

DEPARTMENT OF THE AIR FORCE



February 2007

FY 2007 Supplemental Request

FOR

OPERATION IRAQI FREEDOM (OIF) AND
OPERATION ENDURING FREEDOM (OEF)

**MILITARY PERSONNEL
TABLE OF CONTENTS**

Overview 3
M-1 Detail 8

ACTIVE AIR FORCE MILITARY PERSONNEL COSTS

Reserve & Guard Mobilization/Deployment and Active Costs

Basic Pay, Officer 11
Retired Pay Accrual, Officer 12
Basic Allowance for Housing, Officer 13
Basic Allowance for Subsistence, Officer 14
Special Pays, Officer 15
Allowances, Officer 15
Social Security Tax, Officer 18

Basic Pay, Enlisted 19
Retired Pay Accrual, Enlisted 20
Basic Allowance for Housing, Enlisted 21
Special Pays, Enlisted 22
Allowances, Enlisted 22
Social Security Tax, Enlisted 25

Basic Allowance for Subsistence, Enlisted 27
Subsistence-in-Kind, Officer and Enlisted 27

Permanent Change of Station Travel

Operational Travel 30

Casualty and Disability Benefits

Service members Group Life Insurance (SGLI)..... 33
Traumatic Injury Protection Coverage (T-SGLI)..... 33
Death Gratuities 33

Additional Mobilization/Deployment Costs

Unemployment Compensation..... 36

AIR FORCE RESERVE PERSONNEL COSTS

Reserve Special Incentive Pays

Special Incentive Pays..... 38

MILITARY PERSONNEL OVERVIEW

The FY 2007 Supplemental requests funds so that the United States may continue its security stabilization efforts in Iraq and Afghanistan and the global fight against terrorism. These deployments are in addition to the daily military operations around the globe. Without additional funds in FY 2007, the Air Force would have to use funds from their readiness and investment accounts to finance the continuing costs of military operations. In FY 2007, *Air Force* military personnel costs are averaging about **\$54.6 million** per month for Operation Iraqi Freedom (OIF) and **\$53.4 million** per month for Operation Enduring Freedom (OEF). Absorbing costs of this magnitude would seriously degrade combat operations and would weaken the nation's ability to react to future threats.

\$1,104.287

This request includes ~~*\$1,103.687 million for Air Force military personnel costs*~~ as shown in the following tables:

	(\$ in Thousands)			
	FY 2006	FY 2007	FY 2007	FY 2007
	<u>Total Actual</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total Estimate</u>
Summary by Appropriation			<i>\$1,101,287</i>	<i>\$1,453,075</i>
Military Personnel, Air Force	1,511,323	351,788	1,100,687	1,452,475
Reserve Personnel, Air Force	1,940	-	3,000	3,000
National Guard Personnel, Air Force	<u>1,200</u>	<u>-</u>	<u><i>\$1,104,287</i></u>	<u><i>\$1,456,075</i></u>
	1,514,463	351,788	1,103,687	1,455,475

	(\$ in Thousands)			
	FY 2006	FY 2007	FY 2007	FY 2007
	<u>Total Actual</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total Estimate</u>
Basic Allowance for Housing				
Memo Entry - Cost included above				
Military Personnel, Air Force	(197,856)	-	(211,758)	(211,758) <i>(\$211,814)</i>
Reserve Personnel, Air Force	-	-	-	-
National Guard Personnel, Air Force	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(197,856)	-	(211,758)	(211,758) <i>(\$211,814)</i>

	(\$ in Thousands)		
	<u>Active</u>	<u>Air Force</u>	
<u>FY 2007 Request</u>	<u>Air Force</u>	<u>Reserve</u>	<u>Total</u>
Reserve & Guard Mobilization/Deployment Costs	1,011,396	1,011,939	1,011,396 1,011,939
Subsistence-In-Kind (SIK)	66,790	66,847	66,790 66,847
Permanent Change of Station	5,500		5,500
Casualty and Disability	17,001		17,001
Reserve Component Special Pays	-	3,000	3,000
Total Military Personnel	1,100,687	<u>3,000</u>	1,103,687 1,104,287
		1,101,287	

The following table reflects mobilization and deployment assumptions. Mobilization numbers include personnel deployed to theater as well as personnel remaining in CONUS supporting OEF and OIF.

	<u>Average Strength</u>	
	<u>FY 2007</u>	
Active Air Force Deployment	20,118	20,156
Air Force Reserve Mobilization and Mandays	7,013	
Air National Guard Mobilization and Mandays	5,993	5,996

In response to the terrorist attacks on the United States on September 11, 2001, the President invoked his authority (10 U.S.C 12302) to order to active duty Ready Reserve members and delegated his authority to the Secretary of Defense in Proclamation 7463 of September 14, 2001. This declaration of national emergency has been extended, thereby continuing the authority to order to active duty Ready Reserve members. In order to sustain current military operations, funding is requested to finance the incremental costs (i.e., pay, allowances, subsistence, and other personnel costs) for personnel mobilized for duty in support of OIF and OEF.

\$1,104.3

The Air Force's military personnel requirement of ~~\$1,103.7~~ million is comprised of the following major costs:

\$1, 011.9

Reserve & Guard Mobilization/Deployment Costs (\$1,011.4 million)

- Basic military pay and entitlements (e.g., Basic Allowance for Housing (BAH), retired pay accrual and social security contributions, incentive pays, etc.) for Reserve and National Guard members on active duty to provide essential military operation support or backfill for those active personnel deployed overseas in support of OIF and OEF.
- Special Pays for Mobilized Reserve and National Guard Personnel:
 - Imminent Danger Pay (IDP) (\$225 per month),
 - Family Separation Allowance (FSA) (\$250 per month),
 - Hardship Duty-location Pay (\$100 per month if deployed for less than 12 months and \$300 per month if deployed for more than 12 months),
- Subsistence for all Active and Reserve Component members in support of OIF and OEF.
- Additional Mobilization/Deployment Benefits for unemployment benefits to ex-service members who are discharged or released under honorable conditions.

IMPACT IF NOT FUNDED: If supplemental funding is not received the Air Force will not be able to absorb the cost of compensating deploying personnel to prosecute the global war on terror and will be unable to meet statutory obligations to provide pay and allowances to mobilized reserve component personnel. This funding is crucial to execute the ongoing air bridge; theater airlift and refueling capability; ground transportation, security, and tactical air control parties used for close air support missions for the Army, Marines and Air Force. Without additional funds in FY 2007, the Air Force would have to use funds from readiness and investment accounts to finance the continuing costs of military operations.

Subsistence-in-Kind Costs (\$66.8 million)

- Subsistence-in-Kind for all Active and Reserve Component members in support of OIF and OEF.

IMPACT IF NOT FUNDED: If supplemental funding is not received the Air Force will not be able to absorb the cost of war-related entitlements to our war fighters, causing profoundly negative morale. The Air Force will be unable to adequately feed Airmen and other military service members deployed in support of both OEF and OIF. Without additional funds in FY 2007, the Air Force would have to use funds from readiness and investment accounts to finance the continuing costs of military operations.

Permanent Change of Station (\$5.5 million)

- The Permanent Change of Station (PCS) program pays for travel, transportation, storage, and dislocation allowances for reassignment of military members and their families traveling individually or as part of an organized unit in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). Costs are for the dislocation allowance, shipment of household goods, temporary and non-temporary storage of household goods, temporary lodging expense, and member mileage and per diem.

IMPACT IF NOT FUNDED: This travel has an immediate and direct impact on the Air Force's readiness to fight the Global War on Terror. If supplemental funding is not received the Air Force will not be able to absorb the cost of compensating deploying personnel to prosecute the global war on terror. These operational moves are paramount to ensure the Air Force meets end strength requirements and distributes the correct grade and skill mix for units deploying in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). This funding is crucial to execute the ongoing air bridge; theater airlift and refueling capability; ground transportation, security, and tactical air control parties used for close air support missions for the Air Force. Without additional funds in FY 2007, the Air Force would have to use funds from readiness and investment accounts to finance the continuing costs of military operations.

Casualty and Disability Benefits (\$17.0 million)

- Casualty Benefits – **\$17.0 million** for the following benefits associated with the death or traumatic injury of Service members.
 - Funding is for SGLI/T-SGLI insurance premiums that the Department of Defense pays on behalf of Service members (**\$8.6 million**).
 - Death Gratuity payments to survivors of members dying on active duty (**\$8.4 million**)

IMPACT IF NOT FUNDED: If supplemental funding is not received the Air Force will not be able to absorb the cost of compensating the wounded heroes and the families left behind after they so honorably prosecuted the global war on terror. The Air Force has a statutory obligation to provide this compensation to Airmen and their families and survivors. Without additional funds in FY 2007, the Air Force would have to use funds from readiness and investment accounts to finance the continuing costs of military operations.

Reserve Component Special Incentive Pay (\$3.0 million)

- Foreign Language Proficiency Pay (FLPP): Authorized in 37 U.S.C. 316 to all officers who are proficient in a second language and for whom DoD has a critical need for that language. The FY 2005 NDAA included a provision increasing the maximum Foreign Language Proficiency Pay to \$1,000.

IMPACT IF NOT FUNDED: If supplemental funding is not received the Air Force will not be able to absorb the cost of compensating deploying personnel to prosecute the global war on terror. Furthermore, the Air Force will be unable to meet statutory obligations to provide special incentive pay to Airmen proficient in critically needed languages. Without additional funds in FY 2007, the Air Force would have to use funds from readiness and investment accounts to finance the continuing costs of military operations.

The following table reflects the amounts requested for military personnel by appropriation and by M-1 line item broken between BAH and non-BAH.

	(\$ in Thousands)			
	FY 2006	FY 2007	FY 2007	FY 2007
	<u>Total Actual</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total Estimate</u>
<u>MILITARY PERSONNEL, AIR FORCE</u>				
BUDGET ACTIVITY 1: PAY AND ALLOWANCES OF OFFICERS				
BASIC PAY	157,953	38,836	142,957 143,092	181,793 181,928
RETIRED PAY ACCRUAL	41,858	8,029	40,146 40,182	48,175 48,211
BASIC ALLOWANCE FOR HOUSING	46,145	-	54,149 54,189	54,149 54,189
BASIC ALLOWANCE FOR SUBSISTENCE	5,343	1,020	5,152 5,157	6,172 6,177
SPECIAL PAYS	12,887	13,033	6,642 6,720	19,675 15,192
ALLOWANCES	5,776	2,148	4,608 4,651	6,756 6,799
SOCIAL SECURITY TAX	12,083	2,318	11,589 11,599	13,907 13,917
TOTAL BUDGET ACTIVITY 1	282,045	65,384	265,243 265,590	330,627 326,413
BUDGET ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED				
BASIC PAY	436,646	101,053	348,598 348,642	449,651 449,695
RETIRED PAY ACCRUAL	115,711	19,860	99,297 99,309	119,157 119,169
BASIC ALLOWANCE FOR HOUSING	151,711	-	157,609 157,624	157,609 157,624
SPECIAL PAYS	50,605	22,721	44,777 44,859	67,498 51,653
ALLOWANCES	21,700	8,037	16,586 16,623	24,623 24,660
SOCIAL SECURITY TAX	33,403	5,733	28,665 28,668	34,398 34,401
TOTAL BUDGET ACTIVITY 2	809,776	157,404	695,532 695,724	852,936 837,201
BUDGET ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL				
BASIC ALLOWANCE FOR SUBSISTENCE	33,657	-	34,421 34,424	34,421 34,424
SUBSISTENCE-IN-KIND	90,535	-	66,790 66,847	66,790 66,847
TOTAL BUDGET ACTIVITY 4	124,192	-	101,211 101,272	101,211 101,272
BUDGET ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL				
OPERATIONAL TRAVEL	9,300	-	5,500	5,500
TOTAL BUDGET ACTIVITY 5	9,300	-	5,500	5,500

	<u>(\$ in Thousands)</u>			
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2007</u>	<u>FY 2007</u>
	<u>Total Actual</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total Estimate</u>
<u>MILITARY PERSONNEL, AIR FORCE</u>				
BUDGET ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
INTEREST ON SOLDIERS DEPOSITS	-	-	-	-
RESERVE INCOME REPLACEMENT PROGRAM	-	-	-	-
UNEMPLOYMENT COMPENSATION	14,868	-	16,200	16,200
DEATH GRATUITIES	161,894	13,547	8,453	22,000
SGLI/TSGLI INSURANCE PREMIUM	-	-	8,548	8,548
SGLI EXTRA HAZARD PAYMENTS	94,648	112,800	-	112,800
TRAUMATIC INJURY PROTECTION COVERAGE (T-SGLI)	14,600	2,653	-	2,653
TOTAL BUDGET ACTIVITY 6	286,010	129,000	33,201	162,201
			<i>1,101,287</i>	<i>\$1,453,075</i>
TOTAL MILITARY PERSONNEL, AIR FORCE	1,511,323	351,788	1,100,687	1,452,475

	<u>(\$ in Thousands)</u>			
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2007</u>	<u>FY 2007</u>
	<u>Total Actual</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total Estimate</u>
<u>RESERVE PERSONNEL, AIR FORCE</u>				
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT				
SPECIAL TRAINING (PRE/POST MOB TRAINING)	-	-	3,000	3,000
DISABILITY AND DEATH GRATUITY	1,940	-	-	-
TOTAL RESERVE PERSONNEL, AIR FORCE	1,940	-	3,000	3,000

	<u>(\$ in Thousands)</u>			
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2007</u>	<u>FY 2007</u>
	<u>Total Actual</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total Estimate</u>
<u>NATIONAL GUARD PERSONNEL, AIR FORCE</u>				
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT				
DISABILITY AND DEATH GRATUITY	1,200	-	-	-
TOTAL NATIONAL GUARD PERSONNEL, AIR FORCE	1,200	-	-	-
			<i>1,104,287</i>	<i>\$1,456,075</i>
GRAND TOTAL AIR FORCE MILITARY PERSONNEL	1,514,463	351,788	1,103,687	1,455,475

**RESERVE & GUARD MOBILIZATION, MANDAYS
&
ACTIVE DEPLOYMENT**

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 1: Pay and Allowances of Officers

(\$ in Thousands)

Budget Line Item: Basic Pay

\$142,957 \$143,092

Part I - Purpose and Scope

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

Part II - Justification of Funds Required

The request provides the basic compensation for mobilized Reserve and Guard officer personnel. The FY 2007 military pay raise reflects a 2.2 percent across-the-board pay raise effective January 1, 2007. Although the average number of ANG and AFR officers is increasing from FY 2006 to FY 2007, the overall number of mobilized reserve/guard personnel and deployed active personnel is decreasing.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization	<u>2,386</u>	\$66,200	<u>157,953</u>	2,687	\$67,657	181,793	\$181,928
Total	2,386		157,953	2,687 2,689		181,793 181,928	\$181,928
 <u>FY 2007 Title IX</u>							
Reserve/Guard Mobilization						<u>38,836</u>	
Total						36,663	
 <u>FY 2007 Net Request</u>							
Reserve/Guard Mobilization						142,957	\$143,092
Total						142,957	\$143,092

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

FY 2007
(\$ in Thousands)
~~\$40,146~~ **\$40,182**

Part I - Purpose and Scope

The funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with 10 U.S.C 1466.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Actuary approved part-time and full-time Normal Cost Percentages (NCP) are 17.5 percent and 26.5 percent of basic pay, respectively, for FY 2007. (b) The total amount of the basic pay expected to be paid during the fiscal year.

The funds provide the Retired Pay Accrual payments for mobilized Reserve and Guard officer personnel.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization	<u>2,386</u>	\$17,543	<u>41,858</u>	2,687	\$17,929	48,175	\$48,211
Total	2,386		41,858	2,687		48,175	\$48,211
				2,689			
<u>FY 2007 Title IX</u>							
Reserve/Guard Mobilization						<u>8,029</u>	
Total						8,029	
<u>FY 2007 Net Request</u>							
Reserve/Guard Mobilization						40,146	\$40,182
Total						40,146	\$40,182

Appropriation: Military Personnel, Air Force

Budget Activity 1: Pay and Allowances of Officers

Budget Line Item: Basic Allowance for Housing (BAH)

FY 2007
(\$ in Thousands)
~~\$54,149~~ \$54,189

Part I - Purpose and Scope

In the FY 1998 National Defense Authorization Act, Congress approved the payment of a Basic Allowance for Housing (BAH) to service members. The Overseas Housing Allowance (OHA) payment, formerly located in overseas station allowances, moved into this section due to a change in Section 603 of P.L. 105-85, the National Defense Authorization Act for FY 1998. The continental United States, Alaska, and Hawaii BAH is termed BAH Domestic, while the overseas housing allowance is called BAH Overseas. Payment to service members is authorized by 37 U.S.C. 403. The BAH inflation rate for FY 2007 is 4.2%.

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with government quarters adequate for themselves and their dependents. This allowance enables such personnel to obtain civilian housing as a substitute.

The funds provide the BAH allowance for mobilized Reserve and Guard officer personnel.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization	<u>2,386</u>	\$19,340	<u>46,145</u>	2,687	\$20,152	54,149	\$54,189
Total	2,386		46,145	2,687 2,689		54,149 54,149	\$54,189
 <u>FY 2007 Title IX</u>							
Reserve/Guard Mobilization						-	
Total						-	
 <u>FY 2007 Net Request</u>							
Reserve/Guard Mobilization						54,149	\$54,189
Total						54,149 54,149	\$54,189

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 1: Pay and Allowances of Officers

(\$ in Thousands)

Budget Line Item: Basic Allowance for Subsistence (BAS)

~~\$5,152~~ \$5,156

Part I - Purpose and Scope

The funds requested will provide for subsistence allowance authorized by 37 U.S.C. 402 and P.L. 96-343.

Part II - Justification of Funds Requested

All officers, regardless of dependency status and pay grade, are paid a monthly Basic Allowance for Subsistence (BAS) at the same statutory rate. The BAS inflation rate for FY 2007 is 2.8 percent.

The funds provide the BAS allowance for mobilized Reserve and Guard officer personnel.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Reserve/Guard Mobilization	<u>2,386</u>	\$2,239	<u>5,343</u>	2,687	\$2,297	6,172 \$6,176
Total	2,386		5,343	2,687 2,689		6,172 \$6,176
 <u>FY 2007 Title IX</u>						
Reserve/Guard Mobilization						<u>1,020</u>
Total						1,020
 <u>FY 2007 Net Request</u>						
Reserve/Guard Mobilization						5,152 \$5,156
Total						5,152 \$5,156

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 1: Pay and Allowances of Officers

(\$ in Thousands)

Budget Line Item: Special and Incentive Pays and Allowances

~~\$11,250~~ \$11,371

Part I - Purpose and Scope

The funds requested provide for payments to officers for the following special pays.

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

Hostile Fire/Imminent Danger Pay (IDP): Paid at the rate of \$225 per month to personnel subject to hostile fire or in an area in which they are in imminent danger of being exposed to hostile fire (37 U.S.C. 310).

Hardship Duty Pay (HDP): The monthly rate may *not exceed* \$300 per month. The funds requested provide additional payment to personnel performing duty in a location that is designated by the Secretary of Defense as hardship duty (37 U.S.C. 305).

Foreign Language Proficiency Pay (FLPP): Authorized in 37 U.S.C. 316 to all officers who are proficient in a second language and for whom DoD has a critical need for that language. The FY 2005 NDAA included a provision increasing the maximum Foreign Language Proficiency Pay to \$1,000.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of officers eligible for each type of payment and rate of payment. The increase in Foreign Language Proficiency Pay is to promote the advancement of crucial foreign language skills. Ultimately, this will better prepare U.S. forces for more operations and training missions in foreign countries and for working with international coalitions. If supplemental funding is not received the Air Force will not be able to absorb the cost of war-related entitlements to our war fighters, causing profoundly negative morale.

Detailed cost computations are provided in the following table:

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

<u>Mobilized Guard & Reserve</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
<u>Total</u>							<u>\$2,741</u>
Family Separation Allowance	770	\$3,000	2,311	901	\$3,000	2,703	\$4,582
Hostile Fire Pay	1,432	\$2,700	3,867	1,679	\$2,700	4,533	\$1,534
Hardship Duty Pay	1,073	\$1,200	1,288	1,260	\$1,200	1,512	
Other Special Pays - FLPP	-	\$0	-	-	\$0	-	\$8,857
Total			7,466			8,748	
 <u>FY 2007 Title IX</u>							
Family Separation Allowance						932	
Hostile Fire Pay						2,754	
Hardship Duty Pay						919	
Other Special Pays - FLPP						-	
Total						4,605	
 <u>FY 2007 Net Request</u>							
Family Separation Allowance						1,771	\$1,809
Hostile Fire Pay						1,779	\$1,828
Hardship Duty Pay						593	\$615
Other Special Pays - FLPP						-	\$4,252
Total						4,143	

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

<u>Active Component Deployed</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Total						
Family Separation Allowance	1,155	\$3,000	3,465	1,351	\$3,000	4,053 \$4,057
Hostile Fire Pay	2,148	\$2,700	5,800	2,519	\$2,700	6,801 \$6,805
Hardship Duty Pay	1,610	\$1,200	1,932	1,890	\$1,200	2,268 \$2,272
Other Special Pays - FLPP	-	\$1,889	-	7,160	\$637	<u>4,561</u>
Total			11,197			17,683 \$17,695

FY 2007 Title IX

Family Separation Allowance			1,216
Hostile Fire Pay			3,600
Hardship Duty Pay			1,199
Other Special Pays - FLPP			<u>4,561</u>
Total			10,576

FY 2007 Net Request

Family Separation Allowance			2,837 \$2,841
Hostile Fire Pay			3,201 \$3,205
Hardship Duty Pay			1,069 \$1,073
Other Special Pays - FLPP			<u>-</u>
Total			7,107 \$7,119

Total Special and Incentive Pays and Allowances (Reserve Component Mobilization & Active Component Deployment) 11,250 \$11,371

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

FY 2007
(\$ in Thousands)
\$11,589 \$11,599

Part I - Purpose and Scope

The funds requested provide for employer's tax to the Social Security Administration as required by the Federal Insurance Contribution Act (FICA).

Part II - Justification of Funds Requested

The FICA tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The Old Age, Survivor, and Disability Insurance (OASDI) rate is 6.2 percent and the Hospital Insurance (HI) rate is 1.45 percent. The maximum amounts of earnings per individual on which tax is payable are:

<u>Calendar year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2007	\$98,400	No upper limit

The funds provide the employer's Social Security Tax payment for mobilized Reserve and Guard officers. The FY 2007 basic pay amount includes a 2.2% pay raise.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization	<u>2,386</u>	\$5,064	<u>12,083</u>	2,687	\$5,176	13,907	\$13,917
Total	2,386		12,083	2,687		13,907	\$13,917
<u>FY 2007 Title IX</u>							
Reserve/Guard Mobilization						<u>2,318</u>	
Total						2,318	
<u>FY 2007 Net Request</u>							
Reserve/Guard Mobilization						11,589	\$11,599
Total						11,589	\$11,599

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 2: Pay and Allowances of Enlisted

(\$ in Thousands)

Budget Line Item: Basic Pay

~~\$348,598~~ **\$348,642**

Part I - Purpose and Scope

The funds requested will provide for the incremental basic compensation and length of service pay increments for mobilized enlisted personnel and active military personnel that are above the baseline strength levels.

Part II - Justification of Funds Requested

The funds provide the basic compensation for mobilized Reserve and Guard. The FY 2007 military pay raise reflects a 2.2 percent across-the-board pay raise effective January 1, 2007, with selective increases for certain mid-grade senior enlisted personnel effective April 1, 2007.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization	<u>10,350</u>	\$42,188	<u>436,646</u>	10,319	\$43,575	449,651	\$449,695
Total	10,350		436,646	10,319		449,651	\$449,695
				10,320			
<u>FY 2007 Title IX</u>							
Reserve/Guard Mobilization						<u>101,053</u>	
Total						101,053	
<u>FY 2007 Net Request</u>							
Reserve/Guard Mobilization						348,598	\$348,642
Total						348,598	\$348,642

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 2: Pay and Allowances of Enlisted

(\$ in Thousands)

Budget Line Item: Retired Pay Accrual

\$99,297 \$99,309

Part I - Purpose and Scope

The funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with 10 U.S.C 1466.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Actuary approved part-time and full-time Normal Cost Percentages (NCP) are 17.5 percent and 26.5 percent of basic pay, respectively, for FY 2007. (b) The total amount of the basic pay expected to be paid during the fiscal year.

The funds provide the Retired Pay Accrual payments for mobilized Reserve and Guard enlisted personnel.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization	<u>10,350</u>	\$11,180	<u>115,711</u>	<u>10,319</u>	\$11,547	<u>119,157</u>	\$119,169
Total	10,350		115,711	10,319		119,157	\$119,169
<u>FY 2007 Title IX</u>							
Reserve/Guard Mobilization						<u>19,860</u>	
Total						19,860	
<u>FY 2007 Net Request</u>							
Reserve/Guard Mobilization						<u>99,297</u>	\$99,309
Total						99,297	\$99,309

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 2: Pay and Allowances of Enlisted

(\$ in Thousands)

Budget Line Item: Basic Allowance for Housing (BAH)

\$157,609 \$157,624

Part I - Purpose and Scope

In the FY 1998 National Defense Authorization Act, Congress approved the payment of a Basic Allowance for Housing (BAH) to Service members. The Overseas Housing Allowance (OHA) payment, formerly located in overseas station allowances, moved into this section due to a change in Section 603 of P.L. 105-85, the National Defense Authorization Act for FY 1998. The continental United States, Alaska, and Hawaii BAH is termed BAH Domestic, while the overseas housing allowance is called BAH Overseas. Payment to Service members is authorized by 37 U.S.C. 403. The BAH inflation rate for FY 2007 is 4.2 percent.

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with government quarters adequate for themselves and their dependents. This allowance enables such personnel to obtain civilian housing as a substitute.

The funds provide the BAH allowance for mobilized Reserve and Guard enlisted personnel.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization	<u>10,350</u>	\$14,658	<u>151,711</u>	10,319	\$15,274	157,609	\$157,624
Total	10,350		151,711	10,319		157,609	\$157,624
 <u>FY 2007 Title IX</u>							
Reserve/Guard Mobilization						<u>-</u>	
Total						-	
 <u>FY 2007 Net Request</u>							
Reserve/Guard Mobilization						157,609	\$157,624
Total						157,609	\$157,624

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 2: Pay and Allowances of Enlisted

(\$ in Thousands)

Budget Line Item: Special and Incentive Pays and Allowances

\$61,363 \$61,481

Part I - Purpose and Scope

The funds requested provide for payments to enlisted personnel for the following special pays:

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

Hostile Fire/Imminent Danger Pay: Paid at the rate of \$225 per month to personnel subject to hostile fire or in an area in which they are in imminent danger of being exposed to hostile fire (37 U.S.C. 310).

Hardship Duty Pay: The monthly rate may *not exceed* \$300 per month. The funds requested provide additional payment to enlisted personnel performing duty in a location that is designated by The Secretary of Defense as hardship duty (37 U.S.C. 305).

Foreign Language Proficiency Pay (FLPP): Authorized in 37 U.S.C. 316 to all enlisted members who are proficient in a second language and for whom DoD has a critical need for that language. The FY 2005 NDAA included a provision increasing the maximum Foreign Language Proficiency Pay to \$1,000.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of officers eligible for each type of payment and rate of payment. The increase in Foreign Language Proficiency Pay is to promote the advancement of crucial foreign language skills. Ultimately, this will better prepare U.S. forces for more operations and training missions in foreign countries and for working with international coalitions. If supplemental funding is not received the Air Force will not be able to absorb the cost of war-related entitlements to our war fighters, causing profoundly negative morale.

Detailed cost computations are provided in the following table:

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

<u>Mobilized Guard & Reserve</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Total						
Family Separation Allowance	2,532	\$3,000	7,595	3,064	\$3,000	9,191 \$9,226
Hostile Fire Pay	3,644	\$2,700	9,839	4,279	\$2,700	11,553 \$11,607
Hardship Duty Pay	6,560	\$1,200	7,872	7,703	\$1,200	9,244 \$9,268
Other Special Pays - FLPP	-	\$0	-	-	\$0	-
Total			25,306			29,988 \$30,101
 <u>FY 2007 Title IX</u>						
Family Separation Allowance						3,077
Hostile Fire Pay						1,558
Hardship Duty Pay						1,248
Other Special Pays - FLPP						-
Total						5,883
 <u>FY 2007 Net Request</u>						
Family Separation Allowance						6,114 \$6,149
Hostile Fire Pay						9,995 \$10,049
Hardship Duty Pay						7,996 \$8,020
Other Special Pays - FLPP						-
Total						24,105 \$24,218

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

<u>Active Component Deployed</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Total							
Family Separation Allowance	4,702	\$3,000	14,105	5,144	\$3,000	15,432	\$15,434
Hostile Fire Pay	6,768	\$2,700	18,274	6,332	\$2,700	17,096	\$17,098
Hardship Duty Pay	12,183	\$1,200	14,620	11,398	\$1,200	13,678	\$13,680
Other Special Pays - FLPP	-	\$0	-	18,826	\$846	15,927	
Total			46,998			62,133	\$62,139
 <u>FY 2007 Title IX</u>							
Family Separation Allowance						4,960	
Hostile Fire Pay						2,216	
Hardship Duty Pay						1,772	
Other Special Pays - FLPP						15,927	
Total						24,875	
 <u>FY 2007 Net Request</u>							
Family Separation Allowance						10,472	\$10,474
Hostile Fire Pay						14,880	\$14,882
Hardship Duty Pay						11,906	\$11,908
Other Special Pays - FLPP						-	
Total						37,258	\$37,264
Total Special and Incentive Pays and Allowances (Reserve Component Mobilization & Active Component Deployment)						61,363	\$61,481

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 2: Pay and Allowances of Enlisted

(\$ in Thousands)

Budget Line Item: Social Security Tax

\$28,665

\$28,668

Part I - Purpose and Scope

The funds requested provide for employer's tax to the Social Security Administration as required by the Federal Insurance Contribution Act (FICA).

Part II - Justification of Funds Requested

The FICA tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The Old Age, Survivor, and Disability Insurance (OASDI) rate is 6.2 percent and the Hospital Insurance (HI) rate is 1.45 percent. The maximum amounts of earnings per individual on which tax is payable are:

<u>Calendar year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2007	\$98,400	No upper limit

The funds provide the employer's Social Security Tax payment for mobilized Reserve and Guard enlisted personnel. The FY 2007 basic pay amount includes a 2.2% pay raise.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Reserve/Guard Mobilization	<u>10,350</u>	\$3,227	<u>33,403</u>	10,319	\$3,333	34,398 \$34,401
Total	10,350		33,403	10,319 10,320		34,398 \$34,401
 <u>FY 2007 Title IX</u>						
Reserve/Guard Mobilization						<u>5,733</u>
Total						5,733
 <u>FY 2007 Net Request</u>						
Reserve/Guard Mobilization						28,665 \$28,668
Total						28,665 \$28,668

**SUBSISTENCE FOR ENLISTED
AND
SUBSISTENCE-IN-KIND**

Appropriation: Military Personnel, Air Force

FY 2007

Budget Activity 4: Subsistence of Enlisted Personnel

(\$ in Thousands)

Budget Line Item: Basic Allowance for Subsistence/Subsistence-in-Kind

\$101,211

Part I - Purpose and Scope

The funds requested for this budget activity are for the payment of authorized Basic Allowances for Subsistence (BAS) and Subsistence-in-Kind (SIK). Subsistence-in-Kind includes the cost of procuring subsistence for garrison dining facilities (Subsistence in Messes), operational rations, and augmentation rations. The Air Force provides subsistence in mess facilities and operational rations for members of all military services participating in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF).

Basic Allowance for Subsistence is linked to the Department of Agriculture (DoA) food plan indices. All enlisted members (except recruits and holdees) are entitled to BAS. Members continue to receive BAS while deployed.

Subsistence-in-Messes is the cost of bulk subsistence for dining facilities operated in support of OIF and OEF. This requirement is dependent on the number of personnel using the dining facilities and the cost of food. This is an additional cost above the BAS since members are authorized to continue receiving their BAS even though food is provided in theater.

Operational Rations are rations used for field subsistence. Operational rations include the Meal-Ready-to Eat (MRE), Unitized Group Rations (UGR) that include “heat and serve” and A-ration varieties, and other operational rations, such as Cold Weather Rations. The SIK funds the cost of operational rations for both officers and enlisted airmen. The number of active duty personnel and the type of operational rations served determine costs for operational rations.

Part II - Justification of Funds Requested

This budget activity includes the Basic Allowance for Subsistence (BAS) paid to the mobilized enlisted airmen. The BAS is paid under the following conditions: (1) when authorized to mess separately, (2) while on authorized leave, and (3) when subsistence-in-kind is not available. All mobilized airmen are paid their full BAS entitlement.

Detailed cost computations are provided in the following table:

Appropriation: Military Personnel, Air Force

Budget Activity 4: Subsistence of Enlisted Personnel

Budget Line Item: Basic Allowance for Subsistence/Subsistence-in-Kind

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>			
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	
Reserve/Guard Mobilization - BAS	10,350	\$3,252	33,657	10,319 10,320	\$3,336	34,421 34,424	
Subsistence-In-Kind (SIK)	<u>27,016</u>	\$3,351	<u>90,535</u>	<u>26,232</u>	\$2,546	<u>66,790</u> 66,848	
Total			124,192	26,253		101,211	\$101,272

FY 2007 Title IX

Reserve/Guard Mobilization - BAS	-
Subsistence-In-Kind (SIK)	-
Total	-

FY 2007 Net Request

Reserve/Guard Mobilization - BAS	34,421 34,424
Subsistence-In-Kind (SIK)	<u>66,790</u> 66,848
Total	101,211 \$101,272

PERMANENT CHANGE OF STATION

Appropriation: Active Military Personnel

FY 2007

Budget Activity 5: Permanent Change of Station (PCS)

(\$ in Thousands)

Budget Line Item: Permanent Change of Station

\$5,500

Part I – Purpose and Scope

The Permanent Change of Station (PCS) program pays for travel, transportation, storage, and dislocation allowances for reassignment of military members and their families traveling individually or as part of an organized unit in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). Costs are for the dislocation allowance, shipment of household goods, temporary and non-temporary storage of household goods, temporary lodging expense, and member mileage and per diem.

Part II – Justification of Funds Requested

FY 2007 President’s Budget base budget does not include funding to ensure the Air Force meets its increase end strength requirements and distributes the correct grade and skill mix for units deploying in support of the Global War on Terrorism. Accession moves are necessary to ensure the Air Force meets increase in end strength requirements and distributes the correct grade and skill mix for units deploying in support of GWOT. There are also increased costs are for moves to support transition teams and deploying units to Iraq and Afghanistan. These moves fully man deploying units to authorized strength levels and provide military advisors to the Iraqi and Afghanistan governments. Additional moves are also required to reset the forces in support of deploying units for OIF and OEF.

Detailed cost computations are provided in the following table:

Appropriation: Active Military Personnel

Budget Activity 5: Permanent Change of Station (PCS)

Budget Line Item: Permanent Change of Station

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Accession Moves	-	\$0	-	-	\$0	-
Operational Moves	1,853	\$5,019	9,300	1,072	\$5,131	5,500
Rotational Moves	-	\$0	-	-	\$0	-
Total	1,853		9,300	1,072		5,500
 <u>FY 2007 Title IX</u>						
Accession Moves						-
Operational Moves						-
Rotational Moves						-
Total						-
 <u>FY 2007 Net Request</u>						
Accession Moves						-
Operational Moves						5,500
Rotational Moves						-
Total						5,500

CASUALTY AND DISABILITY BENEFITS

Appropriation: Active Military Personnel

FY 2007

Budget Activity 6: Other Military Personnel Costs

(\$ in Thousands)

Budget Line Item: Casualty and Disability Benefits

\$17,001

Part I – Purpose and Scope

The Service members' Group Life Insurance (SGLI) program is a low cost group life insurance for Service members on active duty. These payments are required, under section 1969(b) of title 38, United States Code, when actual mortality rates exceed peacetime mortality rates. The T-SGLI is a new program that provides automatic traumatic injury coverage to all Service members covered under the Service members' Group Life Insurance (SGLI) program. Every member who has SGLI also has T-SGLI, effective December 1, 2005. Funding for death gratuity payments is for payments to survivors of members dying on active duty. The amount payable was increased from \$12,000 to \$100,000 in Section 664 of the FY 2006 National Defense Authorization Act. Funding is for SGLI/T-SGI insurance premiums that the Department of Defense pays on behalf of Service members

Part II – Justification of Funds Requested

The funds are required to make extra hazard payment to the Department of Veterans Affairs to finance the increased number of SGLI death claims for the remaining portion of policy year 2006, which is not on a fiscal year (policy year based on July 1 – June 30), and a portion of policy year 2007. The average claim in policy year 2006 was \$352,822 and the estimated average claim in policy year 2007 is \$396,000. Funds are also required to make benefit payments to military personnel who incur a traumatic injury in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). The amount needed for non-combat related death gratuities is due to the increase from \$12,000 to \$100,000 in Section 664 of the FY 2006 National Defense Authorization Act. This entitlement was authorized after the FY 2007 budget was submitted. Section 606 of the FY 2007 National Defense Authorization Act directs the Department to pay the full premium for coverage under Service members' Group Life Insurance program during service in Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF). The amount the Department pays is \$29.00 per month for each member. The decrease in funds from FY 2006 to FY 2007 is due to the completion of the required retroactive payments to individuals authorized the increased death gratuity of \$100,000. Based on the FY 2006 National Defense Authorization Act (PL 109-163), these payments were retroactive to 10/7/01.

Detailed cost computations are provided in the following table:

Appropriation: Active Military Personnel

Budget Activity 6: Other Military Personnel Costs

Budget Line Item: Casualty and Disability Benefits

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
SGLI			94,648			112,800
T-SGLI			14,600			2,653
SGLI/T-SGLI Insurance Premium			-			8,548
Death Gratuity (Combat Deaths)	8	\$100,000	800	10	\$100,000	1,000
Death Gratuity (Non-Combat Deaths)	638	\$100,000	65,446	239	\$88,000	21,000
Enhanced Death Benefit	638	\$150,000	95,648	-	\$0	-
Total			271,142			146,001

FY 2007 Title IX

SGLI						112,800
T-SGLI						2,653
SGLI/T-SGLI Insurance Premium						-
Death Gratuity (Combat Deaths)						-
Death Gratuity (Non-Combat Deaths)						13,547
Enhanced Death Benefit						-
Total						129,000

FY 2007 Net Request

SGLI						-
T-SGLI						-
SGLI/T-SGLI Insurance Premium						8,548
Death Gratuity (Combat Deaths)						1,000
Death Gratuity (Non-Combat Deaths)						7,453
Enhanced Death Benefit						-
Total						17,001

ADDITIONAL MOBILIZATION/DEPLOYMENT COSTS

Appropriation: Active Military Personnel

FY 2007

Budget Activity 6: Other Military Personnel Costs

(\$ in Thousands)

Budget Line Item: Unemployment Benefits

\$16,200

Part I – Purpose and Scope

Unemployment benefits are for payments to ex-Service members who are discharged or released under honorable conditions as prescribed in paragraph (1) of section 8521(a) of Title 5, United States Code as amended by Section 301, PL. 102-164.

Part II – Justification of Funds Requested

Eligibility for unemployment benefits is defined as active service in the armed forces where upon an individual was discharged under honorable conditions and had completed their first full term of active service; or was discharged before completing their first term under an early release program, because of hardship, for medical reasons, or for personality disorders, or ineptitude (but only if the service was continuous for 365 days or more). These increased costs are primarily the result of Reserve Component mobilization.

Detailed cost computations are provided in the following table:

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Unemployment Benefits	<u>12,736</u>	\$1,167	<u>14,868</u>	<u>13,006</u>	\$1,246	<u>16,200</u>
Total			14,868			16,200
<u>FY 2007 Title IX</u>						
Unemployment Benefits						<u>-</u>
Total						-
<u>FY 2007 Net Request</u>						
Unemployment Benefits						<u>16,200</u>
Total						16,200

RESERVE COMPONENT SPECIAL INCENTIVE PAYS

Appropriation: Reserve Personnel, Air Force

FY 2007

Budget Activity 1: Reserve Component Special Incentive Pays

(\$ in Thousands)

Budget Line Item: Foreign Language Proficiency Pay

\$3,000

Part I - Purpose and Scope

The funds requested provide for payments to officers for the following special pays.

Foreign Language Proficiency Pay (FLPP): Authorized in 37 U.S.C. 316 to all officers who are proficient in a second language and for whom DoD has a critical need for that language. The FY 2005 NDAA included a provision increasing the maximum Foreign Language Proficiency Pay to \$1,000.

Part II - Justification of Funds Requested

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of officers eligible for each type of payment and rate of payment. The increase in Foreign Language Proficiency Pay is to promote the advancement of crucial foreign language skills. Ultimately, this will better prepare U.S. forces for more operations and training missions in foreign countries and for working with international coalitions. Furthermore, the Air Force will be unable to meet statutory obligations to provide special incentive pay to Airmen proficient in critically needed languages. Without additional funds in FY 2007, the Air Force would have to use funds from readiness and investment accounts to finance the continuing costs of military operations.

Detailed cost computations are provided in the following table:

Appropriation: Reserve Personnel, Air Force

Budget Activity 1: Reserve Component Special Incentive Pays

Budget Line Item: Foreign Language Proficiency Pay

<u>Total</u>	<u>FY 2006 Actual</u>			<u>FY 2007 Estimate</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
FLPP	-	\$0	-	4,710	\$637	3,000
Total	-		-	4,710		3,000
 <u>FY 2007 Title IX</u>						
FLPP						-
Total						-
 <u>FY 2007 Net Request</u>						
FLPP						3,000
Total						3,000