

**DEPARTMENT OF THE
AIR FORCE**

**Fiscal Year (FY) 2017 BUDGET ESTIMATES
OVERSEAS CONTINGENCY OPERATIONS REQUEST**



**MILITARY PERSONNEL APPROPRIATION
February 2016**

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MILITARY PERSONNEL OVERVIEW

The FY 2017 Overseas Contingency Operations Request provides funding so the United States may continue security stabilization efforts in Afghanistan and Iraq. Support to Operation Freedom's Sentinel (OFS) encompasses all actions to restore stability, support counter terrorism operations against the remnants of al Qaeda in Afghanistan, the Horn of Africa, the Philippines, and detainee operations on U.S. Naval Station Guantanamo Bay, Cuba. Support to Operation Inherent Resolve (OIR) focuses on the operations to eliminate the Islamic State of Iraq and the Levant (ISIL). European Reassurance Initiative (ERI) will continue efforts started in FY 2015 to reassure allies of the U.S. commitment to their security and territorial integrity as members of the NATO Alliance, provide near-term flexibility and responsiveness to the evolving concerns of our allies and partners in Europe, especially Central and Eastern Europe, and help increase the capability and readiness of U.S. allies and partners. These efforts are in addition to ongoing daily military operations around the globe. In response to the attacks on the United States on September 11, 2001, the President invoked his authority (10 US Code 12302) to order to active duty Ready Reserve members and delegated his authority to the Secretary of Defense in Proclamation 7463 of September 14, 2001. This declaration of national emergency has been extended, thereby continuing the authority to order to active duty Ready Reserve members. In order to sustain current military operations, funding is requested to finance the incremental costs (i.e., pay, allowances, subsistence, and other personnel costs) for personnel mobilized for duty and for incremental Active Duty costs in support of OFS, OIR and ERI. The Air Force's military personnel requirement of \$745.7 million is comprised of the following major costs:

(\$ in Thousands)

<u>Summary by Appropriation</u>	FY 2015 <u>Actuals</u>	FY 2016 Total <u>Enacted</u>	FY 2017 Total <u>Request</u>
Military Personnel, Air Force	714,989	726,126	719,896
Reserve Personnel, Air Force	19,755	18,710	20,535
National Guard Personnel, Air Force	<u>5,454</u>	<u>2,828</u>	<u>5,288</u>
TOTAL MILITARY PERSONNEL	740,198	747,664	745,719

MILITARY PERSONNEL OVERVIEW

Summary By Category (\$ in Thousands)

<u>FY 2015 Actuals</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization*	539,046	-	-	539,046
AC Deployment Costs	42,132	-	-	42,132
Subsistence in Kind (SIK)	99,047	-	-	99,047
Casualty and Disability	10,747	-	-	10,747
Additional Mobilization and Deployment Costs	24,017	-	-	24,017
Pre- and Post-Mobilization Training	-	19,755	5,454	25,209
	714,989	19,755	5,454	740,198

*Includes the European Reassurance Initiative requirements (\$6.2 million)

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2016 Total for Enacted</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization	551,998	-	-	551,998
AC Deployment Costs	54,210	-	-	54,210
Subsistence in Kind (SIK)	84,711	-	-	84,711
Casualty and Disability	11,064	-	-	11,064
Additional Mobilization and Deployment Costs	24,143	-	-	24,143
Pre- and Post-Mobilization Training	-	18,710	2,828	21,538
	726,126	18,710	2,828	747,664

MILITARY PERSONNEL OVERVIEW

(\$ in Thousands)

<u>FY 2017 Total Request</u>	<u>Active Air Force</u>	<u>Air Force Reserve</u>	<u>Air National Guard</u>	<u>Total</u>
Reserve and Guard Mobilization*	561,144	-	-	561,144
AC Deployment Costs	34,450	-	-	34,450
Subsistence in Kind (SIK)	93,369	-	-	93,369
Casualty and Disability Additional Mobilization and Deployment Costs	6,307	-	-	6,307
Pre- and Post-Mobilization Training	24,626	-	-	24,626
	-	20,535	5,288	25,823
	719,896	20,535	5,288	745,719

*Includes the European Reassurance Initiative requirements (\$9.7 million)

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

Average Strength

	<u>FY 2015 Actuals</u>	<u>FY 2016 Total *</u>	<u>FY 2017 Total</u>
Active Air Force	13,759	11,764	10,843
Air Force Reserve Mobilization	2,299	2,732	2,673
Air Force National Guard Mobilization	3,818	3,521	3,427
TOTAL	19,876	18,017	16,943

* Reflects the projected average mobilization strength of 6,253.

MILITARY PERSONNEL OVERVIEW

Reserve & Guard Mobilization/Deployment Costs **\$ 595.6 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 OFS, OIR and ERI.
- Special Pays for Mobilized Reserve and National Guard Personnel and Deployed Active Personnel:
 - Imminent Danger Pay (IDP) (\$225 per month)
 - Family Separation Allowance (FSA) (\$250 per month)
 - Hardship Duty Location Pay (\$100 per month)
- Basic Allowance for Subsistence (BAS) for Reserve Component members in support of OFS and OIR.

Subsistence-in-Kind Costs **\$ 93.4 Million**

- Funds requested provide Subsistence-in-Kind (SIK) (food and drink) for all Active and Reserve Component members in support of OFS, OIR and ERI

Casualty and Disability Benefits **\$ 6.3 Million**

- Casualty Benefits pay for the following benefits associated with the death or traumatic injury of Service members:
- Reimbursement to the Department of Veterans Affairs for Traumatic Injury Protection claims under the Servicemembers' Group Life Insurance (SGLI).
 - Funding is for SGLI/T-SGLI insurance premiums the Department of Defense pays on behalf of service members.
 - Funding is for Death Gratuities payments to survivors of members who die while on active duty.

Additional Mobilization Deployment Cost **\$ 24.6 Million**

- Additional Mobilization/Deployment Benefits for unemployment benefits to ex-service members discharged or released under honorable conditions.

Pre- and Post-Mobilization Programs **\$ 25.8 Million**

- Pre & Post Mobilization Training: Continuing overseas contingency operations have highlighted the need for additional funding to accelerate qualification and certification training for many assigned personnel who are not currently at authorized skill levels
- Yellow Ribbon Reintegration Program: Section 582 of the FY08 NDAA established a national combat veteran reintegration program for Guard and Reserve members and their families.

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

Introduction:

The National Defense Authorization Act (NDAA) 2012, by order of 10 U.S.C. (SS) 12304b, provides the authority for the Secretary of the Air Force to involuntary activate members of the Selective Reserves for not more than 365 consecutive days. In FY17, the Air Force plans to utilize 12304b in support of pre-planned CENTCOM operations funded by Overseas Contingency Operations (OCO) supplemental funding if 12302 (involuntary mobilization) authority is not available. Identified operations/missions are:

OPERATION FREEDOM'S SENTINEL (OFS)/Operation Inherent Resolve (OIR) Airlift (1,016 MYRS (494 Officer, 522 Enlisted) ~ \$115.1M)

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

OEF/OIR and OEF- Horn of Africa (HOA) Combat Air Forces Aviation (681 MY (150 Officer, 531 Enlisted) ~ 63.4M)

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

OEF/OIR and OEF-HOA Expeditionary Combat Support (1,179MY (259 Officer, 920 Enlisted) ~ 109.7M)

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

AIR FORCE M-1
FY 2017 Overseas Contingency Operations Request

	FY 2015	FY 2016	FY 2017
	Actuals	Enacted	Request
MILITARY PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: PAY AND ALLOWANCES OF OFFICERS			
BASIC PAY	94,624	105,498	104,751
RETIRED PAY ACCRUAL	21,290	24,265	24,721
BASIC ALLOWANCE FOR HOUSING	29,240	32,922	33,351
BASIC ALLOWANCE FOR SUBSISTENCE	3,364	3,832	3,745
INCENTIVE PAYS	-	-	-
SPECIAL PAYS	6,936	7,559	5,227
ALLOWANCES	6,034	7,910	5,610
SOCIAL SECURITY TAX	7,239	8,071	8,013
TOTAL BUDGET ACTIVITY 1	168,727	190,057	185,418
BUDGET ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
BASIC PAY	198,436	196,552	199,730
RETIRED PAY ACCRUAL	44,648	45,207	47,136
BASIC ALLOWANCE FOR HOUSING	83,576	83,389	86,671
SPECIAL PAYS	25,772	27,835	20,006
ALLOWANCES	22,909	25,901	19,146
SOCIAL SECURITY TAX	15,180	15,036	15,279
TOTAL BUDGET ACTIVITY 2	390,521	393,920	387,968
BUDGET ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
BASIC ALLOWANCE FOR SUBSISTENCE	21,930	22,231	22,208
SUBSISTENCE-IN-KIND	99,047	84,711	93,369
TOTAL BUDGET ACTIVITY 4	120,977	106,942	115,577
BUDGET ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
INTEREST ON SOLDIERS DEPOSITS			
RESERVE INCOME REPLACEMENT PROGRAM			
UNEMPLOYMENT COMPENSATION	24,017	24,143	24,626
DEATH GRATUITIES	700	1,000	1,000
SGLI EXTRA HAZARD PAYMENTS	7,333	7,344	5,307
TRAUMATIC SGLI	2,714	2,720	-
TOTAL BUDGET ACTIVITY 6	34,764	35,207	30,933
* TOTAL MILITARY PERSONNEL	714,989	726,126	719,896

AIR FORCE M-1
FY 2017 Overseas Contingency Operations Request

	FY 2015	FY 2016	FY 2017
	Actuals	Enacted	Request
MILITARY PERSONNEL, AIR FORCE			
RESERVE PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	19,755	18,710	20,535
TOTAL RESERVE PERSONNEL, AIR FORCE	19,755	18,710	20,535
NATIONAL GUARD PERSONNEL, AIR FORCE			
BUDGET ACTIVITY 1: RESERVE COMPONENT TRAINING AND SUPPORT			
SPECIAL TRAINING (PRE/POST MOB TRAINING)	5,454	2,828	5,288
TOTAL NATIONAL GUARD PERSONNEL, AIR FORCE	5,454	2,828	5,288
 GRAND TOTAL AIR FORCE MILITARY PERSONNEL	 740,198	 747,664	 745,719

**ANALYSIS OF APPROPRIATION CHANGES
MILITARY PERSONNEL - AIR FORCE
FY 2016
(Amount in Thousands)**

	FY2016 PRESIDENT'S BUDGET	CONGRESSIONAL ACTION	APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PROPOSED DD1415 ACTION*	FY 2016 COLUMN FY 2017 PRES BUD
PAY AND ALLOWANCES OF OFFICERS							
BASIC PAY	105,498	-	105,498	1,197	106,695	2,158	108,853
RETIRED PAY ACCRUAL	24,265	-	24,265	376	24,641	395	25,036
BASIC ALLOWANCE FOR HOUSING	32,922	-	32,922	666	33,588	539	34,127
BASIC ALLOWANCE FOR SUBSISTENCE	3,832	-	3,832		3,832	19	3,851
SPECIAL PAYS	7,559	-	7,559		7,559	-	7,559
ALLOWANCES	7,910	-	7,910	1	7,911	-	7,911
SOCIAL SECURITY TAX	8,071	-	8,071	125	8,196	131	8,327
TOTAL PAY OCO OBLIGATIONS OFFICERS	190,057	-	190,057	2,365	192,422	3,242	195,664
PAY AND ALLOWANCES OF ENLISTED							
BASIC PAY	196,552	-	196,552		196,552	3,670	200,222
RETIRED PAY ACCRUAL	45,207	-	45,207		45,207	844	46,051
BASIC ALLOWANCE FOR HOUSING	83,389	-	83,389	555	83,944	1,613	85,557
SPECIAL PAYS	27,835	-	27,835		27,835	-	27,835
ALLOWANCES	25,901	-	25,901	(2)	25,899	-	25,889
SOCIAL SECURITY TAX	15,036	-	15,036		15,036	281	15,317
TOTAL PAY OCO OBLIGATIONS ENLISTED	393,920	-	393,920	553	394,473	6,408	400,871
SUBSISTENCE OF ENLISTED PERSONNEL							
BASIC ALLOWANCE FOR SUBSISTENCE	22,231	-	22,231	(197)	22,034	-	22,034
SUBSISTENCE-IN-KIND	84,711	-	84,711	(1)	84,710	-	84,710
TOTAL OCO OBLIGATIONS SUBSISTENCE	106,942	-	106,942	(198)	106,744	-	106,744
PERMANENT CHANGE OF STATION TRAVEL							
OPERATIONAL TRAVEL	-	-	-	-	-	-	-
TOTAL OCO OBLIGATIONS PCS							
OTHER MILITARY PERSONNEL COSTS							
UNEMPLOYMENT COMPENSATION	24,143	-	24,143	-	24,143	-	24,143
DEATH GRATUITIES	1,000	-	1,000	-	1,000	-	1,000
SGLI EXTRA HAZARD PAYMENTS	7,344	-	7,344		7,344	-	7,344
TRAUMATIC SGLI	2,720	-	2,720	(2,720)	-	-	-
TOTAL OCO OBLIGATIONS OTHER	35,207	-	35,207	(2,720)	32,487	-	32,487
TOTAL OCO OBLIGATIONS	726,126	-	726,126	-	726,126	9,650	735,766

*FY2016 estimates reflect current projections based on additional workyears supproting ERI requirments that were not budgeted in the FY2016 OCO estimated. The potential reprograming amount has not been approved by the Office of Management and Budget, and could be revised before an Omnibus Reprogramming is submitted to Congress.

ACTIVE AIR FORCE MILITARY PERSONNEL COSTS

RESERVE MOBILIZATION AND ACTIVE DEPLOYMENT COSTS

PAY AND ALLOWANCES OF OFFICERS

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

FY 2017
 (\$ in Thousands)
 104,751

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

Part II - Justification of Funds Requested

The request provides basic pay for mobilized Reserve and Guard officer personnel. The FY 2016 military pay raise reflects a 1.30 percent base pay raise effective 1 January 2016 and 1.60 percent effective 1 January 2017.

	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
<u>Total Incremental Costs</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Pay (Reserve/Guard Mobilization)	1,114	84,941	94,624	1,266	85,982	108,853	1,200	87,293	104,751
Total			94,624			108,853			104,751
Shortfall Adjustment						2,158			
Funded Level						106,695			

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

FY 2017
 (\$ in Thousands)
 24,721

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

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Retirement Board of Actuaries approved part-time Normal Cost Percentages (NCP) of 23.00 percent of basic pay for FY 2016 and 23.60 percent for FY 2017 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

<u>Total Incremental Costs</u>	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Retired Pay Accrual	1,114	19,112	21,290	1,266	19,776	25,036	1,200	20,601	24,721
Total			21,290			25,036			24,721
Shortfall Adjustment						395			
Funded Level						24,641			

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

FY 2017
 (\$ in Thousands)
33,351

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

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with adequate government quarters. This allowance enables such personnel to obtain civilian housing as a substitute. The FY 2016 BAH increase is 2.90 percent effective 1 January 2016 and the FY 2017 BAH increase is 3.20 percent effective 1 January 2017.

<u>Total Incremental Costs</u>	<u>FY 2015 Actuals</u>			<u>FY 2016 Estimated</u>			<u>FY 2017 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Allowance for Housing	1,114	26,248	<u>29,240</u>	1,266	26,957	<u>34,127</u>	1,200	27,793	<u>33,351</u>
Total			29,240			34,127			33,351
Shortfall Adjustment						539			
Funded Level						33,588			

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

FY 2017
 (\$ in Thousands)
3,745

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

Part II - Justification of Funds Requested

All officers, regardless of dependency status and pay grade, are paid a monthly BAS at the same statutory rate. The rates are derived as a product of (a) the preceding year rate and (b) the percentage increase as determined by the Secretary of Agriculture. The 2016 increase is 0.10 percent and 2017 BAS increase is 3.40 percent effective 1 January of each year.

	<u>FY 2015 Actuals</u>			<u>FY 2016 Estimated</u>			<u>FY 2017 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
<u>Total Incremental Costs</u>									
Basic Allowance for Subsistence	1,114	3,019	<u>3,364</u>	1,266	3,042	<u>3,851</u>	1,200	3,121	<u>3,745</u>
Total			3,364			3,851			3,745
Shortfall Adjustment						19			
Funded Level						3,832			

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

FY 2017
(\$ in Thousands)
10,837

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

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

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

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

Part II - Justification of Funds Requested

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

	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	633	3,000	1,899	682	3,000	2,046	691	3,000	2,073
Hostile Fire/Imminent Danger Pay	366	2,700	988	281	2,700	759	293	2,700	791
Hardship Duty Pay	891	1,200	1,069	493	1,200	592	530	1,200	636
Subtotal Mobilization Incremental Cost	1,890		3,956	1,456		3,397	1,514		3,500
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	1,378	3,000	4,135	1,955	3,000	5,865	1,179	3,000	3,537
Hostile Fire/Imminent Danger Pay	1,144	2,700	3,089	1,110	2,700	2,997	681	2,700	1,839
Hardship Duty Pay	1,491	1,200	1,790	2,676	1,200	3,211	1,634	1,200	1,961
Subtotal Deployed Active Incremental Cost	4,013		9,014	5,741		12,073	3,494		7,337
<u>Grand Total Special/Incentive Pays</u>									
Family Separation Allowance	2,011	3,000	6,034	2,637	3,000	7,911	1,870	3,000	5,610
Hostile Fire/Imminent Danger Pay	1,510	2,700	4,077	1,391	2,700	3,756	974	2,700	2,630
Hardship Duty Pay	2,382	1,200	2,859	3,169	1,200	3,803	2,164	1,200	2,597
Grand Total Incremental Cost	5,904		12,970	7,197		15,470	5,008		10,837
Shortfall Adjustment									-
Funded Level						15,470			

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

FY 2017
 (\$ in Thousands)
8,013

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

Part II - Justification of Funds Requested

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

<u>Calendar Year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2015	\$118,500	No upper limit
2016	\$118,500	No upper limit
2017	\$126,300	No upper limit

<u>Total Incremental Costs</u>	<u>FY 2015 Actuals</u>			<u>FY 2016 Estimated</u>			<u>FY 2017 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Social Security Tax	1,114	6,498	7,239	1,266	6,578	8,327	1,200	6,678	8,013
Total			<u>7,239</u>			<u>8,327</u>			<u>8,013</u>
Shortfall Adjustment						131			
Funded Level						8,196			

PAY AND ALLOWANCES OF ENLISTED

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

FY 2017
 (\$ in Thousands)
199,730

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

Part II - Justification of Funds Requested

The request provides basic pay for mobilized Reserve and Guard enlisted personnel. The FY2016 military pay raise is 1.30 percent base pay effective 1 January 2016 and FY2017 1.60 percent effective 1 January 2017.

<u>Total Incremental Costs</u>	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Basic Pay (Reserve/Guard Mobilization)	5,003	39,663	198,436	4,987	40,149	200,222	4,900	40,761	199,730
Total			198,436			200,222			199,730
Shortfall Adjustment						3,670			
Funded Level						196,552			

FY 2017
 (\$ in Thousands)
47,136

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

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

Part II - Justification of Funds Requested

The budget estimates are derived as a product of: (a) The DoD Retirement Board of Actuaries approved part-time Normal Cost Percentages (NCP) of 23.00 percent of basic pay for FY 2016 and 23.60 percent for FY 2017 and (b) The total amount of the basic pay expected to be paid during the fiscal year.

<u>Total Incremental Costs</u>	<u>FY 2015 Actuals</u>			<u>FY 2016 Estimated</u>			<u>FY 2017 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Retired Pay Accrual	5,003	8,924	44,648	4,987	9,234	46,051	4,900	9,620	47,136
Total			44,648			46,051			47,136
Shortfall Adjustment						844			
Funded Level						45,207			

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

FY 2017
 (\$ in Thousands)
86,671

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

Part II - Justification of Funds Requested

This program provides a cash allowance to those military personnel not provided with adequate government quarters. This allowance enables such personnel to obtain civilian housing as a substitute. The FY 2016 BAH increase is 2.90 percent effective 1 January 2016 and the FY 2017 BAH increase is 3.20 percent effective 1 January 2017.

	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Total Incremental Costs									
Basic Allowance for Housing	5,003	16,705	83,576	4,987	17,156	85,557	4,900	17,688	86,671
Total			83,576			85,557			86,671
Shortfall Adjustment						1,613			
Funded Level						83,944			

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

FY 2017
(\$ in Thousands)
39,152

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

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

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

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

Part II - Justification of Funds Requested

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

	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Special Pay for Mobilized Guard & Reserve</u>									
Family Separation Allowance	2,339	3,000	7,016	2,243	3,000	6,729	2,283	3,000	6,849
Hostile Fire/Imminent Danger Pay	1,276	2,700	3,445	872	2,700	2,354	915	2,700	2,471
Hardship Duty Pay	4,251	1,200	5,102	2,095	1,200	2,514	2,266	1,200	2,719
Subtotal Mobilization Incremental Cost	7,866		15,563	5,210		11,597	5,464		12,039
<u>Special Pay for Deployed Active Personnel</u>									
Family Separation Allowance	5,298	3,000	15,893	6,390	3,000	19,170	4,099	3,000	12,297
Hostile Fire/Imminent Danger Pay	3,053	2,700	8,244	3,451	2,700	9,318	2,236	2,700	6,037
Hardship Duty Pay	7,485	1,200	8,981	11,374	1,200	13,649	7,316	1,200	8,779
Subtotal Deployed Active Incremental Cost	15,836		33,118	21,215		42,137	13,651		27,113
Grand Total Special/Incentive Pays									
Family Separation Allowance	7,636	3,000	22,909	8,633	3,000	25,899	6,382	3,000	19,146
Hostile Fire/Imminent Danger Pay	4,329	2,700	11,689	4,323	2,700	11,672	3,151	2,700	8,508
Hardship Duty Pay	11,736	1,200	14,083	13,469	1,200	16,163	9,582	1,200	11,498
Grand Total Incremental Cost	23,702		48,681	26,425		53,734	19,115		39,152
Shortfall Adjustment						-			
Funded Level						53,734			

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

FY 2017
 (\$ in Thousands)
 15,279

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

Part II - Justification of Funds Requested

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

<u>Calendar Year</u>	<u>OASDI Base</u>	<u>Medicare Base</u>
2015	\$118,500	No upper limit
2016	\$118,500	No upper limit
2017	\$126,300	No upper limit

<u>Total Incremental Costs</u>	<u>FY 2015 Actuals</u>			<u>FY 2016 Estimated</u>			<u>FY 2017 Request</u>		
	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Rate</u>	<u>Amount</u>
Social Security Tax	5,003	3,034	15,180	4,987	3,071	15,317	4,900	3,118	15,279
Total			15,180			15,317			15,279
Shortfall Adjustment						281			
Funded Level						15,036			

**BASIC ALLOWANCE FOR
SUBSISTENCE OF ENLISTED
PERSONNEL**

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

FY 2017
 (\$ in Thousands)
 115,577

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

Part II - Justification of Funds Requested

Basic Allowance for Subsistence is paid to all enlisted members (except recruits and holdees) in accordance with 37 U.S.C 402. The rates are derived as a product of (a) the preceding year rate and (b) the percentage increase as determined by the Secretary of Agriculture. The 2016 and 2017 increases are 0.10 percent and 3.40 percent effective 1 January of each year respectively.

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

	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
<u>Total Incremental Costs</u>									
Basic Allowance for Subsistence	5,003	4,384	21,930	4,987	4,418	22,034	4,900	4,532	22,208
Subsistence-in-Kind	17,208	5,756	99,047	14,600	5,802	84,710	15,684	5,953	93,369
Total			120,977			106,744			115,577
Shortfall Adjustment						-			
Funded Level						106,744			

OTHER MILITARY PERSONNEL COSTS

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

FY 2017
 (\$ in Thousands)
 6,307

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

Part II - Justification of Funds Requested

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

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

<u>Total Incremental Costs</u>	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
SGLI	-	-	-	-	-	-	-	-	-
T-SGLI (Prospective)	-	-	2,714	-	-	-	-	-	-
SGLI/T-SGLI Insurance Premium	21,071	348	7,333	21,103	348	7,344	15,249	348	5,307
Death Gratuities	7	100,000	700	10	100,000	1,000	10	100,000	1,000
Total	21,078		10,747	21,113		8,344	15,259		6,307

Appropriation: Military Personnel, Air Force
Budget Activity 6: Other Military Personnel Costs
Budget Line Item: Unemployment Compensation, Paid To Ex-Service Members

FY 2017
 (\$ in Thousands)
24,626

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

Part II - Justification of Funds Requested

The funds are for payments of unemployment benefits to eligible ex-active duty service members and demobilized Guard and Reserve personnel as prescribed in Section 8521(a), Paragraph 1 of Title 5, U.S.C. Generally, eligibility is defined as at least 365 days of continuous active service in the Armed Forces whereupon the individual is discharged under honorable conditions or demobilized. Active duty personnel must complete a first full-term of active service or be discharged before a first-term is completed under an early release program, because of hardship, for medical reasons, or for personality disorders or inaptitude. Additionally, eligibility is subject to numerous applicable state laws.

The Department of Labor is the Executive Agency, as administered by individual states, for the Federal Government's share of applicable unemployment compensation. Costs estimates are based on Department of Labor factors derived from projected economic assumptions and Department of Defense historical experience.

<u>Total Incremental Costs</u>	FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
	Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Unemployment Compensation			24,017			24,143			24,626
Total			24,017			24,143			24,626

AIR FORCE RESERVE MILITARY PERSONNEL COSTS

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

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

FY 2017
 (\$ in Thousands)
 20,535

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

Part II - Justification of Funds Requested

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

Yellow Ribbon Reintegration Program: The FY 2017 OCO Supplemental Request supports the members' pay and allowance and travel costs for reintegration training through the pre and post deployment phases. The "strength" represents the total number of participants attending various events and administrating the YRRP. Section 582 of the FY 2008 National Defense Authorization Act directs the establishment of "a national combat veteran reintegration program to provide National Guard and Reserve members and their families with sufficient information, services, referral and proactive outreach opportunities through the entire deployment cycle." The pre-deployment phase (from first notification of mobilization until deployment of the mobilized unit) focuses on educating members, families and affected communities on combat deployment. The post-deployment phase (from arrival at home station until 180 days following demobilization) consists of reintegration activities at the 30-60-90 day interval after unit demobilization. The focus is on reconnecting members and their families with the service providers (i.e. TRICARE, JAG, Department of Veterans Affairs, etc.) to ensure a clear understanding of the entitled benefits. In addition, combat stress, transition and how members and their families can address these issues is also integral to this post-deployment phase.

<u>Total Incremental Costs</u>		FY 2015 Actuals				FY 2016 Estimated				FY 2017 Request			
		<u>Strength</u>	<u>Workdays</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Workdays</u>	<u>Rate</u>	<u>Amount</u>	<u>Strength</u>	<u>Workdays</u>	<u>Rate</u>	<u>Amount</u>
Special Training	Pre/Post Mobilization	1,287	-	6,667	8,581	1,201	-	6,754	8,112	1,293	-	6,876	8,890
Special Training	Yellow Ribbon - Training	4,128	31,225	251	7,834	3,852	29,141	255	7,440	4,148	31,377	261	8,184
Special Training	Yellow Ribbon - Travel	4,128	31,225	107	3,340	3,852	29,141	108	3,158	4,148	31,377	110	3,461
Total					19,755				18,710				20,535

AIR GUARD MILITARY PERSONNEL COSTS

GUARD PRE- AND POST-DEPLOYMENT MOBILIZATION TRAINING

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

FY 2017
 (\$ in Thousands)
 5,288

Part I - Purpose and Scope

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

Part II - Justification of Funds Requested

Yellow Ribbon Reintegration Program: The FY 2017 OCO Request supports the members' pay and allowance and travel costs for reintegration training through the pre- and post- deployment phases. The "strength" represents the total number of participants attending various events. Due to smaller separated groups of Yellow Ribbon eligible service members, we are using a model similar to the AF Reserve to conduct a small number of regional events. The larger deployment groups will continue to execute within their states.

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

<u>Total Incremental Costs</u>		FY 2015 Actuals			FY 2016 Estimated			FY 2017 Request		
		Strength	Rate	Amount	Strength	Rate	Amount	Strength	Rate	Amount
Special Training	Yellow Ribbon - Training									
	Officers	2,420	369	894	2,316	376	872	2,254	385	867
	Enlisted	13,916	197	2,742	13,318	201	2,677	12,963	205	2,658
	Yellow Ribbon - Travel									
	Officers	2,420	131	316	2,316	133	308	2,254	136	307
	Enlisted	13,916	108	1,502	13,318	110	1,467	12,963	112	1,456
	Total			5,454			5,324*			5,288

*The FY 2016 estimates reflect current projections based on the most recent level of execution; however, the potential reprogramming amount has not been approved by the Office of Management and Budget, and could be revised before an Omnibus Reprogramming is submitted to Congress.

*The FY 2016 OCO appropriation for the National Guard Personnel, Air Force was \$2.828 million, but the Air Force now expects to execute \$5.324 million based on mobilization requirements and the resulting use of the Yellow Ribbon Reintegration Program. Due to smaller separated groups of Yellow Ribbon eligible service members, the Air National Guard is forced to go to a small number of regional events to support these members and their families resulting in a higher cost for the program. This model is very similar to the AF reserve. We tested our first successful regional in April 2015. The larger deployment packages will still execute within their states. Funds will be made available to support this program from savings in the Air National Guard direct program.