.C., Section 302a. Optometry Duty Pay is projected to morph into Consolidated Special Pay (CSP) by FY 2017 IAW Title 37 U.S.C., Section 335.
 - v. Optometrists Retention Bonus (ORB) - Authorizes up to \$15,000 annual payment for any 12-month period. Eligible officers must have completed initial active duty service obligation for education and training. The FY 2015 rate is \$6,000 per year for at least a two (2) year contract.
 - vi. Veterinarians Duty Pay (VDP) - Special pay amount of \$100 per month has been authorized by Title 37 U.S.C., Section 303. VDP is not paid to AF veterinarians who receive HP NP-BCP, IP and/or RB.
- (h) Health Professions Officers Accession Bonus: Consolidation of Special Pay -
 - i. Pharmacy - A single lump sum or installment payments of an accession bonus not to exceed \$75,000 to fully qualified pharmacists. The current rate is \$30,000 for a four-year contract. The new accessions must execute a written agreement to remain on active duty for four (4) consecutive years and are not eligible for multiple-year bonuses (RB). The amount authorized is set across all services by Health Affairs.
 - ii. Public Health Officers (PHO) - A single lump sum or installment payments of an accession bonus not to exceed \$75,000 to fully qualified Public Health Officers. The current rate is \$22,500 for a three-year contract and \$40,000 for a four-year contract. The new accessions must execute a written agreement to remain on active duty for three (3) or four (4) consecutive years and are not eligible for multiple-year bonuses (IP/RB). The amount authorized is set across all services by Health Affairs.
 - iii. Physician's Assistant - A single lump sum or installment payments of an accession bonus not to exceed \$75,000 to fully qualified Physician Assistants. The current rate is \$37,500 for a three-year contract and \$60,000 for a four-year contract. The new accessions must execute a written agreement to remain on active duty for three (3) or four (4) consecutive years and are not eligible for multiple-year bonuses (IP/RB). The amount authorized is set across all services by Health Affairs.
 - iv. Psychologist - A single lump sum or installment payments of an accession bonus not to exceed \$75,000 to fully qualified Psychologists. The current rate is \$37,500 for a three-year contract and \$60,000 for a four-year contract. The new accessions must execute a written agreement to remain on active duty for three (3) or four (4) consecutive years and are not eligible for multiple-year bonuses (IP/RB). The amount authorized is set across all services by Health Affairs.
 - v. Social Workers - A single lump sum or installment payments of an accession bonus not to exceed \$75,000 to fully qualified Social Workers. The current rate is \$18,750 for a three-year contract and \$30,000 for a four-year contract. The new accessions must execute a written agreement to remain on active duty for three (3) or four (4) consecutive years and are not eligible for multiple-year bonuses (IP/RB). The amount authorized is set across all services by Health Affairs.

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

- (i) Health Professions Officers Incentive Pay: Consolidation of Special Pay -
 - i. PHO - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to Public Health Officers who execute an agreement to remain on active duty for at least one year. Paid in equal monthly installments not to exceed \$15,000 annually. Current rate is \$5,000 annually.
 - ii. Physician's Assistant - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to Physician Assistants who execute an agreement to remain on active duty for at least one year. Paid in equal monthly installments not to exceed \$15,000 annually. Current rate is \$5,000 annually.
 - iii. Psychologist - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to Psychologists who execute an agreement to remain on active duty for at least one year. Paid in equal monthly installments not to exceed \$15,000 annually. Current rate is \$5,000 annually.
 - iv. Optometrists - Financial incentive to address retention difficulties and shortages by closing civilian - military pay gap. Paid to Optometrists who execute an agreement to remain on active duty for at least one year. Paid in equal monthly installments not to exceed \$15,000 annually. Current rate is \$1,200 annually.
- (j) Health Professions Officers Retention Bonus: Consolidation of Special Pay -
 - i. Pharmacy - This is a financial incentive to retain a sufficient number of pharmacists to meet the medical requirements of the service. Rates are set by Health Affairs across all services. Pharmacy Retention Bonus rates are \$15,000 annually for all contracts.
 - ii. Psychologist - This is a financial incentive to retain a sufficient number of Psychologists to meet the medical requirements of the service. Rates are set by Health Affairs across all services and vary by number of years the contract is written. Current amounts range from \$10,000 for a two-year contract to \$20,000 for a four-year contract.
 - iii. Social Workers - This is a financial incentive to retain a sufficient number of Social Workers to meet the medical requirements of the service. Rates for are set by Health Affairs across all services and vary by number of years the contract is written. Current amounts range from \$5,000 for a two-year contract to \$10,000 for a four-year contract.
 - iv. Optometrists - This is a financial incentive to retain a sufficient number of Optometrists to meet the medical requirements of the service. Rates are set by Health Affairs across all services and vary by number of years the contract is written. Current amounts range from \$5,000 for a two-year contract to \$10,000 for a four-year contract.
- (k) Health Professions Officers Board Certification Pay: Consolidation of Special Pay - A financial incentive to encourage Health Professions Officers who are also healthcare providers to attain board certification, signifying the highest level of professional competence. Annual amount is \$6,000 paid in equal monthly increments. HA policy determines which specialties are eligible for board certified pay.
- (2) Critical Skill Retention Bonus - Authorized by Title 37 U.S.C., Section 355. Rates for each specialty are set by the respective Service.
- (3) Personal money allowances for certain general officers under provisions of Title 37 U.S.C., Section 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.
- (4) Assignment Incentive Pay (AIP):
 - (a) AFSOC Air Operations Flight Assignment Incentive Pay - Authorized by Title 37 U.S.C., Section 307a and the Secretary of the Air Force for personnel assigned to HQ AF Special Operations Command unit (PAS Code BP0VFX3H), assigned to UMD identified operator positions, and have successfully completed the unit's required initial training course. Paid at \$750/month for personnel who have a post-training cumulative unit assignment time of less than 36 months; and \$1000/month for personnel who have a post-training cumulative unit assignment time of 36 months or more.
 - (b) Creech AFB, NV - Incentive Pay authorized under Title 37 U.S.C., Section 307a and implemented IAW DoDI 1340.26 Assignment Incentive Pay and DoD FMR Volume 7a, Chapter 15. This is a reinstatement of assignment incentive pay for Creech AFB, eligible recipients will receive \$400 per month.
 - (c) Korea - The FY 2005 NDAA Section 617 authorizes assignment incentive pay to personnel assigned to the Republic of Korea who volunteer to extend their service or tours of duty. Korea Assignment Incentive Pay (KAIP) is paid at a rate of \$300 per month.

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

- (d) Kingsley Field, Klamath Falls, OR (KFAIP) - Incentive Pay authorized under Title 37 U.S.C., Section 307a and implemented IAW DoD FMR Volume 7A, Chapter 15. The Secretary of the Air Force approved and authorized Kingsley Field Assignment Incentive Pay 18 July 2016 with an effective date of 18 July 2016 through 1 January 2018. Eligible recipients of Kingsley Field assignment pay (KFAIP) are Active Duty and Active Duty Guard and Reserve enlisted Airmen and Company Grade Officers assigned to 173rd Fighter Wing, Kingsley Field, and Klamath Falls Oregon. Eligible recipients will receive \$400 per month.
- (e) Turkey Assignment Incentive Pay (TAIP) - Incentive Pay authorized under Title 37 U.S.C., Section 307a, The Secretary of the Air Force approved and authorized Turkey Assignment Incentive Pay on 29 August 2016 with effective dates 29 August 2016 through 31 December 2018. Eligible recipients of Turkey assignment incentive pay (TAIP) are active duty Airmen assigned to Turkey serving a 15-month unaccompanied tour who agree to serve a total of 24 months. TAIP is paid at a rate of \$300 per month.
- (f) Intercontinental Ballistic Missile (ICBM) AIP - An incentive paid to Nuclear and Missile Operations (13N), Missile Maintenance (21M), and Security Forces (31P) officers who deploy to remote locations within the missile complex, often for days at a time and is paid at a rate of \$300 per month.
- (g) RPA Pilot AIP - Active duty Air Force officers with an 18XX rated Air Force Specialty Code (AFSC) assigned as Remotely Piloted Aircraft (RPA) pilots performing RPA pilot duties are eligible. This incentive is paid monthly at a rate of \$125 to \$650 depending on the number of years of service. Authorized by Title 37 U.S.C., Section 307a and the Secretary of the Air Force.
- (5) Continuation Pay - The National Defense Authorization Act (NDAA) 2016, Public Law 114-92, Section 634, authorizes the Secretary to make a payment of continuation pay to each member under the new modernized retirement system. Members of the Uniformed Services who are covered by this Blended Retirement System are eligible to receive a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service. This one-time bonus payment is in addition to any other career field-specific incentives or retention bonuses. The Services will begin making continuation payments in FY 2018 pursuant to the January 1, 2018 effective date of the modernized retirement system.
- (6) Diving Duty - Special pay to compensate for difficulty, risk and high level of training required to perform tactical military diving operations. Tactical diving duty includes conducting diving operations in support of operational mission requirements such as rescue, recovery, search, reconnaissance, and infiltration/exfiltration. Operations are open and/or closed circuit diving profiles in all maritime environments including but not limited to day/night subsurface operations in open ocean, littoral, port, harbor, and in the vicinity of maritime vessels and structures/buildings as needed to meet tactical objectives. It is paid at the rate of \$150 per month.
- (7) Foreign Language Proficiency Bonus (FLPB) - Authorized in Title 37 U.S.C., Section 353(b)(1) for officers and enlisted members who have been certified as proficient in a foreign language identified on the DoD Strategic Language List or designated by the Secretary of the Military Department concerned as a foreign language or dialect for which proficient personnel are required to accomplish DoD Component specific missions, who are: (a) qualified in a military specialty requiring such proficiency; (b) assigned to military duties requiring such a proficiency; or (c) is proficient in a language for which DoD or the Secretary of the Military Department concerned has identified a need. The monthly rate shall not exceed \$500 per month for a single language, or \$1,000 per month for any combination of languages.
- (8) 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 Title 37 U.S.C., Section 305. The payment is based on member's designated locations. Hardship Duty Pay is payable to members at a monthly rate not to exceed \$1,500.
- (9) Health Professions Scholarship Program (HPSP) - Base pay differential for prior military as authorized by Title 10 U.S.C., Section 2121(c)(2).
- (10) Hostile Fire Pay (HFP)/Imminent Danger Pay (IDP) - Paid to members who serve in designated areas subject to specific dangers. IDP is paid on a daily pro-rated basis not to exceed \$225 per month when a member is on official duty in a designated IDP area. The FY 2012 NDAA modified IDP payments, limiting eligibility to only the actual days served in a qualifying area; \$7.50 for each day they are on official duty in an IDP area up to the maximum monthly rate of \$225. HFP is paid \$225 per month when, as certified by the appropriate commander, a member is: Subjected to hostile fire or explosion of a hostile mine, or on duty in an area in close proximity to a hostile fire incident and the member is in danger of being exposed to the same dangers actually experienced by other Service members subjected to hostile fire or explosion of hostile mines, or killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action. If a member receives HFP; IDP cannot be received.
- (11) Judge Advocate General's Corps Officer Student Loan Repayment Program - Authorized in FY 2010 pursuant to Title 10 U.S.C §2171 and the Under Secretary of Defense for Personnel and Readiness allows repayment of judge advocate student loans at the rate of 33 1/3 percent or \$1,500, whichever is greater, for each year of active duty service. Total amount of repayment to each eligible judge advocate may not exceed \$65,000, which is divided over the first three (3) years of service.

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

(12) Pay and Allowance Continuation (PAC) - Authorized under Title 37 U.S.C., Section 328 - The Secretary of Defense authorized the continued payment of pay and allowances to service members of the Regular or Reserve Components under the Pay and Allowance Continuation Program effective May 15, 2008. Members of the Regular or Reserve Components who, in the line of duty, incurred a wound, injury, or illness while serving in a combat operation or a combat zone, while serving in a hostile fire area, or while exposed to a hostile fire event (regardless of location), and are hospitalized for treatment of the wound, injury, or illness shall continue to receive the pay and allowances he/she received at the time of hospitalization. These entitlements include special and incentive pays, bonuses, and the daily incidental expense portion of temporary duty allowance authorized for members employed in a combat operation or combat zone.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Variable Special Pay funding amount is based on average statutory rates and the number of physicians and dentists programmed per year. Board Certification funding amount for physicians, dentists, nurse, biomedical sciences corps, psychologists, and veterinarians are based on estimated number of said professionals who would qualify to receive the entitlement. The Incentive Special Pay (ISP) and Multi-Year Special Pay (MSP) funding amounts are estimates based on the expected number of takers. The Additional Special Pay funding amounts for Medical and Dental Officers are based on estimated number of eligible physicians and dentists multiplied by the entitlement rate. Accession Bonus funding amounts are derived from assessing recruiting requirements, expected number of takers, recruiting requirements and the accession rates as determined by A1 and the Air Force Medical Service.

Special Pay funding amount for Pharmacy Officers is an estimate of the number of takers multiplied by the average rate of those rate amounts established by OSD. Optometry & Veterinary Special Pay funding amounts are estimates based on the number of expected takers multiplied by the statutory rate. Optometrist Retention Special Pay, Retention Bonuses and Critical Skills Retention Bonuses funding are all based on the number of estimated takers multiplied by the established rate. Details of the cost computation are provided in the following tables:

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>Physician Pay</u>									
Legacy									
MD Additional Special Pay	3,000	15,000	45,000	200	15,000	3,000	0	0	0
MD Board Certification Pay	2,125	5,100	10,838	1,593	5,100	8,124	0	0	0
MD Early Commitment ISP	80	23,683	1,895	80	23,683	1,895	0	0	0
MD Incentive Special Pay	2,350	23,685	55,660	2,350	23,685	55,660	0	0	0
MD Multi-Year Special Pay	930	35,786	33,281	0	0	0	0	0	0
MD Variable Special Pay	3,325	8,000	26,600	2,493	8,000	19,944	0	0	0
CSWSAB Medical	22	294,800	6,486	0	0	0	0	0	0
Legacy Physician Subtotal	11,832	15,193	179,760	6,716	13,196	88,623	0	0	0
CSP									
Incentive Pay - Medical	0	0	0	1,181	45,000	53,145	2,900	45,000	130,500
Retention Bonus - Medical	0	0	0	930	35,786	33,281	880	35,786	31,492
Board Certification Pay - Medical	0	0	0	531	6,000	3,186	2,125	6,000	12,750
CWSAB - Medical	0	0	0	22	294,818	6,486	22	294,818	6,486
CSP Physician Subtotal	0	0	0	2,664	36,073	96,098	5,927	30,577	181,228
Physician Pay Total	11,832	15,193	179,760	9,380	19,693	184,721	5,927	30,577	181,228

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<u>Dentist Pay</u>									
Legacy									
Dental Accession Bonus	1	75,000	75	0	0	0	0	0	0
Dental Additional Pay	600	12,000	7,200	517	12,000	6,204	0	0	0
Dental Board Certification Pay	284	5,100	1,448	213	5,100	1,086	0	0	0
Dental Multi-Year Special Pay	350	41,000	14,350	350	41,000	14,350	0	0	0
Dental Variable Pay	600	8,000	4,800	450	8,000	3,600	0	0	0
Oral Surgeon ISP	52	30,000	1,560	52	30,000	1,560	0	0	0
CSWSAB Dental	2	300,000	600	2	300,000	600	0	0	0
Legacy Dentist Subtotal	1,889	15,899	30,033	1,584	17,298	27,400	0	0	0
CSP									
Accession Bonus - Dental	3	37,500	113	3	37,500	113	3	37,500	113
Incentive Pay - Dental	350	20,000	7,000	245	22,250	5,451	980	22,250	21,805
Retention Bonus - Dental	175	25,000	4,375	175	25,000	4,375	525	41,000	21,525
Board Certification Pay - Dental	0	0	0	71	6,000	426	284	6,000	1,704
CWSAB - Dental	0	0	0	2	300,000	600	3	225,000	675
CSP Dentist Subtotal	528	21,758	11,488	496	22,107	10,965	1,795	25,528	45,822
Dentist Pay Total	2,417	17,179	41,521	2,080	18,445	38,365	1,795	25,528	45,822
<u>Nurse Pay</u>									
Legacy									
Cert RN Anesthetists	108	40,000	4,320	25	32,500	813	0	0	0
Nurse Accession Bonus	20	25,000	500	5	25,000	125	0	0	0
Nurse Board Certification Pay	425	2,500	1,063	106	2,500	265	0	0	0
Nurse Incentive Special Pay	1,100	15,000	16,500	0	0	0	0	0	0
Legacy Nurse Subtotal	1,653	13,541	22,383	136	8,846	1,203	0	0	0
CSP									
Accession Bonus - Nurse	0	0	0	25	30,000	750	30	30,000	900
Incentive Pay - Nurse	0	0	0	78	15,000	1,170	108	15,000	1,620
Retention Bonus - Nurse	0	0	0	1,178	15,000	17,670	1,228	15,000	18,420
Board Certification Pay - Nurse	0	0	0	319	6,000	1,914	425	6,000	2,550
CSP Nurse Subtotal	0	0	0	1,600	13,440	21,504	1,791	13,116	23,490
Nurse Pay Total	1,653	13,541	22,383	1,736	13,086	22,707	1,791	13,116	23,490

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Health Professions Officers Pay									
Legacy									
Board Certified Non-Physician Pay	215	2,500	538	10	2,500	25	0	0	0
Pharmacy Accession Bonus	2	30,000	60	1	30,000	30	0	0	0
Pharmacy Officers Special Pay	200	15,000	3,000	20	15,000	300	0	0	0
Optometrists	155	1,200	186	10	1,200	12	0	0	0
Optometry Retention	120	6,000	720	10	6,000	60	0	0	0
Veterinarians	28	1,200	33	11	1,200	13	0	0	0
Legacy HPO Subtotal	720	6,301	4,537	62	7,097	440	0	0	0
CSP									
Accession Bonus - Health Professions Officers									
Accession Bonus - Pharmacy	0	0	0	20	30,000	600	1	30,000	30
Accession Bonus - PHO	10	10,000	100	15	10,000	150	10	10,000	100
Accession Bonus - Physicians Assistant	1	15,000	15	1	15,000	15	1	15,000	15
Accession Bonus - Psychologist	5	15,000	75	5	15,000	75	5	15,000	75
Accession Bonus - Social Workers	6	7,500	45	6	7,500	45	6	7,500	45
Accession Bonus - HPO Subtotal	22	10,682	235	47	18,830	885	23	11,522	265
Incentive Pay - Health Professions Officers									
Incentive Pay - PHO	150	5,000	750	150	5,000	750	150	5,000	750
Incentive Pay - Physicians Assistant	300	5,000	1,500	300	5,000	1,500	300	5,000	1,500
Incentive Pay - Psychologist	180	5,000	900	180	5,000	900	180	5,000	900
Incentive Pay - Optometrists	0	0	0	135	1,200	162	135	1,200	162
Incentive Pay - HPO Subtotal	630	5,000	3,150	765	4,329	3,312	765	4,329	3,312
Retention Bonus - Health Professions Officers									
Retention Bonus - Pharmacy	0	0	0	200	15,000	3,000	200	15,000	3,000
Retention Bonus - PHO	100	6,250	625	120	6,250	750	120	6,250	750
Retention Bonus - Physicians Assistant	210	15,000	3,150	210	15,000	3,150	210	15,000	3,150
Retention Bonus - Psychologist	125	15,000	1,875	125	15,000	1,875	125	15,000	1,875
Retention Bonus - Social Workers	0	0	0	150	10,000	1,500	150	10,000	1,500
Retention Bonus - Optometrists	0	0	0	80	8,000	640	80	8,000	640
Retention Bonus - HPO Subtotal	435	12,989	5,650	885	12,333	10,915	885	12,333	10,915
Board Certification Pay - Health Professions Officers									
CSP HPO Subtotal	617	6,000	3,702	866	6,000	5,196	866	6,000	5,196
Health Professions Officer Pay Total	1,704	7,475	12,737	2,563	7,924	20,308	2,539	7,754	19,688
Health Professions Officer Pay Total	2,424	7,126	17,274	2,625	7,904	20,748	2,539	7,754	19,688
Dentist CSRB Initial	3	100,000	300	0	0	0	0	0	0
Medical CSRB Subtotal	3	100,000	300	0	0	0	0	0	0

(Amount in Thousands)

PROJECT: SPECIAL PAY - OFFICERS

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Contracting CSRB	25	15,000	375	25	15,000	375	0	0	0
Intel CSRB	453	7,500	3,379	529	7,400	3,936	322	7,500	2,400
RPA CSRB	5	65,000	325	27	33,630	908	27	33,630	908
Special Tactics and Combat Rescue CSRB	101	22,700	2,293	106	23,000	2,433	107	23,700	2,537
Non-Medical CSRB Subtotal	584	10,911	6,372	687	11,138	7,652	456	12,818	5,845
Retention Bonus (CSRB)	587	11,366	6,672	687	11,138	7,652	456	12,818	5,845
Chief of Staff	1	4,000	4	1	4,000	4	1	4,000	4
General	11	2,200	24	12	2,167	26	12	2,167	26
Lt General	40	500	20	42	500	21	40	500	20
Pers Allowance - General Officer	52	923	48	55	927	51	53	943	50
Creech AIP	0	0	0	302	4,800	1,450	726	4,800	3,485
AFSOC Air Ops Flight AIP	4	9,000	36	5	9,600	48	7	9,429	66
Korea AIP	86	3,600	310	112	3,600	403	112	3,600	403
Kingsley Field AIP	0	0	0	5	4,800	24	5	4,800	24
Turkey AIP	1	3,600	4	12	3,600	43	12	3,600	43
ICBM Field Ops AIP	598	3,600	2,153	694	3,600	2,498	694	3,600	2,498
RPA Pilot AIP	781	2,106	1,646	1,042	2,107	2,196	1,161	2,334	2,710
Assignment Incentive Pay	1,470		4,149	2,172		6,662	2,717		9,229
Continuation Pay	0	0	0	0	0	0	2,462	12,998	32,002
Diving Duty	229	1,800	412	238	1,800	428	51	1,800	92
Foreign Language Proficiency Bonus	1,805	4,038	7,288	1,717	4,058	6,968	1,785	4,094	7,308
Hardship Duty Location Pay	3,685	1,200	4,421	998	1,200	1,198	998	1,200	1,198
Health Prof. Scholarship Program (HPSP)	216	1,780	384	225	1,780	401	225	1,780	401
Hostile Fire Pay	2,232	2,700	6,027	501	2,700	1,353	501	2,700	1,353
JAG Bonus	137	28,550	3,911	137	28,550	3,911	137	28,550	3,911
JAG Student Loan Repayment	238	21,667	5,157	240	21,667	5,200	240	21,667	5,200
Pay and Allowance Continuation (PAC)	2	1,260	2	92	1,260	116	92	1,260	116
TOTAL SPECIAL PAY	28,978		299,409	22,883		300,481	21,769		336,933

**MILITARY PERSONNEL, ACTIVE FORCES
CRITICAL SKILLS RETENTION BONUS
(Amount in Thousands)**

Contracting CSRB

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)	25	375	25	375										
Accelerated Payments														
Prior Year FY 2016														
Initial Payments														
Anniversary Payments														
Current Year FY 2017														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments														
Anniversary Payments														
Total														
Initial Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Anniversary Payments	25	375	25	375	0	0	0	0	0	0	0	0	0	0
Total	25	375	25	375	0	0	0	0	0	0	0	0	0	0

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Intel CSRB

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)	361	2,695	345	2,568	48	360								
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	92	684												
Anniversary Payments			92	684	90	672	86	645						
Current Year FY 2017														
Initial Payments			92	684										
Anniversary Payments					92	684	90	672	86	645				
Biennial Budget FY 2018														
Initial Payments					92	684								
Anniversary Payments							92	684	92	684	90	672		
Biennial Budget FY 2019														
Initial Payments							92	684						
Anniversary Payments									92	684	90	672	86	645
Biennial Budget FY 2020														
Initial Payments								92	684					
Anniversary Payments										92	684	90	672	
Biennial Budget FY 2021														
Initial Payments										92	684			
Anniversary Payments												92	684	
Biennial Budget FY 2022														
Initial Payments													90	672
Anniversary Payments														
Total														
Initial Payments	92	684	92	684	92	684	92	684	92	684	92	684	90	672
Anniversary Payments	361	2,695	437	3,252	230	1,716	268	2,001	270	2,013	272	2,028	268	2,001
Total	453	3,379	529	3,936	322	2,400	360	2,685	362	2,697	364	2,712	358	2,673

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

RPA CSRB

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	5	325												
Anniversary Payments			5	138	5	138	5	138	5	138				
Current Year FY 2017														
Initial Payments			22	770										
Anniversary Payments					22	770	22	770	22	770	22	770		
Biennial Budget FY 2018														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments														
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments														
Anniversary Payments														
Total														
Initial Payments	5	325	22	770	0	0	0	0	0	0	0	0	0	0
Anniversary Payments	0	0	5	138	27	908	27	908	27	908	22	770	0	0
Total	5	325	27	908	27	908	27	908	27	908	22	770	0	0

**MILITARY PERSONNEL, ACTIVE FORCES
CRITICAL SKILLS RETENTION BONUS
(Amount in Thousands)**

Special Tactics and Combat Rescue CSRB

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)	86	1,918	76	1,683	57	1,350	8	160						
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	15	375												
Anniversary Payments			15	375	15	375	15	375	8	160				
Current Year FY 2017														
Initial Payments			15	375										
Anniversary Payments					15	348	15	348	15	375				
Biennial Budget FY 2018														
Initial Payments					20	464								
Anniversary Payments							20	464	15	348	15	348		
Biennial Budget FY 2019														
Initial Payments							40	928						
Anniversary Payments									20	464	20	464	20	464
Biennial Budget FY 2020														
Initial Payments								40	928					
Anniversary Payments											40	928	40	928
Biennial Budget FY 2021														
Initial Payments											30	696		
Anniversary Payments													30	696
Biennial Budget FY 2022														
Initial Payments													30	696
Anniversary Payments														
Total														
Initial Payments	15	375	15	375	20	464	40	928	40	928	30	696	30	696
Anniversary Payments	86	1,918	91	2,058	87	2,073	58	1,347	58	1,347	75	1,740	90	2,088
Total	101	2,293	106	2,433	107	2,537	98	2,275	98	2,275	105	2,436	120	2,784

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

AFSOC Air Ops Flight AIP

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	4	36												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			5	48										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					7	66								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							8	87						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									7	72				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											9	93		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													10	102
Anniversary Payments														
Total														
Initial Payments	4	36	5	48	7	66	8	87	7	72	9	93	10	102
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4	36	5	48	7	66	8	87	7	72	9	93	10	102

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Korea

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	86	310												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			112	403										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					112	403								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							112	403						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									112	403				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											112	403		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													112	403
Anniversary Payments														
Total														
Initial Payments	86	310	112	403	112	403	112	403	112	403	112	403	112	403
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	86	310	112	403	112	403	112	403	112	403	112	403	112	403

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Creech

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments														
Anniversary Payments														
Current Year FY 2017														
Initial Payments			302	4,800										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					726	3,485								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							726	3,485						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									726	3,485				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											726	3,485		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													726	3,485
Anniversary Payments														
Total														
Initial Payments	0	0	302	4,800	726	3,485	726	3,485	726	3,485	726	3,485	726	3,485
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	302	4,800	726	3,485	726	3,485	726	3,485	726	3,485	726	3,485

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Kingsley Field

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments														
Anniversary Payments														
Current Year FY 2017														
Initial Payments			5	24										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					5	24								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							5	24						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									5	24				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											5	24		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													5	24
Anniversary Payments														
Total														
Initial Payments	0	0	5	24	5	24	5	24	5	24	5	24	5	24
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	5	24	5	24	5	24	5	24	5	24	5	24

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Turkey

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	1	4												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			12	43										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					12	43								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							12	43						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									12	43				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											12	43		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													12	43
Anniversary Payments														
Total														
Initial Payments	1	4	12	43	12	43	12	43	12	43	12	43	12	43
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	4	12	43	12	43	12	43	12	43	12	43	12	43

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - ICBM Field Operations

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	598	2,153												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			694	2,498										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					694	2,498								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							694	2,498						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									694	2,498				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											694	2,498		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													694	2,498
Anniversary Payments														
Total														
Initial Payments	598	2,153	694	2,498	694	2,498	694	2,498	694	2,498	694	2,498	694	2,498
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	598	2,153	694	2,498	694	2,498	694	2,498	694	2,498	694	2,498	694	2,498

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - RPA Pilot

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	781	1,646												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			1,042	2,196										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					1,161	2,710								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							1,509	4,193						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									1,864	5,507				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											2,150	6,672		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													2,150	7,612
Anniversary Payments														
Total														
Initial Payments	781	1,646	1,042	2,196	1,161	2,710	1,509	4,193	1,864	5,507	2,150	6,672	2,150	7,612
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	781	1,646	1,042	2,196	1,161	2,710	1,509	4,193	1,864	5,507	2,150	6,672	2,150	7,612

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING - OFFICERS

FY 2018 Estimate 1,524,644
FY 2017 Estimate 1,463,681
FY 2016 Actual 1,445,366

PART I - PURPOSE AND SCOPE

In the FY 1998 NDAA, Congress approved the payment of a Basic Allowance for Housing (BAH) to service members. BAH provides members a monthly allowance for housing, and consists of BAH, BAH Differential, Partial BAH, Overseas Housing Allowance (OHA), Family Separation Housing (FSH) and Moving in Housing Allowance (MIHA). The BAH combines housing payments formerly provided by Basic Allowance for Quarters (BAQ), Variable Housing Allowance (VHA) and Family Separation Allowance (FSA) Type I. Payment to service members is authorized by revisions to Title 37 U.S.C., Sections 403 (for domestic BAH) and 475 for OHA.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Basic Allowance for Housing (BAH) Fiscal Year 2018 average inflation rate is 3.1 percent. The January 1, 2017 and January 1, 2018 BAH inflation rate assumption are respectively, 2.8 percent and 3.2 percent on-average reflecting the Department's move to slow the growth of pay and benefits. The 2016 NDAA provided the authority to slow the rate of growth in BAH by 1 percent per year until 5 percent out-of-pocket is reached. The FY 2018 budget reflects this authority by incorporating a 4 percent out-of-pocket rate comprised of 1 percent as authorized in the 2015 NDAA and the cumulative 3 percent authorized in the 2016 NDAA. The actual implementation of the out-of-pocket adjustment is computed based on a percentage of the national median cost, so that the actual out-of-pocket dollar amount will be the same by grade and dependency status in every military housing area. However, it should be noted that the annualized 3.1 percent increase is a budgetary planning factor and actual rates will continue to be set by the individual location based on the current local rental housing market survey process.

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

<u>With Dependents</u>	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>									
General	8	30,852	247	8	31,715	254	8	32,699	262
Lt General	34	35,676	1,213	35	36,675	1,284	34	37,811	1,286
Major General	77	34,425	2,650	73	35,389	2,583	74	36,486	2,700
Brig General	121	32,886	3,979	128	33,807	4,327	128	34,855	4,461
Colonel	2,887	30,751	88,776	2,901	31,612	91,706	2,937	32,592	95,722
Lt Colonel	8,669	29,394	254,811	8,539	30,217	258,020	8,702	31,153	271,097
Major	10,297	26,115	268,904	10,295	26,846	276,382	10,390	27,678	287,579
Captain	11,981	22,554	270,216	11,586	23,185	268,626	11,846	23,904	283,169
1st Lieutenant	2,588	19,760	51,139	2,447	20,314	49,707	2,424	20,943	50,767
2nd Lieutenant	1,862	18,030	33,572	1,936	18,535	35,883	1,981	19,109	37,856
Subtotal with Dependents	38,524		975,507	37,948		988,772	38,524		1,034,899

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING - OFFICERS

	FY 2016 Actual		FY 2017 Estimate		FY 2018 Estimate				
	Workyears	Amount	Workyears	Amount	Workyears	Amount			
<u>Differential</u>	7	19	6	16	6	16			
<u>Without Dependents - Full Allowance</u>	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<u>Grade</u>									
General	0	0	0	0	0	0	0	0	0
Lt General	1	23,635	24	1	24,297	24	1	25,050	25
Major General	5	29,337	147	5	30,158	151	5	31,093	155
Brig General	5	25,088	125	5	25,790	129	5	26,590	133
Colonel	204	27,365	5,583	204	28,131	5,739	207	29,003	6,004
Lt Colonel	778	26,219	20,398	764	26,953	20,592	779	27,788	21,647
Major	1,802	23,968	43,191	1,798	24,639	44,301	1,814	25,403	46,081
Captain	6,836	20,905	142,910	6,610	21,491	142,054	6,755	22,157	149,670
1st Lieutenant	3,870	17,858	69,110	3,676	18,358	67,483	3,645	18,927	68,988
2nd Lieutenant	3,619	16,328	59,092	3,764	16,785	63,180	3,850	17,306	66,627
Subtotal w/o Dependents	17,120		340,580	16,827		343,653	17,061		359,330
<u>Without Dependents - Partial Allowance</u>	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<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	6	503	3	6	517	3	7	533	4
Lt Colonel	17	419	7	18	431	8	18	444	8
Major	27	337	9	28	346	10	28	357	10
Captain	98	281	28	96	289	28	98	298	29
1st Lieutenant	75	224	17	72	231	17	71	238	17
2nd Lieutenant	727	168	122	758	172	131	776	178	138
Subtotal Partial	950		186	978		197	998		206
TOTAL BAH - DOMESTIC			1,316,292			1,332,638			1,394,451

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (OVERSEAS) - OFFICERS

<u>With Dependents</u>	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	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	2	30,000	60	2	30,500	61	2	30,000	60
Colonel	139	39,122	5,438	143	39,441	5,640	144	38,625	5,562
Lt Colonel	551	36,532	20,129	567	37,071	21,019	577	36,291	20,940
Major	780	33,150	25,857	804	33,797	27,173	811	33,088	26,834
Captain	949	29,275	27,782	933	29,737	27,745	952	29,111	27,714
1st Lieutenant	151	26,768	4,042	144	27,319	3,934	143	26,748	3,825
2nd Lieutenant	31	26,871	833	32	27,375	876	33	26,788	884
Subtotal With Dependents	2,603		84,141	2,625		86,448	2,662		85,819
<u>Without Dependents</u>	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	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	9	33,889	305	9	34,000	306	9	33,222	299
Lt Colonel	59	32,153	1,897	61	31,885	1,945	63	31,222	1,967
Major	203	30,300	6,151	209	30,244	6,321	211	29,616	6,249
Captain	813	27,161	22,082	799	27,050	21,613	816	26,487	21,613
1st Lieutenant	322	25,186	8,110	309	25,061	7,744	306	24,539	7,509
2nd Lieutenant	187	25,963	4,855	195	26,051	5,080	199	25,513	5,077
Subtotal w/o Dependents	1,593		43,400	1,582		43,009	1,604		42,714
Moving-In Housing Allowance	2,219	691	1,533	2,234	710	1,586	2,267	732	1,660
TOTAL BAH - OVERSEAS			129,074			131,043			130,193
GRAND TOTAL BAH			1,445,366			1,463,681			1,524,644

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE - OFFICERS

FY 2018 Estimate 198,005
FY 2017 Estimate 190,238
FY 2016 Actual 192,616

PART I - PURPOSE AND SCOPE

Funds provide monthly subsistence allowance under the provisions of Title 37 U.S.C., Section 402.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Basic Allowance for Subsistence (BAS) costs are computed by multiplying the statutory rate by the programmed officer workyears. The FY 2001 NDAA 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 (USDA) Food Plan. Funding requirements include inflation rates of 0.1% for 2016, 0.0% for 2017, and 3.4% for 2018, effective January 1 each year. The annualized inflation rate is 0.025% for FY 2017 and 2.550% for FY 2018.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
BAS	63,304	3,043	192,616	62,505	3,044	190,238	63,440	3,121	198,005

(Amount in Thousands)

PROJECT: STATION ALLOWANCE, OVERSEAS - OFFICERS

FY 2018 Estimate	103,998
FY 2017 Estimate	102,057
FY 2016 Actual	105,547

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 (JTR) and authorized under the provisions of Title 37 U.S.C., Section 475.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Station Allowances, Overseas consists of Cost Of Living Allowance (COLA) and Temporary Lodging Allowance (TLA).

COLA is based on the most recent information derived from the results of yearly surveys that determine the cost of goods and services by area, and biweekly decisions by the DoD Per Diem, Travel and Transportation Allowance Committee (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. 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 and Temporary Lodging allowances are based on authorized overseas strengths for each fiscal year.

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

<u>Cost of Living</u>	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
<u>Grade</u>									
General	2	11,500	23	3	11,000	33	3	10,667	32
Lt. General	7	12,571	88	7	11,571	81	7	11,429	80
Major General	13	11,846	154	12	11,083	133	13	11,154	145
Brig. General	27	13,704	370	29	13,414	389	29	13,414	389
Colonel	544	13,031	7,089	559	12,472	6,972	566	12,475	7,061
Lt Colonel	1,515	12,901	19,545	1,561	12,293	19,189	1,590	12,294	19,547
Major	2,151	11,339	24,390	2,216	10,852	24,048	2,234	10,854	24,247
Captain	3,239	9,293	30,100	3,182	8,673	27,599	3,248	8,675	28,175
1st Lieutenant	886	7,667	6,793	850	7,189	6,111	844	7,190	6,068
2nd Lieutenant	374	6,701	2,506	390	6,438	2,511	399	6,436	2,568
Subtotal Cost of Living	8,758		91,058	8,809		87,066	8,933		88,312
<u>Temporary Lodging Allowance</u>	12,983	1,116	14,489	13,067	1,147	14,991	13,262	1,183	15,686
TOTAL STATION ALLOWANCES-OVERSEAS			105,547			102,057			103,998

(Amount in Thousands)

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

FY 2018 Estimate 646
FY 2017 Estimate 624
FY 2016 Actual 608

PART I - PURPOSE AND SCOPE

Authorization for this allowance is under the provisions of Title 37 U.S.C., Section 403b and as prescribed in the JTR, Chapter 8. In Title 37 U.S.C., Section 403b, Congress approved a Cost of Living Allowance (COLA) payment to service members assigned to high cost areas in the Continental United States (CONUS).

PART II - JUSTIFICATION OF FUNDS REQUESTED

As part of the Department of Defense (DoD) Quality of Life initiatives, high cost areas are grouped as Military Housing Areas (MHA) where the cost of goods and services exceeds 108% 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% of the national cost of living average.

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

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
CONUS COLA	770	790	608	775	805	624	786	822	646

(Amount in Thousands)

PROJECT: CLOTHING ALLOWANCES - OFFICERS

FY 2018 Estimate 2,796
FY 2017 Estimate 2,664
FY 2016 Actual 2,425

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 Title 37 U.S.C., Sections 415 and 416. In the FY 1988-1989 NDAA, Congress approved the payment of Civilian Clothing Allowance for Air Force officers. Officers assigned to 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 per the provisions of Title 37 U.S.C., Section 419. Replacement allowance for Wounded Warriors is under the provisions of Title 10 U.S.C., Section 1047.

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 NDAA 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. Furthermore, this entitlement covers civilian clothing allowances when authorized. The Air Force allows a Wounded Warrior clothing allowance not to exceed \$250 for each Air Force Medical Evacuee.

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

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Payments	Rate	Amount	Payments	Rate	Amount	Payments	Rate	Amount
Initial Allowances	4,244	400	1,698	4,815	400	1,926	5,098	400	2,039
Additional Allowances	1,860	200	372	1,872	200	374	1,900	200	380
Civilian Clothing	521	682	355	524	694	364	532	708	377
TOTAL CLOTHING ALLOWANCES	6,625		2,425	7,211		2,664	7,530		2,796

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - OFFICERS

FY 2018 Estimate	4,902
FY 2017 Estimate	4,827
FY 2016 Actual	10,597

PART I - PURPOSE AND SCOPE

Under the provision of Title 37 U.S.C., Section 427, two types of Family Separation Allowance (FSA) payments are made to officers with dependents to compensate for added expenses incurred because of forced separation from dependents:

FSA is payable when a member with dependents makes a permanent change of station move, or member is on temporary duty away from their permanent duty station for thirty consecutive days or more either in CONUS or overseas, and the travel of the dependents to the member's duty station is not authorized, and the dependents do not reside at or near the duty station. The FY 2005 NDAA made the monthly rate of \$250 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:

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
PCS CONUS or Overseas with dependents not authorized	619	3,002	1,858	623	3,000	1,869	633	3,000	1,899
TDY CONUS or Overseas for more than 30 days with dependents not residing near TDY station	2,913	3,000	8,739	986	3,000	2,958	1,001	3,000	3,003
TOTAL FAMILY SEPARATION ALLOWANCE	3,532		10,597	1,609		4,827	1,634		4,902

(Amount in Thousands)

PROJECT: AID AND ATTENDANCE ALLOWANCE FOR CATASTROPHICALLY INJURED

FY 2018 Estimate 83
FY 2017 Estimate 83
FY 2016 Actual 83

PART I – PURPOSE AND SCOPE

Under the provisions of Title 37 U.S.C., Section 439, members of the uniformed services with catastrophic injuries or illnesses requiring assistance in everyday living. The term “catastrophic injury or illness” means a permanent, severely disabling injury, disorder, or illness the Secretary concerned determines compromises the ability of the afflicted person to carry out the activities of daily living to such a degree the member requires (1) personal or mechanical assistance to leave home or bed; or (2) constant supervision to avoid physical harm to self or others.

PART II- JUSTIFICATION OF FUNDS REQUESTED

The entitlement for special monthly compensation will be based on the following: (1) the catastrophic injury or illness was incurred or aggravated in the line of duty; (2) licensed physician certification that the injured Service member requires the aid and assistance of another person to perform the personal functions required in everyday living; (3) in the absence of the provision of such assistance, would require hospitalization, nursing home care, or other residential institutional care; and (4) meets such other criteria, if any, as determined by the Secretary of Defense (or the Secretary of Homeland Security, with respect to the Coast Guard).

The amount of monthly special compensation payable to a member under subsection (a) shall be determined under criteria prescribed by the Secretary of Defense (or the Secretary of Homeland Security, with respect to the Coast Guard), but may not exceed the amount of aid and attendance allowance authorized by Title 38 Section 1114(r)(2) or sub-paragraph (C) Section 1720G(a)(3) for veterans in need of aid and attendance.

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Special Monthly Compensation	83	83	83

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - OFFICERS

FY 2018 Estimate	48,922
FY 2017 Estimate	51,203
FY 2016 Actual	48,242

PART I - PURPOSE AND SCOPE

Funds provide for:

- (1) Lump Sum Terminal Leave - Payments to officers for unused accrued leave at time of discharge (under honorable conditions), retirement or death under the provisions of Title 37 U.S.C., Section 501.
- (2) Disability Severance Pay - Payments made to officers who are involuntarily discharged or released from active duty. Disability severance pay is paid to a member separated from the service for a physical disability under provisions of Title 10 U.S.C., Section 1212.
- (3) Involuntary Separation Pay - Payments to officers separated from the service for non-disability reasons under the provisions of Title 10 U.S.C., Section 1174 categorized as full pay or half pay. For full pay the member must be involuntarily separated and fully qualified for retention and the discharge must be characterized as honorable. For half pay the member must be involuntarily separated with the discharge characterized as honorable or under honorable conditions (general) and conditions apply as determined by the Secretary.
- (4) Temporary Early Retirement Authorization (TERA) - FY 2012 NDAA, P.L. 112-81, Division A, Title V, Section 504(b) authorized the Service Secretaries to pursue early retirement for eligible Service members with 15 years to less than 20 years of service.
- (5) Voluntary Separation Pay (VSP) - Payment to members who voluntarily separate from active duty during eligible periods under the provisions of Title 10 U.S.C., Section 1175. The FY 2007 NDAA increased the authorized payment to an amount not greater than four times the full amount of separation pay a member of the same pay grade and years of service that is involuntarily separated under Title 10 USC 1174.
- (6) Voluntary Separation Incentive (VSI) Trust Fund - Payments made cover the unfunded liability for those members accepting VSI benefits prior to January 1, 1993.
- (7) Career Status Bonus - FY 2000 NDAA authorized the payment of \$30,000. The FY 2000 NDAA, provided 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 "Redux" retirement plan. The FY 2002 NDAA authorized the option to receive the bonus in annual installments.

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. 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 multiplied by years of service multiplied by a specific percent based on the separation criteria.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - OFFICERS**Lump Sum Terminal Leave Payments**

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Payments	Average Rate	Amount	Payments	Average Rate	Amount	Payments	Average Rate	Amount
Grade									
General	2	41,124	82	2	41,905	84	2	42,785	86
Lt General	4	28,023	112	4	28,556	114	4	29,155	117
Major General	13	9,942	129	13	10,131	132	13	10,344	134
Brig General	8	11,547	92	8	11,766	94	8	12,014	96
Colonel	506	7,664	3,878	522	7,809	4,077	502	7,973	4,003
Lt Colonel	986	4,600	4,536	1,001	4,687	4,692	970	4,786	4,642
Major	1,350	4,656	6,287	1,292	4,744	6,130	1,294	4,844	6,268
Captain	1,237	2,623	3,244	1,113	2,673	2,975	1,155	2,729	3,152
1st Lieutenant	95	2,266	215	86	2,309	199	89	2,357	210
2nd Lieutenant	37	1,470	54	33	1,498	49	34	1,530	52
Leave Buy-Back	0	0	0	0	0	0	0	0	0
Subtotal Lump Sum Terminal Leave	4,238		18,629	4,074		18,546	4,071		18,760
Separation Pay									
Fail Promotion/Unfit	6	35,500	213	6	36,175	217	6	36,934	222
Disability	28	88,536	2,479	28	90,218	2,526	28	92,112	2,579
Invol-Half Pay 5%	1	51,000	51	1	51,969	52	1	53,060	53
Invol-Full Pay 10%	100	68,440	6,844	179	69,740	12,484	179	71,205	12,746
TERA	0	0	0	0	0	0	0	0	0
VSP	2	92,000	184	0	0	0	0	0	0
VSI Trust Fund			18,942			16,478			14,322
Career Status Bonus	30	30,000	900	30	30,000	900	8	30,000	240
Subtotal Separation Pay	167		29,613	244		32,657	222		30,162
TOTAL SEPARATION PAYMENTS	4,405		48,242	4,318		51,203	4,293		48,922

(Amount in Thousands)

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

FY 2018 Estimate	379,552
FY 2017 Estimate	373,021
FY 2016 Actual	362,460

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funds represent the Air Force contribution (as an employer) as required by the FICA under the provisions of Title 26 U.S.C., Sections 3101, and 3111.

Social Security costs are based on the percentage rates 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 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% and the Hospital Insurance (HI) is 1.45%. There is no wage cap on the 1.45% medical contribution. The Government's contribution for Social Security is as follows:

- Calendar Year 2016 - 7.65% on first \$118,500 and 1.45% on the remainder
- Calendar Year 2017 - 7.65% on first \$127,200 and 1.45% on the remainder
- Calendar Year 2018 - 7.65% on first \$129,900 and 1.45% on the remainder

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Basic Pay	Rate	Amount	Basic Pay	Rate	Amount	Basic Pay	Rate	Amount
Social Security	4,763,321	7.65%	362,460	4,884,402	7.65%	373,021	4,969,886	7.65%	379,552

**PAY AND ALLOWANCES
OF ENLISTED**

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

	<u>Amount</u>
FY 2017 DIRECT PROGRAM	16,709,136
Pricing Increase	383,921
Annualization (PI):	63,923
Annualization 1 Jan 17 raise of 2.1% on Basic Pay	46,842
Annualization of raise on RPA	13,497
Annualization of raise on FICA	3,584
Pay Raise (PI):	191,767
1 Jan 18 pay raise of 2.1% effect on Basic Pay	140,524
1 Jan 18 pay raise effect on RPA	40,492
1 Jan 18 pay raise effect on FICA	10,751
BAH Rates (PI):	80,874
1 Jan 18 inflation rate of 3.2% effect on BAH	80,686
Increase in MIHA Payments	188
Other (PI):	47,357
Increase in FICA Payments	1
Increase in Clothing Payments	2,708
Increase in COLA Payments	40
Increase in TLA Payments	1,309
Increase in CONUS COLA Payments	21
Increase in Special Pay Payments	205
Increase in LSTL Payments	660
Increase in Separation Payments	1,800
Increase in Selective Reenlistment Bonus Payments	40,613
Program Increase	358,642

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

Strength (PGD):	283,451	
Increase change in WY/longevity for Basic Pay	97,915	
Increase on workyears/longevity for FICA	7,488	
Increase in workyears/longevity for RPA	28,261	
Increase in workyears/longevity for TSP Matching Contribution	100,601	
Increase in workyears Housing Allowance	49,186	
Other (PGI):	75,191	
Increase in Special Pay Payments	61,013	
Increase in FSA Program	318	
Increase in BASIP Workyears	8,654	
Increase in COLA Workyears	4,252	
Increase in TLA Workyears	573	
Increase in CONUS COLA Workyears	14	
Increase in Enlisted Bonus Workyears	367	
Total Increases		742,563
Pricing Decrease		(35,992)
Other (PI):	(35,992)	
Decrease in RPA Rate Payments	(35,992)	
Program Decrease		(52,060)

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

Strength (PGD):	(1,529)	
Decrease in workyears for Clothing Allowance	(1,529)	
Other (PGD):	(50,531)	
Decrease in LSTL Program	(1,109)	
Decrease in Flying Duty Crew Workyears	(1,151)	
Decrease in Non-Fly Crew Member Workyears	(101)	
Decrease in Parachute Jumping Workyears	(822)	
Decrease in Demolition Duty Workyears	(1,215)	
Decrease in Other Incentive Pay Workyears	(1,867)	
Decrease in Separation Payments	(15,531)	
Decrease in Selective Reenlistment Bonus Workyears	(28,735)	
Total Decreases		(88,052)
FY 2018 DIRECT PROGRAM		17,363,647

(Amount in Thousands)

PROJECT: BASIC PAY - ENLISTED

FY 2018 Estimate	9,209,338
FY 2017 Estimate	8,922,249
FY 2016 Actual	8,836,921

PART I - PURPOSE AND SCOPE

Funds provide basic compensation for enlisted personnel on active duty according to grade and length of service under the provisions of Title 37 U.S.C., Sections 201, 203 and 205.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding requirements include a basic pay increase of 1.3% in 2016, 2.1% in 2017, and 2.1% in 2018, effective January 1 each year. The annualized pay raise is 1.9% for FY 2017 and 2.1% for FY 2018. Per FY 2007 NDAA, pay tables are expanded to 40 years of service.

FY 2016 beginning strength was 246,322 and end strength was 252,762 using 258,344 workyears.

FY 2017 beginning strength was 252,762 and end strength will be 255,302 using 257,178 workyears.

FY 2018 beginning strength will be 255,302 and end strength will be 258,649 using 260,582 workyears.

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

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
<u>Grade</u>									
Chief Master Sergeant	2,573	76,320	196,371	2,543	77,770	197,769	2,616	79,403	207,719
Senior Master Sergeant	5,289	60,776	321,442	5,144	61,930	318,570	5,216	63,231	329,812
Master Sergeant	25,869	52,375	1,354,901	25,337	53,371	1,352,251	25,712	54,491	1,401,083
Technical Sergeant	41,593	43,335	1,802,429	40,422	44,158	1,784,966	40,782	45,086	1,838,681
Staff Sergeant	61,722	34,780	2,146,716	61,473	35,441	2,199,926	62,911	36,185	2,276,464
Senior Airman	63,246	27,717	1,752,970	59,895	28,243	1,691,634	59,404	28,836	1,712,999
Airman First Class	42,909	22,618	970,524	44,687	23,048	1,029,944	46,022	23,532	1,082,987
Airman	5,891	21,105	124,327	6,995	21,506	150,431	7,173	21,957	157,499
Airman Basic	9,252	18,076	167,241	10,682	18,420	196,758	10,746	18,806	202,094
TOTAL BASIC PAY	258,344		8,836,921	257,178		8,922,249	260,582		9,209,338

(Amount in Thousands)

PROJECT: RETIRED PAY ACCRUAL - ENLISTED

FY 2018 Estimate 2,617,286
FY 2017 Estimate 2,570,946
FY 2016 Actual 2,743,884

PART I - PURPOSE AND SCOPE

Funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with Title 10 U.S.C., Section 1466. Effective FY 2008, P.L. 109-364, Title V, Section 591 directs the Department of Defense to contribute at the part-time rate for Reserve Component soldiers who are mobilized or on active duty for operational support, rather than the full-time rate as previously mandated.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of:

- a) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.
- b) Retired Pay Accrual (RPA) Normal Cost Percentage (NCP) approved by the Department of Defense Retirement Board of Actuaries. The full-time RPA is 31.4% for FY 2016, 28.9% for FY 2017, and 28.5% for FY 2018. The part-time RPA rate is 23.0% for FY 2016, 22.8% for FY 2017, and 22.6% FY 2018.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Active Component									
Retired Pay Accrual - Full Time	248,570	10,695	2,658,422	254,066	10,008	2,542,666	257,470	10,054	2,588,671
Reserve Component									
Retired Pay Accrual - Part Time	9,774	8,744	85,462	3,112	9,087	28,280	3,112	9,195	28,615
Total Retired Pay Accrual	258,344	10,621	2,743,884	257,178	9,997	2,570,946	260,582	10,044	2,617,286

(Amount in Thousands)

PROJECT: THRIFT SAVINGS PLAN (TSP) - MATCHING CONTRIBUTIONS

FY 2018 Estimate 100,601
FY 2017 Estimate 0
FY 2016 Actual 0

PART I - PURPOSE AND SCOPE

The National Defense Authorization Act (NDAA) 2016, Public Law 114-92, Section 632(2), authorized the Secretary to make contributions to the Thrift Savings Fund, in accordance with section 8432 for the benefit of the member who falls under the new modernized retirement system. Automatic contributions of one-percent of basic pay for the benefit of the member will begin on or after the day that is 60 days after the date the member enters a uniformed service, or on or after the date the member elects the new modernized retirement system. Once the member either reaches two years and one day after first entering uniformed service, or elects the new retirement system, the Service will provide matching contributions of no more than five percent of the member's basic pay. The matching will continue until the member completes 26 years of service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The amount the Service contributes is based on the percentage of basic pay the member elects to contribute to the Thrift Savings Fund. The Services will begin making automatic and matching TSP contributions payments in FY 2018 pursuant to the January 1, 2018 effective date of the modernized retirement system.

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>
Thrift Savings Plan (TSP) - Matching Contributions			0			0			100,601

(Amount in Thousands)

PROJECT: INCENTIVE PAY - ENLISTED

FY 2018 Estimate	40,719
FY 2017 Estimate	37,187
FY 2016 Actual	37,048

PART I - PURPOSE AND SCOPE

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

Funds provide payment to enlisted personnel under provisions of Title 37 U.S.C., Section 301 as follows:

- 1) Flying Duty 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. The amounts range from \$150 to \$240 per month.
- 2) Flying Duty Non-Crew Member - Fully qualified in non-aircrew specialties and required to perform duties in-flight and on an occasional basis. Enlisted personnel non-crew members are classified as "operational support flyers," and are not normally required for the aircraft to accomplish its assigned primary mission. The amount is paid at a monthly rate of \$150.
- 3) 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.
- 4) Parachute Jumping - Incentive pay for hazardous duty to encourage enlisted members to enter into and remain on duty involving parachute jumping from an aircraft in aerial flight. Members who perform this duty are entitled to pay at the monthly rate of \$150. 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) 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. Participate as students or instructors in instructional training, including in the field or fleet provided live explosives are used in the training. Participate in proficiency training, including in the field or fleet for the maintenance of skills in the duties provided live explosives are used. Experiment with or develop tools, equipment, or procedures for the demolition and rendering harmless of explosives, provided live explosives are used. Demolition is paid under specified conditions at a monthly rate of \$150.
- 6) Battlefield Airmen Skill Incentive Pay - A monthly skill incentive pay to service members qualified and serving as Battlefield Airmen defined in Air Force Policy Directive 10-35, dated February 1, 2017. Battlefield airmen conduct operations in the ground domain in contested, denied, operational limited, and permissive environments under severe environmental conditions. Battlefield Airmen encompasses the following critical AFSCs: Combat Control, Pararescue, Tactical Air Control Party, and Special Operations Weather.
- 7) 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 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.
- 8) Chemical Munitions Handler - Duties in which members handle chemical munitions or components of such munitions. Paid at a monthly rate of \$150.
- 9) Toxic Fuel Handler - 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. Paid at a monthly rate of \$150.
- 10) Toxic Pesticides - Duties in which frequent and regular exposure to highly toxic pesticides occur. Paid at a monthly rate of \$150.
- 11) Weapons Control Crew - Duties in which a member has frequent and regular participation in aerial flight duties and who is serving as an air weapons controller crew member aboard an airborne warning and control system aircraft. Paid at a monthly rate of \$150 to \$300 per month.

(Amount in Thousands)

PROJECT: INCENTIVE PAY - ENLISTED

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.

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

Flying Duty Crew Members

<u>Grade</u>	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
Chief Master Sergeant	13	2,880	37	13	2,880	37	1	2,880	3
Senior Master Sergeant	30	2,880	86	30	2,880	86	16	2,880	46
Master Sergeant	107	2,880	308	107	2,880	308	58	2,880	167
Technical Sergeant	167	2,580	431	167	2,580	431	67	2,580	173
Staff Sergeant	340	2,280	775	340	2,280	775	182	2,280	415
Senior Airman	167	1,980	331	167	1,980	331	32	1,980	63
Airman First Class	29	1,800	52	29	1,800	52	1	1,800	2
Subtotal Flying Duty Crew	853		2,020	853		2,020	357		869
<u>Flying Duty Non-Crew Members</u>	130	1,800	234	130	1,800	234	74	1,800	133

(Amount in Thousands)

PROJECT: INCENTIVE PAY - ENLISTED

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<u>Career Enlisted Flyer Incentive Pay</u>									
Years of Service									
Less than 4 Yrs Avn Svc	3,428	1,800	6,170	3,428	1,800	6,170	3,428	1,800	6,170
More than 4 Yrs Avn Svc	2,047	2,700	5,527	2,047	2,700	5,527	2,047	2,700	5,527
More than 8 Yrs Avn Svc	2,105	4,200	8,841	2,105	4,200	8,841	2,105	4,200	8,841
More than 14 Yrs Avn Svc	1,016	4,800	4,877	1,016	4,800	4,877	1,016	4,800	4,877
Subtotal Career Enlisted Flyer Incentive Pay	8,596		25,415	8,596		25,415	8,596		25,415
Subtotal Flying Duty Pay	9,579		27,669	9,579		27,669	9,027		26,417
<u>Parachute Jumping</u>	578	1,800	1,041	588	1,800	1,058	131	1,800	236
<u>Parachute HALO</u>	1,158	2,700	3,126	1,166	2,700	3,148	491	2,700	1,326
<u>Demolition</u>	2,281	1,800	4,105	2,297	1,800	4,135	1,622	1,800	2,920
Battlefield Airmen Skill Incentive Pay									
BASIP Pararescue	0	0	0	0	0	0	556	6,942	3,860
BASIP Combat Controller	0	0	0	0	0	0	502	6,480	3,253
BASIP Special Ops Weather	0	0	0	0	0	0	103	4,379	451
BASIP Tactical Air Control Party	0	0	0	0	0	0	500	2,180	1,090
Subtotal BASIP	0		0	0		0	1,661		8,654
<u>Other Incentive Duty Pay</u>									
Accel-Decel Subject	33	1,800	59	42	1,800	76	36	1,800	65
Chemical Munitions Handler	9	1,800	16	20	1,800	36	20	1,800	36
Pressure Chamber Observer	162	1,800	291	167	1,800	301	167	1,800	301
Thermal Stress Experiments	1	1,800	2	3	1,800	5	3	1,800	5
Toxic Fuel Handler	403	1,800	725	413	1,800	743	413	1,800	743
Toxic Pesticides Duty	8	1,800	14	8	1,800	14	8	1,800	14
Weapons Control Crew	0	0	0	1	1,800	2	1	1,800	2
Subtotal Other Incentive Duty Pay	616		1,107	654		1,177	648		1,166
TOTAL INCENTIVE PAY	14,212		37,048	14,284		37,187	13,580		40,719

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED

FY 2018 Estimate	118,217
FY 2017 Estimate	56,271
FY 2016 Actual	78,683

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

- (1) Personal Money Allowance for the Chief Master Sergeant of the Air Force (CMSAF) - Authorized for enlisted members serving as the senior most enlisted member of their Military Service under the provisions of Title 37 U.S.C., Sections 413 and 414. This allowance is in addition to any other pay or allowance authorized. Personal Money Allowance is authorized \$2,000 a year while serving (\$166.67 per month).
- (2) Sea Duty Pay - Authorized to enlisted members under the provisions of Title 37 U.S.C., Section 305a who: (a) permanently or temporarily assigned to a ship; (b) serve as a member of the crew of a two crewed submarine; (c) serve as a member of a tender-class ship (with the hull classification of submarine or destroyer); or (d) permanently or temporarily assigned to a ship and whose primary mission is normally accomplished while in port, but only during a period that the ship is away from its homeport.
- (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 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 resulting in many voluntary separations. A financial incentive for extending tours overseas helps alleviate these problems as well as conserve permanent change of station (PCS) funds. The rate payable is \$80/month or a \$2,000 lump sum authorized under the provisions of 10 U.S.C., Section 705 and 37 U.S.C., Section 314.
- (4) Continuation Pay - The National Defense Authorization Act (NDAA) 2016, Public Law 114-92, Section 634, authorizes the Secretary to make a payment of continuation pay to each member under the new modernized retirement system. Members of the Uniformed Services who are covered by this Blended Retirement System are eligible to receive a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service. This one-time bonus payment is in addition to any other career field-specific incentives or retention bonuses. The Services will begin making continuation payments in FY 2018 pursuant to the January 1, 2018 effective date of the modernized retirement system.
- (5) Diving Duty Pay - Authorized for enlisted members of the Air Force under the provisions of Title 37 U.S.C., Section 304. Special pay to compensate for difficulty, risk and high level of training required to perform tactical military diving operations. Tactical diving duty includes conducting diving operations in support of operational mission requirements such as rescue, recovery, search, reconnaissance, and infiltration/exfiltration. Operations are open and/or closed circuit diving profiles in all maritime environments including but not limited to day/night subsurface operations in open ocean, littoral, port, harbor, and in the vicinity of maritime vessels and structures/buildings as needed to meet tactical objectives. 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 are either \$110 or \$150 per month based on divers' skill levels, responsibility, hazard, and need for the incentive.
- (6) Foreign Language Proficiency Bonus (FLPB) - Authorized in Title 37 U.S.C., Section 353(b)(1) for officers and enlisted members who have been certified as proficient in a foreign language identified on the DoD Strategic Language List or designated by the Secretary of the Military Department concerned as a foreign language or dialect for which proficient personnel are required to accomplish DoD Component specific missions, who are: (a) qualified in a military specialty requiring such proficiency; (b) assigned to military duties requiring such a proficiency; or (c) is proficient in a language for which DoD or the Secretary of the Military Department concerned has identified a need. The monthly rate shall not exceed \$500 per month for a single language, or \$1,000 per month for any combination of languages.

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED

- (7) Hostile Fire Pay (HFP)/Imminent Danger Pay (IDP) - Paid to members who serve in designated areas subject to specific dangers. IDP is paid on a daily pro-rated basis not to exceed \$225 per month when a member is on official duty in a designated IDP area. The FY 2012 NDAA modified IDP payments, limiting eligibility to only the actual days served in a qualifying area; \$7.50 for each day they are on official duty in an IDP area up to the maximum monthly rate of \$225. HFP is paid \$225 per month when, as certified by the appropriate commander, a member is: Subjected to hostile fire or explosion of a hostile mine, or on duty in an area in close proximity to a hostile fire incident and the member is in danger of being exposed to the same dangers actually experienced by other Service members subjected to hostile fire or explosion of hostile mines, or killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action. If a member receives HFP; IDP cannot be received.
- (8) 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 Title 37 U.S.C., Section 305. The payment is based on member's designated locations. Hardship Duty Pay is payable to members at a monthly rate not to exceed \$1,500.
- (9) Critical Skills Retention Bonus - Authorized under Title 37 U.S.C., Section 355 allows the payment of a retention bonus to enlisted personnel serving on active duty and qualified in a designated critical military skill.
- (10) Assignment Incentive Pay:
 - a. AFSOC Air Operations Flight Assignment Incentive Pay - Incentive pay for personnel assigned to HQ AF Special Operations Command unit and assigned to an operator position and have successfully completed the unit's required initial training course. Paid at \$750/month for personnel who have a post-training cumulative unit assignment time of less than 36 months; and \$1000/month for personnel who have a post-training cumulative unit assignment time of 36 months or more.
 - b. Korea Assignment Incentive Pay (KAIP) - The FY 2005 NDAA Section 617 authorizes assignment incentive pay to personnel assigned to the Republic of Korea who volunteer to extend their service or tours of duty. KAIP is paid at a rate of \$300 per month.
 - c. Creech AFB, NV - Assignment Incentive Pay (CAIP) authorized under Title 37 U.S.C., Section 307a. This is a reinstatement of assignment incentive pay for Creech AFB, eligible recipients will receive \$400 per month.
 - d. Kingsley Field, Klamath Falls, OR (KFAIP) - Assignment Incentive Pay (KFAIP) authorized under Title 37 U.S.C., Section 307a. The Secretary of the Air Force approved and authorized Kingsley Field Assignment Incentive Pay effective 18 July 2016 through 1 January 2018. Eligible recipients of Kingsley Field assignment pay (KFAIP) are Active Duty and Active Duty Guard and Reserve enlisted Airmen and Company Grade Officers assigned to 173rd Fighter Wing, Kingsley Field, and Klamath Falls Oregon. Eligible recipients are paid \$400 per month.
 - e. Turkey Assignment Incentive Pay (TAIP) - Incentive Pay authorized under Title 37 U.S.C., Section 307a, The Secretary of the Air Force approved and authorized Turkey Assignment Incentive Pay with effective dates 29 August 2016 through 31 December 2018. Eligible recipients of Turkey assignment incentive pay (TAIP) are active duty Airmen assigned to Turkey serving a 15-month unaccompanied tour who agree to serve a total of 24 months. TAIP is paid at a rate of \$300 per month.
 - f. RPA Sensor Ops Incentive Pay - Incentive Pay authorized under Title 37 U.S.C., Section 307a. Paid at the same rate as CEFIP and cannot be paid concurrently with CEFIP.
 - g. 724th STG Operator Assignment Incentive Pay - Incentive pay for trained special operations forces and certified Federal Aviation Administration air traffic controllers for their willingness to be the first deployed into combat areas by air, land or sea. Duties involve deploying undetected into combat and hostile environments to establish assault zones or airfields. Paid at a rate of \$750 per month for personnel with a cumulative assignment time of less than 48 months; and \$1,000 per month for personnel with a cumulative assignment time of 48 months or more. Formally Combat Controller Assignment Incentive Pay (CCAIP).
- (11) College Loan Repayment Program - Authorized by Title 10 U.S.C., Section 2171 and P.L. 99-145, Title VI, Section 671 is a recruiting initiative designed to attract the college bound/post college dropout population. Enlisted members must agree to enlist in specified military specialties to qualify. Maximum amount per recruit will not exceed \$10,000. This program is not offered in FY17, any payments in the out years are residual payments. This program will be reviewed annually for applicability.

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED

(12) Pay and Allowance Continuation (PAC) - Authorized under Title 37 U.S.C., Section 328 and DoD FMR Volume 7A, Chapter 13, Paragraph 130203(A) - The Secretary of Defense authorized the continued payment of pay and allowances to service members of the Regular or Reserve Components under the Pay and Allowance Continuation Program effective May 15, 2008. Members of the Regular or Reserve Components who, in the line of duty, incurred a wound, injury, or illness while serving in a combat operation or a combat zone, while serving in a hostile fire area, or while exposed to a hostile fire event (regardless of location), and are hospitalized for treatment of the wound, injury, or illness shall continue to receive the pay and allowances he/she received at the time of hospitalization. These entitlements include special and incentive pays, bonuses, and the daily incidental expense portion of temporary duty allowance authorized for members deployed in a combat operation or combat zone.

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 below.

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Personal Money Allowance (CMSAF)	1	2,000	2	1	2,000	2	1	2,000	2
Sea and Foreign Duty-Total									
Sea Duty	0	0	0	1	4,200	4	1	4,200	4
Overseas Tour Extension Pay	34	2,000	68	103	2,000	206	103	2,000	206
Subtotal Sea and Foreign Duty-Total	34		68	104		210	104		210
Continuation Pay	0	0	0	0	0	0	7,661	7,667	58,731
Diving Duty Basic	49	1,320	65	49	1,320	65	49	1,320	65
Diving Duty Pararescue	1,062	1,800	1,912	1,070	1,800	1,926	5	1,800	9
Foreign Language Proficiency Bonus	5,866	3,881	22,765	5,632	3,901	21,970	5,858	3,936	23,057
Hostile Fire Pay	7,930	2,700	21,413	2,406	2,700	6,496	2,406	2,700	6,496
Hardship Duty Location Pay	17,458	1,200	20,949	4,196	1,200	5,035	4,196	1,200	5,035
Critical Skills Retention Bonus	33	90,000	2,970	33	90,000	2,970	33	90,000	2,970
AFSOC Air Ops Flight AIP	11	9,273	102	13	10,154	132	19	10,895	207
Korea AIP	556	3,600	2,002	799	3,600	2,876	799	3,600	2,876
Creech AIP	0	0	0	726	4,800	3,485	1,742	4,800	8,362
Kingsley Field AIP	0	0	0	271	4,800	1,301	271	4,800	1,301
Turkey AIP	90	3,600	324	1,100	3,600	3,960	1,100	3,600	3,960
RPA Sensor Ops AIP	911	2,355	2,145	911	2,355	2,145	911	2,355	2,145
724th STG Operator AIP	126	10,810	1,362	133	10,805	1,437	134	10,791	1,446

(Amount in Thousands)

PROJECT: SPECIAL PAY - ENLISTED

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Subtotal Assignment Incentive Pay	1,694		5,935	3,953		15,336	4,976		20,297
College Loan Payback Program	777	3,333	2,590	650	3,332	2,166	375	3,333	1,250
Pay and Allowance Continuation (PAC)	11	1,273	14	75	1,267	95	75	1,267	95
TOTAL SPECIAL PAY	34,915		78,683	18,169		56,271	25,739		118,217

**MILITARY PERSONNEL, ACTIVE FORCES
CRITICAL SKILLS RETENTION BONUS
(Amount in Thousands)**

Critical Skills Retention Bonus

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	33	2,970												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			33	2,970										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					33	2,970								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							33	2,970						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									33	2,970				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											33	2,970		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													33	2,970
Anniversary Payments														
Total														
Initial Payments	33	2,970	33	2,970	33	2,970	33	2,970	33	2,970	33	2,970	33	2,970
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	33	2,970	33	2,970	33	2,970	33	2,970	33	2,970	33	2,970	33	2,970

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

AFSOC Air Ops Flight AIP

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	11	102												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			13	132										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					19	207								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							20	219						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									22	240				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											22	240		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													23	258
Anniversary Payments														
Total														
Initial Payments	11	102	13	132	19	207	20	219	22	240	22	240	23	258
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	11	102	13	132	19	207	20	219	22	240	22	240	23	258

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Korea

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	556	2,002												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			799	2,876										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					799	2,876								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							799	2,876						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									799	2,876				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											799	2,876		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													799	2,876
Anniversary Payments														
Total														
Initial Payments	556	2,002	799	2,876	799	2,876	799	2,876	799	2,876	799	2,876	799	2,876
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	556	2,002	799	2,876	799	2,876	799	2,876	799	2,876	799	2,876	799	2,876

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Creech	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		FY 2022	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments														
Anniversary Payments														
Current Year FY 2017														
Initial Payments			726	3,485										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					1,742	8,362								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							1,742	8,362						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									1,742	8,362				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											1,742	8,362		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													1,742	8,362
Anniversary Payments														
Total														
Initial Payments	0	0	726	3,485	1,742	8,362	1,742	8,362	1,742	8,362	1,742	8,362	1,742	8,362
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	726	3,485	1,742	8,362	1,742	8,362	1,742	8,362	1,742	8,362	1,742	8,362

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Kingsley Field

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments														
Anniversary Payments														
Current Year FY 2017														
Initial Payments			271	1,301										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					271	1,301								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							271	1,301						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									271	1,301				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											271	1,301		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													271	1,301
Anniversary Payments														
Total														
Initial Payments	0	0	271	1,301	271	1,301	271	1,301	271	1,301	271	1,301	271	1,301
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	271	1,301	271	1,301	271	1,301	271	1,301	271	1,301	271	1,301

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - Turkey

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	90	324												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			1,100	3,960										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					1,100	3,960								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							1,100	3,960						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									1,100	3,960				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											1,100	3,960		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													1,100	3,960
Anniversary Payments														
Total														
Initial Payments	90	324	1,100	3,960	1,100	3,960	1,100	3,960	1,100	3,960	1,100	3,960	1,100	3,960
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	90	324	1,100	3,960	1,100	3,960	1,100	3,960	1,100	3,960	1,100	3,960	1,100	3,960

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

Assignment Incentive Pay - RPA Sensor Ops

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	911	2,145												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			911	2,145										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					911	2,145								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							911	2,145						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									911	2,145				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											911	2,145		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													911	2,145
Anniversary Payments														
Total														
Initial Payments	911	2,145	911	2,145	911	2,145	911	2,145	911	2,145	911	2,145	911	2,145
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	911	2,145	911	2,145	911	2,145	911	2,145	911	2,145	911	2,145	911	2,145

**MILITARY PERSONNEL, ACTIVE FORCES
ASSIGNMENT INCENTIVE PAY
(Amount in Thousands)**

724th STG Operator AIP

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)														
Accelerated Payments														
Prior Year FY 2016														
Initial Payments	126	1,362												
Anniversary Payments														
Current Year FY 2017														
Initial Payments			133	1,437										
Anniversary Payments														
Biennial Budget FY 2018														
Initial Payments					134	1,446								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							134	1,446						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									134	1,446				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											134	1,446		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													134	1,446
Anniversary Payments														
Total														
Initial Payments	126	1,362	133	1,437	134	1,446	134	1,446	134	1,446	134	1,446	134	1,446
Anniversary Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	126	1,362	133	1,437	134	1,446	134	1,446	134	1,446	134	1,446	134	1,446

(Amount in Thousands)

PROJECT: SPECIAL DUTY ASSIGNMENT PAY - ENLISTED

FY 2018 Estimate 64,961
FY 2017 Estimate 64,961
FY 2016 Actual 53,650

PART I - PURPOSE AND SCOPE

Special Duty Assignment Pay (SDAP) is authorized by Title 37 U.S.C., Section 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 in a military skill.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SDAP is currently authorized for recruiters, basic military training instructors, human intelligence debriefers, combat controllers, pararescue personnel, Command Chief Master Sergeants, First Sergeants, defense attaché personnel, enlisted AFSCs critical to the Nuclear Enterprise, AFOSI agents, air traffic control supervisors, postal and NDAC support personnel, tactical air command and control personnel, enlisted weapons directors, parachute instructors, test parachute program, combat weather personnel, Phoenix Raven Security Forces personnel, forward area refueling point personnel, flying crew chiefs, defense couriers, members of two joint and 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.

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

	<u>FY 2016 Actual</u>		<u>FY 2017 Estimate</u>		<u>FY 2018 Estimate</u>	
	Number	Amount	Number	Amount	Number	Amount
SD-6 (\$450)	1,992	10,757	3,349	18,085	3,349	18,085
SD-5 (\$375)	3,007	13,532	2,910	13,095	2,910	13,095
SD-4 (\$300)	1,120	4,032	1,393	5,015	1,393	5,015
SD-3 (\$225)	4,660	12,582	4,818	13,009	4,818	13,009
SD-2 (\$150)	6,109	10,996	7,821	14,078	7,821	14,078
SD-1 (\$75)	1,946	1,751	1,866	1,679	1,866	1,679
TOTAL SPECIAL DUTY ASSIGNMENT PAY	18,834	53,650	22,157	64,961	22,157	64,961

(Amount in Thousands)

PROJECT: SELECTIVE RETENTION BONUS - ENLISTED

FY 2018 Estimate	281,547
FY 2017 Estimate	269,669
FY 2016 Actual	233,875

PART I - PURPOSE AND SCOPE

A Selective Retention Bonus (SRB) is authorized by Title 37 U.S.C., Section 331 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 as well as retain vital experience necessary to meet current and emerging missions. An SRB is a retention tool used to address reenlistment problems between 17 months to 20 years of total active federal military service. The bonus amount is calculated by multiplying the member's base pay 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 - 100% upon the reenlistment date with the remainder paid in equal annual payments on the anniversary of the member's reenlistment date (if applicable). Average rates paid change in connection with multiples authorized, years of reenlistment and annual pay raises.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Selective Retention 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.

Maintaining skilled manning in line with requirements as well as retaining essential experience required to meet current and emerging missions is the intent of the SRB. The Air Force competes with the civilian sector for highly marketable skills and as retention continues to be a top priority, expanded monetary inducements are required to keep highly trained and experienced Air Force personnel. These bonuses as well as the required funding are critical to the Air Force's current growth plan in order to address key gaps in nuclear, maintenance, cyber, intelligence, remotely piloted aircraft, and support.

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.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Average Rate	Amount	Number	Average Rate	Amount	Number	Average Rate	Amount
Initial Payments	5,913	26,370	155,924	6,322	29,099	183,965	5,180	40,300	208,755
Anniversary Payments	13,424	5,767	77,418	13,287	6,450	85,704	12,613	5,771	72,792
Accelerated Payments	38	14,026	533	0	0	0	0	0	0
TOTAL	19,375		233,875	19,609		269,669	17,793		281,547

(Amount in Thousands)

PROJECT: SELECTIVE RETENTION BONUS - ENLISTED

	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		FY 2022	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations (FY15 & Prior)	13,424	77,418	8,951	45,607	5,158	26,685	2,482	12,532	547	2,387				
Accelerated Payments	38	533												
Prior Year FY 2016														
Initial Payments	5,913	155,924												
Anniversary Payments			4,336	40,097	2,324	10,054	2,177	9,418	984	3,913	131	466		
Current Year FY 2017														
Initial Payments			6,322	183,965										
Anniversary Payments					5,131	36,053	3,756	19,957	3,515	17,882	1,591	6,732	214	746
Biennial Budget FY 2018														
Initial Payments					5,180	208,755								
Anniversary Payments														
Biennial Budget FY 2019														
Initial Payments							6,090	241,272						
Anniversary Payments														
Biennial Budget FY 2020														
Initial Payments									6,065	240,411				
Anniversary Payments														
Biennial Budget FY 2021														
Initial Payments											5,840	232,351		
Anniversary Payments														
Biennial Budget FY 2022														
Initial Payments													5,655	225,846
Anniversary Payments														
Total														
Initial Payments	5,913	155,924	6,322	183,965	5,180	208,755	6,090	241,272	6,065	240,411	5,840	232,351	5,655	225,846
Anniversary Payments	13,462	77,951	13,287	85,704	12,613	72,792	8,415	41,907	5,046	24,182	1,722	7,198	214	746
Total SRB	19,375	233,875	19,609	269,669	17,793	281,547	14,505	283,179	11,111	264,593	7,562	239,549	5,869	226,592

(Amount in Thousands)

PROJECT: ENLISTMENT BONUS

FY 2018 Estimate	16,492
FY 2017 Estimate	16,125
FY 2016 Actual	13,403

PART I - PURPOSE AND SCOPE

An Initial Enlistment Bonus (IEB) is authorized by Title 37 U.S.C., Section 331 and DOD Instruction 1304.31, Enclosure 3, as an incentive to induce individuals to enlist for a period of at least four years in specific, critical military skills. The IEB program was implemented to: (1) improve our ability to sustain our critical/technical skills by incentivizing initial enlistment for six years instead of four; (2) position the Air Force 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 United States Air Force; and (4) with anticipated improved retention through the first 6-years, reduce our non-prior service goal. The maximum bonus authorized by law is \$50,000 for a minimum two-year period.

The Air Force evaluates the IEB program each fiscal year to ensure the most critical Air Force Specialties (AFS) are targeted to meet critical accession requirements. We utilize force management data along with accession requirements, and first term airmen attrition rates, to project bonus payments for the IEB program. Since the critical skills vary from year-to-year, the career fields and associated bonus amounts can vary. Airmen contracted under an IEB will not receive their IEB payment until completion of their required training. Since formal training for each AFS varies, it is possible some contracted bonuses may have delayed payments exceeding two years. For example, an Airman may have been contracted under the FY 2016 IEB authorization when they enlisted, but not receive their bonus payment until FY 2017 when they complete their training.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funds are required for the most hard to fill skills, typically these consist of our Battlefield Airmen careers, such as Combat Control, Pararescue and EOD, and Cyber Systems Security careers.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: ENLISTMENT BONUS

FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
0	1,000	0	0	1,000	0	0	1,000	0
0	1,500	0	0	1,500	0	0	1,500	0
691	2,000	1,382	3,535	2,000	7,070	3,386	2,000	6,772
14	3,000	42	0	3,000	0	0	3,000	0
0	4,000	0	10	4,000	40	10	4,000	40
0	5,000	0	0	5,000	0	0	5,000	0
4	6,000	24	10	6,000	60	10	6,000	60
214	7,000	1,498	100	7,000	700	100	7,000	700
30	8,000	240	25	8,000	200	25	8,000	200
0	9,000	0	0	9,000	0	0	9,000	0
0	10,000	0	10	10,000	100	9	10,000	90
221	11,000	2,431	225	11,000	2,475	275	11,000	3,025
249	12,000	2,988	125	12,000	1,500	150	12,000	1,800
90	13,000	1,170	85	13,000	1,105	85	13,000	1,105
55	14,000	770	125	14,000	1,750	150	14,000	2,100
173	15,000	2,595	75	15,000	1,125	40	15,000	600
0	16,000	0	0	16,000	0	0	16,000	0
7	17,000	119	0	17,000	0	0	17,000	0
8	18,000	144	0	18,000	0	0	18,000	0
Total	1,756	13,403	4,325		16,125	4,240		16,492

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING - ENLISTED

FY 2018 Estimate	3,739,482
FY 2017 Estimate	3,608,451
FY 2016 Actual	3,598,797

PART I - PURPOSE AND SCOPE

BAH provides members a monthly allowance for housing, and consists of BAH, BAH Differential, Partial BAH, Overseas Housing Allowance (OHA), Moving In Housing Allowance (MIHA), and Family Separation Housing (FSH). The BAH combines housing payments formerly provided by Basic Allowance for Quarters (BAQ), Variable Housing Allowance (VHA) and Family Separation Allowance Type I. Payment to service members is authorized by revisions to Title 37 U.S.C., Section 403.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Basic Allowance for Housing (BAH) Fiscal Year 2018 annualized inflation rate is 3.1 percent. The January 1, 2017 and January 1, 2018 BAH inflation rate assumption are respectively, 2.8 percent and 3.2 percent on-average reflecting the Department's move to slow the growth of pay and benefits. The 2016 NDAA provided the authority to slow the rate of growth in BAH by 1 percent per year until 5 percent out-of-pocket is reached. The FY 2018 budget reflects this authority by incorporating a 4 percent out-of-pocket rate comprised of 1 percent as authorized in the 2015 NDAA and the cumulative 3 percent authorized in the 2016 NDAA. The actual implementation of the out-of-pocket adjustment is computed based on a percentage of the national median cost, so that the actual out-of-pocket dollar amount will be the same by grade and dependency status in every military housing area. However, it should be noted that the annualized 3.1 percent increase is a budgetary planning factor and actual rates will continue to be set by the individual location based on the current local rental housing market survey process.

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

With Dependents

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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	2,099	23,504	49,335	2,068	24,162	49,967	2,129	24,911	53,035
Senior Master Sergeant	3,962	22,080	87,481	3,819	22,698	86,684	3,875	23,402	90,682
Master Sergeant	19,498	20,697	403,552	18,989	21,277	404,022	19,282	21,936	422,974
Technical Sergeant	29,133	19,567	570,031	28,157	20,114	566,361	28,420	20,738	589,371
Staff Sergeant	34,639	17,459	604,753	34,359	17,948	616,662	35,181	18,504	650,989
Senior Airman	21,294	15,659	333,452	20,017	16,098	322,231	19,864	16,597	329,681
Airman First Class	9,059	15,789	143,030	9,055	16,231	146,970	9,325	16,734	156,045
Airman	768	15,710	12,065	886	16,149	14,308	909	16,650	15,135
Airman Basic	796	16,370	13,031	914	16,829	15,381	919	17,350	15,945
Subtotal with Dependents	121,248		2,216,730	118,264		2,222,586	119,904		2,323,857

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING - ENLISTED

	<u>FY 2016 Actual</u>		<u>FY 2017 Estimate</u>		<u>FY 2018 Estimate</u>				
	<u>Workyears</u>	<u>Amount</u>	<u>Workyears</u>	<u>Amount</u>	<u>Workyears</u>	<u>Amount</u>			
<u>Differential</u>	203	719	207	752	211	792			
<u>Without Dependents - Full Allowance</u>									
	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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	197	21,524	4,240	193	22,126	4,270	198	22,812	4,517
Senior Master Sergeant	506	20,318	10,281	485	20,887	10,130	492	21,534	10,595
Master Sergeant	2,908	18,431	53,597	2,822	18,947	53,467	2,866	19,534	55,984
Technical Sergeant	6,313	17,281	109,093	6,083	17,764	108,061	6,140	18,315	112,455
Staff Sergeant	17,259	15,688	270,752	17,082	16,127	275,477	17,491	16,627	290,817
Senior Airman	26,404	13,261	350,158	24,756	13,633	337,494	24,565	14,055	345,271
Airman First Class	3,963	12,496	49,521	3,979	12,846	51,114	4,098	13,244	54,274
Airman	243	11,759	2,858	285	12,088	3,445	292	12,463	3,639
Airman Basic	147	11,553	1,698	170	11,876	2,019	171	12,245	2,094
Subtotal without Dependents (Full)	57,940		852,198	55,855		845,477	56,313		879,646
<u>Without Dependents - Partial Allowance</u>									
	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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	3	236	1	3	243	1	3	250	1
Senior Master Sergeant	16	193	3	16	199	3	16	205	3
Master Sergeant	96	152	15	98	157	15	99	161	16
Technical Sergeant	244	126	31	245	129	32	247	133	33
Staff Sergeant	1,265	110	139	1,292	113	146	1,322	116	154
Senior Airman	7,345	103	755	7,144	106	755	7,085	109	772
Airman First Class	28,696	99	2,837	30,392	102	3,090	31,298	105	3,280
Airman	4,691	91	429	5,599	94	527	5,743	97	557
Airman Basic	7,269	88	637	8,397	90	756	8,447	93	784
Subtotal without Dependents (Partial)	49,625		4,847	53,186		5,325	54,260		5,600
TOTAL BAH - DOMESTIC			3,074,494			3,074,140			3,209,895

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR HOUSING (OVERSEAS) - ENLISTED**With Dependents**

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Grade									
Chief Master Sergeant	178	30,438	5,418	182	30,714	5,590	187	30,080	5,625
Senior Master Sergeant	431	28,900	12,456	440	29,341	12,910	446	28,729	12,813
Master Sergeant	2,119	28,756	60,934	2,157	29,210	63,007	2,186	28,600	62,519
Technical Sergeant	3,354	28,255	94,766	3,373	28,701	96,807	3,398	28,101	95,487
Staff Sergeant	3,872	26,230	101,563	3,954	26,677	105,482	4,042	26,120	105,578
Senior Airman	1,655	24,953	41,297	1,610	25,330	40,782	1,593	24,802	39,509
Airman First Class	429	24,545	10,530	455	25,055	11,400	468	24,534	11,482
Airman	33	24,273	801	39	25,077	978	40	24,575	983
Airman Basic	3	25,000	75	3	25,333	76	3	24,667	74
Subtotal with Dependents	12,074		327,840	12,213		337,032	12,363		334,070

Without Dependents

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Grade									
Chief Master Sergeant	27	26,111	705	27	25,185	680	28	24,643	690
Senior Master Sergeant	84	23,893	2,007	86	23,872	2,053	87	23,379	2,034
Master Sergeant	443	23,865	10,572	451	23,412	10,559	458	22,926	10,500
Technical Sergeant	1,284	23,338	29,966	1,291	23,202	29,954	1,303	22,719	29,603
Staff Sergeant	3,386	22,135	74,950	3,458	22,121	76,494	3,540	21,660	76,677
Senior Airman	3,251	20,554	66,820	3,163	20,672	65,387	3,139	20,242	63,539
Airman First Class	301	18,123	5,455	318	18,336	5,831	328	17,954	5,889
Airman	9	18,111	163	11	18,455	203	11	18,000	198
Airman Basic	2	19,500	39	2	20,000	40	2	19,500	39
Subtotal without Dependents	8,787		190,677	8,807		191,201	8,896		189,169
Moving-In Housing Allowance	9,234	627	5,786	9,435	644	6,078	9,559	664	6,348
TOTAL BAH - OVERSEAS			524,303			534,311			529,587
GRAND TOTAL BAH			3,598,797			3,608,451			3,739,482

(Amount in Thousands)

PROJECT: STATION ALLOWANCE, OVERSEAS - ENLISTED

FY 2018 Estimate	368,739
FY 2017 Estimate	362,565
FY 2016 Actual	375,772

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, including quarters, subsistence and other necessary incidental expenses as prescribed by the Joint Travel Regulation and authorized under the provisions of Title 37 U.S.C., Section 475.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Station Allowances, Overseas consists of Cost Of Living Allowance (COLA) and Temporary Lodging Allowance (TLA).

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 bi-weekly decisions by the DoD Per Diem, Travel and Transportation Allowance Committee (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. 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 and temporary lodging allowance are based on authorized overseas strengths for each fiscal year.

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

Cost of Living

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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	561	10,168	5,704	571	9,601	5,482	588	9,602	5,646
Senior Master Sergeant	1,235	9,346	11,542	1,262	8,821	11,132	1,280	8,822	11,292
Master Sergeant	5,645	8,622	48,674	5,746	8,112	46,609	5,832	8,113	47,313
Technical Sergeant	9,224	7,730	71,303	9,276	7,284	67,564	9,352	7,284	68,124
Staff Sergeant	14,555	6,462	94,049	14,864	6,087	90,470	15,200	6,087	92,525
Senior Airman	12,410	5,181	64,297	12,070	4,878	58,877	11,963	4,879	58,364
Airman First Class	8,952	3,985	35,670	9,481	3,726	35,325	9,760	3,726	36,367
Airman	1,071	3,690	3,952	1,278	3,494	4,465	1,311	3,494	4,581
Airman Basic	108	3,565	385	125	3,360	420	126	3,365	424
Subtotal Cost of Living	53,761		335,576	54,673		320,344	55,412		324,636
<u>Temporary Lodging Allowance</u>	48,877	822	40,196	49,941	845	42,221	50,598	872	44,103
TOTAL STATION ALLOWANCES-OVERSEAS			375,772			362,565			368,739

(Amount in Thousands)

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

FY 2018 Estimate	1,045
FY 2017 Estimate	1,010
FY 2016 Actual	970

PART I - PURPOSE AND SCOPE

In Title 37 U.S.C., Section 403b Congress approved the payment of a Cost of Living Allowance (COLA) to service members assigned to high cost areas in the Continental United States (CONUS).

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% 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% of the national cost of living average.

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>
CONUS COLA	1,487	652	970	1,519	665	1,010	1,539	679	1,045

(Amount in Thousands)

PROJECT: CLOTHING ALLOWANCE - ENLISTED

FY 2018 Estimate	136,630
FY 2017 Estimate	135,451
FY 2016 Actual	132,556

PART I - PURPOSE AND SCOPE

Funds provide payment to enlisted personnel for prescribed clothing, authorized by the Secretary of Defense under the provisions of Title 37 U.S.C., Section 418. This program 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.
- (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 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.
- (6) Replacement allowance for Wounded Warrior under the provisions of Title 10 U.S.C., Section 1047 the Air Force allows clothing allowance not to exceed \$250 for each Air Force Medical Evacuee.

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, as 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 is based on the number of accessions programmed.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: CLOTHING ALLOWANCE - ENLISTED

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
<u>Initial Allowances</u>									
<u>Military Clothing</u>									
Civilian Life (Male)	24,461	1,389	33,981	24,605	1,396	34,355	22,528	1,424	32,084
Civilian Life (Female)	7,036	1,598	11,243	6,395	1,608	10,282	6,472	1,640	10,614
Officer Tng School (Male)	1,735	375	650	1,720	381	656	1,826	389	710
Officer Tng School (Female)	561	375	210	489	381	186	390	389	152
AF Academy Prep (Male)	6	983	6	106	1,000	106	111	1,020	113
AF Academy Prep (Female)	42	983	41	53	1,000	53	55	1,020	56
Subtotal Military Clothing	33,841		46,131	33,368		45,638	31,382		43,729
<u>Civilian Clothing</u>									
Initial	823	1,022	841	840	1,041	875	852	1,062	905
Continuing	2,726	341	929	2,785	347	967	2,822	354	999
TDY	2,396	511	1,225	2,449	521	1,275	2,481	531	1,317
Subtotal Civilian Clothing	5,945		2,995	6,074		3,117	6,155		3,221
TOTAL INITIAL ALLOWANCES	39,786		49,126	39,442		48,755	37,537		46,950
<u>Maintenance Allowance</u>									
<u>Military Clothing</u>									
Airmen (Male)	43,225	248	10,737	45,474	245	11,157	46,122	250	11,542
Airmen (Female)	10,389	252	2,618	11,004	247	2,720	11,160	252	2,814
Subtotal	53,614		13,355	56,478		13,877	57,282		14,356
<u>Standard Maintenance Allowance</u>									
<u>Military Clothing (37th Month)</u>									
Airmen (Male)	148,472	353	52,381	155,307	350	54,432	157,502	357	56,305
Airmen (Female)	33,908	360	12,207	35,921	353	12,685	36,429	360	13,121
Subtotal	182,380		64,588	191,228		67,117	193,931		69,426
<u>Supplemental Maint. Allow.</u>	18,907	290	5,487	19,300	295	5,702	19,572	301	5,898
TOTAL CLOTHING ALLOWANCE			132,556			135,451			136,630

(Amount in Thousands)

PROJECT: FAMILY SEPARATION ALLOWANCES - ENLISTED

FY 2018 Estimate	24,195
FY 2017 Estimate	23,877
FY 2016 Actual	45,447

PART I - PURPOSE AND SCOPE

Under the provision of Title 37 U.S.C., Section 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.

FSA is payable when a member with dependents makes a permanent change of station (PCS) move, or member is on temporary duty (TDY) 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 monthly rate is \$250 and is prorated to \$8.33 per day after 30 days.

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:

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>
PCS CONUS or Overseas with dependents not authorized	5,405	3,000	16,214	5,522	3,000	16,566	5,595	3,000	16,785
TDY CONUS or Overseas for more than 30 days with dependents not residing near TDY station	9,744	3,000	29,233	2,437	3,000	7,311	2,470	3,000	7,410
TOTAL FAMILY SEPARATION ALLOWANCE	15,149		45,447	7,959		23,877	8,065		24,195

(Amount in Thousands)

PROJECT: AID AND ATTENDANCE ALLOWANCE FOR CATASTROPHICALLY INJURED

FY 2018 Estimate 361
FY 2017 Estimate 361
FY 2016 Actual 361

PART I – PURPOSE AND SCOPE

Under the provisions of Title 37 U.S.C., Section 439, members of the uniformed services with catastrophic injuries or illnesses requiring assistance in everyday living. The term “catastrophic injury or illness” means a permanent, severely disabling injury, disorder, or illness the Secretary concerned determines compromises the ability of the afflicted person to carry out the activities of daily living to such a degree the member requires (1) personal or mechanical assistance to leave home or bed; or (2) constant supervision to avoid physical harm to self or others.

PART II- JUSTIFICATION OF FUNDS REQUESTED

The entitlement for special monthly compensation will be based on the following: (1) the catastrophic injury or illness was incurred or aggravated in the line of duty; (2) licensed physician certification that the injured Service member requires the aid and assistance of another person to perform the personal functions required in everyday living; (3) in the absence of the provision of such assistance, would require hospitalization, nursing home care, or other residential institutional care; and (4) meets such other criteria, if any, as determined by the Secretary of Defense (or the Secretary of Homeland Security, with respect to the Coast Guard).

The amount of monthly special compensation payable to a member under subsection (a) shall be determined under criteria prescribed by the Secretary of Defense (or the Secretary of Homeland Security, with respect to the Coast Guard), but may not exceed the amount of aid and attendance allowance authorized by Title 38 U.S.C., Section 1114(r)(2) or sub-paragraph (C) Section 1720G(a)(3) for veterans in need of aid and attendance.

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
	Amount	Amount	Amount
Special Monthly Compensation	361	361	361

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - ENLISTED

FY 2018 Estimate	130,904
FY 2017 Estimate	145,064
FY 2016 Actual	141,786

PART I - PURPOSE AND SCOPE

Funds provide payment to enlisted personnel for:

- (1) Lump Sum Terminal Leave - Payments to members for unused accrued leave at time of discharge (under honorable conditions), retirement or death under the provisions of Title 37 U.S.C., Section 501.
- (2) Disability Severance Pay - Payments to members who are involuntarily discharged or released from active duty. Disability severance pay is paid to a member separated from the service for a physical disability under provisions of Title 10 U.S.C., Section 1212.
- (3) Involuntary Separation Pay - Payments to members separated from the service for non-disability reasons under the provisions of Title 10 U.S.C., Section 1174 categorized as full pay or half pay. For full pay the member must be involuntarily separated and fully qualified for retention and the discharge must be characterized as honorable. For half pay the member must be involuntarily separated with the discharge characterized as honorable or under honorable conditions (general) and conditions apply as determined by the Secretary.
- (4) Temporary Early Retirement Authorization (TERA) - FY 2012 NDAA, P.L. 112-81, Division A, Title V, Section 504(b) authorized the Service Secretaries to pursue early retirement for eligible Service members with 15 years to less than 20 years of service.
- (5) Voluntary Separation Pay (VSP) - Payment to members who voluntarily separate from active duty during eligible periods under the provisions of Title 10 U.S.C., Section 1175. The authorized payment amount cannot be greater than four times the full amount of separation pay for a member of the same pay grade and years of service who is involuntarily separated under Section 1174.
- (6) Voluntary Separation Incentive (VSI) Trust Fund - To cover the unfunded liability for those members accepting VSI benefits prior to January 1, 1993.
- (7) Career Status Bonus - FY 2000 NDAA authorized the payment of \$30,000. The FY 2000 NDAA, provided 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 "Redux" retirement plan. The FY 2002 NDAA authorized the option to receive the bonus in annual installments.

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. 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 month's times years of service times a specific percent based on the separation criteria.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: SEPARATION PAYMENTS - ENLISTED

**Lump Sum Terminal
Leave Payments**

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Payments	Average Rate	Amount	Payments	Average Rate	Amount	Payments	Average Rate	Amount
<u>Grade</u>									
Chief Master Sergeant	333	2,375	791	362	2,423	877	355	2,473	878
Senior Master Sergeant	628	2,043	1,283	678	2,081	1,411	663	2,125	1,409
Master Sergeant	2,517	1,590	4,001	2,704	1,620	4,380	2,645	1,654	4,374
Technical Sergeant	2,221	1,792	3,980	2,296	1,826	4,193	2,241	1,864	4,178
Staff Sergeant	5,664	1,389	7,867	5,874	1,415	8,314	5,650	1,445	8,165
Senior Airman	6,879	999	6,870	7,241	1,018	7,369	6,934	1,039	7,204
Airman First Class	2,059	1,264	2,602	2,174	1,288	2,800	2,080	1,315	2,735
Airman	836	1,361	1,138	883	1,387	1,225	845	1,415	1,196
Airman Basic	1,184	637	754	1,250	649	811	1,196	662	792
Subtotal LSTL	22,321		29,286	23,462		31,380	22,609		30,931
<u>Separation Pay</u>									
Disability	874	44,851	39,200	874	45,703	39,945	892	46,663	41,624
Invol-Half Pay 5%	471	16,783	7,905	471	17,102	8,055	487	17,461	8,504
Invol-Full Pay 10%	1,041	35,532	36,989	1,041	36,207	37,692	1,076	36,968	39,777
TERA	3	59,333	178	0	0	0	0	0	0
VSP	0	0	0	0	0	0	0	0	0
VSI Trust Fund			5,658			4,922			4,278
Subtotal Separation Pay	2,389		89,930	2,386		90,614	2,455		94,183
Career Status Bonus	753	29,973	22,570	769	30,000	23,070	193	30,000	5,790
TOTAL SEPARATION PAYMENTS	25,463		141,786	26,617		145,064	25,257		130,904

(Amount in Thousands)

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

FY 2018 Estimate	704,515
FY 2017 Estimate	682,553
FY 2016 Actual	676,024

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 Title 26 U.S.C., Sections 3101 and 3111.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funds represent the Air Force contribution (as an employer) as required by the FICA under the provisions of Title 26 U.S.C., Sections 3101, and 3111.

Social Security costs are based on the percentage rates 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 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% and the Hospital Insurance (HI) is 1.45%. There is no wage cap on the 1.45% medical contribution. The Government's contribution for Social Security is as follows:

- Calendar Year 2016 - 7.65% on first \$118,500 and 1.45% on the remainder
 - Calendar Year 2017 - 7.65% on first \$127,200 and 1.45% on the remainder
 - Calendar Year 2018 - 7.65% on first \$129,900 and 1.45% on the remainder
- Details of the cost computation are provided in the following table:

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Basic Pay	Rate	Amount	Basic Pay	Rate	Amount	Basic Pay	Rate	Amount
Social Security	8,836,921	7.65%	676,024	8,922,249	7.65%	682,553	9,209,338	7.65%	704,515

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**PAY AND ALLOWANCES
OF CADETS**

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

		<u>AMOUNT</u>
FY 2017 DIRECT PROGRAM		76,488
Pricing Increase	1,698	
Annualization (PI):	294	
Annualization 1 Jan 17 raise of 2.1% on Basic Pay	273	
Annualization of raise on FICA	21	
Pay Raise (PI):	883	
1 Jan 18 pay raise of 2.1% effect on Basic Pay	820	
1 Jan 18 pay raise effect on FICA	63	
Other (PI):	521	
Subsistence Rate Increase	521	
Program Increase	96	
Strength (PGI):	96	
Increase in workyears for Basic Pay	65	
Increase in workyears Subsistence	5	
Increase in workyears FICA	26	
Total Increases:		1,794
Pricing Decrease	(2)	
Other (PD):	(2)	
Decrease in Other FICA Payments	(2)	
Program Decrease	0	
Total Decreases:		(2)
FY 2018 DIRECT PROGRAM		78,280

(Amount in Thousands)

PROJECT: ACADEMY CADETS

FY 2018 Estimate	78,280
FY 2017 Estimate	76,488
FY 2016 Actual	73,415

PART I - PURPOSE AND SCOPE

Funds provide (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 Title 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 FY 2000 National Defense Authorization Act (NDAA) requires cadet strength limitations to be measured annually as of the day before graduation versus the end of the fiscal year. The FY 2001 NDAA (Sec. 612) approved linking cadet pay to 35% of the basic pay of a second lieutenant with less than two years of service. FY2016 funding requirements included a 1.3% pay raise. The budget for FY 2017 provides a basic pay increase of 2.1% and 2.1% for FY 2018, effective 1 January each year. The annualized pay raise is 1.9% for FY 2017 and 2.1% for FY 2018. Rates may vary due to advance pay indebtedness write-offs authorized by Title 10 U.S.C 9350.

The daily subsistence rates by calendar year are provided in the following table:

Calendar Year 2016 - \$12.25
 Calendar Year 2017 - \$13.85
 Calendar Year 2018 - \$14.20

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 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>Basic Pay</u>	4,098	12,438	50,971	4,105	12,681	52,054	4,110	12,947	53,212
<u>Subsistence</u>	4,098	4,537	18,594	4,105	4,994	20,502	4,110	5,121	21,049
<u>Social Security Tax (Employer's Contribution)</u>	4,047		3,850	4,053		3,932	4,058		4,019
TOTAL ACADEMY CADETS			73,415			76,488			78,280

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**SUBSISTENCE OF
ENLISTED PERSONNEL**

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

		<u>AMOUNT</u>
FY 2017 DIRECT PROGRAM		1,089,342
Pricing Increase		28,673
Annualization 1 Jan 17 inflation rate of 0% on BAS	6,320	
1 Jan 18 inflation rate of 3.4% effect on BAS	18,960	
Increase in SIK - Subsist In Mess Total Pricing	3,066	
Increase in SIK - Operational Pricing	227	
Increase in SIK - Augmentation Rations Pricing	100	
Program Increase		12,923
Increase in Subsistence - BAS Enlisted Program	12,646	
Increase in SIK - Subsist In Mess Total Program	275	
Increase in SIK - Operational Program	1	
Increase in Family Subsist Sup Allow Program	1	
Total Increases		41,596
Pricing Decrease		0
Program Decrease		0
Total Decreases		0
FY 2018 DIRECT PROGRAM		1,130,938

(Amount in Thousands)

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE

FY 2018 Estimate	1,029,962
FY 2017 Estimate	991,508
FY 2016 Actual	997,548

PART I - PURPOSE AND SCOPE

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

All enlisted members, except those in basic training and others in accordance with Title 37 U.S.C., Section 402, will receive Basic Allowance for Subsistence (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 January. 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.

The monthly BAS rate is computed by the preceding year rate plus the percentage increase in the monthly cost of the United States Department of Agriculture (USDA) liberal food plan for a male in the United States who is between the ages of 20 and 50 years. The annualized inflation rate is 0.025% for FY 2017 and 2.55% for FY 2018.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
When Authorized to Mess Separately	253,183	4,418	1,118,655	252,357	4,419	1,115,285	255,631	4,532	1,158,561
Less Collections			(121,107)			(123,777)			(128,599)
GRAND TOTAL			997,548			991,508			1,029,962

(Amount in Thousands)

PROJECT: FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE (FSSA)

FY 2018 Estimate	9
FY 2017 Estimate	8
FY 2016 Actual	8

PART I - PURPOSE AND SCOPE

Family Subsistence Supplemental Allowance (FSSA) was authorized in the FY 2001 NDAA. Under the provision of Title 37 U.S.C., Section 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 Supplemental Nutrition Assistance Program (SNAP).

PART II - JUSTIFICATION OF FUNDS REQUESTED

Effective 1 May 2001, eligible members can receive a monthly entitlement in an amount equal to the total dollars required to bring the member's household income to 130% of the poverty line, not to exceed \$1,100 per month. FSSA is a non-taxable supplemental subsistence allowance. FY 2006 NDAA Section 708 made FSSA authorization permanent. Section 602 of the FY 2016 National Defense Authorization Act (P.L. 114-92) eliminates program eligibility of CONUS members effective October 1, 2016.

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

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Family Subsist Sup Allow	8	8	9

(Amount in Thousands)

PROJECT: SUBSISTENCE-IN-KIND

FY 2018 Estimate	136,688
FY 2017 Estimate	133,019
FY 2016 Actual	232,704

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 operational rations, augmentation rations, testing of new food items, medical dining facilities 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.

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. The annualized BAS inflation rate is 0.025% for FY 2017 and 2.55% for FY 2018. Other SIK elements are computed at the contract rate per unit.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Annual Rate	Amount	Number	Annual Rate	Amount	Number	Annual Rate	Amount
<u>Subsistence in Mess</u>									
Trainee/Non-Pay Status	5,981	4,015	24,011	5,981	4,015	24,011	5,981	4,117	24,623
Members Taking Meals in Mess			193,314			96,213			98,942
Subtotal Subsistence-In-Mess			217,325			120,224			123,565
<u>Operational Rations</u>									
Meals Ready to Eat	86,114	109	9,373	79,316	109	8,634	79,316	112	8,855
Unitized Group Rations	6,065	349	2,114	775	348	270	775	357	277
Subtotal Operational Rations	92,179		11,487	80,091		8,904	80,091		9,132
<u>Augmentation Rations</u>									
Augmentation Rations	18,165	13	229	18,165	13	229	18,165	13	235
Other - Messing	208,921	18	3,663	208,921	18	3,662	208,921	18	3,756
Subtotal Augmentation Rations/Other	227,086		3,892	227,086		3,891	227,086		3,991
GRAND TOTAL SIK	325,246		232,704	313,158		133,019	313,158		136,688
GRAND TOTAL Enlisted Subsistence			1,230,260			1,124,535			1,166,659

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**PERMANENT CHANGE
OF
STATION TRAVEL**

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

AMOUNT

FY 2017 DIRECT PROGRAM

1,242,933

Pricing Increase

28,571

Annualization (PI):

700

Annualization 1 Jan 17 raise of 2.1% effect on DLA for PCS moves

700

Pay Raise (PI):

2,099

1 Jan 18 pay raise of 2.1% effect on DLA for PCS moves

2,099

Inflation Rate (PI):

16,376

Increase in rate of Land

12,962

Increase in rate of ITGBL (HHG)

3,414

Other (PI):

9,396

Increase in Mile-Per Diem Pricing

3,986

Increase in AMC Pricing

1,465

Increase in Comm Air Pricing

624

Increase in M Tons MSC Pricing

182

Increase in S Tons AMC Pricing

1,474

Increase in Trans of POV Pricing

2

Increase in NonTemp Storage Pricing

896

Increase in Temp Lodging Pricing

767

Program Increase

300

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

		<u>AMOUNT</u>
Other (PGI):	300	
Increase in POV Contracts Program	300	
Total Increases		28,871
Pricing Decrease		0
Program Decrease		(16,337)
Strength (PGD):	(8,806)	
Decrease in DLA Program	(912)	
Decrease in strength of Land	(6,249)	
Decrease in strength of ITGBL (HHG)	(1,645)	
Other (PGD):	(7,531)	
Decrease in Mile-Per Diem Program	(3,576)	
Decrease in AMC Program	(970)	
Decrease in Comm Air Program	(414)	
Decrease in M Tons MSC Program	(88)	
Decrease in S Tons AMC Program	(708)	
Decrease in NonTemp Storage Program	(598)	
Decrease in Temp Lodging Program	(217)	
Decrease in Defense Personnel Property System (DPS) Program	(960)	
Total Decreases		(16,337)
FY 2018 DIRECT PROGRAM		1,255,467

PART I - 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; personally procured movement of household goods; 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) and Military Traffic Management Command (MTMC); 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 Surface Deployment and Distribution Command (SDDC) 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 an estimate of rate increase in Household Goods movements and pay raise increase effect on dislocation allowances. It also includes personnel property movement overhead (contracting, program management, and associated information technology system support) for the Defense Personnel Property System (DPS) and the upfront cost of the privately owned vehicle (POV) contract. Effective 1 January of each year, the average percentage pay raise increase (DLA) is 1.3% for FY 2016, 2.1% for FY 2017, and 2.1% for FY 2018. The annualized pay raise rate is 1.9% for FY 2017 and 2.1% for FY 2018. The Non-Pay inflation rate is 1.3% for FY 2016, 1.8% for FY 2017, and 2.0% for FY 2018.

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

	FY 2016 Actual		FY 2017 Estimate		FY 2018 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Accession Travel	39,157	113,181	37,743	112,587	35,953	110,557
Training Travel	6,133	55,076	8,900	73,399	8,900	74,939
Operational Travel between Duty Stations	19,510	291,685	19,107	291,673	18,800	293,774
Rotational Travel To and From Overseas	34,573	552,458	36,403	588,204	36,200	600,561
Separation Travel	32,176	162,072	33,520	170,148	30,983	168,558
Travel of Organized Units	199	2,018	1,000	8,958	1,000	9,145
TOTAL OBLIGATIONS	131,748	1,176,490	136,673	1,244,969	131,836	1,257,534
Less Reimbursements		1,981		2,036		2,067
TOTAL DIRECT PROGRAM	131,748	1,174,509	136,673	1,242,933	131,836	1,255,467

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

	FY 2016 Actual		FY 2017 Estimate		FY 2018 Estimate	
	Number	Amount*	Number	Amount*	Number	Amount*
<u>Travel of Military Member</u>						
Mileage and Per Diem	96,897	109,871	100,519	114,344	96,961	113,642
AMC	25,329	35,768	26,275	37,224	25,345	36,996
Commercial Air	9,523	15,238	9,879	15,859	9,529	15,761
<u>Travel of Family Members</u>						
Mileage and Per Diem	55,726	33,406	57,278	35,029	58,236	36,142
AMC	26,519	21,717	27,258	22,772	27,714	23,495
Commercial Air	9,438	9,231	9,701	9,679	9,863	9,987
<u>Transportation of Household Goods</u>						
M Tons - MSC	26,487	7,616	27,668	8,051	27,374	8,145
S Tons - AMC	8,133	61,775	8,495	65,304	8,405	66,070
Land Shipment, CONUS & Overseas	43,021	543,234	44,939	574,268	44,463	581,002
ITGBL	17,047	143,073	17,807	151,247	17,618	153,020
Dislocation Allowance	50,520	121,894	52,760	130,562	52,401	132,454
Trailer Allowance	167	0	176	0	174	0
Transportation of POVs	18,211	72	18,939	76	18,825	78
Port Handling Charges		2		2		2
Nontemporary Storage*		24,910		26,481		26,779
Temporary Lodging Expense*	38,642	31,382	40,565	34,870	40,318	35,420
Defense Personnel Property System		9,200		11,000		10,040
POV Contracts		8,100		8,200		8,500
TOTAL OBLIGATIONS		1,176,490		1,244,969		1,257,534
Less Reimbursements		1,981		2,036		2,067
TOTAL DIRECT PROGRAM		1,174,509		1,242,933		1,255,467

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

(Amount in Thousands)

PROJECT: ACCESSION TRAVEL

FY 2018 Estimate	110,557
FY 2017 Estimate	112,587
FY 2016 Actual	113,181

PART I - PURPOSE AND SCOPE

These funds are for initial PCS movements of active duty Air Force commissioned officers, to include Reserve Component 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.

Rates are based upon statistical analysis 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.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: ACCESSION TRAVEL

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Accession Travel</u>									
Member Travel	4,244	637	2,704	4,815	649	3,123	5,098	662	3,373
Family Member Travel	1,569	416	653	1,770	424	750	1,884	432	814
Trans of Household Goods	2,262	6,224	14,079	2,563	6,336	16,242	2,717	6,463	17,559
Dislocation Allowance	1,104	2,160	2,384	1,252	2,201	2,755	1,326	2,247	2,979
Nontemporary Storage			207			240			259
Temporary Lodging Expenses	1,748	643	1,125	2,003	655	1,312	2,123	668	1,418
Subtotal Officer Accession Travel			21,152			24,422			26,402
<u>Enlisted Accession Travel</u>									
Member Travel	33,708	1,356	45,703	31,725	1,380	43,789	29,650	1,408	41,743
Family Member Travel	7,749	378	2,929	7,175	385	2,761	6,817	393	2,676
Trans of Household Goods	4,787	6,728	32,206	4,501	6,850	30,827	4,210	6,987	29,413
Dislocation Allowance	4,375	1,942	8,494	4,118	1,978	8,147	3,849	2,020	7,775
Nontemporary Storage			410			395			377
Temporary Lodging Expenses	4,357	433	1,886	4,171	441	1,838	3,902	449	1,754
Subtotal Enlisted Accession Travel			91,628			87,757			83,738
<u>Cadet Accession Travel</u>	1,205	333	401	1,203	339	408	1,205	346	417
TOTAL ACCESSION TRAVEL			113,181			112,587			110,557

(Amount in Thousands)

PROJECT: TRAINING TRAVEL

FY 2018 Estimate	74,939
FY 2017 Estimate	73,399
FY 2016 Actual	55,076

PART I - PURPOSE AND SCOPE

Funds provide for the Permanent Change of Station (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 those eliminated 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.

Rates are based upon statistical analysis derived 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.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: TRAINING TRAVEL

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Training Travel</u>									
Member Travel	4,352	861	3,748	5,000	877	4,383	5,000	894	4,471
Family Member Travel	4,518	335	1,515	5,174	341	1,766	5,191	348	1,807
Trans of Household Goods	5,279	5,716	30,176	6,059	5,819	35,259	6,065	5,936	35,999
Dislocation Allowance	3,217	2,500	8,041	3,696	2,547	9,414	3,696	2,601	9,612
Nontemporary Storage			410			473			483
Temporary Lodging Expenses	2,593	904	2,345	2,952	921	2,718	2,955	939	2,775
Subtotal Officer Training Travel			46,235			54,013			55,147
<u>Enlisted Training Travel</u>									
Member Travel	1,781	692	1,232	3,900	704	2,746	3,900	718	2,801
Family Member Travel	588	734	432	1,283	747	959	1,287	762	981
Trans of Household Goods	515	8,531	4,391	1,126	8,685	9,778	1,127	8,858	9,983
Dislocation Allowance	360	4,500	1,620	789	4,586	3,618	789	4,682	3,694
Nontemporary Storage			139			269			275
Temporary Lodging Expenses	340	400	1,027	656	407	2,016	656	416	2,058
Subtotal Enlisted Training Travel			8,841			19,386			19,792
TOTAL TRAINING TRAVEL			55,076			73,399			74,939

(Amount in Thousands)

PROJECT: OPERATIONAL TRAVEL

FY 2018 Estimate	293,774
FY 2017 Estimate	291,673
FY 2016 Actual	291,685

PART I - PURPOSE AND SCOPE

Funds provide for the Permanent Change of Station (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 (e.g., manning floor, minimum CONUS tour lengths, personally procured movement of household goods, and maximum use of low-cost moves, etc.).

Rates are based upon statistical analysis derived from actual PCS operational move costs. The number of officer and enlisted operational moves times the average rate for each element of expense (e.g., military member, dependent, household goods, etc.) results in the estimated funding required.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: OPERATIONAL TRAVEL

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Operational Travel</u>									
Member Travel	7,401	1,627	12,041	7,542	1,656	12,491	7,400	1,689	12,501
Family Member Travel	13,679	400	5,474	13,647	407	5,559	13,677	416	5,683
Trans of Household Goods	9,873	7,000	69,108	9,995	7,126	71,223	9,872	7,268	71,752
Dislocation Allowance	6,356	3,061	19,453	6,441	3,119	20,088	6,355	3,184	20,236
Nontemporary Storage			331			341			344
Temporary Lodging Expenses	4,978	1,012	5,037	5,067	1,030	5,219	5,004	1,051	5,258
Subtotal Officer Operational Travel			111,444			114,921			115,774
<u>Enlisted Operational Travel</u>									
Member Travel	12,109	1,560	18,893	11,565	1,588	18,369	11,400	1,620	18,469
Family Member Travel	18,155	408	7,416	16,932	416	7,041	17,092	424	7,250
Trans of Household Goods	18,624	5,670	105,604	17,670	5,773	101,998	17,533	5,888	103,233
Dislocation Allowance	9,420	2,452	23,101	8,946	2,499	22,356	8,868	2,551	22,626
Nontemporary Storage			252			245			248
Temporary Lodging Expenses	7,474	1,027	7,675	7,216	1,045	7,543	7,160	1,066	7,634
Subtotal Enlisted Operational Travel			162,941			157,552			159,460
Defense Personnel Property System (DPS)			9,200			11,000			10,040
POV Contracts			8,100			8,200			8,500
TOTAL OPERATIONAL TRAVEL			291,685			291,673			293,774

(Amount in Thousands)

PROJECT: ROTATIONAL TRAVEL

FY 2018 Estimate	600,561
FY 2017 Estimate	588,204
FY 2016 Actual	552,458

PART I - PURPOSE AND SCOPE

Funds provide for the Permanent Change of Station (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

The estimate for rotational travel covers PCS requirements for reassignment of officer and enlisted personnel between duty stations outside the CONUS where transoceanic travel is involved. Rotational moves are made in accordance with overseas tour policies approved by the Secretary of Defense. Rotational moves play an integral role in establishing proper balance across all Air Force installations around the globe and are directly impacted by overseas strength requirements and the length of overseas tours for Airmen and their families.

Rates are based upon statistical analysis 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.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: ROTATIONAL TRAVEL

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Rotational Travel</u>									
Member Travel	5,948	1,841	10,952	6,235	1,874	11,687	6,200	1,912	11,854
Family Member Travel	7,668	1,308	10,027	7,927	1,331	10,552	7,993	1,358	10,853
Pet Quarantine	41	1,183	48	43	1,204	52	43	1,228	53
Trans of Household Goods	6,174	15,247	94,134	6,430	15,521	99,796	6,436	15,832	101,892
Dislocation Allowance	5,333	3,157	16,835	5,559	3,217	17,882	5,559	3,284	18,258
Global POV	4,342	4	17	4,557	4	18	4,526	4	18
Nontemporary Storage			6,402			6,766			6,908
Temporary Lodging Expenses	3,408	829	2,826	3,549	844	2,996	3,553	861	3,059
Subtotal Officer Rotational Travel			141,241			149,749			152,895
<u>Enlisted Rotational Travel</u>									
Member Travel	28,625	1,906	54,557	30,168	1,940	58,533	30,000	1,979	59,371
Family Member Travel	25,058	1,244	31,165	25,934	1,266	32,835	26,262	1,291	33,916
Pet Quarantine	366	95	35	381	97	37	384	99	38
Trans of Household Goods	27,194	9,827	267,222	28,472	10,003	284,819	28,500	10,204	290,801
Dislocation Allowance	20,195	2,059	41,586	21,165	2,098	44,411	21,165	2,142	45,344
Global POV	11,590	5	55	12,083	5	58	12,147	5	60
Port Handling (HHGS)			2			2			2
Nontemporary Storage			7,575			8,061			8,231
Temporary Lodging Expenses	13,554	666	9,020	14,314	678	9,699	14,328	691	9,903
Subtotal Enlisted Rotational Travel			411,217			438,455			447,666
TOTAL ROTATIONAL TRAVEL			552,458			588,204			600,561

(Amount in Thousands)

PROJECT: SEPARATION TRAVEL

FY 2018 Estimate	168,558
FY 2017 Estimate	170,148
FY 2016 Actual	162,072

PART I - PURPOSE AND SCOPE

Funds provide for the Permanent Change of Station (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.

Rates are based upon statistical analysis 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.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: SEPARATION TRAVEL

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Separation Travel</u>									
Member Travel	4,319	467	2,017	4,078	475	1,939	4,345	485	2,107
Family Member Travel	1,398	1,059	1,480	1,317	1,078	1,419	1,213	1,099	1,333
Trans of Household Goods	1,873	16,901	31,659	1,767	17,206	30,407	1,777	17,550	31,186
Nontemporary Storage			3,251			3,147			3,228
Subtotal Officer Separation Travel			38,407			36,912			37,854
<u>Enlisted Separation Travel</u>									
Member Travel	27,553	303	8,351	29,185	309	9,005	26,303	315	8,284
Family Member Travel	11,016	288	3,175	11,625	293	3,411	12,940	299	3,873
Trans of Household Goods	17,411	6,096	106,144	18,424	6,206	114,342	17,717	6,330	112,154
Nontemporary Storage			5,888			6,386			6,264
Subtotal Enlisted Separation Travel			123,558			133,144			130,575
<u>Cadet Separation Travel</u>	304	352	107	257	358	92	335	385	129
TOTAL SEPARATION TRAVEL			162,072			170,148			168,558

(Amount in Thousands)

PROJECT: TRAVEL OF ORGANIZED UNITS

FY 2018 Estimate	9,145
FY 2017 Estimate	8,958
FY 2016 Actual	2,018

PART I - PURPOSE AND SCOPE

Funds provide 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 within CONUS and within OCONUS locations when no transoceanic travel is involved. The PCS requirements for organized unit travel are 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 increases as more force structure actions occur (e.g. base closure, unit realignments, public announcements, and internal Air Force restructure).

Rates are based upon statistical analysis 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.

Details of the cost computation are provided on the following page.

(Amount in Thousands)

PROJECT: TRAVEL OF ORGANIZED UNITS

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Unit Travel</u>									
Member Travel	62	935	58	200	952	190	200	971	194
Family Member Travel	80	440	35	257	448	115	258	457	118
Trans of Household Goods	77	5,927	456	248	6,033	1,495	248	6,154	1,526
Dislocation Allowance	53	2,629	139	172	2,679	461	172	2,735	470
Nontemporary Storage			5			10			10
Temporary Lodging Expenses	53	1,932	101	135	1,967	265	135	2,006	271
Subtotal Officer Unit Travel			794			2,536			2,589
<u>Enlisted Unit Travel</u>									
Member Travel	137	825	113	800	840	672	800	857	685
Family Member Travel	205	257	53	1,195	262	313	1,199	267	320
Trans of Household Goods	211	2,073	437	1,230	2,110	2,595	1,231	2,152	2,649
Dislocation Allowance	107	2,257	241	622	2,299	1,430	622	2,348	1,460
Nontemporary Storage			40			148			152
Temporary Lodging Expenses	137	2,475	340	502	2,520	1,264	502	2,570	1,290
Subtotal Enlisted Unit Travel			1,224			6,422			6,556
TOTAL UNIT TRAVEL			2,018			8,958			9,145

**OTHER MILITARY
PERSONNEL COSTS**

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

		<u>AMOUNT</u>
FY 2017 DIRECT PROGRAM		103,551
Pricing Increase		1,171
Increase in Unemployment Benefits Pricing	669	
Increase in Partial DLA Pricing	8	
Increase in ROTC Pricing	132	
Increase in JROTC Pricing	362	
Program Increase		517
Strength (PGI):	517	
Increase in JROTC workyears	517	
Total Increases		1,688
Program Decrease		(232)
Strength (PGD):	(22)	
Decrease in ROTC workyears	(22)	
Other (PGD):	(210)	
Decrease in Unemployment Benefits Program	(185)	
Decrease in Education Benefits Program	(25)	
Total Decreases		(232)
FY 2018 DIRECT PROGRAM		105,007

(Amount in Thousands)

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

FY 2018 Estimate 16
FY 2017 Estimate 16
FY 2016 Actual 16

PART I - PURPOSE AND SCOPE

Funds provide for expenses associated with the apprehension of military deserters, absentees, escaped military prisoners, and for their delivery into the control of the Department of Defense. Expenses are authorized by Title 10 USC., Section 956 “Deserters, Prisoners, Members Absent without Leave: Expenses and Rewards”. 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 and adjusted for military personnel non-pay inflation.

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Expenses Incident to the Apprehension and Delivery of Deserters, Absentees and Prisoners	21	762	16	21	776	16	21	791	16

(Amount in Thousands)

PROJECT: INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSIT PROGRAM

FY 2018 Estimate 2,691
FY 2017 Estimate 2,691
FY 2016 Actual 2,253

PART I - PURPOSE AND SCOPE

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 in deployed status. The interest rate is not to exceed 10% per year.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost projections are based on factors developed from historical data and troop levels.

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Interest on Uniformed Services Savings Deposit	2,253	2,691	2,691

(Amount in Thousands)

PROJECT: DEATH GRATUITIES

FY 2018 Estimate	14,500
FY 2017 Estimate	14,500
FY 2016 Actual	16,300

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 Title 10 U.S.C., Section 1475-78 as amended by H.R. 1281, dated March 22, 1991.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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. For FY 2017 and FY 2018, projections only include non-combat related death gratuity payments; combat related payments are included in the OCO request.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer	28	100,000	2,800	25	100,000	2,500	25	100,000	2,500
Enlisted	135	100,000	13,500	120	100,000	12,000	120	100,000	12,000
TOTAL	163		16,300	145		14,500	145		14,500

(Amount in Thousands)

PROJECT: UNEMPLOYMENT BENEFITS PAID TO EX-SERVICE MEMBERS

FY 2018 Estimate 33,916
FY 2017 Estimate 33,432
FY 2016 Actual 63,040

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. Currently, benefits are payable up to 26 weeks with no waiting period.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on Department of Labor economic assumptions, Department of Defense historical experience and force management initiatives to meet authorized end strength.

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Unemployment Compensation	15,353	4,106	63,040	7,999	4,180	33,432	7,955	4,263	33,916

(Amount in Thousands)

PROJECT: EXTRA HAZARD REIMBURSEMENT FOR SERVICEMEMBERS' GROUP LIFE INSURANCE

FY 2018 Estimate 0
FY 2017 Estimate 0
FY 2016 Actual 5,650

PART I - PURPOSE AND SCOPE

Section 1969 of Title 38 U.S.C. provides that there will be an annual assessment for the costs of the extra hazards of duty when actual mortality exceeds peacetime mortality. Each year the Department of Veterans Affairs actuaries perform a study of peacetime mortality, based upon the most recent three years of service member claim experience. This mortality study is used to determine the expected number of deaths under peacetime conditions. The expected number is then compared to the actual number of deaths to determine whether an extra hazard reimbursement is due to the Servicemembers' Group Life Insurance program. Due to world events, annual reimbursement payments for Extra Hazard Reimbursement for Servicemembers' Group Life Insurance were required starting in FY 2004 for the first time since the Vietnam era. Additionally, during FY 2006, the Military Departments were required to make payments to the Department of Veterans Affairs for the retroactive and future costs associated with enacted Traumatic Injury Protection coverage under the Servicemembers' Group Life Insurance (T-SGLI) program.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost is provided by the Director of the Department of Veterans Affairs' Insurance Services. The VA notifies the Under Secretary of Defense (Comptroller) of the installments required from the military services. The FY 2016 column reflects actual payments made to the VA. There are no base cost projections associated with this program, as funds are requested in the OCO submission.

Details of the cost are provided in the following table:

	FY 2016 Actual		
	Number	Rate	Amount
Extra Hazard Reimb. for SGLI			0
Premiums-SGLI			5,550
Traumatic Injury-SGLI			100
Total			5,650

(Amount in Thousands)

PROJECT: EDUCATION BENEFITS (MONTGOMERY GI BILL)

FY 2018 Estimate	75
FY 2017 Estimate	100
FY 2016 Actual	79

PART I - PURPOSE AND SCOPE

P.L. 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 NDAA 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 Force Educational Assistance Program, known as the Montgomery GI Bill, became effective under Title 38 U.S.C., Chapter 30 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 for 50 percent of the supplemental salary for cadre members who are receiving military retirement pay.

P.L. 110-252 section 5003 authorized educational assistance for members of the armed forces who serve after September 11, 2011. Subsection 3313 further states the Secretary shall pay to each individual entitled to educational assistance who is pursuing a program of education, to meet the expenses of such individual's subsistence, tuition, fees, and other educational costs.

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 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Education Benefits	79	100	75

(Amount in Thousands)

PROJECT: ADOPTION EXPENSES

FY 2018 Estimate 460
FY 2017 Estimate 460
FY 2016 Actual 459

PART I - PURPOSE AND SCOPE

The FY 1988/1989 NDAA (P.L. 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., Section 1052.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funds are required to pay qualifying expenses incurred by active duty members in the adoption of a child under the age of 18 years. Qualifying expenses include agency fees; legal fees; medical expenses for the biological mother and newborn child to be adopted, placement fees, temporary foster care and other expenses approved by OSD (FM&P).

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Expenses for Adoptions	219	2,096	459	219	2,100	460	219	2,100	460

(Amount in Thousands)

PROJECT: MASS TRANSPORTATION

FY 2018 Estimate	4,841
FY 2017 Estimate	4,841
FY 2016 Actual	4,037

PART I - PURPOSE AND SCOPE

Executive Order 13150 dated April 21, 2000 directed Federal Agencies to implement a transportation fringe benefit program offering 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. E.O. 13150 was codified at Title 5 U.S.C., Section 7905 through P.L. 109-59, Title III., Section 3409 (a) in August 2005. 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 historical number of Air Force military personnel assigned to the National Capital Region (NCR) who took advantage of this mode of transportation. During FY 2015, the monthly maximum fringe benefit exclusion level allowed by law was \$130. Based on the Consolidated Appropriations Act, 2016 (P.L. 114-113), § 105, monthly increases are made permanent, and subject to the application of the inflation adjustment under Title 26, USC, § 132(f)(6), the IRS Code. The monthly cap within the NCR of \$255 is effective February 2016. Future monthly increases will be based upon the application of the IRS inflation adjustment factor to the existing monthly rate, but are subject to publication of revisions to the IRS Code each year. FY 2018 caps the monthly rate at \$255 until the IRS Code is modified to raise the monthly rate. Based on these monthly rates, the annual rate is \$2,560 for FY 2016, \$3,060 for FY 2017, and \$3,060 for FY 2018.

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

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers	1,198	2,560	3,068	1,203	3,060	3,681	1,203	3,060	3,681
Enlisted	378	2,560	969	379	3,060	1,160	379	3,060	1,160
TOTAL	1,576		4,037	1,582		4,841	1,582		4,841

(Amount in Thousands)

PROJECT: PARTIAL DISLOCATION ALLOWANCE

FY 2018 Estimate	421
FY 2017 Estimate	413
FY 2016 Actual	405

PART I - PURPOSE AND SCOPE

Title 37 U.S.C., 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 provided by the United States.

PART II - JUSTIFICATION OF FUNDS REQUESTED

An allowance was directed by the Joint Travel Regulation, effective calendar year 2011. This allowance increased to \$718.08 effective calendar year 2016. Effective 1 January 2017, this allowance increased to \$733.16. The estimates reflect annualized inflation factors of 1.525% for FY 2017 and 1.600% for FY 2018. This allowance is for service members who are ordered, for government convenience, to move into or out of Military Family Housing provided by the United States.

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Partial Dislocation Allowance	405	413	421

(Amount in Thousands)

PROJECT: SENIOR ROTC - NONSCHOLARSHIP PROGRAM

FY 2018 Estimate 12,322
FY 2017 Estimate 12,254
FY 2016 Actual 12,169

PART I - PURPOSE AND SCOPE

Senior Air Force Reserve Officer Training Corps (ROTC) provides for the military personnel cost of students enrolled in the Senior ROTC Non- Scholarship Program. The estimate includes funds for subsistence allowance, uniforms, pay and allowances and subsistence while attending summer training and field training.

Beginning with the FY 2006 Budget, funding for the ROTC program was transferred from the Reserve Personnel, Air Force appropriation. Travel costs associated with the program are funded in the O&M, Air Force appropriation.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Expenses for Senior Reserve Officer Training Corps cadets are incurred in the following categories: subsistence allowance, uniforms, pay and allowances, subsistence-in-kind and Foreign Language Incentive Program. Details of the cost computation are provided in the following tables:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Subsistence Allowance	8,726	8,726	8,726
Uniforms	2,739	2,805	2,864
Pay & Allowances	107	109	111
Subsistence-In-Kind	597	614	621
Foreign Language Incentive Program	0	0	0
TOTAL Requirement	12,169	12,254	12,322

Total Requirement

Expenses are incurred for Senior Reserve Officer Training Corps members, excluding those receiving scholarships, as follows:

Institutional Program:

The institutional program provides several entitlements for the Senior ROTC program. Programs include subsistence allowance, uniforms and subsistence-in-kind.

(Amount in Thousands)

PROJECT: SENIOR ROTC - NONSCHOLARSHIP PROGRAM

Subsistence Allowance:

The monthly MILPERS stipend for all cadets enrolled in AFROTC was reduced under the guidance of DoD FMR 7000.14-R, Vol 7A, Chap 59, Table 59.1 from the authorized maximum to the authorized minimum effective 1 October 2013. An allowance of \$350 for AS 300 and \$400 for AS 400 per month for contracted cadets enrolled in Aerospace Studies AS 300 and AS 400 courses under the provision of Title 37 U.S.C., Section 209. Entitlement accrues for the actual enrollment of the cadet in the academic term for not more than 600 days under a 4-year program and not more than 900 days for an approved bona fide 5-year program. Summer vacation entitlement accrues during the summer between AS 300 and AS 400.

Subsistence Allowance: (*Number represents student months = projected enrollment times number of days divided by 30)

Subsistence:

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Third Year (AS300)	10,360	350	3,626	10,360	350	3,626	10,360	350	3,626
Fourth Year (AS400)	12,750	400	5,100	12,750	400	5,100	12,750	400	5,100

Uniforms:

Uniforms, Issue-in-Kind: Uniform issues, including replacement items. Rate shown is an average rate.

Uniforms, Commutation in Lieu of Issue-in-Kind Uniforms: Reimbursement made to ROTC students enrolled at military colleges. Rates shown are average rates and are based upon approved Service military clothing items.

Uniforms, Issue-in-Kind:	7,289	285	2,077	7,321	290	2,124	7,339	296	2,171
Uniforms, Commutation in Lieu:	507	924	469	507	941	475	507	960	487

Subsistence-In-Kind:

Travel for Medical and Other Exams: Subsistence-in-kind for cadets traveling to and from their installation for medical exams and other exams. Costs for contract meals are provided at MEPs facilities. Non-scholarship cadets receive government furnished meals while attending the medical flight screening program. Rates shown are average rates.

Subsistence-In-Kind for Medical or Other Ex:	1,598	13	20	1,588	12	19	1,588	13	20
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(Amount in Thousands)

PROJECT: SENIOR ROTC - NONSCHOLARSHIP PROGRAM

Summer Field Training:

Summer Field Training objectives are to develop military leadership and discipline, provide Air Force officer orientation and motivation, and determine officer potential. In accordance with Title 10 U.S.C., Sections 2101-2111, cadets must attend field training before commissioning. Costs for this program include pay & allowances, subsistence-in-kind and uniforms.

Pay and Allowances: Basic pay and government's social security contributions for members attending summer field training programs. P.L. 106-398, Section 612, changed cadet/midshipman pay to 35 percent of a second lieutenant/ensign's (01) basic pay with less than two years of service. Rate shown is an average rate.

Subsistence-in-Kind: Meals for members participating in summer field training programs. Rate shown is an average rate.

Uniforms, Issue-in-Kind: Uniform issues, including replacement items. Rate shown is an average rate.

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Pay and Allowances of Reserve Officer Car	34	1,059	36	34	1,059	36	34	1,088	37
Subsistence of Summer Field Training:	923	403	372	968	403	390	945	414	391
Uniforms, Issue-in-Kind:	923	209	193	968	213	206	945	217	206

Foreign Language Incentive Program

FY 2008 NDAA allows stipends for ROTC cadets taking foreign language courses that will ensure airmen are able to influence operations worldwide. The program enables Information Warfare, Information Assurance and Foreign Interest Defense. It supports Air Force efforts in culture and language programs to meet requirements across accession points, in professional military education and specific career fields. Rates vary by foreign language. Rates shown are average rates. The Foreign Language Incentive bonus was terminated beginning in FY 2016.

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Foreign Language Incentive Program	0	0	0	0	0	0	0	0	0

(Amount in Thousands)

PROJECT: SENIOR ROTC - SCHOLARSHIP PROGRAM

FY 2018 Estimate 17,235
FY 2017 Estimate 17,193
FY 2016 Actual 17,106

PART I - PURPOSE AND SCOPE

Scholarship Program provides for the military personnel cost of students enrolled in the Air Force ROTC Scholarship Program authorized by P.L. 88-647 as amended. The estimate includes funds for subsistence allowance, uniforms and pay and allowances and subsistence while attending field training and professional development training.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Expenses for Reserve Officer Training Corps Scholarship cadets are incurred in the following categories: subsistence allowance, uniforms, pay and allowances, Foreign Language Incentive Program and subsistence-in-kind. Details of the cost computation are provided in the following tables:

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Subsistence Allowance	14,402	14,402	14,402
Uniforms	1,475	1,511	1,537
Pay & Allowances	411	419	427
Subsistence-In-Kind	752	774	782
Foreign Language Incentive Program	66	87	87
TOTAL Requirement	17,106	17,193	17,235

(Amount in Thousands)

PROJECT: SENIOR ROTC - SCHOLARSHIP PROGRAM

Institutional Program

The institutional program provides several entitlements for the Senior ROTC program. Programs include subsistence allowance, uniforms and subsistence-in-kind.

Subsistence Allowance: The entitlement is authorized for a maximum of 20 months in the General Military Course (GMC) and 30 months in the Professional Officer Course (POC). Legal authority is contained in P.L. 88-647, 13 October 1964, as amended and DoD FMR 7000.14R, Volume 7A, Chap 59. This public law was amended by P.L. 106-398, Section 612, for a tiered stipend beginning in FY 2002. The monthly MILPERS stipend for all cadets enrolled in AFROTC was reduced under the guidance of DoD FMR 7000.14-R, Volume 7A, Chap 59, Table 59.1 from the authorized maximum to the authorized minimum effective 1 October 2013. Effective FY 2014, the stipend rates changes as follows: AS100 to \$250.00, AS200 to \$300.00, AS300 to \$350.00 and for AS400 to \$400.00 Rates shown are average rates.

Subsistence Allowance: (*Number represents student months = projected enrollment times number of days divided by 30)

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
First Year (AS100)	6,980	250	1,745	6,980	250	1,745	6,980	250	1,745
Second Year (AS200)	9,950	300	2,985	9,950	300	2,985	9,950	300	2,985
Third Year (AS300)	9,360	350	3,276	9,360	350	3,276	9,360	350	3,276
Fourth Year (AS400)	15,990	400	6,396	15,990	400	6,396	15,990	400	6,396
Totals			14,402			14,402			14,402

Uniforms

Uniforms, Issue-in-Kind: Uniform issues, including replacement items and issues for summer field training. Rate shown is an average rate.

Uniforms, Commutation in Lieu of Issue-in-Kind Uniforms: Reimbursement made to ROTC students enrolled at military colleges. Rates shown are average rates and are based upon approved Service military clothing issue items.

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Uniforms, Issue-in-Kind:	3,870	285	1,103	3,870	290	1,122	3,870	296	1,145
Uniforms, Commutation in Lieu:	147	924	136	147	941	137	147	960	141

(Amount in Thousands)

PROJECT: SENIOR ROTC - SCHOLARSHIP PROGRAM

Subsistence-In-Kind

Travel for medical and Other Exams: Subsistence-In-Kind for cadets traveling to and from their installation for medical exams and other exams. Scholarship cadets receive government furnished meals while attending the medical flight screening program. Rate shown is an average rate.

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Subsistence-In-Kind for Medical or Other Exar	810	12	10	810	12	10	810	12	10

Summer Field Training

Summer Field Training objectives are to develop military leadership and discipline, provide Air Force officer orientation and motivation, and determine officer potential. Costs for this program include pay & allowances, subsistence-in-kind, travel lodging and uniforms.

Pay and Allowances: Basic pay and government's social security contribution for members attending summer field training programs. P.L. 106-398, Section 612, changed cadet/midshipman pay to 35 percent of a second lieutenant/ensign's (01) basic pay with less than two years of service. Rate shown is an average rate.

Subsistence-in-Kind: Meals for members participating in summer field training programs. Rate shown is an average rate.

Uniforms, Issue-in-Kind: Uniform issues, including replacement items and issues for summer field training. Rate shown is an average rate.

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Pay and Allowances of Reserve Officer Candid	100	1,050	105	100	1,070	107	100	1,090	109
Subsistence of Summer Field Training:	1,127	402	453	1,182	402	475	1,155	412	476
Uniforms, Issue-in-Kind:	1,127	209	236	1,182	213	252	1,155	217	251

Foreign Language Incentive Program

FY 2008 NDAA allows stipends for ROTC cadets taking foreign language courses that will ensure airmen are able to influence operations worldwide. The program enables Information Warfare, Information Assurance and Foreign Interest Defense. It supports Air Force efforts in culture and language programs to meet requirements across accession points, in professional military education and specific career fields. Rates vary by foreign language. Rates shown are average rates.

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Foreign Language Incentive Program	22	3,000	66	29	3,000	87	29	3,000	87

(Amount in Thousands)

PROJECT: JUNIOR ROTC

FY 2018 Estimate 18,530
FY 2017 Estimate 17,651
FY 2016 Actual 16,946

PART I - PURPOSE AND SCOPE

Funds provide issue-in-kind uniforms and subsistence-in-kind (meals) for students enrolled in the Junior ROTC program at secondary education institutions. The dollar rate for uniforms is a composite of complete issues for new members and partial replacements for other members. The estimate for subsistence-in-kind covers the cost of meals for students participating in curriculum in action trips, summer leadership schools and Science, Technology, Engineering and Math (STEM) camps.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on factors developed from historical data and adjusted for military personnel non-pay inflation.

	<u>FY 2016 Actual</u>			<u>FY 2017 Estimate</u>			<u>FY 2018 Estimate</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Uniforms, Issue-in-Kind:	91,141	169	15,395	93,329	172	16,048	95,983	175	16,834
Subsistence-In-Kind:	56,135	28	1,551	58,013	28	1,603	59,839	28	1,696
Total			16,946			17,651			18,530

SECTION 5

SPECIAL ANALYSIS

ACTIVE FORCES
MILITARY PERSONNEL ASSIGNED OUTSIDE DoD
(End Strength)

Assigned Outside DoD:

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
Nonreimbursable Personnel:									
Exec Office of the President, White House (WHMO)	22	11	33	22	11	33	22	11	33
Office of National Drug & Control Policy (ONDCP)	3	0	3	3	0	3	3	0	3
Office of the Vice President (OVP)	2	6	8	2	6	8	2	6	8
Department of State (DOS)	20	1	21	20	1	21	20	1	21
Department of Energy (DOE)	10	0	10	10	0	10	10	0	10
Department of Transportation (DOT)	1	0	1	1	0	1	1	0	1
Drug Enforcement Administration (DEA)	0	6	6	0	6	6	0	6	6
National Security Council (NSC)	5	0	5	5	0	5	5	0	5
Central Intelligence Agency (CIA)	9	0	9	9	0	9	9	0	9
Law Enforcement SP (LESP)	0	3	3	0	3	3	0	3	3
Joint Center for International Sec Forces Assist	1	0	1	1	0	1	1	0	1
Domestic Nuclear Detection Office (DNDO)	4	2	6	4	2	6	4	2	6
Office Dir of National Intel (ODNI)	1	0	1	1	0	1	1	0	1
Subtotal Non-Reimbursable Personnel	78	29	107	78	29	107	78	29	107
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	11	5	16	11	5	16	11	5	16
Department of Transportation	10	1	11	10	1	11	10	1	11
National Aeronautics Space Administration (NASA)	2	0	2	2	0	2	2	0	2
Department of Energy (DOE)	1	0	1	1	0	1	1	0	1
Dept of Homeland Security (DHS)	2	0	2	2	0	2	2	0	2
Office Dir of National Intel (ODNI)	1	0	1	1	0	1	1	0	1
Subtotal Reimbursable Personnel	29	6	35	29	6	35	29	6	35

ACTIVE FORCES
MILITARY PERSONNEL ASSIGNED OUTSIDE DoD
(End Strength)

	FY 2016 Actual			FY 2017 Estimate			FY 2018 Estimate		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
In Support Non DoD Functions:									
NASA	30	0	30	30	0	30	30	0	30
Foreign Military Sales	124	61	185	104	47	151	92	44	136
Training Cases (Included in Foreign Military Sales)	22	3	25	22	3	25	22	3	25
Subtotal Non-DoD Functions	154	61	215	134	47	181	122	44	166
Assigned to DoD Activities in Support of DoD Functions: Working Capital Fund (WCF)									
HQ US Transportation Command (TRANSCOM)	93	31	124	93	31	124	93	30	123
Defense Courier Service (DCS)	3	90	93	3	90	93	3	90	93
Defense Information Systems Agency (DISA)	2	13	15	2	13	15	2	12	14
Defense Logistics Agency (DLA)	111	32	143	111	32	143	111	32	143
Depot Maintenance Activity Group (DMAG)	68	86	154	68	86	154	68	86	154
Supply Management Activity Group (SMAG)	41	16	57	41	16	57	41	16	57
Subtotal Working Capital Fund	318	268	586	318	268	586	318	266	584
Total - Reimbursable	501	335	836	481	321	802	469	316	785
Total - Nonreimbursable	78	29	107	78	29	107	78	29	107
Grand Total	579	364	943	559	350	909	547	345	892

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

	<u>FY 2016 Actual</u>	<u>FY 2017 Estimate</u>	<u>FY 2018 Estimate</u>
Subsistence	39,505	40,417	41,044
Strength Related:			
Officer - Basic Pay	127,043	131,709	133,615
Other Pay and Allowances	59,791	62,275	64,069
Enlisted - Basic Pay	104,334	108,195	110,003
Other Pay and Allowances	45,701	48,141	50,032
Retired Pay Accrual	72,651	69,332	69,430
PCS Travel	1,981	2,036	2,067
Strength Related Subtotal	411,501	421,688	429,216
TOTAL PROGRAM	451,006	462,105	470,260

**MILITARY PERSONNEL APPROPRIATION, AIR FORCE
RESERVE OFFICER CANDIDATES (ROTC) ENROLLMENT**

	AY 15-16 (FY16)			AY 16-17 (FY17)			AY 17-18 (FY18)		
	Begin	Average	End	Begin	Average	End	Begin	Average	End
<u>Senior ROTC - Non-Scholarship</u>									
(Excluding Scholarship)									
First Year	4,752	4,242	3,732	4,752	4,242	3,732	4,752	4,242	3,732
Second Year	4,350	3,309	2,267	4,350	3,309	2,267	4,350	3,309	2,267
Total Basic	9,102	7,551	5,999	9,102	7,551	5,999	9,102	7,551	5,999
Third Year	1,036	1,014	992	1,036	1,014	992	1,036	1,014	992
Fourth Year	1,079	1,064	1,049	1,079	1,064	1,049	1,079	1,064	1,049
Total Advanced	2,115	2,078	2,041	2,115	2,078	2,041	2,115	2,078	2,041
Extended Active	235	289	343	235	289	343	235	289	343
Total Non-Scholarship	11,452	9,918	8,383	11,452	9,918	8,383	11,452	9,918	8,383
<u>Senior ROTC - Scholarship</u>									
First Year	698	833	967	698	833	967	698	833	967
Second Year	995	1,140	1,284	995	1,140	1,284	995	1,140	1,284
Total Basic	1,693	1,972	2,251	1,693	1,972	2,251	1,693	1,972	2,251
Third Year	936	928	919	936	928	919	936	928	919
Fourth Year	1,238	1,176	1,114	1,238	1,176	1,114	1,238	1,176	1,114
Total Advanced	2,174	2,104	2,033	2,174	2,104	2,033	2,174	2,104	2,033
Extended Active	469	385	300	469	385	300	469	385	300
Total Scholarship	4,336	4,460	4,584	4,336	4,460	4,584	4,336	4,460	4,584
<u>Total Enrollment</u>									
First Year	5,450	5,075	4,699	5,450	5,075	4,699	5,450	5,075	4,699
Second Year	5,345	4,448	3,551	5,345	4,448	3,551	5,345	4,448	3,551
Total Basic	10,795	9,523	8,250	10,795	9,523	8,250	10,795	9,523	8,250
Third Year	1,972	1,942	1,911	1,972	1,942	1,911	1,972	1,942	1,911
Fourth Year	2,317	2,240	2,163	2,317	2,240	2,163	2,317	2,240	2,163
Total Advanced	4,289	4,182	4,074	4,289	4,182	4,074	4,289	4,182	4,074
Extended Active	704	674	643	704	674	643	704	674	643
Total ROTC Enrollment	15,788	14,378	12,967	15,788	14,378	12,967	15,788	14,378	12,967
Complete Commissioned			1,400			1,400			1,400
Comp, Com Defr (No Adl Ent)	114	117	119	114	117	119	114	117	119
(Cum Proj in Defr Status)									
Complete, 5 Year Deg Ent	483	479	474	483	479	474	483	479	474
Number of ROTC Detach	145		145	145		145	145		145
Number of ROTC Operating Locations	1		1	1		1	1		1

**MILITARY PERSONNEL APPROPRIATION, AIR FORCE
JUNIOR RESERVE OFFICER TRAINING CORPS (JROTC) ENROLLMENT**

	AY 15-16 Sep 2016	AY 16-17 Sep 2016	AY 17-18 Sep 2016
1st Year Cadet (Freshmen)	68,587	70,305	71,941
2nd Year Cadet (Sophomores)	31,531	32,321	33,612
3rd Year Cadet (Juniors)	15,765	16,160	16,805
4th Year Cadet (Seniors)	8,489	8,701	9,049
Total	124,372	127,487	131,407
Number of Junior ROTC Detachments	878	900	920

Number of Schools, Civilian and Military Personnel Associated with the Air Force ROTC Program follows:

	<u>End FY 2016 Actual</u>	<u>End FY 2017 Estimate</u>	<u>End FY 2018 Estimate</u>
Senior ROTC			
Schools	145	145	145
Civilian Personnel (End Strength)	22	22	22
Military Personnel (End Strength) 1/	929	929	929
 Junior ROTC			
Schools	878	900	920
Civilian Personnel (End Strength)	25	20	25
Military Personnel (End Strength) 1/	15	11	13

NOTE: The personnel costs associated with these end strengths are funded by Air Force Operation and Maintenance and Military Personnel Appropriations.

1/ Includes those assigned to Management Headquarters.

**Military Personnel, Air Force
Monthly End Strength by Pay Grade**

FY 2016 Actual

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<u>Commissioned Officer</u>												
O-10 General	12	12	12	12	12	12	12	12	12	12	13	13
O-9 Lieutenant General	40	41	41	41	41	41	41	40	40	38	40	40
O-8 Major General	96	94	92	91	92	92	91	95	98	97	95	91
O-7 Brigadier General	140	138	138	139	138	138	140	140	142	145	150	153
O-6 Colonel	3,198	3,211	3,235	3,244	3,279	3,316	3,362	3,409	3,425	3,405	3,362	3,320
O-5 Lt Colonel	9,301	9,309	9,314	9,339	9,388	9,454	9,514	9,647	9,665	9,642	9,613	9,585
O-4 Major	12,690	12,744	12,604	12,664	12,646	12,671	12,730	12,907	12,946	12,862	12,892	12,902
O-3 Captain	21,331	21,132	20,951	20,773	20,590	20,339	20,198	21,145	21,298	21,584	21,489	21,252
O-2 1st Lieutenant	7,420	7,385	7,407	7,395	7,426	7,467	7,299	7,110	7,144	6,923	6,765	6,901
O-1 2nd Lieutenant	6,455	6,409	6,512	6,537	6,477	6,759	6,764	5,849	6,674	6,412	6,410	6,704
Total Officers	60,683	60,475	60,306	60,235	60,089	60,289	60,151	60,354	61,444	61,120	60,829	60,961
<u>Enlisted Personnel</u>												
E-9 Chief Master Sergeant	2,418	2,403	2,407	2,412	2,414	2,443	2,465	2,481	2,501	2,499	2,509	2,515
E-8 Senior Master Sergeant	4,865	4,844	4,846	4,835	4,832	4,830	4,882	4,912	4,946	4,975	4,988	4,995
E-7 Master Sergeant	23,880	24,023	24,175	24,307	24,450	24,549	24,606	24,659	24,653	24,554	24,526	24,484
E-6 Technical Sergeant	38,977	39,082	39,187	39,321	39,453	39,536	39,687	39,707	39,742	39,793	39,722	39,677
E-5 Staff Sergeant	59,855	59,716	59,454	59,337	59,393	59,166	59,242	59,181	59,124	59,425	59,197	59,395
E-4 Senior Airman	62,143	61,990	61,619	61,271	61,040	60,925	60,316	60,411	60,128	59,845	59,900	59,550
E-3 Airman First Class	41,211	41,042	41,005	41,561	41,805	41,872	42,486	41,993	42,551	42,858	43,237	43,852
E-2 Airman	4,843	5,020	5,317	5,513	5,752	5,939	5,893	6,184	6,465	6,587	6,856	7,021
E-1 Airman Basic	7,675	8,109	8,685	8,805	8,685	9,063	9,198	9,800	9,974	10,319	11,020	11,273
Total Enlisted	245,867	246,229	246,695	247,362	247,824	248,323	248,775	249,328	250,084	250,855	251,955	252,762
<u>Cadets</u>	4,023	4,011	3,995	3,993	3,970	3,959	3,952	3,933	4,258	4,199	4,174	4,160
Total End Strength	310,573	310,715	310,996	311,590	311,883	312,571	312,878	313,615	315,786	316,174	316,958	317,883

**Military Personnel, Air Force
Monthly End Strength by Pay Grade**

FY 2017 Estimate

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<u>Commissioned Officer</u>												
O-10 General	13	13	13	13	13	13	13	13	13	13	13	14
O-9 Lieutenant General	40	43	43	41	40	40	40	40	40	40	40	41
O-8 Major General	85	84	84	84	92	92	92	92	92	92	92	97
O-7 Brigadier General	147	146	145	144	152	152	152	152	152	152	152	145
O-6 Colonel	3,293	3,292	3,310	3,325	3,374	3,411	3,457	3,504	3,520	3,500	3,437	3,395
O-5 Lt Colonel	9,543	9,557	9,624	9,676	9,630	9,696	9,756	9,889	9,907	9,884	9,890	9,812
O-4 Major	12,899	12,958	12,952	13,032	13,015	13,068	13,147	13,324	13,373	13,362	13,586	13,488
O-3 Captain	21,031	20,736	20,595	20,365	20,405	20,164	20,046	20,173	20,526	21,012	21,045	21,010
O-2 1st Lieutenant	7,032	7,260	7,187	7,155	7,038	7,079	6,911	6,722	6,813	6,692	6,564	6,787
O-1 2nd Lieutenant	6,637	6,545	6,472	6,560	6,659	6,941	6,946	6,966	7,056	6,794	6,792	6,909
Total Officers	60,720	60,634	60,425	60,395	60,418	60,656	60,560	60,875	61,492	61,541	61,611	61,698
<u>Enlisted Personnel</u>												
E-9 Chief Master Sergeant	2,503	2,501	2,490	2,497	2,492	2,497	2,502	2,507	2,495	2,497	2,503	2,510
E-8 Senior Master Sergeant	4,990	5,015	5,032	5,016	4,990	4,956	4,979	5,001	5,018	5,023	5,025	5,020
E-7 Master Sergeant	24,489	24,594	24,784	24,806	24,773	24,877	24,941	24,987	24,954	24,894	25,010	25,100
E-6 Technical Sergeant	39,650	39,613	39,647	39,701	39,835	39,778	39,763	39,716	39,707	39,627	39,538	39,659
E-5 Staff Sergeant	59,079	59,104	59,343	59,362	60,695	60,839	61,116	61,404	61,769	62,065	62,305	62,686
E-4 Senior Airman	59,438	58,750	58,212	57,876	59,670	59,725	59,403	59,632	59,452	59,409	59,511	59,050
E-3 Airman First Class	44,113	44,766	45,556	46,447	44,285	44,326	44,087	44,257	44,124	44,092	44,167	43,825
E-2 Airman	6,901	7,175	7,129	7,338	6,927	6,934	6,897	6,924	6,902	6,897	6,909	6,856
E-1 Airman Basic	10,666	10,907	10,486	10,381	10,708	10,717	10,660	10,701	10,669	10,661	10,679	10,596
Total Enlisted	251,829	252,425	252,679	253,424	254,375	254,649	254,348	255,129	255,090	255,165	255,647	255,302
<u>Cadets</u>												
	4,152	4,141	4,122	4,109	4,086	4,075	4,068	3,080	4,285	4,199	4,174	4,125
Total End Strength	316,701	317,200	317,226	317,928	318,879	319,380	318,976	319,084	320,867	320,905	321,432	321,125

**Military Personnel, Air Force
Monthly End Strength by Pay Grade**

FY 2018 Estimate

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<u>Commissioned Officer</u>												
O-10 General	12	13	13	13	13	13	13	13	13	13	13	14
O-9 Lieutenant General	40	40	40	40	40	40	40	40	40	40	40	42
O-8 Major General	96	87	89	90	92	92	92	92	92	92	92	92
O-7 Brigadier General	140	149	151	153	153	153	152	152	152	152	152	149
O-6 Colonel	3,362	3,375	3,399	3,408	3,443	3,480	3,485	3,495	3,485	3,490	3,457	3,415
O-5 Lt Colonel	9,772	9,801	9,835	9,862	9,898	9,928	9,938	9,997	10,117	10,094	10,060	10,011
O-4 Major	13,420	13,442	13,438	13,016	13,045	13,094	13,124	13,250	13,389	13,378	13,435	13,396
O-3 Captain	20,998	21,223	21,162	20,965	20,801	20,771	20,781	20,821	20,948	21,434	21,555	21,577
O-2 1st Lieutenant	6,783	6,936	6,958	6,946	6,977	6,918	6,832	6,842	6,933	6,824	6,835	6,781
O-1 2nd Lieutenant	6,834	6,718	6,821	6,846	6,786	6,968	6,963	6,983	7,135	7,098	6,946	6,974
Total Officers	61,457	61,784	61,906	61,339	61,248	61,457	61,420	61,685	62,304	62,615	62,585	62,451
<u>Enlisted Personnel</u>												
E-9 Chief Master Sergeant	2,558	2,561	2,576	2,587	2,584	2,577	2,578	2,581	2,579	2,578	2,575	2,580
E-8 Senior Master Sergeant	5,044	5,060	5,090	5,108	5,071	5,060	5,071	5,084	5,102	5,093	5,089	5,085
E-7 Master Sergeant	25,076	25,054	25,132	25,255	25,235	25,276	25,275	25,298	25,274	25,148	25,197	25,267
E-6 Technical Sergeant	40,133	39,924	39,935	39,997	39,970	40,198	40,126	40,058	40,004	40,038	40,141	40,426
E-5 Staff Sergeant	62,636	62,279	62,458	62,027	61,604	61,048	61,455	61,759	62,084	62,497	62,634	63,108
E-4 Senior Airman	58,361	58,655	58,931	58,509	58,602	58,661	58,484	58,759	58,564	59,002	59,024	58,810
E-3 Airman First Class	45,043	45,499	45,415	46,083	46,305	46,927	46,570	46,420	46,118	45,420	45,679	45,365
E-2 Airman	7,315	7,185	7,219	7,181	7,189	7,035	6,996	7,207	7,177	7,198	7,200	7,343
E-1 Airman Basic	10,586	10,753	10,718	10,750	10,775	10,849	10,773	10,802	10,758	10,725	10,815	10,665
Total Enlisted	256,752	256,970	257,474	257,497	257,335	257,631	257,328	257,968	257,660	257,699	258,354	258,649
<u>Cadets</u>												
	4,103	4,086	4,068	4,066	4,040	4,027	4,014	3,998	4,133	4,074	4,024	4,000
Total End Strength	322,312	322,840	323,448	322,902	322,623	323,115	322,762	323,651	324,097	324,388	324,963	325,100