DEPARTMENT OF THE ARMY

FY 1997 BUDGET ESTIMATES

Submitted to Congress, March 1996

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MILITARY PERSONNEL, ARMY

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DTIC QUALITY INSPECTED 1

Military Personnel, Army
Program and Financing (in Thousands of dollars)

Identification code 21-2010-0-1-051		1995 actual	1996 est.	1997 est.
	Program by activities:			
	Direct program:			
00.0101	Pay and allowances of officers	5,782,000	5,728,631	5,841,432
00.0201	Pay and allowances of enlisted	13,026,635	12,283,253	12,455,449
00.0301	Pay and allowances of cadets	37,126	35,495	36,903
00.0401	Subsistence of enlisted personnel	777,000	747,354	1,006,488
00.0501	Permanent change of station travel	1,112,613	1,061,352	1,031,885
00.0601	Other military personnel costs	271,308	199,602	208,581
00.9101	Total direct program	21,006,682	20,055,687	20,580,738
01.0101	Reimbursable program	165,936	219,210	207,300
10.0001	Total obligations	21,172,618	20,274,897	20,788,038
	Financing:			
	Offsetting collections from:			
11.0001	Federal funds(-)	-105,632	-170,107	-173,632
13.0001	Trust funds(-)	-42,722	-36,389	-24,950
14.0001	Non-Federal sources(-)	-17,582	-12,714	-8,718
39.0001	Budget authority	21,006,682	20,055,687	20,580,738
	Budget authority:			
40.0001	Appropriation	20,870,470	19,946,187	20,580,738
41.0001	Transferred to other accounts (-)		-1,100	
42.0001	Transferred from other accounts	136,212	110,600	
43.0001	Appropriation (adjusted)	21,006,682	20,055,687	20,580,738
	Relation of obligations to outlays:			
71.0001	Obligations incurred	21,006,682	20,055,687	20,580,738
72.1001	Orders on hand, SOY	-184,426	-223,651	
72.4001	Obligated balance, start of year	513,794	752,152	1,487,000
72.4901	Obligated balance, start of year	3,300	3,300	3,300
74.1001	Orders on hand, EOY	223,651		
74.4001	Obligated balance, end of year	-752,152	-1,487,000	-1,553,462
74.4901	Obligated balance, end of year	-3,300	-3,300	-3,300
77.0001	Adjustments in expired accounts (net)	18,476		
90.0001	Outlays (net)	20,826,025	19,097,188	20,514,276

Military Personnel, Army
Object Classification (in Thousands of dollars)

Identification code 21-2010-0-1-051		1995 actual	1996 est.	1997 est.
	Direct obligations:			
	Personnel compensation:			
111.701	Military personnel	13,883,736	13,409,057	13,626,484
111.901	Total personnel compensation	13,883,736	13,409,057	13,626,484
	Personnel Benefits: Military personnel			
112.201	Accrued retirement benefits	3,805,383	3,383,473	3,419,904
112.202	Other personnel benefits	2,060,544	2,029,827	2,069,522
113.001	Benefits for former personnel	137,945	133,583	128,574
121.001	Travel and transportation of persons	325,894	314,641	306,289
122.001	Transportation of things	715,587	672,897	655,063
125.201	Other services with the private sector	24,140	22,718	22,829
126.001	Supplies and materials	51,729	87,295	349,889
142.001	Insurance claims and indemnities	1,724	2,196	2,184
199.001	Total Direct obligations	21,006,682	20,055,687	20,580,738
	Reimbursable obligations:			
	Personnel Compensation:			
211.701	Military personnel	110,639	158,105	99,318
211.901	Total personnel compensation	110,639	158,105	99,318
	Personnel Benefits: Military Personnel			
212.201	Accrued retirement benefits	41,748	44,100	29,121
212.202	Other personnel benefits	9,053	11,055	13,653
221.001	Travel and transportation of persons	1,987	2,400	2,400
222.001	Transportation of things	1,987	3,000	3,000
225.201	Other services with the private sector	199	300	300
226.001	Supplies and materials	323	250	59,508
299.001	Total Reimbursable obligations	165,936	219,210	207,300
999.901	Total obligations	21,172,618	20,274,897	20,788,038

Military Personnel, Army
(Supplemental)
Program and Financing (in Thousands of dollars) SUPPLEMENTAL

Identification code 21-2010-1-1-051	1995 actual	1996 est.	1997 est.
Program by activities:			
Direct program:			
00.0101 Pay and allowances of officers		34,053	
00.0201 Pay and allowances of enlisted		183,392	
00.0401 Subsistence of enlisted personnel		22,055	
00.0501 Permanent change of station travel		5,000	
00.9101 Total direct program		244,500	
10.0001 Total obligations		244,500	
Financing:			
40.0001 Budget authority (Appropriation)		244,500	
Relation of obligations to outlays:			
71.0001 Obligations incurred		244,500	
72.4001 Obligated balance, start of year		-12,714	12,714
74.4001 Obligated balance, end of year		231,786	-733
90.0001 Outlays (net)			11,981

Military Personnel, Army
(Supplemental)
Object Classification (in Thousands of dollars) SUPPLEMENTAL

Identification code 21-2010-1-1-051		1995 actual	1996 est.	1997 est.
	Direct obligations:			
	Personnel compensation:			
111.701	Military personnel		179,103	
111.801	Special personal services payments		29,811	
121.001	Travel and transportation of persons		5,000	
122.001	Transportation of things		30,586	
199.001	Total Direct obligations		244,500	
999.901	Total obligations		244,500	

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FY 1997

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SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995	ESTIMATE FY 1996 1)	ESTIMATE FY 1997
DIRECT PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS	$ 5,782,000	$ 5,762,684	$ 5,841,432
PAY AND ALLOWANCES FOR ENLISTED	13,026,635	12,466,645	12,455,449
PAY AND ALLOWANCES FOR CADETS	37,126	35,495	36,903
SUBSISTENCE OF ENLISTED PERSONNEL	777,000	769,409	1,006,488
PERMANENT CHANGE OF STATION TRAVEL	1,112,613	1,066,352	1,031,885
OTHER MILITARY PERSONNEL COSTS	271,308	199,602	208,581
TOTAL DIRECT PROGRAM	$ 21,006,682	$ 20,300,187	$ 20,580,738
REIMBURSABLE PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS	$ 91,100	$ 120,300	$ 73,121
PAY AND ALLOWANCES FOR ENLISTED	68,536	90,650	68,921
SUBSISTENCE OF ENLISTED PERSONNEL	0	0	56,998
PERMANENT CHANGE OF STATION TRAVEL	6,000	8,000	8,000
OTHER MILITARY PERSONNEL COSTS	300	260	260
TOTAL REIMBURSABLE PROGRAM	$ 165,936	$ 219,210	$ 207,300
TOTAL PROGRAM			
PAY AND ALLOWANCES FOR OFFICERS	$ 5,873,100	$ 5,882,984	$ 5,914,553
PAY AND ALLOWANCES FOR ENLISTED	13,095,171	12,557,295	12,524,370
PAY AND ALLOWANCES FOR CADETS	37,126	35,495	36,903
SUBSISTENCE OF ENLISTED PERSONNEL	777,000	769,409	1,063,486
PERMANENT CHANGE OF STATION TRAVEL	1,118,613	1,074,352	1,039,885
OTHER MILITARY PERSONNEL COSTS	271,608	199,862	208,841
TOTAL OBLIGATIONS	$ 21,172,618	$ 20,519,397	$ 20,788,038

1) Includes $354 million for DoD Contingency Operations

SECTION 2
INTRODUCTION

THE MILITARY PERSONNEL, ARMY (MPA) APPROPRIATION PROVIDES RESOURCES TO COMPENSATE ACTIVE MILITARY PERSONNEL REQUIRED TO MAN THE APPROVED FORCE STRUCTURE. IN ADDITION TO PERSONNEL IN THE FORCE STRUCTURE, THE APPROPRIATION ALSO PROVIDES COMPENSATION FOR PERSONNEL IN THE INDIVIDUALS ACCOUNTS: STUDENTS, TRAINEES, TRANSIENTS, CADETS, AND HOLDEES (HOLDEES INCLUDE PATIENTS, PRISONERS, AND OTHERS). THE MANNING GOAL IS TO PROVIDE, IN A TIMELY MANNER, THE RIGHT NUMBER OF HIGH QUALITY PEOPLE IN THE APPROPRIATE GRADES AND SKILLS TO SATISFY FORCE STRUCTURE AUTHORIZATIONS. ACCOMPLISHMENT OF THIS GOAL WILL ENSURE A HIGH DEGREE OF PERSONNEL READINESS AND CONTINUED IMPROVEMENT OF COMBAT READINESS IN UNITS, WHILE MINIMIZING OPERATING STRENGTH DEVIATIONS.

MANAGEMENT CHARACTERISTICS OF MPA

MPA IS A CENTRALLY ADMINISTERED SINGLE-YEAR OPEN ALLOTMENT APPROPRIATION. ENTITLEMENTS ARE SET BY STATUTE, AND THE BIGGEST COST DRIVER IS THE AVERAGE NUMBER OF PERSONNEL ON ACTIVE DUTY. THERE ARE OTHER FACTORS SUCH AS OVERSEAS STRENGTH, FOREIGN CURRENCY EXCHANGE RATES, MARITAL CONTENT, AND PERSONNEL POLICY WHICH ALSO IMPACT HEAVILY ON COSTS IN THIS APPROPRIATION. THESE FACTORS CANNOT BE INFLUENCED IN THE SHORT TERM. THEREFORE, ADJUSTMENTS MUST BE PROGRAMMATIC, E.G., TIED TO END STRENGTH REDUCTIONS, LENGTHENING OF OVERSEAS TOURS, CHANGES IN PROMOTION FLOW, ETC. ALSO, DUE TO IMPLEMENTATION TIME REQUIRED TO ALTER THE IMPACT OF MOST OF THE COST DRIVERS - FIRST YEAR SAVINGS ARE NORMALLY VERY LOW, AND IN SOME INSTANCES, DUE TO SEPARATION COSTS, MAY ACTUALLY REQUIRE INCREASED COSTS TO IMPLEMENT.

FORCE STRUCTURE

ARMY FORCE STRUCTURE SUPPORTS THE NATIONAL MILITARY STRATEGY WHICH CALLS FOR A MULTI-REGIONAL ORIENTATION, COMBINING FORWARD PRESENCE AND CONUS BASED FORCES WITH UNIQUE ARMY CAPABILITIES TO PROVIDE ESSENTIAL LAND FORCES. THE TOTAL ARMY WILL BE STRUCTURED TO PROVIDE A WIDE RANGE OF LAND BASED WARFIGHTING CAPABILITIES APPLICABLE THROUGHOUT THE OPERATIONAL CONTINUUM AND STATIONED AT LOCATIONS TO BEST SUPPORT STRATEGIC REQUIREMENTS. THE ARMY WILL SUPPORT ALL ELEMENTS OF THE NATIONAL MILITARY STRATEGY - FORWARD DEPLOYED FORCES FOR FORWARD PRESENCE, FULLY CAPABLE CONTINGENCY FORCES, REINFORCING FORCES AND STRATEGIC INSURANCE FORCES TO GUARD AGAINST THE POSSIBILITY OF MAJOR WAR. CHANGING STRATEGY, DOCTRINE AND RESOURCES RESULT IN REDUCTIONS TO THE TOTAL ARMY FORCE STRUCTURE. THE FORCE IN FY97 WILL CONSIST OF FOUR CORPS, 10 ACTIVE COMPONENT DIVISIONS AND 8 RESERVE COMPONENT DIVISIONS.

END STRENGTH

THE ACTIVE ARMY BUDGETED END STRENGTH (ES) FOR FY97 IS 495,000, REFLECTING A STABLE POSITION FROM THE FY96 END STRENGTH OF THE SAME NUMBER. FY97 REPRESENTS THE FIRST YEAR OF FORCE STABILIZATION SINCE DOWNSIZING BEGAN. AS A RESULT, THIS SUBMISSION DOES NOT INCLUDE THE LARGE REDUCTIONS DUE TO FORCE MANNING SAVINGS THAT WERE REFLECTED IN PREVIOUS BUDGETS.

OFFICER FORCE

IN FY97, THE ARMY'S OFFICER FORCE WILL BE 80,300, A REDUCTION OF 1,000 FROM THE FY96 LEVEL. REDUCTIONS IN THE OFFICER FORCE CONTINUE TO BE ACHIEVED PRIMARILY THROUGH THE WIDE RANGE OF VOLUNTARY PROGRAMS CURRENTLY AUTHORIZED. ADDITIONAL INVOLUNTARY REDUCTIONS SUCH AS THE EXPANDED SELECTIVE EARLY RETIREMENT PROGRAM AND REDUCTION IN FORCE (REGULAR AND OTHER THAN REGULAR) PROGRAMS, MAY BE APPLIED AS NECESSARY TO MEET END STRENGTH REQUIREMENTS AND SHAPE THE FORCE.

ENLISTED FORCE

THE ENLISTED FORCE WILL INCREASE FROM 409,700 AT THE END OF FY96 TO 410,700 BY THE END OF FY97, RESULTING IN AN INCREASE OF 1,000 SOLDIERS. NON-COMMISSIONED OFFICER STRENGTHS AND PROMOTIONS WILL CONTINUE TO MEET BY-GRADE STRUCTURE DEMANDS.

ACCESSIONS

THE ARMY ACCESSION GOAL IS TO RECRUIT 67 PERCENT OF SOLDIERS FROM INDIVIDUALS WHO SCORE IN MENTAL TEST CATEGORIES I-IIIA, AT LEAST 95 PERCENT HIGH SCHOOL DIPLOMA GRADUATES, AND TO LIMIT MENTAL TEST CATEGORY IV ACCESSIONS TO LESS THAN 2 PERCENT. TOTAL NON-PRIOR SERVICE ACCESSION REQUIREMENTS FOR FY96 ARE 72,227 AND 87,540 IN FY97.

PERMANENT CHANGE OF STATION TRAVEL (PCS)

THE FY97 BUDGET ESTIMATE INCLUDES PROJECTED INFLATION COST GROWTH FOR ALL APPLICABLE MODES OF PCS TRAVEL AND TRANSPORTATION. COSTS ALSO REFLECT IMPACTS OF RISING DEFENSE BUSINESS OPERATING FUND RATES AND AUTHORIZED PAY RAISE.

THE NUMBER OF PCS MOVES IS DRIVEN PRIMARILY BY THE COMMITMENT TO STATION FORCES OVERSEAS (APPROXIMATELY 25% OF THE FORCE) AND ACCESSION AND SEPARATIONS REQUIRED TO MAINTAIN END STRENGTH. IN SUPPORT OF CONGRESSIONAL DESIRES TO REDUCE THE FREQUENCY OF FAMILY MOVES AND CONSERVE PCS FUNDS, THIS BUDGET REFLECTS STRICT ADHERENCE TO TIME-ON-STATION REQUIREMENTS AND RETAINABILITY CONSTRAINTS CONTAINED IN DODD 1315.7 ENTITLED "MILITARY PERSONNEL ASSIGNMENTS", DATED JANUARY 1987. IN ADDITION, APPROVAL AUTHORITY FOR CURTAILMENT OF FOREIGN SERVICE TOURS IS AT GENERAL OFFICER LEVEL AT THE HEADQUARTERS EXERCISING ASSIGNMENT AUTHORITY FOR THE SERVICE. TO PROVIDE GREATER MANAGEMENT FLEXIBILITY, FUNDING FOR SEVERAL OVERSEAS EXTENSION PROGRAMS HAS BEEN TRANSFERRED FROM THE OPERATION AND MAINTENANCE, ARMY APPROPRIATION TO THE MILITARY PERSONNEL, ARMY APPROPRIATION. THESE ACTIONS REFLECT EFFORTS TO REDUCE THE FREQUENCY OF FAMILY MOVES WITHOUT NEGATIVELY AFFECTING ARMY READINESS LEVELS OR THE QUALITY OF LIFE EXPERIENCED BY SOLDIERS AND THEIR FAMILIES.

FY97 ESTIMATES FOR PCS INCLUDE A REDUCTION OF $50M TO THE PROGRAM REFLECTING MANAGEMENT ACTIONS TO ACHIEVE EFFICIENCIES.

KEY BUDGET ASSUMPTIONS USED TO DEVELOP THESE ESTIMATES INCLUDE:

- THE FY96/97 ESTIMATES FOR OVERSEAS STATION ALLOWANCES ARE BASED ON THE EFFECTIVE RATE OF EXCHANGE IN GERMANY AS OF JANUARY 1, 1996.
- PAY RAISE ESTIMATES ARE BASED ON 1 JANUARY IMPLEMENTATION. THE FY96 PAY RAISE IS 2.4% WITH THE EXCEPTION OF BAQ WHICH IS INCREASED BY 5.2% AS AUTHORIZED BY CONGRESS. THE FY97 PAY RAISE IS 3.0% FOR ALL AFFECTED ACCOUNTS.
- THE NORMAL COST PERCENTAGES (NCP) USED TO CALCULATE PAYMENTS TO THE MILITARY RETIRED PAY TRUST FUND ARE 32.9% IN FY96 AND 32.6% IN FY97. THESE RATES ARE SET BY THE DOD BOARD OF ACTUARIES.
- FY96 ESTIMATES INCLUDE $354.5 MILLION FOR PAY AND ALLOWANCES FOR CONTINGENCY OPERATIONS. FY97 ESTIMATES INCLUDE $48.1 FOR CONTINGENCY OPERATIONS. IN THE MPA APPROPRIATION THESE COSTS ARE FOR ADDITIONAL MANYEARS DUE TO RESERVE COMPONENT CALL-UPS, IMMINENT DANGER PAY, BASIC ALLOWANCE FOR SUBSISTENCE, AND FOREIGN DUTY PAY.

FY96 FUNDING

REQUIREMENTS FOR FY96 ARE CURRENTLY UNDER INTENSE REVIEW BY THE ARMY. PROGRAMS AUTHORIZED BUT NOT YET FUNDED INCLUDE NURSE BOARD CERTIFIED PAY, INCREASED RATE OF SPECIAL DUTY ASSIGNMENT PAY, AND VHA RATE PROTECTION.

PROGRAM	EST $M
NURSE BOARD CERTIFIED PAY	$0.6
SPECIAL DUTY ASSIGNMENT PAY	$5.0
VHA RATE PROTECTION	$7.0

FY97 FUNDING

THE SAME ITEMS IDENTIFIED ABOVE AS AUTHORIZED BUT NOT YET FUNDED IN FY96 ARE ALSO NOT RESOURCED IN FY97.

PROGRAM	EST $M
NURSE BOARD CERTIFIED PAY	$ 1.1
SPECIAL DUTY ASSIGNMENT PAY	$10.0
VHA RATE PROTECTION	$ 9.0

THE FY97 ESTIMATES ALREADY INCORPORATE ACTIONS TO ACCELERATE OFFICER LOSSES, SLOWDOWN PROMOTIONS TO SPECIALIST RANK, REDUCE ENLISTMENT AND REENLISTMENT BONUSES, AND IMPROVE DEBT MANAGEMENT. ALTHOUGH NOT PROGRAMMATIC IN NATURE, THESE ACTIONS ARE DESIGNED TO REDUCE FY97 COSTS TO STAY WITHIN BUDGET LEVELS.

PROGRAM	EST $M
ACCELERATED OFFICER LOSS PHASING	$-35.0
SPECIALISTS PROMOTION SLOWDOWN	$-50.0
BONUS PROGRAMS	$-10.0
IMPROVED DEBT MANAGEMENT	$-50.0

ALTHOUGH THESE AMOUNTS ARE COMPARATIVELY SMALL IN RELATION TO THE TOTAL APPROPRIATION, THE LACK OF FLEXIBILITY IN A PAY APPROPRIATION LIMITS THE ARMY'S ABILITY TO ABSORB THESE ADDITIONAL COSTS FROM WITHIN THE APPROPRIATION. THE COST REDUCTION PROGRAMS ALREADY PLANNED FOR IMPLEMENTATION REPRESENT THE MAXIMUM SAVINGS THAT CAN ACCRUED WITHOUT DEGRADING PERSONNEL READINESS LEVELS.

SECTION 3
SUMMARY OF MILITARY PERSONNEL STRENGTH

	ACTUAL FY 1995		ESTIMATE FY 1996 1)		ESTIMATE FY 1997 1)	
	AVERAGE STRENGTH	END STRENGTH	AVERAGE STRENGTH	END STRENGTH	AVERAGE STRENGTH	END STRENGTH
DIRECT PROGRAM						
OFFICERS	83,616	81,950	81,877	80,674	79,951	79,704
ENLISTED	438,904	420,697	414,982	408,318	410,008	409,448
ACADEMY CADETS	3,998	3,947	3,839	4,000	3,874	4,000
TOTAL DIRECT PROGRAM	526,518	506,594	500,698	492,992	493,833	493,152
REIMBURSABLE PROGRAM						
OFFICERS	587	589	624	626	594	596
ENLISTED	1,375	1,376	1,381	1,382	1,381	1,252
TOTAL REIMBURSABLE PROGRAM	1,962	1,965	2,005	2,008	1,975	1,848
TOTAL PROGRAM						
OFFICERS	84,203	82,539	82,501	81,300	80,545	80,300
ENLISTED	440,279	422,073	416,363	409,700	411,389	410,700
ACADEMY CADETS	3,998	3,947	3,839	4,000	3,874	4,000
TOTAL	528,480	508,559	502,703	495,000	495,808	495,000

1) Includes the following workyears for Contingency Operations:

	FY96	FY97
OFFICER	496	117
ENLISTED	2,498	525
TOTAL	2,994	642

SECTION 3
END STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 1995		ESTIMATE FY 1996		ESTIMATE FY 1997	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
O-10 GENERAL	11	0	11	0	11	0
O-9 LIEUTENANT GENERAL	39	0	34	0	34	0
O-8 MAJOR GENERAL	92	2	103	2	103	2
O-7 BRIGADIER GENERAL	149	4	147	4	143	4
O-6 COLONEL	3,602	93	3,683	98	3,646	92
O-5 LIEUTENANT COLONEL	9,241	149	9,053	171	9,009	164
O-4 MAJOR	14,011	142	14,787	147	14,602	142
O-3 CAPTAIN	24,926	160	23,637	170	24,687	158
O-2 FIRST LIEUTENANT	8,559	18	9,096	16	8,846	16
O-1 SECOND LIEUTENANT	9,573	0	9,002	0	7,500	0
TOTAL COMMISSIONED OFFICERS	70,203	568	69,553	608	68,581	578
WARRANT OFFICERS						
W-5 CHIEF WARRANT OFFICER	383	1	302	1	324	1
W-4 CHIEF WARRANT OFFICER	1,425	4	1,607	4	1,598	4
W-3 CHIEF WARRANT OFFICER	3,016	6	3,087	6	3,028	6
W-2 CHIEF WARRANT OFFICER	5,637	9	4,757	6	4,713	6
W-1 CHIEF WARRANT OFFICER	1,875	1	1,994	1	2,056	1
TOTAL WARRANT OFFICERS	12,336	21	11,747	18	11,719	18
TOTAL OFFICER PERSONNEL	82,539	589	81,300	626	80,300	596
ENLISTED PERSONNEL						
E-9 SERGEANT MAJOR	3,253	37	3,119	44	3,119	44
E-8 1ST SERGEANT/MASTER SERGEANT	10,981	69	11,162	66	11,181	69
E-7 PLATOON SERGEANT/SGT 1ST CLASS	39,855	247	39,614	246	40,049	243
E-6 STAFF SERGEANT	59,220	242	57,762	202	57,860	178
E-5 SERGEANT	80,377	244	77,420	212	76,873	178
E-4 CORPORAL/SPECIALIST 4	127,774	302	114,000	241	111,623	209
E-3 PRIVATE, FIRST CLASS	50,679	213	53,747	347	55,447	307
E-2 PRIVATE	29,932	18	29,938	19	30,885	19
E-1 PRIVATE	20,002	4	22,938	5	23,663	5
TOTAL ENLISTED PERSONNEL	422,073	1,376	409,700	1,382	410,700	1,252
TOTAL OFFICER AND ENLISTED PERSONNEL	504,612	1,965	491,000	2,008	491,000	1,848
CADETS	3,947	0	4,000	0	4,000	0
TOTAL END STRENGTH	508,559	1,965	495,000	2,008	495,000	1,848

SECTION 3
AVERAGE STRENGTH BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 1995		ESTIMATE FY 1996		ESTIMATE FY 1997	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS						
O-10 GENERAL	12	0	11	0	11	0
O-9 LIEUTENANT GENERAL	37	0	34	0	34	0
O-8 MAJOR GENERAL	107	1	103	2	103	2
O-7 BRIGADIER GENERAL	158	4	148	3	143	3
O-6 COLONEL	3,751	93	3,705	92	3,644	92
O-5 LIEUTENANT COLONEL	9,465	158	9,079	159	9,007	154
O-4 MAJOR	14,304	149	15,036	157	14,716	142
O-3 CAPTAIN	26,061	143	24,213	174	24,717	164
O-2 FIRST LIEUTENANT	8,477	19	8,759	18	8,378	18
O-1 SECOND LIEUTENANT	9,231	0	9,384	0	8,074	0
TOTAL COMMISSIONED OFFICERS	71,603	567	70,472	605	68,827	575
WARRANT OFFICERS						
W-5 CHIEF WARRANT OFFICER	354	1	342	1	313	1
W-4 CHIEF WARRANT OFFICER	1,523	4	1,611	4	1,599	4
W-3 CHIEF WARRANT OFFICER	3,154	6	3,106	6	3,031	6
W-2 CHIEF WARRANT OFFICER	5,759	8	4,827	7	4,716	7
W-1 CHIEF WARRANT OFFICER	1,810	1	2,143	1	2,059	1
TOTAL WARRANT OFFICERS	12,600	20	12,029	19	11,718	19
TOTAL OFFICER PERSONNEL	84,203	587	82,501	624	80,545	594
ENLISTED PERSONNEL						
E-9 SERGEANT MAJOR	3,262	34	3,165	44	3,104	45
E-8 1ST SERGEANT/MASTER SERGEANT	11,066	68	11,144	67	11,244	66
E-7 PLATOON SERGEANT/SGT 1ST CLASS	43,096	278	40,567	252	40,840	249
E-6 STAFF SERGEANT	62,851	243	59,079	217	58,214	215
E-5 SERGEANT	86,591	260	79,129	212	77,156	211
E-4 CORPORAL/SPECIALIST 4	126,746	277	120,960	344	112,105	350
E-3 PRIVATE, FIRST CLASS	53,649	197	51,576	225	54,809	224
E-2 PRIVATE	29,905	16	28,800	18	30,530	19
E-1 PRIVATE	23,113	2	21,943	2	23,387	2
TOTAL ENLISTED PERSONNEL	440,279	1,375	416,363	1,381	411,389	1,381
TOTAL OFFICER AND ENLISTED PERSONNEL	524,482	1,962	498,864	2,005	491,934	1,975
CADETS	3,998	0	3,839	0	3,874	0
TOTAL AVERAGE STRENGTH	528,480	1,962	502,703	2,005	495,808	1,975

SECTION 3
ACTIVE DUTY STRENGTHS BY MONTHS
(IN THOUSANDS)

	ACTUAL FY 1995 1)				ESTIMATE FY 1996				ESTIMATE FY 1997			
	OFFICER	ENLISTED	CADET	TOTAL	OFFICER	ENLISTED	CADET	TOTAL	OFFICER	ENLISTED	CADET	TOTAL
SEPTEMBER.....	84.8	451.5	4.0	540.3	82.5	422.1	4.0	508.6	81.3	409.7	4.0	495.0
OCTOBER.....	84.7	451.4	4.0	540.1	82.6	420.5	4.0	507.1	80.9	413.3	4.0	498.2
NOVEMBER.....	84.2	448.7	4.0	536.9	82.0	419.9	3.9	505.8	80.6	414.5	4.0	499.1
DECEMBER.....	84.1	443.7	4.0	531.8	81.9	415.1	3.9	500.9	80.5	409.3	3.9	493.7
JANUARY.....	84.3	443.7	4.0	532.0	81.9	416.3	3.9	502.1	80.4	411.4	3.9	495.7
FEBRUARY.....	83.9	443.6	4.0	531.5	81.9	415.5	3.8	501.2	80.3	412.1	3.9	496.3
MARCH.....	83.8	443.5	4.0	531.3	81.8	413.7	3.8	499.3	80.1	411.7	3.9	495.7
APRIL.....	83.6	440.8	4.0	528.4	80.9	411.7	3.8	496.4	79.3	409.4	3.9	492.6
MAY.....	84.2	438.3	4.0	526.5	41.4	410.5	2.9	454.8	79.7	409.5	2.9	492.1
JUNE.....	85.0	434.1	4.1	523.2	82.3	408.2	4.1	494.6	80.6	408.9	4.1	493.6
JULY.....	84.3	426.3	4.0	514.6	82.0	408.9	4.0	494.9	80.3	409.5	4.1	493.9
AUGUST.....	83.7	425.2	4.0	512.9	81.9	409.9	4.0	495.8	80.3	410.5	4.1	494.9
SEPTEMBER.....	82.5	422.1	4.0	508.6	81.3	409.7	4.0	495.0	80.3	410.7	4.0	495.0
AVERAGE STRENGTH....	84.2	440.3	4.0	528.5	82.5	416.4	3.8	502.7	80.5	411.4	3.9	495.8
(TTAD MANYRS INCLUDE	78	722		800	114	22		136	112	21		133
TTAD $M.....				$ 35				$ 10				$ 10
(CONTINGENCY MANYRS INCLUDED).....	0	0		0	496	2,498		2,994	117	525		642
CONTINGENCY $M.....				$ 0				$ 354				$ 48

1) ACTUAL E/S THROUGH SEPT 1995.

SECTION 3
GAINS & LOSSES BY SOURCE AND TYPE

OFFICERS	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
BEGINNING STRENGTH	84,807	82,539	81,300
GAINS (BY SOURCE)			
SERVICE ACADEMIES	992	910	910
ROTC	2,834	2,981	2,929
OFFICER CANDIDATE SCHOOL	350	350	350
VOLUNTARY ACTIVE DUTY	0	0	0
DIRECT APPOINTMENTS	1,190	708	687
WARRANT OFFICER PROGRAMS	1,033	800	800
OTHER	380	385	338
TOTAL GAINS	6,779	6,134	6,014
LOSSES (BY TYPE)			
EXPIRATION OF CONTRACT	806	648	625
RETIREMENT	3,715	2,988	2,880
DISABILITY	(110)	(89)	(85)
NON-DISABLITY	(2,810)	(2,047)	(1,862)
15 YEAR RETIREMENT	(795)	(852)	(933)
VOLUNTARY SEPARATION-VSI	553	328	365
VOLUNTARY SEPARATION-SSB	653	603	440
INVOLUNTARY SEP OF RESERVE	0	0	0
INVOLUNTARY SEP OF REGULAR	107	86	83
REDUCTION-IN-FORCE	0	0	0
ATTRITION	2,684	2,276	2,183
OTHER	529	444	438
TOTAL LOSSES	9,047	7,373	7,014
END STRENGTH	82,539	81,300	80,300

SECTION 3
GAINS & LOSSES BY SOURCE AND TYPE

	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
ENLISTED			
BEGINNING STRENGTH	451,507	422,073	409,700
GAINS (BY SOURCE)			
NON-PRIOR SERVICE ENLISTMENTS	53,532	72,227	87,540
MALES	(43,448)	(59,228)	(71,790)
FEMALES	(10,084)	(12,999)	(15,750)
PRIOR SERVICE ENLISTMENTS	6,030	2,065	2,000
REENLISTMENT (IMM)	71,655	72,507	63,350
RESERVE COMPONENTS	514	200	200
RETURNED TO MILITARY CONTROL	1,780	1,530	1,560
OTHER	2,917	750	750
GAIN ADJUSTMENT	(62)	(87)	1
TOTAL GAINS	136,366	149,192	155,401
LOSSES (BY TYPE)			
DRAFTEES AND REGULAR ARMY			
ESTIMATED TERMINATION OF SERVICE	30,388	34,594	35,278
NORMAL EARLY RELEASE	230	0	0
PROGRAMMED EARLY RELEASE	0	0	0
SEPARATIONS - VSI	244	0	0
SEPARATIONS - SSB	2,436	0	0
TO COMMISSIONED OFFICER AND WARRANT OFFICER	1,443	1,443	1,443
REENLISTMENT	71,655	72,507	63,350
RETIREMENT	9,932	9,815	9,324
15 YEAR RETIREMENT	7,035	1,500	1,400
DROPPED FROM ROLLS	2,096	2,154	2,197
ATTRITION ADVERSE CAUSES	17,865	18,099	19,683
OTHER ATTRITION	21,983	21,313	21,586
RESERVE COMPONENTS	493	140	140
TOTAL LOSSES	165,800	161,565	154,401
END STRENGTH	422,073	409,700	410,700
CADETS			
GAINS			
ENTERING CADETS	1,183	1,220	1,220
LOSSES			
ATTRITION	210	212	255
GRADUATES	1,049	955	965

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
1. BASIC PAY	3,255,000	7,464,383	10,719,383	3,271,113	7,238,705	10,509,818	3,307,998	7,246,414	10,554,412
2. RETIRED PAY ACCRUAL	1,155,525	2,649,856	3,805,381	1,076,196	2,381,534	3,457,730	1,078,407	2,362,331	3,440,738
3. BASIC ALLOWANCES FOR QUARTERS	407,758	1,002,621	1,410,379	416,211	1,003,752	1,419,963	425,024	1,025,431	1,450,455
A. WITH DEPENDENTS	309,830	905,083	1,214,913	315,751	908,042	1,223,793	324,007	928,764	1,252,771
B. WITHOUT DEPENDENTS	97,396	84,905	182,301	99,934	83,653	183,587	100,527	84,562	185,089
C. SUBSTANDARD FAMILY HOUSING	14	471	485	13	467	480	11	468	479
D. PARTIAL	518	12,162	12,680	513	11,590	12,103	479	11,637	12,116
4. VARIABLE HOUSING ALLOWANCE	98,915	171,107	270,022	97,617	170,385	268,002	98,358	172,157	270,515
5. SUBSISTENCE	146,751	777,000	923,751	147,306	769,409	916,715	147,917	1,063,486	1,211,403
A. BASIC ALLOWANCE FOR SUBSISTENCE	146,751	777,000	923,751	147,306	769,409	916,715	147,917	757,988	905,905
1. AUTHORIZED TO MESS SEPARATELY	146,751	625,467	772,218	147,306	620,752	768,058	147,917	610,377	758,294
2. LEAVE RATIONS		89,119	89,119		87,322	87,322		86,717	86,717
3. RATIONS-IN-KIND NOT AVAILABLE		62,044	62,044		60,867	60,867		60,386	60,386
4. AUGMENTATION FOR SEPARATE MEALS		370	370		468	468		508	508
B. SUBSISTENCE IN KIND								305,498	305,498
1. SUBSISTENCE IN MESSES								191,790	191,790
2. OPERATIONAL RATIONS								104,526	104,526
3. AUGMENTATION RATIONS/OTHER								9,182	9,182

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
6. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER	66,063	54,636	120,699	63,979	53,835	117,814	59,258	53,870	113,128
A. FLYING DUTY PAY	58,482	7,558	66,040	56,493	7,242	63,735	51,772	7,279	59,051
1. AVIATION CAREER, OFFICERS	57,593		57,593	55,614		55,614	50,923		50,923
2. CREW MEMBERS, ENLISTED		5,500	5,500		6,072	6,072		6,112	6,112
3. NONCREW MEMBERS	166	2,058	2,224	166	1,170	1,336	166	1,167	1,333
4. CREW NON-RATED	723		723	713		713	683		683
B. PARACHUTE JUMP PAY	6,995	43,560	50,555	6,904	43,163	50,067	6,904	43,163	50,067
C. DEMOLITION PAY	185	1,349	1,534	181	1,241	1,422	178	1,237	1,415
D. OTHER PAY	401	2,169	2,570	401	2,189	2,590	404	2,191	2,595
7. SPECIAL PAYS	183,133	133,929	317,062	189,963	154,587	344,550	176,546	114,637	291,183
A. PHYSICIAN MEDICAL	160,824		160,824	160,919		160,919	153,950		153,950
B. DENTIST MEDICAL	13,140		13,140	13,312		13,312	12,445		12,445
C. NURSE MEDICAL	2,508		2,508	4,492		4,492	4,528		4,528
D. DIPLOMATE PAY FOR PSYCHOLOGISTS				20		20	38		38
E. BOARD CERTIFIED PAY FOR NONPHYSICIAN HEALTH CARE PROVIDERS				578		578	743		743
F. OPTOMETRIST MEDICAL	160		160	157		157	150		150
G. VETERINARIAN MEDICAL	478		478	502		502	516		516
H. SEA AND FOREIGN DUTY	323	8,977	9,300	321	15,103	15,424	321	10,054	10,375
1. SEA DUTY	323	676	999	321	609	930	321	638	959
2. DUTY AT CERTAIN PLACES		7,859	7,859		13,491	13,491		8,413	8,413
3. OVERSEAS EXTENSION PAY		442	442		1,003	1,003		1,003	1,003
G. FOREIGN LANGUAGE PROFICIENCY PAY	1,428	3,840	5,268	1,428	4,110	5,538	1,428	4,110	5,538
J. DIVING DUTY PAY	181	977	1,158	177	1,008	1,185	177	1,008	1,185
K. REENLISTMENT BONUS		53,972	53,972		43,393	43,393		42,784	42,784
J. SPECIAL DUTY ASSIGN PAY		34,144	34,144		35,438	35,438		35,719	35,719
M. ENLISTMENT BONUS		12,743	12,743		15,145	15,145		12,300	12,300
N. HOSTILE FIRE PAY	4,091	19,276	23,367	8,057	40,390	48,447	2,250	8,662	10,912

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
8. ALLOWANCES	147,986	610,384	758,370	149,636	622,479	772,115	144,734	615,434	760,168
A. UNIFORM/CLOTHING ALLOWANCES	2,561	176,769	179,330	2,394	174,477	176,871	2,468	182,231	184,699
1. INITIAL ISSUE	1,982	64,738	66,720	1,872	71,095	72,967	1,867	89,619	91,486
A. MILITARY	1,356	63,296	64,652	1,227	70,211	71,438	1,203	88,675	89,878
B. CIVILIAN	626	1,442	2,068	645	884	1,529	664	944	1,608
2. ADDITIONAL ALLOWANCE	579		579	522		522	601		601
3. BASIC MAINTENANCE		22,464	22,464		21,354	21,354		22,336	22,336
4. STANDARD MAINTENANCE		83,879	83,879		76,039	76,039		63,929	63,929
5. SUPPLEMENTARY		1,663	1,663		1,852	1,852		1,893	1,893
6. OTHER		4,025	4,025		4,137	4,137		4,454	4,454
B. STATION ALLOWANCE OVERSEAS	140,824	407,890	548,714	139,304	399,482	538,786	137,209	400,394	537,603
1. COST OF LIVING	96,458	331,087	427,545	94,683	325,948	420,631	93,859	327,286	421,145
2. HOUSING	32,304	49,902	82,206	33,109	47,744	80,853	32,169	46,658	78,827
3. TEMPORARY LODGING	12,062	26,901	38,963	11,512	25,790	37,302	11,181	26,450	37,631
C. CONUS COLA	212	164	376	845	2,625	3,470	845	2,625	3,470
D. FAMILY SEPARATION ALLOWANCES	4,338	25,561	29,899	7,045	45,894	52,939	4,164	30,184	34,348
1. ON PCS - NO GOVERNMENT QUARTERS	1,060	2,766	3,826	1,075	2,920	3,995	1,111	2,994	4,105
2. ON PCS - DEPENDENTS NOT AUTHORIZED	1,716	14,493	16,209	1,671	15,849	28,796	1,671	16,016	17,687
3. ON TDY	1,562	8,302	9,864	4,299	27,045	20,148	1,382	11,174	12,556
E. GENERAL AND FLAG OFFICERS, PERSONAL MONEY ALLOWANCE	51		51	48		48	48		48

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
9. SEPARATION PAY.....	131,596	355,560	487,156	182,768	296,521	479,289	188,687	309,170	497,857
A. TERMINAL LEAVE PAY.....	30,266	67,882	98,148	25,213	65,014	90,227	25,024	63,732	88,756
B. LUMP-SUM READJUSTMENT PAY.....									
C. DONATIONS.....		4	4		4	4		4	4
D. SEVERANCE PAY, DISABILITY.....	1,585	34,149	35,734	1,594	53,502	55,096	1,608	62,338	63,946
E. SEVERANCE PAY, NON-PROMOTION.....	4,362		4,362	7,950		7,950	8,177		8,177
F. SEVERANCE PAY, INVOL HALF (5%)....	55	15,611	15,666	57	20,713	20,770	58	20,358	20,416
G. SEVERANCE PAY, INVOL FULL (10%)...	1,544	53,946	55,490	1,542	94,903	96,445	1,546	84,732	86,278
H. SEVERANCE PAY, VSI.....	9,372	6,461	15,833	59,449	9,375	68,824	67,725	27,375	95,100
I. SEVERANCE PAY, SSB.....	37,703	93,326	131,029	35,673		35,673	26,775		26,775
J. SEVERANCE PAY, 15 YR RETIREMENT ..	46,709	84,181	130,890	51,290	53,010	104,300	57,774	50,631	108,405
10. SOCIAL SECURITY TAX PAYMENTS.....	280,373	652,695	933,068	288,195	635,577	923,772	287,624	624,926	912,550
11. PERMANENT CHANGE OF STATION TRAVEL...	270,916	847,697	1,118,613	262,069	812,283	1,074,352	244,458	795,427	1,039,885
12. OTHER MILITARY PERSONNEL COSTS.....	338	271,270	271,608	269	199,593	199,862	256	208,585	208,841
A. ADOPTION EXPENSES.....		500	500		350	350		350	350
B. APPREHENSION OF DESERTERS.....		925	925		791	791		790	790
C. DEATH GRATUITIES.....	282	2,118	2,400	222	2,028	2,250	210	1,980	2,190
D. UNEMPLOYMENT COMPENSATION.....		194,795	194,795		125,363	125,363		121,462	121,462
E. SURVIVOR BENEFITS.....		10,742	10,742		8,282	8,282		7,175	7,175
F. EDUCATION BENEFITS.....		62,097	62,097		62,704	62,704		76,754	76,754
G. INTEREST ON SOLDIERS' DEPOSIT.....	56	93	149	47	75	122	46	74	120

SECTION 3
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
13. CADETS	37,126		37,126	35,495		35,495	36,903		36,903
SUBTOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST	6,181,480	14,991,138	21,172,618	6,180,817	14,338,660	20,519,477	6,196,170	14,591,868	20,788,038
14. LESS REIMBURSABLES	91,100	74,836	165,936	120,300	98,910	219,210	73,121	134,179	207,300
A. RETIRED PAY ACCRUAL	24,901	16,847	41,748	24,928	19,172	44,100	14,991	14,130	29,121
B. OTHER	66,199	57,989	124,188	95,372	79,738	175,110	58,130	120,049	178,179
15. LESS SUPPLEMENTAL REQUIREMENTS				34,053	210,447	244,500			
TOTAL, ALL MILITARY PERSONNEL APPROPRIATION REQUEST	6,090,380	14,916,302	21,006,682	6,026,464	14,029,303	20,055,767	6,123,049	14,457,689	20,580,738

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1996

	FY 1996/97 PRESIDENTS BUDGET	IMPACT OF CONGRESSONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY OPERATIONS	OTHER PRICE/PROGRAM CHANGES	REVISED FY 1996 COLUMN FY 1997 REQUEST
PAY AND ALLOWANCES OF OFFICERS								
BASIC PAY	3,163,766	7,295	3,171,061	(412)	3,170,649	16,916	0	3,187,565
RETIRED PAY ACCRUAL	1,043,438	2,400	1,045,838	(134)	1,045,704	5,564	0	1,051,268
INCENTIVE PAY	60,550	0	60,550	3,429	63,979	0	0	63,979
SPECIAL PAY	188,046	0	188,046	(5,147)	182,899	7,112	0	190,011
BASIC ALLOWANCE FOR QUARTERS	400,214	8,091	408,305	2,358	410,663	2,645	0	413,308
VARIABLE HOUSING ALLOWANCES	95,517	0	95,517	986	96,503	329	0	96,832
BASIC ALLOWANCE FOR SUBSISTENCE	144,497	0	144,497	539	145,036	525	0	145,561
STATION ALLOWANCES OVERSEAS	107,315	11,600	118,915	20,389	139,304	0	0	139,304
CONUS COLA	845	0	845	0	845	0	0	845
UNIFORM ALLOWANCES	2,555	0	2,555	(161)	2,394	0	0	2,394
FAMILY SEPARATION ALLOWANCES	4,219	0	4,219	(716)	3,503	3,542	0	7,045
SEPARATION PAYMENTS	200,152	0	200,152	(17,384)	182,768	0	0	182,768
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION	282,673	558	283,231	(2,683)	280,548	1,256	0	281,804
REIMBURSABLES	120,300	0	120,300	0	120,300	0	0	120,300
TOTAL OBLIGATIONS	5,814,087	29,944	5,844,031	1,064	5,845,095	37,889	0	5,882,984
LESS REIMBURSABLES	120,300	0	120,300	0	120,300	0	0	120,300
LESS SUPPLEMENTAL REQUIREMENTS								34,053
TOTAL OFFICER DIRECT OBLIGATIONS	5,693,787	29,944	5,723,731	1,064	5,724,795	37,889	0	5,728,631

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1996

	FY 1996/97 PRESIDENTS BUDGET	IMPACT OF CONGRESSONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY OPERATIONS	OTHER PRICE/PROGRAM CHANGES	REVISED FY 1996 COLUMN FY 1997 REQUEST
PAY AND ALLOWANCES OF ENLISTED								
BASIC PAY	6,979,787	54,260	7,034,047	9,082	7,043,129	142,323	0	7,185,452
RETIRED PAY ACCRUAL	2,294,698	17,852	2,312,550	3,022	2,315,572	46,790	0	2,362,362
INCENTIVE PAY	60,946	0	60,946	(7,111)	53,835	0	0	53,835
SPECIAL PAY	14,150	0	14,150	1,033	15,183	45,428	0	60,611
SPECIAL DUTY ASSIGNMENT PAY	35,440	0	35,440	(2)	35,438	0	0	35,438
REENLISTMENT BONUS	52,893	0	52,893	(9,500)	43,393	0	0	43,393
ENLISTMENT BONUS	15,854	0	15,854	(709)	15,145	0	0	15,145
BASIC ALLOWANCE FOR QUARTERS	868,838	42,111	910,949	59,835	970,784	19,358	0	990,142
VARIABLE HOUSING ALLOWANCE	151,518	0	151,518	15,482	167,000	3,344	0	170,344
STATION ALLOWANCE OVERSEAS	343,533	49,400	392,933	6,549	399,482	0	0	399,482
CONUS COLA	2,625	0	2,625	0	2,625	0	0	2,625
CLOTHING ALLOWANCES	180,020	0	180,020	(6,543)	173,477	0	0	173,477
FAMILY SEPARATION ALLOWANCES	26,209	0	26,209	365	26,574	19,320	0	45,894
SEPARATION PAYMENTS	283,529	0	283,529	12,992	296,521	0	0	296,521
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION	621,611	4,150	625,761	(6,330)	619,431	12,493	0	631,924
REIMBURSABLES	90,650	0	90,650	0	90,650	0	0	90,650
TOTAL OBLIGATIONS	12,022,301	167,773	12,190,074	78,165	12,268,239	289,056	0	12,557,295
LESS REIMBURSABLES	90,650	0	90,650	0	90,650	0	0	90,650
LESS SUPPLEMENTAL REQUIREMENTS								183,392
TOTAL ENLISTED DIRECT OBLIGATIONS	11,945,780	167,773	12,113,553	64,036	12,177,589	289,056	0	12,283,253
PAY & ALLOWANCES OF CADETS								
TOTAL OBLIGATIONS	35,495	0	35,495	0	35,495	0	0	35,495
LESS SUPPLEMENTAL REQUIREMENTS								0
TOTAL CADET DIRECT OBLIGATIONS	35,495	0	35,495	0	35,495	0	0	35,495

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1996

	FY 1996/97 PRESIDENTS BUDGET	IMPACT OF CONGRESSONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY OPERATIONS	OTHER PRICE/PROGRAM CHANGES	REVISED FY 1996 COLUMN FY 1997 REQUEST
SUBSISTENCE OF								
ENLISTED PERSONNEL								
TOTAL OBLIGATIONS.....	720,292	27,062	747,354	0	747,354	22,055	0	769,409
LESS SUPPLEMENTAL REQUIREMENTS.....								22,055
TOTAL ENL. SUBSISTENCE DIRECT OBLIGATIO	720,292	27,062	747,354	0	747,354	22,055	0	747,354
ACCESSION TRAVEL.....	122,847	0	122,847	(11,257)	111,590	0	0	111,590
PERMANENT CHANGE OF STATION								
TRAINING TRAVEL.....	52,776	0	52,776	(3,066)	49,710	0	0	49,710
OPERATIONAL TRAVEL.....	102,371	0	102,371	2,296	104,667	0	0	104,667
ROTATIONAL TRAVEL.....	552,974	0	552,974	5,302	558,276	5,000	0	563,276
SEPARATION TRAVEL.....	181,314	0	181,314	(22,233)	159,081	0	0	159,081
ORGANIZED UNIT TRAVEL.....	6,335	0	6,335	27,790	34,125	0	0	34,125
NON-TEMPORARY STORAGE.....	23,381	0	23,381	(296)	23,085	0	0	23,085
TEMPORARY LODGING.....	19,354	0	19,354	1,464	20,818	0	0	20,818
REIMBURSABLES.....	8,000	0	8,000	0	8,000	0	0	8,000
TOTAL OBLIGATIONS.....	1,069,352	0	1,069,352	0	1,069,352	5,000	0	1,074,352
LESS REIMBURSABLES.....	8,000	0	8,000	0	8,000	0	0	8,000
LESS SUPPLEMENTAL REQUIREMENTS.....								5,000
TOTAL PCS DIRECT OBLIGATIONS.....	1,061,352	0	1,061,352	0	1,061,352	5,000	0	1,061,352

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1996

	FY 1996/97 PRESIDENTS BUDGET	IMPACT OF CONGRESSONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY OPERATIONS	OTHER PRICE/PROGRAM CHANGES	REVISED FY 1996 COLUMN FY 1997 REQUEST
OTHER MILITARY PERSONNEL COSTS								
APPREHENSION OF MILITARY DESERTERS ABSENTEES AND ESCAPED MILITARY PRISONERS	658	0	658	(127)	531	0	0	531
DEATH GRATUITIES	2,712	0	2,712	(462)	2,250	0	0	2,250
UNEMPLOYMENT BENEFITS PAID TO EX-SERVICE MEMBERS	183,186	0	183,186	(57,823)	125,363	0	0	125,363
SURVIVOR BENEFITS	8,500	0	8,500	(218)	8,282	0	0	8,282
ADOPTION COSTS	750	0	750	(400)	350	0	0	350
EDUCATIONAL BENEFITS	68,746	0	68,746	(6,042)	62,704	0	0	62,704
SOLDIER INTEREST ON DEPOSIT	150	0	150	(28)	122	0	0	122
REIMBURSABLES	260	0	260	0	260	0	0	260
TOTAL OBLIGATIONS	264,962	0	264,962	(65,100)	199,862	0	0	199,862
REIMBURSABLES	260	0	260	0	260	0	0	260
LESS SUPPLEMENTAL REQUIREMENTS								0
TOTAL OMPC DIRECT OBLIGATIONS	264,702	0	264,702	(65,100)	199,602	0	0	199,602
LESS SUPPLEMENTAL REQUIREMENTS								244,500
TOTAL DIRECT OBLIGATIONS	19,721,408	224,779	19,946,187	0	19,946,187	354,000	0	20,055,687

SECTION 3
SCHEDULE OF INCREASES AND DECREASES

		AMOUNT
FY 1996 DIRECT PROGRAM		$ 20,300,187
INCREASES:		
A. PAY RAISE REFLECTS ANNUALIZATION COSTS OF THE BUDGETED 2.4% (5.2% BAQ) FY 1996 PAY AND THE FY 1997 3.0% PAY RAISE.	503,983	
B. INFLATION REFLECTS INCREASED CLOTHING, VARIABLE HOUSING ALLOWANCE, TEMPORARY LODGING ALLOWANCE, AND PCS INFLATION COSTS.	36,162	
C. ENLISTED CLOTHING INCREASED COSTS ARE DUE TO ISSUANCE OF MORE INITIAL CLOTHING ISSUE IN FY97 DUE TO HIGHER NON-PRIOR ACCESSIONS.	7,754	
D. EDUCATION BENEFITS REPRESENTS HIGHER PAYMENTS TO THE EDUCATION TRUST FUND	14,050	
E. BAQ/VHA PROGRAM CHANGES PRIMARILY DUE TO HOUSING INVENTORY CHANGES	7,070	
F. REIMBURSABLE PROGRAMS REPRESENTS CHANGE IN ANTICIPATED COLLECTIONS INCLUDING DBOF	71,410	
G. PROGRAM TRANSFER COSTS OF SUBISTENCE-IN-KIND TRANSFER FROM THE OPERATION AND MAINTENANCE APPROPRIATION TO THE MILITARY PERSONNEL, ARMY APPROPRIATION IN FY97.	248,500	
I. INCREASED PCS MOVE PROGRAM REFLECTS HIGHER ACCESSION AND SEPARATION PROGRAMS	22,259	
J. SEPARATION PAY REFLECTS INCREASED SEPARATIONS IN FY97 AND RESIDUAL PAYMENTS TO THE VSI TRUST FUND	9,366	
TOTAL INCREASES		$ 920,554
DECREASES:		
A. FORCE MANNING PROGRAM COSTS MANYEAR COST SAVINGS DUE TO FORCE DOWNSIZING AND DISCONTINUED CONTINGENCY OPERATIONS.	-466,746	
B. RETIRED PAY ACCRUAL	-31,528	

NORMAL COST PERCENTAGE RATES DECREASE FROM 32.9 PERCENT IN FY96 TO 32.6 PERCENT IN FY97.

C. OVERSEAS MANNING REDUCED COSTS ASSOCIATED WITH HIGHER OVERSEAS HOUSING AVAILABILITY.	-11,427	
D. ONE-TIME FY97 PCS PROGRAM REDUCTION REFLECTS ARMY MANAGEMENT DECISION TO REDUCE FY97 PROJECTED PCS MOVES.	-50,000	
E. UNEMPLOYMENT PAYMENTS REQUIRED PAYMENTS TO DEPARTMENT OF LABOR FOR UNEMPLOYMENT COSTS ARE EXPECTED TO DECREASE FY96 TO FY97.	-3,901	
F FICA WAGE CREDIT PAYMENTS REFLECTS DECREASE IN PAYMENTS FOR WAGE CREDITS REQUIRED BY HHS.	-11,787	
G. SPECIAL AND INCENTIVE PAY COSTS DECREASE IN REQUIREMENTS FOR PAYMENTS MADE DURING CONTINGENCY OPERATIONS WHICH DISCONTINUE IN FY97.	-61,297	
H. ENLISTMENT BONUS PROGRAM REFLECTS CHANGES IN PROJECTED NUMBERS OF BONUSES OFFERED	-2,845	
I. MISCELLANEOUS	-472	
TOTAL DECREASES:		$ -640,003
FY 1997 DIRECT PROGRAM		$ 20,580,738

SECTION 4
SCHEDULE OF INCREASES AND DECREASES

		AMOUNT
PAY AND ALLOWANCES OF OFFICERS PROGRAM		
FY 1996 DIRECT PROGRAM		$ 5,762,684
INCREASES:		
A. PAY RAISE REFLECTS ANNUALIZATION OF THE 2.4 PERCENT (5.2% FOR BAQ) 1 JAN 96 AND THE 3.0 PERCENT 1 JAN 97 PAY RAISES.	150,333	
B. VARIABLE HOUSING ALLOWANCE INCREASE IS FOR HOUSING COST GROWTH AND A HIGHER PERCENT RECEIVING AS A RESULT OF DECREASED AVAILABLE FAMILY HOUSING UNITS.	2,484	
C. SEPARATION PAY REFLECTS NET CHANGE ASSOCIATED WITH USE OF VOLUNTARY LOSS PROGRAMS AND TRANSFERS INTO VSI TRUST FUND.	2,535	
D. BASIC ALLOWANCE FOR QUARTERS INCREASE IN A HIGHER PERCENT RECEIVING CAUSED BY A DECREASE IN AVAILABLE FAMILY HOUSING UNITS.	1,587	
E. OVERSEAS STATION ALLOWANCE REFLECTS COST GROWTH FOR TEMPORARY LODGING ALLOWANCE OF 2.2 PERCENT.	245	
F. REIMBURSABLE PROGRAM ANTICIPATED LOWER COLLECTIONS INCREASE DIRECT AUTHORITY REQUIREMENT.	49,681	
G. CLOTHING ALLOWANCES REFLECTS COST GROWTH FOR CIVILIAN CLOTHING ALLOWANCE. ALSO INCLUDES AN INCREASE IN THE NUMBER OF INDIVIDUALS ELIGIBLE TO RECEIVE AN ADDITIONAL UNIFORM ALLOWANCE.	74	
TOTAL INCREASES:		$ 206,939
DECREASES:		
A. FORCE MANNING REFLECTS THE DECREASED COSTS ASSOCIATED WITH THE OFFICER STRENGTH REDUCTION, INCLUDING CONTINGENCY OPERATIONS.	-102,246	
B. RETIRED PAY ACCRUAL NCP DECREASES FROM 32.9 PERCENT TO 32.6 PERCENT.	-9,813	
C. SPECIAL PAY REFLECTS WITHDRAWAL OF SOLDIERS FROM CONTINGENCY AREAS.	-5,807	

D. OVERSEAS STATION ALLOWANCES STRENGTH DECREASES IN REGIONS WHERE OSA IS AUTHORIZED.	-4,014	
E. SOCIAL SECURITY TAX WAGE CREDIT TRANSFERS BASED ON REVISED HEALTH AND HUMAN SERVICES' ESTIMATE.	-3,140	
F. FAMILY SEPARATION ALLOWANCE REFLECTS WITHDRAWAL OF SOLDIERS FROM CONTINGENCY AREAS.	-2,919	
G. MISCELLANEOUS	-252	
TOTAL DECREASES:		$ -128,191
FY 1997 DIRECT PROGRAM		$ 5,841,432

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 3,307,998
ESTIMATE FY 1996	$ 3,271,113
ACTUAL FY 1995	$ 3,255,000

PROJECT: BASIC PAY - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR THE BASIC COMPENSATION AND LENGTH OF SERVICE PAY INCREMENTS OF OFFICERS ON ACTIVE DUTY UNDER PROVISIONS OF 37 U.S.C. 201, 203, 204, 205, AND 1009. ALSO INCLUDED IS THE COMPENSATION OF OFFICERS OF THE RESERVE COMPONENTS WHO HAVE ENTERED ACTIVE DUTY AS MEMBERS OF THE ACTIVE COMPONENT OF THE ARMY.

PART II - JUSTIFICATION OF FUNDS REQUIRED

THE BASIC COMPENSATION IS DETERMINED BY MULTIPLYING THE PROJECTED AVERAGE NUMBER OF PERSONNEL BY GRADE BY THE ESTIMATED AVERAGE ANNUAL COMPENSATION, INCLUDING LENGTH OF SERVICE INCREMENTS, FOR EACH GRADE. THE NET CHANGE IN THE BASIC PAY ESTIMATE IS +$36.9 MILLION BETWEEN FY96 AND FY97. ANNUALIZATION OF THE 1 JANUARY 96, 2.4 PERCENT AND THE 1 JANUARY 97, 3.0 PERCENT PAY RAISES INCREASE THE ESTIMATE BY +$92.1 MILLION. FORCE MANNING COSTS DECREASE BY -$55.2 MILLION FROM FY96 TO FY97 AS A RESULT OF OFFICER STRENGTH REDUCTIONS, INCLUDING CONTINGENCY OPERATIONS.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL	12	$ 108,202	$ 1,298	11	$ 110,149	$ 1,212	11	$ 113,291	$ 1,246
LIEUTENANT GENERAL	37	101,148	3,742	34	103,627	3,523	34	106,585	3,624
MAJOR GENERAL	107	91,648	9,806	103	93,892	9,671	103	96,569	9,947
BRIGADIER GENERAL	158	80,880	12,779	148	82,861	12,263	143	85,225	12,187
COLONEL	3,751	68,525	257,036	3,705	70,433	260,954	3,644	72,541	264,340
LIEUTENANT COLONEL	9,465	55,016	520,727	9,079	56,357	511,663	9,007	57,984	522,263
MAJOR	14,304	45,117	645,348	15,036	46,217	694,911	14,716	47,536	699,542
CAPTAIN	26,061	36,990	963,997	24,213	37,903	917,737	24,717	38,959	962,949
1ST LIEUTENANT	8,477	29,113	246,793	8,759	29,825	261,233	8,378	30,667	256,931
2ND LIEUTENANT	9,231	21,471	198,197	9,384	22,081	207,208	8,074	22,714	183,390
SUBTOTAL	71,603		$ 2,859,723	70,472		$ 2,880,375	68,827		$ 2,916,419
WARRANT OFFICER (W-5)	354	$ 48,338	$ 17,112	342	$ 50,052	$ 17,118	313	$ 51,486	$ 16,115
WARRANT OFFICER (W-4)	1,523	43,352	66,026	1,611	44,889	72,316	1,599	46,175	73,834
WARRANT OFFICER (W-3)	3,154	34,327	108,269	3,106	35,231	109,429	3,031	36,186	109,679
WARRANT OFFICER (W-2)	5,759	27,893	160,634	4,827	28,756	138,806	4,716	29,579	139,497
WARRANT OFFICER (W-1)	1,810	23,887	43,236	2,143	24,764	53,069	2,059	25,476	52,454
SUBTOTAL	12,600		$ 395,277	12,029		$ 390,738	11,718		$ 391,579
TOTAL OFFICER BASIC PAY	84,203		$ 3,255,000	82,501		$ 3,271,113	80,545		$ 3,307,998

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 1,078,407
ESTIMATE FY 1996	$ 1,076,196
ACTUAL FY 1995	$ 1,155,525

PROJECT: RETIRED PAY ACCRUAL - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR THE DEPARTMENT OF DEFENSE'S CONTRIBUTION TO ITS MILITARY RETIREMENT FUNDS, IN ACCORDANCE WITH 10 USC 1466.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE BUDGET ESTIMATES ARE DERIVED AS A PRODUCT OF:

(A) THE DOD ACTUARY APPROVED FULL-TIME NORMAL COST PERCENTAGE (NCP) OF BASIC PAY, I.E., 35.5% FOR FY95, 32.9% FOR FY96, AND 32.6% FOR FY97.

(B) THE TOTAL AMOUNT OF THE BASIC PAY EXPECTED TO BE PAID DURING THE FISCAL YEAR TO MEMBERS OF THE ACTIVE ARMY.

THE NET CHANGE IN THE RETIRED PAY ACCRUAL ESTIMATE IS +$2.2 MILLION FROM FY96 TO FY97. ANNUALIZATION OF THE 1 JANUARY 96, 2.4 PERCENT AND THE 1 JANUARY 97, 3.0 PERCENT PAY RAISES INCREASE COSTS BY +$30.0 MILLION. FORCE MANNING COSTS DECREASE BY -$18.0 MILLION BECAUSE OF OFFICER STRENGTH REDUCTIONS, INCLUDING CONTINGENCY OPERATIONS. A DECREASE IN THE NCP FROM 32.9 PERCENT IN FY96 TO 32.6 PERCENT IN FY97 REDUCES COSTS BY -$9.8 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER RETIRED PAY ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE STRENGTH	RATE	AMOUNT	AVERAGE STRENGTH	RATE	AMOUNT	AVERAGE STRENGTH	RATE	AMOUNT
OFFICER RETIRED PAY ACCRUAL.....	84,203	13,723.09	$ 1,155,525	82,501	13,044.64	$ 1,076,196	80,545	13,388.88	$ 1,078,407

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 59,258
ESTIMATE FY 1996	$ 63,979
ACTUAL FY 1995	$ 66,063

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE FOR PAY TO OFFICERS UNDER PROVISIONS OF 37 U.S.C. 301 FOR THESE TYPES OF DUTY:

FLIGHT AVIATION SERVICE (RATED OFFICERS) - INCLUDES RATED AVIATORS, WHO ARE ENTITLED TO CONTINUOUS AVIATION CAREER INCENTIVE PAY, REGARDLESS OF CURRENT DUTY ASSIGNMENT, AS PRESCRIBED BY THE AVIATION CAREER INCENTIVE ACT OF 1974. IN ADDITION, AVIATORS WHO ARE ASSIGNED TO OPERATIONAL FLYING POSITIONS AND FLIGHT SURGEONS, BOTH OF WHOM ARE REQUIRED TO FLY AT LEAST FOUR HOURS OF AERIAL FLIGHT EACH MONTH ARE ELIGIBLE.

FLIGHT CREW MEMBER/NONCREWMEMBER (NONRATED OFFICERS) - ASSIGNED TO A POSITION THAT REQUIRES AT LEAST FOUR HOURS OF AERIAL FLIGHT EACH MONTH. NONCREWMEMBERS PERFORM DUTIES DIRECTLY RELATED TO THE IN-FLIGHT MISSION OF THE AIRCRAFT, E.G. GROUND LIAISON OFFICERS, AVIATION MAINTENANCE TECHNICIANS, OR AEROMEDICAL PHYSICIANS ASSISTANTS. THE DUTIES PERFORMED BY CREW MEMBERS ARE ESSENTIAL TO THE MISSION OF THE AIRCRAFT, E.G., AERIAL OBSERVERS AND AIRBORNE ELECTRICAL EQUIPMENT SENSOR OPERATORS.

PARACHUTE - ASSIGNED TO A PERMANENT PARACHUTE POSITION OR AIRBORNE UNIT WHICH REQUIRES PARACHUTE JUMPING AS AN ESSENTIAL PART OF MILITARY DUTY, OR WHILE UNDERGOING AIRBORNE-TYPE TRAINING, OR PERFORMING SHORT-TERM PARACHUTE DUTY. CONTINUOUS PAYMENT OF HAZARDOUS DUTY PAY FOR PARACHUTE DUTY REQUIRES AT LEAST ONE PARACHUTE JUMP EVERY THREE MONTHS. PAY FOR THE SHORT-TERM PARACHUTE DUTY IS PRORATED BASED ON THE DURATION OF THE PERIOD FOR WHICH PARACHUTE JUMPING IS REQUIRED.

HIGH ALTITUDE LOW OPENING JUMP PAY - ASSIGNED TO A PERMANENT MILITARY FREEFALL POSITION WHICH REQUIRES PARACHUTE JUMPING FROM AT LEAST 2500 FEET WITH A PLANNED DELAY BETWEEN EXIT AND OPENING AS AN ESSENTIAL PART OF MILITARY DUTIES, OR WHILE UNDERGOING MILITARY FREE-FALL TYPE TRAINING AT THE US ARMY MILITARY FREE-FALL COURSE AT THE US ARMY JOHN F. KENNEDY SPECIAL WARFARE SCHOOL. SOLDIERS MUST BE A GRADUATE OF MILITARY FREE-FALL COURSE OR UNDERGOING TRAINING FOR SUCH DESIGNATION. THEY MUST ALSO BE REQUIRED BY ORDERS TO ENGAGE IN MILITARY FREE-FALL JUMPS FROM AN AIRCRAFT IN FLIGHT AND PERFORM THE SPECIFIED MINIMUM JUMPS TO BE ENTITLED TO PAY. PROFICIENCY REQUIREMENTS WILL REMAIN THE SAME AS STATIC LINE REQUIREMENTS.

DEMOLITION OF EXPLOSIVES - ASSIGNED TO A POSITION WHICH REQUIRES THE MEMBER, AS HIS PRIMARY DUTY TO DEMOLISH, BY THE USE OF EXPLOSIVES OBJECTS, OBSTACLES, OR EXPLOSIVES; OR RECOVER AND RENDER HARMLESS, BY DISARMING OR DEMOLITION, EXPLOSIVES WHICH FAILED TO FUNCTION AS INTENDED OR WHICH BECOME A POTENTIAL HAZARD. DEMOLITION PAY IS LIMITED TO THOSE SERVING IN SPECIALTY 91E (EXPLOSIVE ORDNANCE DISPOSAL OFFICER).

EXPERIMENTAL STRESS - SERVING AS A HUMAN TEST SUBJECT IN THERMAL STRESS EXPERIMENTS AT NATICK LABORATORIES; NATICK, MA. THE TESTS CONDUCTED INCLUDE DEVELOPMENT OF EQUIPMENT (MOSTLY CLOTHING) AND PHYSIOLOGICAL TESTING. ALSO LOW PRESSURE, HIGH ALTITUDE CHAMBER TRAINING IS CONDUCTED AT THE US ARMY AEROMEDICAL CENTER; FORT RUCKER, AL AND THE ARMED FORCES INSTITUTE OF PATHOLOGY; WASHINGTON D.C.

TOXIC FUEL - ASSIGNED TO A POSITION WHICH REQUIRES HANDLING AND MAINTAINING THE PROPELLANTS, UNSYMMETRICAL DIMETHLHYDRAZINE AND INHIBITED RED-FUMING NITRIC ACID, USED IN THE LANCE MISSILE SYSTEM. THESE MEMBERS ARE ASSIGNED TO PROPELLANT DRAINING KIT TEAMS US ARMY EUROPE AND TO TESTING DUTIES AT EDGEWOOD ARSENAL, MD.

TOXIC PESTICIDES EXPOSURE - ASSIGNED TO THE ENTOMOLOGY, PEST CONTROL, PEST MANAGEMENT, OR PREVENTIVE MEDICINE FUNCTIONS FOR A PERIOD OF 30 CONSECUTIVE DAYS OR MORE, AND REQUIRED TO PERFORM IN ANY CALENDAR MONTH A FUMIGATION TASK UTILIZING (1) PHOSPHINE, SULFURYL FLOURIDE, HYDROGEN CYANIDE, METHYL BROMIDE, OR (2) A FUMIGANT OF COMPARABLE HIGH ACUTE TOXICITY AND HAZARD POTENTIAL.

DANGEROUS VIRUSES EXPOSURE - ASSIGNED FOR A PERIOD OF 30 CONSECUTIVE DAYS OR MORE TO PARTICIPATE IN OR CONDUCT APPLIED OR BASIC RESEARCH THAT IS CHARACTERIZED BY A CHANGING VARIETY OF TECHNIQUES, PROCEDURES, EQUIPMENT, AND EXPERIMENTS, AND WORKING WITH MICRO-ORGANISMS (1) THAT CAUSE DISEASE (A) WITH A HIGH POTENTIAL FOR MORTALITY, AND (B) FOR WHICH EFFECTIVE THERAPEUTIC PROCEDURES ARE NOT AVAILABLE, AND (2) FOR WHICH NO EFFECTIVE PROPHYLACTIC IMMUNIZATION EXISTS.

CHEMICAL MUNITIONS - THIS IS A PEACETIME HAZARDOUS INCENTIVE PAY FOR MEMBERS OF THE UNIFORMED SERVICES WHOSE PRIMARY DUTIES REQUIRE THE ROUTINE PHYSICAL HANDLING OF CHEMICAL MUNITIONS OR CHEMICAL SURETY MATERIAL. ROUTINE PHYSICAL HANDLING MUST BE INCIDENT TO MANUFACTURING, MAINTENANCE, STORAGE, TESTING, LABORATORY ANALYSIS, TRANSPORTATION, SURVEILLANCE, ASSEMBLY, DISASSEMBLY, DEMILITARIZATION, OR DISPOSAL OF CHEMICAL MUNITIONS OR CHEMICAL SURETY MATERIAL. THIS INCENTIVE PAY IS NOT AUTHORIZED FOR INDIVIDUALS WHO HANDLE THE INDIVIDUAL COMPONENTS OF BINARY MUNITIONS, DILUTE SOLUTIONS OF TOXIC CHEMICALS, RIOT CONTROL AGENTS, CHEMICAL DEFOLIANTS, HERBICIDES, SMOKE, FLAME AND INCENDIARIES, OR INDUSTRIAL CHEMICALS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE PROJECTED AVERAGE NUMBER OF PAYMENTS IS BASED ON THE TOTAL SPACES WHERE EACH TYPE OF PAY IS AUTHORIZED TO MEET FORCE STRUCTURE REQUIREMENTS. THE COMPENSATION FOR AVIATION SERVICE (RATED OFFICERS) IS OBTAINED BY MULTIPLYING THE PROJECTED AVERAGE NUMBER OF PERSONNEL AUTHORIZED FOR THIS TYPE OF PAY BY RATES ESTABLISHED IN 37 USC 301A FOR YEARS OF AVIATION SERVICE OR YEARS OF OFFICER SERVICE TO INCLUDE A SPECIFIED NUMBER OF YEARS IN JOBS WHICH JUSTIFY FLYING. THE COMPENSATION FOR ALL OTHER TYPES OF INCENTIVE PAY IS ARRIVED AT BY MULTIPLYING THE PROJECTED NUMBER OF EACH TYPE BY THE STATUTORY RATE.

THE ESTIMATE FOR INCENTIVE PAY DECREASES BY -$4.7 MILLION BETWEEN FY96 AND FY97 DUE TO A REDUCED NUMBER OF OFFICERS RECEIVING FLYING DUTY PAY.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER INCENTIVE PAY FOR HAZARDOUS DUTY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY COMMISSIONED OFFICERS CATEGORY									
125	720	$ 1,500	$ 1,080	662	$ 1,500	$ 993	634	$ 1,500	$ 951
156	372	1,872	696	377	1,872	706	380	1,872	711
188	416	2,256	938	424	2,256	957	380	2,256	857
206	724	2,472	1,790	683	2,472	1,688	540	2,472	1,335
250	33	3,000	99	29	3,000	87	30	3,000	90
310 / 385	184	4,620	850	183	4,620	845	168	4,620	776
340 / 495	210	5,940	1,247	209	5,940	1,241	194	5,940	1,152
370 / 585	294	7,020	2,064	315	7,020	2,211	301	7,020	2,113
400 / 650	2,257	7,800	17,605	2,172	7,800	16,942	1,970	7,800	15,366
SUBTOTAL	5,210		$ 26,369	5,054		$ 25,670	4,597		$ 23,351
WARRANT OFFICERS CATEGORY									
125	794	1,500	1,191	819	1,500	1,229	967	1,500	1,451
156	742	1,872	1,389	678	1,872	1,269	413	1,872	773
188	319	2,256	720	392	2,256	884	593	2,256	1,338
206	1,158	2,472	2,863	1,172	2,472	2,897	985	2,472	2,435
400 / 650	3,213	7,800	25,061	3,034	7,800	23,665	2,766	7,800	21,575
SUBTOTAL	6,226		$ 31,224	6,095		$ 29,944	5,724		$ 27,572
TOTAL FLYING DUTY CREW	11,436		$ 57,593	11,149		$ 55,614	10,321		$ 50,923
FLYING DUTY NON-CREW MEMBERS	126	1,320	166	126	1,320	166	126	1,320	166
CREW-NONRATED	287	2,520	723	283	2,520	713	271	2,520	683
TOTAL FLYING DUTY PAY	11,849		$ 58,482	11,558		$ 56,493	10,718		$ 51,772
OTHER HAZARDOUS DUTY									
PARACHUTE JUMPING	5,299	1,320	6,995	5,230	1,320	6,904	5,230	1,320	6,904
EXPERIMENTAL STRESS	32	1,320	42	32	1,320	42	34	1,320	45
DEMOLITION OF EXPLOSIVES	140	1,320	185	137	1,320	181	135	1,320	178
TOXIC FUEL	0	1,320	0	0	1,320	0	0	1,320	0
TOXIC PESTICIDES EXPOSURE	4	1,320	5	4	1,320	5	4	1,320	5
CHEMICAL MUNITIONS	57	1,320	75	57	1,320	75	57	1,320	75
HIGH ALTITUDE LOW OPENING JUMP PAY	141	1,980	279	141	1,980	279	141	1,980	279
SUB-TOTAL	5,673		7,581	5,601		7,486	5,601		7,486
TOTAL OFFICER INCENTIVE PAY FOR HAZARDOUS PAY	17,522		66,063	17,159		63,979	16,319		59,258

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	176,594
ESTIMATE FY 1996	190,011
ACTUAL FY 1995	183,184

PROJECT: SPECIAL PAY - OFFICERS

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED IN THIS ACCOUNT ARE AUTHORIZED TO PROVIDE MONETARY INCENTIVES FOR THE PROCUREMENT AND RETENTION OF OFFICERS ASSIGNED AS PHYSICIANS, DENTISTS, NURSES, PSYCHOLOGISTS, NON-PHYSICIAN HEALTH CARE PROVIDERS, VETERINARIANS, OPTOMETRISTS, DIVERS, AND LINGUISTS. ADDITIONALLY, THIS ACCOUNT INCLUDES SPECIAL PAYS AUTHORIZED TO GENERAL OFFICERS TO PARTIALLY OFFSET EXTRAORDINARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES. FINALLY, THIS ACCOUNT COVERS SPECIAL PAYS AUTHORIZED FOR OFFICERS, WHO ARE ASSIGNED SEA DUTY AND THOSE WHO ARE ON DUTY SUBJECT TO HOSTILE FIRE OR IMMINENT DANGER.

SPECIAL PAY FOR PHYSICIANS: THESE PAYMENTS ARE AUTHORIZED BY 37 USC 302, AS AMENDED. THEY ARE INTENDED TO PROVIDE A MONETARY INCENTIVE FOR THE PROCUREMENT AND RETENTION OF MEDICAL OFFICERS. A PHYSICIAN MAY QUALIFY FOR THE FOLLOWING PAYS:

(1) VARIABLE SPECIAL PAY - PAID MONTHLY AS AN AUTOMATIC ENTITLEMENT TO ALL MEDICAL CORPS OFFICERS ON ACTIVE DUTY. THE ANNUAL RATE OF PAY IS BASED UPON THE NUMBER OF YEARS OF CREDITABLE SERVICE FOR SPECIAL PAY. THE ANNUAL AMOUNTS RANGE FROM $1,200 TO $12,000.

(2) BOARD CERTIFIED PAY - PAID ON A MONTHLY BASIS TO MEDICAL CORPS OFFICERS WHO ARE CURRENTLY CERTIFIED BY AN AMERICAN MEDICAL OR OSTEOPATHIC EXAMINING BOARD. THE ANNUAL RATE PAYABLE IS DETERMINED BY THE NUMBER OF YEARS OF CREDITABLE SERVICE FOR SPECIAL PAY. THE ANNUAL AMOUNTS RANGE FROM $2,500 TO $6,000.

(3) ADDITIONAL SPECIAL PAY - PAID AS A LUMP SUM BONUS TO MEDICAL CORPS OFFICERS, WHO ARE NOT UNDERGOING INTERNSHIP OR INITIAL RESIDENCY TRAINING AND WHO EXECUTE AN AGREEMENT TO REMAIN ON ACTIVE DUTY FOR ONE YEAR. THE ANNUAL PAYMENT FOR ALL RECIPIENTS IS $15,000.

(4) INCENTIVE SPECIAL PAY (ISP)/MEDICAL INCENTIVE PAY - PAID AS A LUMP SUM BONUS TO ADMINISTRATIVELY ELIGIBLE MEDICAL OFFICERS, WHO ARE FULLY QUALIFIED IN DEPARTMENT OF ARMY (DA) SELECTED SPECIALTY CATEGORIES AND WHO EXECUTE AN AGREEMENT TO REMAIN ON ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN 12 MONTHS. THE OFFICE OF THE SURGEON GENERAL DEVELOPS AN ISP PROGRAM ANNUALLY TAILORED TO MEET THE CRITICAL NEEDS OF THE FOLLOWING YEAR. THE FY88 AND FY89 DOD AUTHORIZATION ACT LIFTED THE BUDGET CEILING FOR ISP (PREVIOUSLY THE AMOUNT SPENT FOR ISP COULD NOT EXCEED SIX PERCENT OF THE TOTAL AMOUNT SPENT FOR ALL FOUR MEDICAL SPECIAL PAYS) AND REMOVED THE INDIVIDUAL PAYMENT CEILING FOR CRITICAL WARTIME SPECIALTIES. THE MAXIMUM INDIVIDUAL PAYMENTS FOR ANY OFFICER WHOSE CATEGORY HAS NOT BEEN DESIGNATED AS A CRITICALLY NEEDED WARTIME SPECIALTY REMAINED AT $8,000. PUBLIC LAW 101-189 AGAIN CHANGED ISP RULES BY RESCINDING THE $8,000 PAYMENT CEILING FOR OTHER SHORTAGE SPECIALTIES AND ALLOWING INDIVIDUAL ISP PAYMENTS TO RISE TO $22,000 BEGINNING IN FY91; TO $29,000 BEGINNING IN FY92; AND $36,000 FOR ANY TWELVE MONTH PERIOD BEGINNING AFTER FY92.

(5) MULTI-YEAR SPECIAL PAY - THE FY91 DOD AUTHORIZATION ACT (PL 101-510) AUTHORIZED A NEW MULTI-YEAR SPECIAL PAY TO BE USED IN CONJUNCTION WITH ISP. OFFICERS MUST BE EITHER UNOBLIGATED FOR MEDICAL EDUCATION AND TRAINING OR MUST HAVE EIGHT YEARS OF CREDITABLE SERVICE. THERE ARE THREE CATEGORIES OF SPECIALTIES/PAYS WITH DIFFERENT PAY LEVELS FOR 2 YEAR, 3 YEAR, AND 4 YEAR CONTRACTS. THE ANNUAL AMOUNTS RANGE FROM $2,000 TO $14,000.

OTHER SPECIAL PAY - DENTIST PAY - THESE PAYMENTS ARE AUTHORIZED BY 37 USC 302B AND 311 AND ARE INTENDED TO PROVIDE MONETARY INCENTIVES FOR THE PROCUREMENT AND RETENTION OF DENTAL OFFICERS. THE THREE TYPES OF PAY FOR WHICH A DENTIST MAY QUALIFY UNDER THE REVISED DENTAL SPECIAL PAY PROGRAM ARE:

(1) VARIABLE SPECIAL PAY - PAID MONTHLY AS AN AUTOMATIC ENTITLEMENT TO ALL DENTAL CORPS OFFICERS ON ACTIVE DUTY. THE ANNUAL RATE OF PAY IS BASED ON THE NUMBER OF YEARS OF CREDITABLE SERVICE FOR SPECIAL PAY.

(2) BOARD CERTIFIED PAY - PAID ON A MONTHLY BASIS TO DENTAL CORPS OFFICERS, WHO ARE CURRENTLY CERTIFIED BY AN AMERICAN DENTAL ASSOCIATION SPECIALTY EXAMINING BOARD OR WHO HAVE BEEN AWARDED BOARD CERTIFICATION EQUIVALENCY BY THE SURGEON GENERAL. THE ANNUAL RATE IS BASED ON THE NUMBER OF YEARS OF CREDITABLE SERVICE FOR SPECIAL PAY.

(3) ADDITIONAL SPECIAL PAY - PAID AS A LUMP SUM BONUS TO DENTAL CORPS OFFICERS, WHO ARE NOT UNDERGOING INTERNSHIP OF INITIAL RESIDENCY TRAINING, HAVE A MINIMUM OF THREE YEARS OF CREDITABLE SERVICE FOR SPECIAL PAY, AND WHO EXECUTE AN AGREEMENT TO REMAIN ON ACTIVE DUTY FOR ONE YEAR. THE RATE OF PAY IS BASED ON THE NUMBER OF YEARS OF CREDITABLE SERVICE FOR SPECIAL PAY.

NURSES - PL 101-189 AUTHORIZED INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS AND AN ACCESSION BONUS FOR NURSES. NURSE ANESTHETIST SPECIAL PAY OF $6,000 PER INDIVIDUAL FOR 1 YEAR REQUIRES A WRITTEN AGREEMENT TO REMAIN ON ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN 12 MONTHS. THE FY95 NATIONAL DEFENSE AUTHORIZATION ACT INCREASED THE INDIVIDUAL PAYMENT AMOUNT FROM $6,000 TO $15,000 FOR NURSE ANESTHETISTS WITH MORE THAN 4 YEARS OF SERVICE. THE ACCESSION BONUS OF $5,000 PER INDIVIDUAL REQUIRES ACCEPTANCE OF A COMMISSION AS AN OFFICER COMBINED WITH AN AGREEMENT TO REMAIN ON ACTIVE DUTY FOR 4 YEARS.

DIPLOMATE PAY FOR PSYCHOLOGISTS AND BOARD CERTIFIED PAY FOR NON-PHYSICIAN HEALTH CARE PROVIDERS - THESE PAYS ARE AUTHORIZED BY THE DOD AUTHORIZATION ACTS FOR FY90 AND FY91, RESPECTIVELY. THEY ARE PAID ON A MONTHLY BASIS TO AN OFFICER, WHO IS DESIGNATED A PSYCHOLOGIST AND HAS BEEN AWARDED A DIPLOMA AS A DIPLOMATE IN PSYCHOLOGY OR AN OFFICER WHO IS A HEALTH CARE PROVIDER BASED ON THE DEFINITION PROVIDED BY DOD DIRECTIVE 6025.11, HAS A POST BACCALAUREATE DEGREE IN THE OFFICER'S CLINICAL SPECIALTY, AND IS CERTIFIED BY A PROFESSIONAL BOARD IN THE OFFICER'S SPECIALTY. THE ANNUAL RATE OF PAY IS BASED ON YEARS OF CREDITABLE SERVICE. THE ANNUAL AMOUNTS RANGE FROM $2,000 TO $5,000.

OPTOMETRISTS - THESE PAYMENTS ARE AUTHORIZED BY 37 USC SECTION 302A AND ARE INTENDED TO PROVIDE MONETARY INCENTIVES FOR THE PROCUREMENT AND RETENTION OF OPTOMETRY OFFICERS. THESE OFFICERS ARE AUTHORIZED $100 PER MONTH OF ACTIVE DUTY.

VETERINARIANS - THESE PAYMENTS ARE AUTHORIZED BY 37 U.S.C., SECTION 303 AND ARE INTENDED TO PROVIDE MONETARY INCENTIVES FOR THE PROCUREMENT AND RETENTION OF VETERINARY OFFICERS. THESE OFFICERS ARE AUTHORIZED $100 PER MONTH OF ACTIVE DUTY.

PERSONAL ALLOWANCE, GENERAL OFFICERS - IN ADDITION TO OTHER PAY AND ALLOWANCES AUTHORIZED, AN OFFICER WHO IS ENTITLED TO BASIC PAY IS ENTITLED TO A PERSONAL MONEY ALLOWANCE OF (1) $500 A YEAR WHILE SERVING IN THE GRADE OF LIEUTENANT GENERAL, (2) $2,200 PER YEAR WHILE SERVING IN THE GRADE OF GENERAL, (3) $2,200 IN ADDITION TO THE PERSONAL MONEY ALLOWANCE IN (1) ABOVE WHILE SERVING AS A SENIOR MEMBER OF THE MILITARY STAFF COMMITTEE OF THE UNITED NATIONS AND(4) $4,000 PER YEAR, IN PLACE OF ANY OTHER PERSONAL MONEY ALLOWANCE, WHILE SERVING AS CHIEF OF STAFF OF THE ARMY (37 U.S.C. 414). ADDITIONALLY, AN OFFICER SERVING AS THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF IS ENTITLED TO $4,000 PER YEAR, IN PLACE OF ANY OTHER PERSONAL MONEY ALLOWANCE (37 U.S.C. 413). THIS ALLOWANCE IS INTENDED TO PARTIALLY REIMBURSE HIGH RANKING OFFICERS FOR THE MANY UNUSUAL PERSONAL EXPENSES THEY INCUR IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

DIVING DUTY PAY - UNDER REGULATIONS PRESCRIBED BY THE SECRETARY OF THE ARMY, AN OFFICER OR WARRANT OFFICER WHO IS ENTITLED TO BASIC PAY IS ENTITLED TO SPECIAL PAY AT A RATE OF NOT MORE THAN $200 A MONTH FOR PERIODS DURING WHICH THEY (1)ARE ASSIGNED BY ORDERS TO THE DUTY OF DIVING (2) ARE REQUIRED TO MAINTAIN PROFICIENCY AS A DIVER BY FREQUENT AND REGULAR DIVES: AND (3) ACTUALLY PERFORMS DIVING DUTY (37 U.S.C. 304). DIVE OFFICERS ARE ASSIGNED TO A POSITION AS THE LEADER OF A DIVING DETACHMENT WHICH SUPPORTS MARINE OR SPECIAL OPERATION UNITS. DUTIES OF MARINE DIVING DETACHMENTS INCLUDE UNDERWATER CONSTRUCTION (CONSTRUCTION OF PIERS AND PIPELINES), HARBOR CLEARANCE, AND SHIP SALVAGE. SPECIAL FORCES (COMBAT) DIVING OPERATIONS INCLUDE INFILTRATION AND EXFILTRATION, COMBAT SURFACE SWIMMING, SEARCH AND RECOVERY, TARGET ATTACK, HARASSING AND INTERDICTION, AND RECONNAISSANCE OPERATIONS.

SEA DUTY PAY - ARMY MEMBERS WHO ARE ENTITLED TO BASIC PAY ARE ALSO ENTITLED, WHILE ON SEA DUTY, TO SPECIAL PAY AT RATES WHICH VARY WITH GRADE AND YEARS OF SEA DUTY. THE RANGE OF RATES FOR WARRANT OFFICERS AND OFFICERS IS $130 TO $410 PER MONTH. THE TERM "SEA DUTY" MEANS DUTY PERFORMED BY A MEMBER (1) WHILE ASSIGNED TO A SHIP, AND WHILE SERVING ON A SHIP THE PRIMARY MISSION OF WHICH IS ACCOMPLISHED WHILE UNDERWAY; (2) WHILE ASSIGNED TO A SHIP AND WHILE SERVING ON A SHIP THE PRIMARY MISSION OF WHICH IS NORMALLY ACCOMPLISHED WHILE IN PORT, BUT ONLY WHILE THE SHIP IS AWAY FROM ITS HOME PORT FOR 30 OR MORE CONSECUTIVE DAYS. ADDITIONALLY, THE MEMBER ENTITLED TO CAREER SEA PAY WHO HAS SERVED 36 CONSECUTIVE MONTHS OF SEA DUTY IS ENTITLED TO A CAREER SEA PAY PREMIUM OF $100 PER MONTH FOR THE 37TH MONTH AND EACH CONSECUTIVE MONTH OF SEA DUTY SERVED (37 U.S.C. 305A). INDIVIDUALS WHO ARE AFFECTED BY CAREER SEA PAY ARE GENERALLY ASSIGNED TO ONE OF FOUR LOCATIONS: FORT EUSTIS, VIRGINIA; HAWAII; PANAMA; AND THE AZORES.

FOREIGN LANGUAGE PROFICIENCY PAY (FLPP) - THIS PAY IS AUTHORIZED UNDER THE PROVISIONS OF 37 U.S.C. 316. FLPP IS A MONTHLY MONETARY INCENTIVE THAT IS PAID TO ALL MILITARY PERSONNEL WHO QUALIFY FOR AND MAINTAIN THE REQUIRED PROFICIENCY IN DESIGNATED FOREIGN LANGUAGES. THE MONTHLY RATE FOR FLPP MAY NOT EXCEED $100.00 PER INDIVIDUAL.

HOSTILE FIRE PAY - PAID TO OFFICERS ON DUTY SUBJECT TO HOSTILE FIRE OR IMMINENT DANGER (37 U.S.C. 310). PAID AT THE RATE OF $150 PER MONTH.

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 ESTIMATE FOR SPECIAL PAY DECREASES BY A NET -$13.4 MILLION FROM FY96 TO FY97. A DECREASE IN THE NUMBER OF HEALTH PROFESSIONALS AS A RESULT OF THE OFFICER STRENGTH REDUCTION LOWERS THE REQUIREMENT BY -$7.6 MILLION. THE WITHDRAWAL OF SOLDIERS FROM CONTINGENCY AREAS REDUCES THE NEED FOR HOSTILE FIRE PAY BY -$5.8 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY FOR PHYSICIANS									
VARIABLE SPECIAL PAY	4,954	$ 7,753	$ 38,408	4,682	$ 7,650	$ 35,817	4,476	$ 7,680	$ 34,376
ADDITIONAL SPECIAL PAY	3,528	15,000	52,920	3,484	15,000	52,260	3,325	15,000	49,875
BOARD CERTIFIED PAY	2,684	3,687	9,896	2,583	3,666	9,469	2,489	3,665	9,122
MEDICAL INCENTIVE PAY	2,944	16,873	49,674	2,894	17,339	50,179	2,837	17,345	49,208
MEDICAL MULTI-YEAR SPECIAL PAY	1,017	9,760	9,926	1,234	10,692	13,194	1,075	10,576	11,369
SUBTOTAL	15,127		$ 160,824	14,877		$ 160,919	14,202		$ 153,950
OTHER SPECIAL PAY									
DENTIST PAY									
VARIABLE SPECIAL PAY	1,182	$ 3,727	$ 4,405	1,233	$ 3,510	$ 4,328	1,194	$ 3,559	$ 4,249
BOARD CERTIFIED PAY	433	3,834	1,660	416	3,760	1,564	379	3,813	1,445
ADDITIONAL SPECIAL PAY	913	7,717	7,046	975	7,582	7,392	946	7,108	6,724
SAVED PAY			29			28			27
SUBTOTAL	2,528		$ 13,140	2,624		$ 13,312	2,519		$ 12,445
NURSE PAY									
ACCESSION BONUS	93	$ 5,000	$ 465	200	$ 5,000	$ 1,000	200	$ 5,000	$ 1,000
ANTHESTISTS PAY	192	10,641	2,043	276	12,652	3,492	276	12,783	3,528
SUBTOTAL	285		$ 2,508	476		$ 4,492	476		$ 4,528
DIPLOMATE PAY FOR PSYCHOLOGISTS	0	0	0	5	4,000	20	11	3,455	38
BOARD CERTIFIED PAY FOR NON-PHYSICIAN HEALTH CARE PROVIDER	0	0	0	175	3,300	578	225	3,300	743
OPTOMETRISTS	133	$ 1,200	$ 160	131	$ 1,200	$ 157	125	$ 1,200	$ 150
VETERINARIANS	398	$ 1,200	$ 478	418	$ 1,200	$ 502	430	$ 1,200	$ 516
TOTAL MEDICAL PAY	18,471		$ 177,110	18,706		$ 179,980	17,988		$ 172,370

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PERSONAL ALLOWANCES									
GENERAL OFFICERS									
CHAIRMAN, JCS	1	$ 4,000	$ 4	1	$ 4,000	$ 4	1	$ 4,000	$ 4
CHIEF OF STAFF	1	4,000	4	1	4,000	4	1	4,000	4
SENIOR MEMBER OF STAFF COMMITTEE OF UNITED NATIONS	1	2,700	3	1	2,700	3	1	2,700	3
GENERAL	10	2,200	22	9	2,200	20	9	2,200	20
LIEUTENANT GENERAL	36	500	18	33	500	17	33	500	17
SUBTOTAL	49		$ 51	45		$ 48	45		$ 48
DIVING DUTY PAY	84	$ 2,155	$ 181	82	$ 2,159	$ 177	82	$ 2,159	$ 177
HOSTILE FIRE PAY	2,273	1,800	4,091	4,476	1,800	8,057	1,250	1,800	2,250
SEA DUTY PAY	105	3,076	323	102	3,147	321	102	3,147	321
FOREIGN LANGUAGE PAY	1,983	720	1,428	1,983	720	1,428	1,983	720	1,428
TOTAL OFFICER SPECIAL PAY	22,965		$ 183,184	25,394		$ 190,011	21,450		$ 176,594

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 425,024
ESTIMATE FY 1996	$ 416,211
ACTUAL FY 1995	$ 407,758

PROJECT: BASIC ALLOWANCE FOR QUARTERS - OFFICERS

PART I - PURPOSE AND SCOPE

THE MEMBER WHO IS ENTITLED TO BASIC PAY IS ENTITLED TO A BASIC ALLOWANCE FOR QUARTERS (BAQ) AT MONTHLY RATES ACCORDING TO THE PAY GRADE IN WHICH THE MEMBER IS ASSIGNED OR DISTRIBUTED FOR BASIC PAY PURPOSES. HOWEVER, A MEMBER WHO IS ASSIGNED TO QUARTERS OF THE UNITED STATES OR A HOUSING FACILITY UNDER THE JURISDICTION OF A UNIFORMED SERVICE APPROPRIATE TO THE MEMBER'S GRADE, RANK OR RATING AND ADEQUATE FOR THE MEMBER AND THE MEMBER'S DEPENDENTS IF WITH DEPENDENTS, IS NOT ENTITLED TO A BAQ, EXCEPT THAT A MEMBER ASSIGNED TO SUCH QUARTERS MAY NOT BE DENIED A BAQ IF, BECAUSE OF ORDERS OF COMPETENT AUTHORITY, THE MEMBER'S DEPENDENTS ARE PREVENTED FROM OCCUPYING THOSE QUARTERS (37 USC 403). THERE ARE FOUR TYPES OF BAQ PAYMENTS: (1) TO MEMBERS WITH DEPENDENTS, NOT OCCUPYING GOVERNMENT QUARTERS; (2) TO MEMBERS WITHOUT DEPENDENTS, NOT OCCUPYING GOVERNMENT QUARTERS; (3) PARTIAL PAYMENT TO MEMBERS WITHOUT DEPENDENTS ASSIGNED TO SINGLE-TYPE QUARTERS; AND (4) TO MEMBERS WITH DEPENDENTS OCCUPYING INADEQUATE HOUSING. UNDER THE PROVISIONS OF P.L. 97-214, DATED 12 JULY 82, EFFECTIVE 1 OCTOBER 82, THE RENTAL CHARGE FOR INADEQUATE QUARTERS WILL BE THE FAIR RENTAL VALUE FOR SUCH QUARTERS, NOT TO EXCEED 75 PERCENT OF THE OCCUPANT'S BAQ AT THE WITH DEPENDENTS RATE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE BAQ ESTIMATE INCREASES BY A NET +$8.8 MILLION FROM FY96 TO FY97. ANNUALIZATION OF THE 1 JANUARY 1996 5.2 PERCENT AND THE 1 JANUARY 1997 3.0 PERCENT PAY RAISES REQUIRE AN ADDITIONAL +$14.5 MILLION. AN INCREASE IN THE PERCENT OF INDIVIDUALS RECEIVING BAQ WITH DEPENDENTS BECAUSE OF DECREASES IN FAMILY HOUSING UNITS REQUIRES AN ADDITIONAL +$1.6 MILLION. FORCE MANNING COSTS DECREASE BY -$7.3 MILLION BETWEEN FY96 AND FY97 DUE TO OFFICER STRENGTH REDUCTIONS, INCLUDING CONTINGENCY OPERATIONS.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER BASIC ALLOWANCE FOR QUARTERS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ WITH DEPENDENTS									
GENERAL	59	$ 11,000	$ 649	56	$ 11,502	$ 644	55	$ 11,908	$ 655
COLONEL	2,190	9,905	21,692	2,152	10,357	22,288	2,128	10,723	22,819
LIEUTENANT COLONEL	5,944	9,547	56,747	5,674	9,983	56,644	5,658	10,336	58,481
MAJOR	8,150	8,417	68,599	8,527	8,801	75,046	8,388	9,112	76,431
CAPTAIN	12,515	7,020	87,855	11,572	7,344	84,985	11,872	7,603	90,263
1ST LIEUTENANT	2,459	6,069	14,924	2,529	6,371	16,112	2,431	6,596	16,035
2ND LIEUTENANT	2,280	5,490	12,517	2,306	5,785	13,340	1,994	5,989	11,942
OFFICER SUBTOTAL	33,597		$ 262,983	32,816		$ 269,059	32,526		$ 276,626
WARRANT OFFICER (5)	252	$ 8,123	$ 2,047	243	$ 8,494	$ 2,064	223	$ 8,794	$ 1,961
WARRANT OFFICER (4)	1,085	7,448	8,081	1,142	7,788	8,894	1,140	8,062	9,191
WARRANT OFFICER (3)	1,997	6,826	13,632	1,957	7,137	13,967	1,920	7,388	14,185
WARRANT OFFICER (2)	2,956	6,278	18,558	2,465	6,564	16,180	2,422	6,796	16,460
WARRANT OFFICER (1)	834	5,431	4,529	984	5,678	5,587	950	5,878	5,584
WARRANT OFFICER SUBTOTAL	7,124		$ 46,847	6,791		$ 46,692	6,655		$ 47,381
TOTAL BAQ WITH DEPENDENTS	40,721		$ 309,830	39,607		$ 315,751	39,181		$ 324,007
BAQ WITHOUT DEPENDENTS									
GENERAL	5	$ 8,936	$ 45	4	$ 9,344	$ 37	4	$ 9,673	$ 39
COLONEL	189	8,380	1,584	187	8,573	1,603	184	8,876	1,633
LIEUTENANT COLONEL	797	7,895	6,292	764	8,255	6,307	758	8,546	6,478
MAJOR	1,908	7,319	13,965	2,006	7,653	15,352	1,963	7,923	15,553
CAPTAIN	6,302	5,895	37,150	5,855	6,159	36,061	5,977	6,377	38,115
1ST LIEUTENANT	3,587	4,680	16,787	3,707	4,887	18,116	3,546	5,060	17,943
2ND LIEUTENANT	3,806	3,948	15,026	3,869	4,127	15,967	3,329	4,273	14,225
OFFICER SUBTOTAL	16,594		$ 90,849	16,392		$ 93,443	15,761		$ 93,986
WARRANT OFFICER (5)	21	$ 7,433	$ 156	20	$ 7,773	$ 155	18	$ 8,047	$ 145
WARRANT OFFICER (4)	89	6,603	588	94	6,905	649	94	7,149	672
WARRANT OFFICER (3)	200	5,549	1,110	197	5,801	1,143	192	6,006	1,153
WARRANT OFFICER (2)	710	4,926	3,497	595	5,151	3,065	581	5,332	3,098
WARRANT OFFICER (1)	290	4,125	1,196	343	4,313	1,479	330	4,465	1,473
WARRANT OFFICER SUBTOTAL	1,310		$ 6,547	1,249		$ 6,491	1,215		$ 6,541
TOTAL BAQ WITHOUT DEPENDENTS	17,904		$ 97,396	17,641		$ 99,934	16,976		$ 100,527

OFFICER BASIC ALLOWANCE FOR QUARTERS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ PARTIAL ALLOWANCE - BACHELOR									
GENERAL	0	$ 608	$ 0	0	$ 608	$ 0	0	$ 608	$ 0
COLONEL	9	475	4	9	475	4	9	475	4
LIEUTENANT COLONEL	30	396	12	29	396	11	29	396	11
MAJOR	99	320	32	104	320	33	102	320	33
CAPTAIN	571	266	152	530	266	141	541	266	144
1ST LIEUTENANT	364	212	77	376	212	80	359	212	76
2ND LIEUTENANT	1,326	158	210	1,348	158	213	1,160	158	183
OFFICER SUBTOTAL	2,399		$ 487	2,396		$ 482	2,200		$ 451
WARRANT OFFICER (5)	2	$ 302	$ 1	2	$ 302	$ 1	1	$ 302	$ 0
WARRANT OFFICER (4)	7	302	2	7	302	2	7	302	2
WARRANT OFFICER (3)	13	248	3	13	248	3	13	248	3
WARRANT OFFICER (2)	86	191	16	72	191	14	70	191	13
WARRANT OFFICER (1)	54	166	9	64	166	11	62	166	10
WARRANT OFFICER SUBTOTAL	162		$ 31	158		$ 31	153		$ 28
TOTAL BAQ PARTIAL ALLOWANCE BACHELOR	2,561		$ 518	2,554		$ 513	2,353		$ 479
BAQ INADEQUATE FAMILY HOUSING									
GENERAL	0	$ 2,750	$ 0	0	$ 2,876	$ 0	0	$ 2,977	$ 0
COLONEL	0	2,476	0	0	2,589	0	0	2,681	0
LIEUTENANT COLONEL	2	2,387	5	2	2,496	5	2	2,584	5
MAJOR	1	2,104	2	2	2,200	4	1	2,278	2
CAPTAIN	3	1,755	5	2	1,836	4	2	1,901	4
1ST LIEUTENANT	0	1,517	0	0	1,593	0	0	1,649	0
2ND LIEUTENANT	0	1,373	0	0	1,446	0	0	1,497	0
OFFICER SUBTOTAL	6		$ 12	6		$ 13	5		$ 11
WARRANT OFFICER (5)	0	$ 2,031	$ 0	0	$ 2,124	$ 0	0	$ 2,199	$ 0
WARRANT OFFICER (4)	0	1,862	0	0	1,947	0	0	2,016	0
WARRANT OFFICER (3)	0	1,707	0	0	1,784	0	0	1,847	0
WARRANT OFFICER (2)	1	1,570	2	0	1,641	0	0	1,699	0
WARRANT OFFICER (1)	0	1,358	0	0	1,420	0	0	1,470	0
WARRANT OFFICER SUBTOTAL	1		$ 2	0		$ 0	0		$ 0
TOTAL BAQ INADEQUATE FAMILY HOUSING	7		$ 14	6		$ 13	5		$ 11
TOTAL OFFICER BASIC ALLOWANCE FOR QUARTERS	61,193		$ 407,758	59,808		$ 416,211	58,515		$ 425,024

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 98,358
ESTIMATE FY 1996	$ 97,617
ACTUAL FY 1995	$ 98,915

PROJECT: VARIABLE HOUSING ALLOWANCE - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUIRED ARE TO PROVIDE FOR PAYMENT OF A VARIABLE HOUSING ALLOWANCE AUTHORIZED UNDER THE PROVISIONS OF TITLE 37, UNITED STATES CODE, SECTION 403A. UNDER THIS LAW A MEMBER ENTITLED TO A BASIC ALLOWANCE FOR QUARTERS IS AUTHORIZED A VARIABLE HOUSING ALLOWANCE WHENEVER ASSIGNED TO DUTY IN AN AREA OF THE UNITED STATES, INCLUDING ALASKA AND HAWAII IF ASSIGNED TO THESE TWO STATES ON OR AFTER 9 NOVEMBER 85, WHICH HAS BEEN DESIGNATED AS A HIGH COST AREA. THIS PAYMENT IS ALSO MADE TO THOSE MEMBERS SERVING UNACCOMPANIED TOURS OF DUTY OUTSIDE THE UNITED STATES WHEN THE MEMBER'S DEPENDENTS RESIDE IN AN AREA WHERE THIS ALLOWANCE IS AUTHORIZED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE VARIABLE HOUSING ALLOWANCES ARE DEVELOPED BY MULTIPLYING THE PROJECTED AVERAGE NUMBER OF PERSONNEL ELIGIBLE, BY GRADE AND THE AVERAGE APPLICABLE RATE. RATES ARE INFLATED AS OF 1 JANUARY WITH 2.0% IN FY96 AND 2.2% IN FY97.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER VARIABLE HOUSING ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL	58	$ 3,690	$ 214	54	$ 3,759	$ 203	53	$ 3,849	$ 204
COLONEL	2,183	3,312	7,230	2,124	3,378	7,175	2,099	3,451	7,244
LIEUTENANT COLONEL	5,910	3,108	18,368	5,587	3,170	17,711	5,567	3,238	18,026
MAJOR	8,468	2,496	21,136	8,774	2,545	22,330	8,623	2,600	22,420
CAPTAIN	15,160	1,824	27,652	13,882	1,860	25,821	14,232	1,900	27,041
1ST LIEUTENANT	4,627	1,404	6,496	4,713	1,432	6,749	4,527	1,463	6,623
2ND LIEUTENANT	4,495	1,524	6,850	4,504	1,554	6,999	3,892	1,588	6,180
OFFICER SUBTOTAL	40,901		$ 87,946	39,638		$ 86,988	38,993		$ 87,738
WARRANT OFFICER (5)	225	$ 2,059	$ 463	214	$ 2,100	$ 449	196	$ 2,145	$ 420
WARRANT OFFICER (4)	968	1,873	1,813	1,010	1,909	1,928	1,006	1,950	1,962
WARRANT OFFICER (3)	1,796	1,692	3,039	1,744	1,726	3,010	1,709	1,763	3,013
WARRANT OFFICER (2)	2,833	1,512	4,283	2,341	1,542	3,610	2,297	1,575	3,618
WARRANT OFFICER (1)	879	1,560	1,371	1,026	1,591	1,632	989	1,625	1,607
WARRANT OFFICER SUBTOTAL	6,701		$ 10,969	6,335		$ 10,629	6,197		$ 10,620
TOTAL OFFICER VARIABLE HOUSING ALLOWANCE	47,602		$ 98,915	45,973		$ 97,617	45,190		$ 98,358

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 147,917
ESTIMATE FY 1996	$ 147,306
ACTUAL FY 1995	$ 146,751

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE - OFFICERS

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 AND FUNDS REQUESTED

SUBSISTENCE ALLOWANCE COSTS ARE OBTAINED BY MULTIPLYING THE PROJECTED AVERAGE NUMBER ELIGIBLE FOR THE ALLOWANCE BY THE ANNUAL STATUTORY RATE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER BASIC ALLOWANCE FOR SUBSISTENCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE.....	84,203	$ 1,742.82	$ 146,751	82,501	$ 1,785.51	$ 147,306	80,545	$ 1,836.45	$ 147,917

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 137,209
ESTIMATE FY 1996	$ 139,304
ACTUAL FY 1995	$ 140,824

PROJECT: STATION ALLOWANCE OVERSEAS - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE PAYMENT OF A PER DIEM ALLOWANCE TO OFFICERS ON DUTY OUTSIDE THE UNITED STATES CONSIDERING ALL ELEMENTS OF THE COST OF LIVING, INCLUDING QUARTERS, SUBSISTENCE, AND OTHER NECESSARY INCIDENTAL EXPENSES AS PRESCRIBED BY JOINT TRAVEL REGULATIONS AND AUTHORIZED UNDER PROVISIONS OF 37 U.S.C. 405.

PART II - JUSTIFICATION OF FUNDS REQUESTED

OVERSEAS STATION ALLOWANCE PAYMENTS ARE DETERMINED BY MULTIPLYING THE PROJECTED NUMBER OF PERSONNEL ELIGIBLE FOR EACH TYPE OF ALLOWANCE BY AN ESTIMATED AVERAGE RATE.

FLUCTUATIONS IN CURRENCY EXCHANGE RATES HAVE A DIRECT IMPACT ON OVERSEAS STATION ALLOWANCES. THIS IS ESPECIALLY TRUE IN THE CASE OF GERMANY. STARTING IN 1986, THE DEVALUATION OF THE DOLLAR ABROAD HAS REQUIRED INCREASED COLA FOR FULL SUPPORT AREAS IN GERMANY--THE PREPONDERANCE OF SOLDIERS ARE ASSIGNED TO FULL SUPPORT AREAS.

ESTIMATED COSTS DECREASE BY A NET -$2.1 MILLION BETWEEN FY96 AND FY97. THE BELOW TABLE PROVIDES EXPLANATIONS FOR THE INCREASES AND DECREASES AND THE ASSOCIATED AMOUNTS.

REASON FOR INCREASE/DECREASE	AMOUNT OF CHANGE
(1) ANNUALIZATION OF THE 1 JANUARY 1996, 2.4% AND THE 1 JANUARY 1997, 3.0% PAY INCREASES	(1) +$1.7 MILLION
(2) COST GROWTH FOR TEMPORARY LODGING ALLOWANCE.	(2) +$0.2 MILLION
(3) CHANGES IN MEMBERS STATIONED OVERSEAS.	(3) -$4.0 MILLION

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
GENERAL	67	$ 8,149	$ 546	57	$ 8,807	$ 502	55	$ 8,982	$ 494
COLONEL	672	8,328	5,596	622	8,488	5,280	605	8,650	5,233
LIEUTENANT COLONEL	1,867	7,666	14,312	1,731	7,883	13,646	1,683	8,035	13,523
MAJOR	2,864	6,528	18,696	2,748	6,674	18,340	2,673	6,803	18,184
CAPTAIN	5,211	5,130	26,732	4,918	5,334	26,234	4,784	5,437	26,009
1ST LIEUTENANT	2,147	4,503	9,668	2,199	4,777	10,506	2,139	4,870	10,417
2ND LIEUTENANT	1,850	2,915	5,393	1,665	3,094	5,151	1,619	3,154	5,107
WARRANT OFFICER (5)	80	6,158	493	67	6,585	441	60	6,227	374
WARRANT OFFICER (4)	346	5,523	1,911	314	5,915	1,857	310	6,122	1,898
WARRANT OFFICER (3)	875	5,185	4,537	795	5,097	4,052	773	5,195	4,016
WARRANT OFFICER (2)	1,635	4,580	7,488	1,548	4,694	7,266	1,506	4,785	7,207
WARRANT OFFICER (1)	297	3,656	1,086	369	3,816	1,408	359	3,892	1,397
SUBTOTAL	17,911		$ 96,458	17,033		$ 94,683	16,566		$ 93,859
HOUSING ALLOWANCE									
GENERAL	1	$ 2,000	$ 2	1	$ 1,000	$ 1	1	$ 1,000	$ 1
COLONEL	101	14,517	1,466	103	14,659	1,510	103	14,243	1,467
LIEUTENANT COLONEL	410	10,108	4,144	379	10,759	4,078	379	10,453	3,962
MAJOR	615	8,882	5,462	590	9,616	5,673	590	9,343	5,512
CAPTAIN	1,163	7,758	9,023	1,087	8,461	9,197	1,087	8,221	8,936
1ST LIEUTENANT	716	6,779	4,854	777	7,318	5,686	777	7,110	5,525
2ND LIEUTENANT	475	8,030	3,814	421	8,614	3,627	421	8,369	3,523
WARRANT OFFICER (5)	14	8,336	117	11	8,850	97	10	8,599	86
WARRANT OFFICER (4)	59	7,641	451	50	8,107	405	51	7,878	402
WARRANT OFFICER (3)	136	7,399	1,006	116	8,143	945	116	7,912	918
WARRANT OFFICER (2)	247	7,117	1,758	211	7,365	1,554	211	7,156	1,510
WARRANT OFFICER (1)	27	7,649	207	38	8,850	336	38	8,599	327
SUBTOTAL	3,964		$ 32,304	3,784		$ 33,109	3,784		$ 32,169
TEMPORARY LODGING ALLOWANCE	8,882	$ 1,358	$ 12,062	8,312	$ 1,385	$ 11,512	7,896	$ 1,416	$ 11,181
TOTAL OFFICER STATION ALLOWANCE OVERSEAS	30,757		$ 140,824	29,129		$ 139,304	28,246		$ 137,209

ESTIMATE FY 1997	$ 845
ESTIMATE FY 1996	$ 845
ACTUAL FY 1995	$ 212

PROJECT: CONUS COST OF LIVING ALLOWANCE - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE PAYMENT OF A COST OF LIVING ALLOWANCE (COLA) TO SOLDIERS WHO ARE ASSIGNED TO HIGH COST AREAS IN THE CONTINENTAL UNITED STATES (CONUS). A HIGH COST AREA IS DEFINED AS A LOCALITY WHERE THE COST OF LIVING EXCEEDS THE AVERAGE COST OF LIVING IN CONUS BY AN ESTABLISHED THRESHOLD PERCENTAGE DURING A BASE PERIOD. THE THRESHOLD PERCENTAGE IS ESTABLISHED BY THE SECRETARY OF DEFENSE BUT CANNOT BE LESS THAN EIGHT PERCENT. THE CURRENT ESTABLISHED THRESHOLD PERCENTAGE IS 109% OF THE NATIONAL COST OF LIVING AVERAGE. THE AMOUNT OF COLA PAYABLE IS THE PRODUCT OF SPENDABLE INCOME (BASED ON REGULAR MILITARY COMPENSATION LEVEL) TIMES THE DIFFERENCE BETWEEN THE COLA INDEX FOR THE INDIVIDUAL'S HIGH COST AREA AND THE THRESHOLD PERCENTAGE. THIS ALLOWANCE WAS AUTHORIZED BY THE FY95 DOD AUTHORIZATION ACT.

PART II - JUSTIFICATION OF FUNDS REQUESTED

CONUS COLA PAYMENTS ARE DETERMINED BY MULTIPLYING THE PROJECTED NUMBER OF PERSONNEL ELIGIBLE BY AN ESTIMATED AVERAGE RATE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER CONUS COST OF LIVING ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	183	1,156.00	$ 212	731	1,156.00	$ 845	731	1,156.00	$ 845

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 2,468
ESTIMATE FY 1996	$ 2,394
ACTUAL FY 1995	$ 2,561

PROJECT: CLOTHING ALLOWANCES - OFFICERS

PART I - PURPOSE AND SCOPE

THE REQUESTED FUNDS WILL PROVIDE FOR THE INITIAL PAYMENT AND SUPPLEMENTAL ALLOWANCE FOR PURCHASES OF REQUIRED UNIFORMS UNDER PROVISIONS OF 37 U.S.C. 415 AND 416. ALSO INCLUDED ARE FUNDS FOR CIVILIAN CLOTHING ALLOWANCE FOR OFFICERS ASSIGNED TO A PERMANENT DUTY STATION OUTSIDE THE UNITED STATES WHO ARE REQUIRED TO WEAR CIVILIAN CLOTHING IN THE PERFORMANCE OF OFFICIAL DUTY IN ACCORDANCE WITH 37 U.S.C. 419. THE ENTITLEMENT TO A CIVILIAN CLOTHING ALLOWANCE FOR OFFICERS WAS EFFECTIVE 4 DECEMBER 1987.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATED NUMBER OF PAYMENTS IS BASED ON THE PROJECTED GAINS INTO THE ARMY AND THE ANTICIPATED OVERSEAS REQUIREMENTS WHERE INDIVIDUALS ARE REQUIRED TO WEAR CIVILIAN CLOTHING IN THE PERFORMANCE OF OFFICIAL DUTY. ALLOWANCES FOR UNIFORM AND CLOTHING PURCHASES ARE DEVELOPED BY MULTIPLYING THE PROJECTED NUMBER ELIGIBLE FOR EACH TYPE OF ALLOWANCE BY THE APPLICABLE RATE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER CLOTHING ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNIFORM ALLOWANCES									
INITIAL	6,779	$ 200	$ 1,356	6,134	$ 200	$ 1,227	6,014	$ 200	$ 1,203
ADDITIONAL	5,787	100	579	5,224	100	522	6,014	100	601
SUBTOTAL	12,566		$ 1,935	11,358		$ 1,749	12,028		$ 1,804
CIVILIAN CLOTHING									
WINTER AND SUMMER	530	$ 1,182	$ 626	530	$ 1,216	$ 645	530	$ 1,253	$ 664
WINTER OR SUMMER	0	764	0	0	786	0	0	810	0
TEMPORARY DUTY	0	436	0	0	449	0	0	462	0
SPECIAL CONTINUING - DUAL SEASON	0	591	0	0	608	0	0	626	0
SPECIAL CONTINUING - SINGLE SEASON	0	382	0	0	393	0	0	405	0
SUBTOTAL	530		$ 626	530		$ 645	530		$ 664
TOTAL OFFICER CLOTHING ALLOWANCES	13,096		$ 2,561	11,888		$ 2,394	12,558		$ 2,468

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 4,164
ESTIMATE FY 1996	$ 7,045
ACTUAL FY 1995	$ 4,338

PROJECT: FAMILY SEPARATION ALLOWANCES - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS ARE TO PROVIDE FAMILY SEPARATION PAYMENTS TO OFFICERS WITH DEPENDENTS ON DUTY OUTSIDE THE U.S. OR IN ALASKA FOR ADDED SEPARATION EXPENSES UNDER TWO CIRCUMSTANCES:

(1) TRAVEL OF DEPENDENTS TO OVERSEAS DUTY STATION IS NOT AUTHORIZED AND THE MEMBER MAINTAINS TWO HOMES, ONE IN CONUS FOR HIS FAMILY AND ONE OVERSEAS FOR HIMSELF. PAYMENT IS MADE AT THE MONTHLY QUARTERS ALLOWANCE RATE AUTHORIZED FOR A MEMBER OF THE SAME GRADE WITHOUT DEPENDENTS.

(2) WHEN A MEMBER WITH DEPENDENTS MAKES A PERMANENT CHANGE OF STATION, IS ON TEMPORARY DUTY TRAVEL, OR ON BOARD SHIP FOR THIRTY DAYS OR MORE EITHER IN CONUS OR OVERSEAS AND THE TRAVEL OF DEPENDENTS TO HIS DUTY STATION IS NOT AUTHORIZED AND DEPENDENTS DO NOT RESIDE AT OR NEAR THE DUTY STATION. THE PAYMENT AUTHORIZED IS $75 PER MONTH (37 U.S.C. 427).

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATED NUMBER OF PAYMENTS IS BASED ON EXECUTION DATA PROJECTED INTO THE FUTURE AND MODIFIED TO REFLECT ANTICIPATED OVERSEAS STATIONING REQUIREMENTS. ALLOWANCES FOR FAMILY SEPARATION ARE DETERMINED BY MULTIPLYING THE ESTIMATED NUMBER OF PERSONNEL ELIGIBLE FOR EACH TYPE OF FAMILY SEPARATION ALLOWANCE BY THE STATUTORY RATE APPLICABLE.

THE NET CHANGE IN THE FAMILY SEPARATION ALLOWANCE ESTIMATE IS -$2.9 MILLION FROM FY96 TO FY97. THE DECREASE IS ASSOCIATED PRIMARILY WITH THE WITHDRAWAL OF SOLDIERS FROM CONTINGENCY AREAS.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER FAMILY SEPARATION ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
COLONEL	7	$ 8,380.00	$ 59	7	$ 8,573.00	$ 60	7	$ 8,876.00	$ 62
LIEUTEANT COLONEL	29	7,895.00	229	28	8,255.00	231	28	8,546.00	239
MAJOR	37	7,319.00	271	36	7,653.00	276	36	7,923.00	285
CAPTAIN	29	5,895.00	171	28	6,159.00	172	28	6,377.00	179
1ST LIEUTENANT	5	4,680.00	23	5	4,887.00	24	5	5,060.00	25
2ND LIEUTENANT	4	3,948.00	16	4	4,127.00	17	4	4,273.00	17
WARRANT OFFICER (5)	1	7,433.00	7	1	7,773.00	8	1	8,047.00	8
WARRANT OFFICER (4)	5	6,603.00	33	5	6,905.00	35	5	7,149.00	36
WARRANT OFFICER (3)	20	5,549.00	111	19	5,801.00	110	19	6,006.00	114
WARRANT OFFICER (2)	26	4,926.00	128	25	5,151.00	129	25	5,332.00	133
WARRANT OFFICER (1)	3	4,125.00	12	3	4,313.00	13	3	4,465.00	13
SUBTOTAL	166		$ 1,060	161		$ 1,075	161		$ 1,111
PCS CONUS OR OVERSEAS WITH DEPENDENT NOT AUTHORIZED	1,907	900.00	1,716	1,857	900.00	1,671	1,857	900.00	1,671
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION	1,735	900.00	1,562	4,777	900.00	4,299	1,535	900.00	1,382
TOTAL OFFICER FAMILY SEPARATION ALLOWANCES	3,808		$ 4,338	6,795		$ 7,045	3,553		$ 4,164

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 188,687
ESTIMATE FY 1996	$ 182,768
ACTUAL FY 1995	$ 131,596

PROJECT: SEPARATION PAYMENTS - OFFICERS

PART I - PURPOSE AND SCOPE

SEVERANCE PAY - PAYMENT OF NON-DISABILITY SEPARATION PAY IS AUTHORIZED TO RETIREMENT INELIGIBLE REGULAR COMMISSIONED OFFICERS, WARRANT OFFICERS, AND MEMBERS OF THE RESERVE COMPONENT WHO ARE INVOLUNTARILY RELEASED FROM ACTIVE DUTY AFTER HAVING COMPLETED AT LEAST 5 YEARS OF ACTIVE DUTY. PAYMENT OF DISABILITY SEVERANCE PAY IS AUTHORIZED TO MEMBERS ON ACTIVE DUTY WHO ARE DISCHARGED BECAUSE OF PHYSICAL DISABILITY AND WHO HAVE LESS THAN 20 YEARS SERVICE AND LESS THAN 30 PERCENT DISABILITY.

THE FY92 NATIONAL DEFENSE AUTHORIZATION ACT APPROVED TWO VOLUNTARY SEPARATION PAY PROGRAMS TO EMPLOY DURING THE FORCE DRAWDOWN. THE PROGRAMS APPLY TO BOTH OFFICERS AND ENLISTED SOLDIERS WHO HAVE MORE THAN SIX AND LESS THAN 20 YEARS OF SERVICE. THE FIRST, VOLUNTARY SEPARATION INCENTIVE (VSI), IS AN ANNUITY THAT MAKES ANNUAL PAYMENTS FOR TWICE THE NUMBER OF YEARS SERVED FOR SOLDIERS WHO VOLUNTARILY LEAVE ACTIVE DUTY. THE SECOND PROGRAM, SPECIAL SEPARATION BENEFITS (SSB), PROVIDES A LUMP SUM OF ONE AND A HALF TIMES INVOLUNTARY SEPARATION PAY (50% MORE) FOR SOLDIERS WHO VOLUNTARILY LEAVE ACTIVE DUTY. VSI AND SSB WILL BE USED TO REDUCE INVOLUNTARY SEPARATIONS. THEY WILL NOT BE OFFERED TO ALL SOLDIERS. THE PROGRAMS WILL BE OFFERED THROUGH A DIFFERENTIAL POLICY TARGETING GROUPS FACING INVOLUNTARY SEPARATIONS AND SOLDIERS SERVING IN OVERAGE SPECIALTIES TO AID IN REDUCING INVOLUNTARY SEPARATIONS AND FACILITATE FORCE SHAPING REQUIREMENTS DURING THE DRAWDOWN. SOLDIERS WILL BE GIVEN THEIR CHOICE BETWEEN THE TWO INCENTIVES. THE AUTHORITY TO USE VSI/SSB EXPIRES ON 30 SEPTEMBER 99.

THE FY93 NATIONAL DEFENSE AUTHORIZATION ACT APPROVED AN ACTIVE DUTY EARLY RETIREMENT PROGRAM FOR USE DURING THE DRAWDOWN. THE EARLY RETIREMENT PROGRAM IS NECESSARY TO SHAPE THE 15-20 YEAR SEGMENT OF THE FORCE. IT WILL ASSIST THE ARMY IN ACHIEVING ITS DRAWDOWN GOALS OF MAINTAINING READINESS AND TREATING PEOPLE FAIRLY. THE CRITERIA FOR EARLY RETIREMENT WILL INCLUDE SUCH FACTORS AS GRADE, YEARS OF SERVICE, AND SKILL, WITH A FOCUS ON THE POPULATION WHERE THE INVENTORY EXCEEDS REQUIREMENTS. SOLDIERS APPROVED FOR EARLY RETIREMENT WILL RECEIVE THE SAME BENEFITS AS INDIVIDUALS WITH 20 OR MORE YEARS OF SERVICE. HOWEVER, THEIR RETIRED PAY WILL BE REDUCED BY ONE PERCENT FOR EACH YEAR THAT THEY ARE SHORT OF 20 YEARS OF ACTIVE DUTY. THE EARLY RETIREMENT AMOUNT IS THE PRODUCT OF 2.5 PERCENT TIMES YEARS OF SERVICE TIMES BASIC PAY TIMES REDUCTION FACTOR. FOR THE OFFICERS WHO LEAVE UNDER THE EARLY RETIREMENT PROGRAM, THE ARMY IS REQUIRED TO ESTABLISH A SUBACCOUNT WITHIN THE MILITARY PERSONNEL APPROPRIATION TO FUND ALL EARLY RETIREMENT PAYMENTS UP FRONT IN THE MILITARY PERSONNEL APPROPRIATION TO COVER THE ENTIRE INITIAL PERIOD, WHICH IS DEFINED AS THAT PERIOD EQUAL TO THE DIFFERENCE BETWEEN 20 YEARS AND THE NUMBER OF YEARS COMPLETED BY THE MEMBER. THE AUTHORITY TO USE THE EARLY RETIREMENT PROGRAM EXPIRES ON 1 OCTOBER 99.

ACCRUED LEAVE PAYMENTS - MEMBERS ARE AUTHORIZED 30 DAYS OF ORDINARY LEAVE ANNUALLY. THEY MAY HAVE ACCUMULATED A MAXIMUM OF NO MORE THAN 60 DAYS UNUSED LEAVE AT THE BEGINNING OF ANY FISCAL YEAR. UPON RETIREMENT OR SEPARATION, MEMBERS ARE PAID FOR UNUSED ACCRUED LEAVE AT THE RATE OF BASIC PAY TO WHICH ENTITLED AT TIME OF RELEASE. EFFECTIVE 10 FEBRUARY 76, A MEMBER CANNOT BE PAID FOR MORE THAN 60 DAYS OF ACCRUED LEAVE DURING HIS MILITARY CAREER. THIS LIMITATION DOES NOT INCLUDE PAYMENTS FOR ACCRUED LEAVE MADE BEFORE THAT DATE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SEPARATION PAYMENTS ARE DETERMINED BY MULTIPLYING THE PROJECTED NUMBER ELIGIBLE FOR EACH TYPE OF PAYMENT BY THE ESTIMATED AVERAGE PAYMENT APPLICABLE. ACCUMULATED LEAVE PAYMENTS ARE MADE BASED UPON LEAVE ACCRUED AS OF 1 SEP 76. FOR LEAVE ACCUMULATED PRIOR TO 1 SEP 76 AND RETAINED THROUGHOUT THE CAREER, PAYMENTS INCLUDE BASIC PAY, BASIC ALLOWANCE FOR SUBSISTENCE, AND BASIS ALLOWANCE FOR QUARTERS. FOR LEAVE ACCUMULATED AFTER 1 SEP 76, TO INCLUDE THE LOWERING OF LEAVE BALANCES PRIOR TO 1 SEP 76, THE RATE PAYABLE IS BASIC PAY ONLY. LEAVE PAYMENTS WILL NOT EXCEED THE CAREER

TOTAL OF 60 DAYS. SEVERANCE PAY FOR PROMOTION PASSOVER, FOR SEPARATION FOR CAUSE, AND FOR DISABILITY SEVERANCE PAY IS 10 PERCENT OF THE PRODUCT OF (A) YEARS OF ACTIVE SERVICE AND (B) 12 TIMES THE MONTHLY BASIC PAY TO WHICH HE WAS ENTITLED AT THE TIME OF DISCHARGE OR RELEASE FROM ACTIVE DUTY. THE SSB AMOUNT IS BASED ON ANNUAL BASE PAY TIMES 15 PERCENT TIMES YEARS OF SERVICE. THE VSI (ANNUITY) IS A PRODUCT OF ANNUAL BASE PAY TIMES 2.5 PERCENT TIMES YEARS OF SERVICE AND IS PAID FOR TWICE THE NUMBER OF YEARS SERVED, WITHOUT ANY COST OF LIVING ADJUSTMENTS. THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY92 AND FY93 REQUIRED THE ESTABLISHMENT OF A VSI FUND EFFECTIVE 1 JANUARY 93 FROM WHICH VSI PAYMENTS WILL BE MADE. THE ACT FURTHER REQUIRED THE BOARD OF ACTUARIES TO DETERMINE: (1) THE AMOUNT NECESSARY TO LIQUIDATE THE ORIGINAL UNFUNDED LIABILITY, I.E., THOSE PERSONNEL ACCEPTING VSI BENEFITS PRIOR TO 1 JANUARY 93 AND (2) THE TOTAL PRESENT VALUE COSTS NECESSARY TO FUND THOSE MEMBERS ACCEPTING VSI BENEFITS AFTER 1 JANUARY 93.

FROM FY96 TO FY97, THE ESTIMATE INCREASES BY A NET +$5.9 MILLION. ANNUALIZATION OF THE 1 JANUARY 96, 2.4 PERCENT AND THE 1 JANUARY 97, 3.0 PERCENT PAY RAISES INCREASE COSTS BY +$3.3 MILLION. A DECREASE IN THE ESTIMATED NUMBER OF SPECIAL SEPARATION BENEFIT AND LUMP SUM TERMINAL LEAVE PAYMENTS REDUCES THE REQUIREMENT BY -$10.5 MILLION. AN INCREASE IN THE NUMBER OF EARLY RETIREMENT TAKERS REQUIRES AN ADDITIONAL +$4.8 MILLION. AN ADDITIONAL NEED FOR TRANSFERS INTO THE VSI TRUST FUND INCREASES COSTS BY +$8.3 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER SEPARATION PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995				ESTIMATE FY 1996				ESTIMATE FY 1997			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
SEVERANCE PAY (DISABILITY)	53		29,911	$ 1,585	52		30,647	$ 1,594	51		31,525	$ 1,608
SEVERANCE PAY (NON-PROMOTIONAL)	113		38,600	4,362	201		39,550	7,950	201		40,683	8,177
INVOLUNTARY HALF-PAY (5%)	4		13,814	55	4		14,154	57	4		14,559	58
INVOLUNTARY FULL-PAY (10%)	40		38,600	1,544	39		39,550	1,542	38		40,683	1,546
VOLUNTARY SPECIAL SEPARATION BENEFIT (15%)	653		57,738	37,703	603		59,159	35,673	440		60,853	26,775
15 YEAR RETIREMENT	795		58,753	46,709	852		60,199	51,290	933		61,923	57,774
SEPARATION PAY (NON-DISABILITY)	1,492			$ 86,011	1,498			$ 88,562	1,415			$ 86,153
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILPERS PAYMENTS) 1)	553			9,372	328			59,449	365			67,725
THRU DEC 31, 1992	0			0	0			28,125	0			28,125
JAN 1, 1993 AND AFTER	553			9,372	328			31,324	365			39,600
LUMP SUM TERMINAL LEAVE PAYMENTS												
GENERAL	67	56.5	14,687	$ 984	75	56.5	15,013	$ 1,126	73	56.5	15,466	$ 1,129
COLONEL	655	42.3	8,903	5,831	527	42.3	9,122	4,807	508	42.3	9,389	4,770
LIEUTENANT COLONEL	1,149	35.8	6,036	6,935	924	35.8	6,185	5,715	890	35.8	6,366	5,665
MAJOR	1,526	31.8	4,277	6,527	1,227	31.8	4,382	5,377	1,183	31.8	4,511	5,336
CAPTAIN	2,408	23.6	2,489	5,994	1,919	23.6	2,550	4,894	1,850	23.6	2,625	4,856
1ST LIEUTENANT	669	18.6	1,527	1,022	538	18.6	1,565	842	519	18.6	1,610	836
2ND LIEUTENANT	151	14.1	911	138	121	14.1	933	113	117	14.1	961	112
WARRANT OFFICER (5)	26	36.8	5,350	139	21	36.8	5,482	115	20	36.8	5,642	113
WARRANT OFFICER (4)	304	36.8	4,798	1,459	245	36.8	4,916	1,204	236	36.8	5,060	1,194
WARRANT OFFICER (3)	281	23.8	2,367	665	226	23.8	2,425	548	218	23.8	2,496	544
WARRANT OFFICER (2)	349	20.3	1,488	519	281	20.3	1,525	428	271	20.3	1,569	425
WARRANT OFFICER (1)	41	23.5	1,291	53	33	23.5	1,323	44	32	23.5	1,362	44
SUBTOTAL	7,626			$ 30,266	6,137			$ 25,213	5,917			$ 25,024
TOTAL OFFICER SEPARATION PAYMENTS	9,837			$ 131,596	8,216			$ 182,768	7,949			$ 188,687

1) VSI recipients after 31 Dec 92 - Payments are made from the Military Personnel, Army Appropriaton to the VSI Trust Fund.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 287,624
ESTIMATE FY 1996	$ 288,195
ACTUAL FY 1995	$ 280,373

PROJECT: SOCIAL SECURITY TAX - EMPLOYER'S OBLIGATION - OFFICERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR THE 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 6.2% AND THE HOSPITAL INSURANCE (HI) IS 1.45%. THE MAXIMUM AMOUNT OF EARNINGS PER INDIVIDUAL ON WHICH TAX IS PAYABLE AND THE PERCENT PAYABLE, FOR THE OLD-AGE, SURVIVORS, AND DISABILITY (OASDI), MEDICARE PROGRAMS ARE:

CALENDAR YEAR	OASDI BASE	OASDI PERCENTAGE	MEDICARE BASE	MEDICARE PERCENTAGE
1995	$61,200	6.2	No upper limit	1.45
1996	$62,700	6.2	No upper limit	1.45
1997	$65,100	6.2	No upper limit	1.45

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OFFICER SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	84,203	$ 2,934	$ 247,037	82,501	$ 3,005	$ 247,948	80,545	$ 3,110	$ 250,517
WAGE CREDITS.....			$ 33,336			$ 40,247			$ 37,107
TOTAL OFFICER SOCIAL SECURITY TAX.....	84,203		$ 280,373	82,501		$288,195	80,545		$287,624

SECTION 4
SCHEDULE OF INCREASES AND DECREASES

PAY AND ALLOWANCES OF ENLISTED PERSONNEL		AMOUNT
FY 1996 DIRECT PROGRAM		$ 12,466,645
INCREASES		
A. PAY RAISE REFLECTS THE ANNUALIZATION OF THE 2.4 PERCENT (5.2% FOR BAQ) 1 JAN 96 AND THE 3.0 PERCENT 1 JAN 97 PAY RAISES.	331,070	
B. REFLECTS THE TEMPORARY LODGING ALLOWANCE AND VARIABLE HOUSING ALLOWANCES RATE INCREASES BASED ON 2.2% INFLATION ADJUSTMENT FOR FY97.	4,205	
C. SEPARATION PAY PAYMENT INCREASED INTO THE VSI TRUST FUND OFFSET BY DECREASED NUMBER OF MEMBERS RECEIVING PAYMENTS.	6,831	
D. BASIC ALLOWANCE FOR QUARTERS AND VARIABLE HOUSING ALLOWANCE REFLECTS CHANGES IN THE FAMILY HOUSING INVENTORY.	5,483	
E. REIMBURSEABLE PROGRAM REFLECTS ANTICIPTED LOWER COLLECTIONS WILL INCREASE REQUIREMENT FOR DIRECT AUTHORITY.	21,729	
F. CLOTHING REFLECTS INCREASED STRENGTH AND RATE CHANGES, ARE OFFSET BY A DECREASED MAINTENANCE ALLOWANCE.	7,754	
TOTAL INCREASE:		$ 377,072
DECREASES:		
A. FORCE MANNING COSTS REFLECTS THE DECREASED COSTS ASSOCIATED WITH THE ENLISTED STRENGTH REDUCTIONS INCLUDING CONTINGENCY OPERATIONS.	-294,783	
B. RETIRED PAY ACCRUAL DECREASE IN NCP FROM 32.9% IN FY96 TO 32.6% IN FY97.	-21,715	
C. ENLISTED BONUS REFLECTS CHANGES IN NUMBERS RECEIVING.	-2,845	
D. FICA DECREASE REFLECTS CHANGES IN WAGE CREDIT PAYMENT AND THE G.I. BILL OFFSET.	-8,647	
E. OVERSEAS STATION ALLOWANCES RELATED TO CHANGES IN OVERSEAS TROOP STRENGTH.	-7,413	

F. SPECIAL PAY REFLECTS CHANGES TO HOSTILE FIRE AND FOREIGN DUTY PAY INCLUDING CONTINGENCY OPERATIONS.	-36,777	
G. FAMILY SEPARATION PAY REFLECTS THE CHANGE IN CONTINGENCY MISSIONS.	-15,794	
H. MISCELLANEOUS	-294	
TOTAL DECREASES		$ -388,268
FY 1997 DIRECT PROGRAM		$12,455,449

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 7,246,414
ESTIMATE FY 1996	$ 7,238,705
ACTUAL FY 1995	$ 7,464,383

PROJECT: BASIC PAY - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR THE BASIC COMPENSATION AND LENGTH OF SERVICE PAY INCREMENTS OF ENLISTED PERSONNEL ON ACTIVE DUTY UNDER PROVISIONS OF 37 U.S.C. 201, 203, 205, AND 1009. ALSO INCLUDED IS THE COMPENSATION OF ENLISTED PERSONNEL OF THE RESERVE COMPONENTS, WHO HAVE ENTERED ACTIVE DUTY AS MEMBERS OF THE ACTIVE COMPONENT OF THE ARMY.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE BASIC COMPENSATION IS DETERMINED BY MULTIPLYING THE PROJECTED AVERAGE NUMBER OF PERSONNEL BY GRADE BY THE ESTIMATED AVERAGE ANNUAL COMPENSATION. THE RATES REFLECT ACTUAL EXECUTION WHICH IS ADJUSTED IN SUBSEQUENT YEARS BY PAY RAISE AND ESTIMATED AVERAGE YEARS OF SERVICE. IN ADDITION TO RATE CHANGES, MANYEAR PROGRAM CHANGES CONTRIBUTE TO THE FULL COST OF THE BASIC PAY.

THE ESTIMATED NET CHANGE IS +$7.7 MILLION FROM FY96 TO FY97. FORCE MANNING COSTS DECREASE BY -194.0 MILLION. THE ANNUALIZATION OF THE FY96 PAY RAISE REQUIRES AN INCREASE OF +$42.4 MILLION, AND THE FY97 3.0 PERCENT PAY RAISE REQUIRES AN ADDITIONAL +$159.3 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR	3,262	$ 37,446	$ 122,147	3,165	$ 38,430	$ 121,631	3,104	$ 39,030	$ 121,149
1ST SERGEANT/MASTER SERGEANT	11,066	30,317	335,488	11,144	31,109	346,679	11,244	31,596	355,265
PLATOON SERGEANT/SERGEANT 1ST CLASS	43,096	24,864	1,071,539	40,567	25,515	1,035,067	40,840	25,913	1,058,287
STAFF SERGEANT	62,851	21,405	1,345,326	59,079	21,964	1,297,611	58,214	22,308	1,298,638
SERGEANT	86,591	17,722	1,534,566	79,129	18,186	1,439,040	77,156	18,470	1,425,071
CORPORAL/SPECIALIST 4	126,746	14,487	1,836,169	120,960	14,866	1,798,191	112,105	15,098	1,692,561
PRIVATE, FIRST CLASS	53,649	12,095	648,885	51,576	12,411	640,110	54,809	12,605	690,867
PRIVATE (E2)	29,905	11,464	342,831	28,800	11,763	338,774	30,530	11,947	364,742
PRIVATE (E1)	23,113	9,840	227,432	21,943	10,099	221,602	23,387	10,255	239,834
TOTAL ENLISTED BASIC PAY	440,279		$ 7,464,383	416,363		$ 7,238,705	411,389		$ 7,246,414

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 2,362,331
ESTIMATE FY 1996	$ 2,381,534
ACTUAL FY 1995	$ 2,649,856

PROJECT: RETIRED PAY ACCRUAL - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR THE DEPARTMENT OF DEFENSE'S CONTRIBUTION TO ITS MILITARY RETIREMENT FUNDS, IN ACCORDANCE WITH 10 U.S.C. 1466.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATE DECREASES BY -$19.2 MILLION FROM FY96 TO FY97. FORCE MANNING COSTS DECREASE BY -$63.3 MILLION; THE ANNUALIZATION OF THE FY96 PAY RAISE ACCOUNTS FOR AN INCREASE OF +$13.8 MILLION; AND THE FY97, 3.0 PERCENT PAY RAISE IS +$51.9 MILLION. THE NORMAL COST PERCENTAGE (NCP) DECREASES FROM 32.9 PERCENT IN FY96 TO 32.6 PERCENT IN FY97, ACCOUNTING FOR A DECREASE OF -$21.6 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED RETIRED PAY ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE STRENGTH	RATE	AMOUNT	AVERAGE STRENGTH	RATE	AMOUNT	AVERAGE STRENGTH	RATE	AMOUNT
ENLISTED RETIRED PAY ACCRUAL.....	440,279	$ 6,018.58	$ 2,649,856	416,363	$ 5,719.85	$ 2,381,534	411,389	$ 5,742.33	$ 2,362,331

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 53,870
ESTIMATE FY 1996	$ 53,835
ACTUAL FY 1995	$ 54,636

PROJECT: INCENTIVE PAY FOR HAZARDOUS DUTY - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE FOR PAY TO ENLISTED PERSONNEL UNDER PROVISIONS OF 37 U.S.C. 301 FOR THESE TYPES OF DUTY:

CREW MEMBER - ASSIGNED TO A POSITION WHICH REQUIRES AT LEAST FOUR HOURS OF AERIAL FLIGHT EACH MONTH. THE DUTIES ARE ESSENTIAL TO THE OPERATION OF AIRCRAFT IN-FLIGHT, OR THE DUTIES ARE REQUIRED TO COMPLETE SPECIFIC MISSIONS OF THE AIRCRAFT. THE MEMBERS PERFORM DUTIES AS CREW CHIEFS, MEDICAL AIRMEN, FIREFIGHTER CRASH RESCUE SPECIALISTS, AIRBORNE ELECTRONIC SYSTEM OPERATORS, AND AIR OBSERVERS.

NON-CREW MEMBER - ASSIGNED TO A POSITION WHICH REQUIRES AT LEAST FOUR HOURS OF AERIAL FLIGHT EACH MONTH. THE DUTIES ARE DIRECTLY RELATED TO IN-FLIGHT MISSIONS OF THE AIRCRAFT AND THE DUTIES CANNOT BE PERFORMED BY CREW MEMBERS. THE MEMBERS PERFORM DUTIES AS AIRCRAFT MAINTENANCE PERSONNEL, AERIAL PHOTOGRAPHERS, HELICOPTER WEAPONS SYSTEMS REPAIRMEN, AND MEDICAL PERSONNEL.

PARACHUTE - ASSIGNED TO A PERMANENT PARACHUTE POSITION OR AIRBORNE UNIT WHICH REQUIRES PARACHUTE JUMPING AS AN ESSENTIAL PART OF MILITARY DUTY, OR WHILE UNDERGOING AIRBORNE TYPE TRAINING, OR PERFORMING SHORT-TERM PARACHUTE DUTY. CONTINUOUS PAYMENT OF HAZARDOUS DUTY PAY FOR PARACHUTE DUTY REQUIRES AT LEAST ONE PARACHUTE JUMP EVERY THREE MONTHS. PAY FOR PERIODS OF SHORT-TERM PARACHUTE DUTY IS PRORATED BASED ON THE DURATION OF THE PERIOD SUCH DUTY IS REQUIRED.

HIGH ALTITUDE LOW OPENING JUMP PAY (HALO) - ASSIGNED TO A PERMANENT MILITARY POSITION WHICH REQUIRES PARACHUTE JUMPING FROM AT LEAST 2500 FEET WITH A PLANNED DELAY BETWEEN EXIT AND OPENING AS AN ESSENTIAL PART OF MILITARY DUTIES, OR WHILE UNDERGOING MILITARY FREE-FALL TYPE TRAINING AT THE US ARMY JOHN F. KENNEDY SPECIAL WARFARE SCHOOL. SOLDIERS MUST BE A GRADUATE OF THE US ARMY MILITARY FREE-FALL COURSE UNDER THE PROPONENCY OF THE COMMANDER, US ARMY JFK SPECIAL WARFARE SCHOOL OR UNDERGOING TRAINING FOR SUCH DESIGNATION AND BE REQUIRED BY COMPETENT ORDERS TO ENGAGE IN MILITARY FREE-FALL PARACHUTE JUMPING FROM AN AIRCRAFT IN AERIAL FLIGHT AND WHO PERFORM THE SPECIFIED MINIMUM NUMBER OF JUMPS ARE ENTITLED TO PAY. PROFICIENCY REQUIREMENTS WILL REMAIN THE SAME AS STATIC LINE REQUIREMENTS.

DEMOLITION OF EXPLOSIVES - ASSIGNED TO A POSITION WHICH REQUIRES THE MEMBER AS HIS PRIMARY DUTY TO DEMOLISH, BY USE OF OBJECTS, OBSTACLES, OR EXPLOSIVES; OR RECOVER AND RENDER HARMLESS, BY DISARMING OR DEMOLITION, EXPLOSIVES WHICH FAILED TO FUNCTION AS INTENDED OR WHICH HAVE BECOME A POTENTIAL HAZARD. DEMOLITION PAY IS LIMITED TO THOSE SERVING IN SPECIALTY 55D (EOD SPECIALISTS).

EXPERIMENTAL STRESS - SERVING AS A HUMAN TEST SUBJECT IN THERMAL STRESS EXPERIMENTS AT NATICK LABORATORIES; NATICK, MA. THE TESTS CONDUCTED INCLUDE DEVELOPMENT OF EQUIPMENT (MOSTLY CLOTHING) AND PHYSIOLOGICAL TESTING. ALSO, LOW PRESSURE, HIGH ALTITUDE CHAMBER TRAINING IS CONDUCTED AT THE US ARMY AEROMEDICAL CENTER; FORT RUCKER, ALABAMA.

TOXIC FUEL - ASSIGNED TO A POSITION ON A PROPELLANT DRAINING KIT (PDK) TEAM WHICH REQUIRES HANDLING AND MAINTAINING THE PROPELLANTS UNSYMMETRICAL DIMETHOL HYDRAZINE AND INHIBITED RED-FUMING NITRIC ACID USED IN THE LANCE MISSILE SYSTEM.

TOXIC PESTICIDES EXPOSURE - FOR DUTY PERFORMED WHILE ASSIGNED TO ENTOMOLOGY, PEST CONTROL, PEST MANAGEMENT, OR PREVENTIVE MEDICINE FUNCTIONS FOR A PERIOD OF 30 CONSECUTIVE DAYS OR MORE; THAT REQUIRES A MEMBER TO PERFORM ANY CALENDAR MONTH A FUMIGATION TASK UTILIZING PHOSPHINE, SULFURYL FLUORIDE, HYDROGEN CYANIDE, METHYL BROMIDE OR A FUMIGANT OF COMPARABLE HIGH ACUTE TOXICITY AND HAZARD POTENTIAL.

DANGEROUS VIRUSES EXPOSURE - ASSIGNED FOR A PERIOD OF 30 CONSECUTIVE DAYS OR MORE TO PARTICIPATE IN OR CONDUCT APPLIED BASIC RESEARCH THAT IS CHARACTERIZED BY A CHANGING VARIETY OF TECHNIQUES, PROCEDURES, EQUIPMENT, AND EXPERIMENTS WORKING WITH MICRO-ORGANISMS (1) THAT CAUSE DISEASE (A) WITH A HIGH POTENTIAL FOR MORTALITY, AND (B) FOR WHICH EFFECTIVE THERAPEUTIC PROCEDURES ARE NOT AVAILABLE, AND (2) FOR WHICH NO EFFECTIVE PROPHYLACTIC IMMUNIZATION EXISTS.

CHEMICAL MUNITIONS HANDLERS - THIS IS A PEACETIME HAZARDOUS DUTY INCENTIVE PAY FOR MEMBERS OF THE UNIFORMED SERVICES WHOSE PRIMARY DUTIES REQUIRE THE ROUTINE PHYSICAL HANDLING OF CHEMICAL MUNITIONS OR CHEMICAL SURETY MATERIAL. ROUTINE PHYSICAL HANDLING MUST BE INCIDENT TO MANUFACTURING, MAINTENANCE, STORAGE, TESTING, LABORATORY ANALYSIS, TRANSPORTATION, SURVEILLANCE, ASSEMBLY, DISASSEMBLY, DEMILITARIZATION, OR DISPOSAL OF CHEMICAL MUNITIONS OR CHEMICAL SURETY MATERIAL. THIS INCENTIVE PAY IS NOT AUTHORIZED FOR INDIVIDUALS WHO HANDLE THE INDIVIDUAL COMPONENTS OF BINARY MUNITIONS, DILUTED SOLUTIONS OF TOXIC CHEMICALS, RIOT CONTROL AGENTS, CHEMICAL DEFOLIANTS, HERBICIDES, SMOKE, FLAME AND INCENDIARIES, OR INDUSTRIAL CHEMICALS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE PROJECTED AVERAGE NUMBER OF PAYMENTS ARE BASED ON THE TOTAL SPACES WHERE EACH TYPE OF PAY IS AUTHORIZED TO MEET FORCE STRUCTURE REQUIREMENTS. THE COMPENSATION FOR HAZARDOUS DUTY INCENTIVE PAY IS COMPUTED BY MULTIPLYING THE PROJECTED AVERAGE NUMBER OF EACH TYPE BY THE STATUTORY RATE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY CREW MEMBERS									
SERGEANT MAJOR	1	$ 2,400	$ 2	1	$ 2,400	$ 2	1	$ 2,400	$ 2
1ST SERGEANT/MASTER SERGEANT	7	2,400	17	8	2,400	19	12	2,400	29
PLATOON SERGEANT/SERGEANT 1ST CLASS	130	2,400	312	133	2,400	319	127	2,400	305
STAFF SERGEANT	674	2,100	1,415	674	2,100	1,415	1,239	2,100	2,602
SERGEANT	984	1,800	1,771	1,287	1,800	2,317	925	1,800	1,665
CORPORAL/SPECIALIST 4	1,190	1,500	1,785	1,186	1,500	1,779	926	1,500	1,389
PRIVATE, 1ST CLASS	138	1,320	182	153	1,320	202	83	1,320	110
PRIVATE (E2)	8	1,320	11	9	1,320	12	5	1,320	7
PRIVATE (E1)	4	1,320	5	5	1,320	7	2	1,320	3
SUBTOTAL	3,136		$ 5,500	3,456		$ 6,072	3,320		$ 6,112
FLYING DUTY NON-CREW MEMBERS	1,559	$1,320	$ 2,058	886	$1,320	$ 1,170	884	$1,320	$ 1,167
TOTAL FLYING DUTY PAY	4,695		$ 7,558	4,342		$ 7,242	4,204		$ 7,279
OTHER HAZARDOUS DUTY									
PARACHUTE JUMPING	33,000	1,320	43,560	32,699	1,320	43,163	32,699	1,320	43,163
EXPERIMENTAL STRESS	71	1,320	94	86	1,320	114	88	1,320	116
DEMOLITION OF EXPLOSIVES	1,022	1,320	1,349	940	1,320	1,241	937	1,320	1,237
TOXIC FUEL	9	1,320	12	9	1,320	12	9	1,320	12
TOXIC PESTICIDES EXPOSURE	4	1,320	5	4	1,320	5	4	1,320	5
DANGEROUS VIRUSES EXPOSURE	0	0	0	0	0	0	0	0	0
HIGH ALTITUDE LOW OPENING JUMP PAY	844	1,980	1,671	844	1,980	1,671	844	1,980	1,671
CHEMICAL MUNITIONS	293	1,320	387	293	1,320	387	293	1,320	387
SUBTOTAL	35,243		47,078	34,875		46,593	34,874		46,591
TOTAL ENLISTED INCENTIVE PAY FOR HAZARDOUS PAY	39,938		54,636	39,217		53,835	39,078		53,870

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 23,834
ESTIMATE FY 1996	$ 60,611
ACTUAL FY 1995	$ 33,070

PROJECT: SPECIAL PAY - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE FOR SPECIAL PAY TO ENLISTED PERSONNEL WHILE ON SEA DUTY, AND WHILE ON DUTY OUTSIDE THE CONTIGUOUS 48 STATES AND THE DISTRICT OF COLUMBIA, BE PAID SPECIAL PAY AT RATES VARYING FROM $8-22.50 PER MONTH DEPENDING ON GRADE, AT PLACES DESIGNATED BY THE SECRETARY UNDER THE PROVISIONS OF 37 U.S.C. 305; AND FOR DIVING PAY UNDER THE PROVISIONS OF 37 U.S.C. 304 AND 310, DIVERS ARE ASSIGNED TO A POSITION WHICH SUPPORTS MARINE OR SPECIAL OPERATIONS UNITS. DUTIES OF MARINE DIVING DETACHMENTS INCLUDE UNDERWATER CONSTRUCTION (CONSTRUCTION OF PIERS AND PIPELINES), HARBOR CLEARANCE, AND SHIP SALVAGE. SPECIAL FORCES (COMBAT) DIVING OPERATIONS INCLUDE INFILTRATION AND EXFILTRATION, COMBAT SURFACE SWIMMING, SEARCH AND RECOVERY, TARGET ATTACK, HARASSING AND INTERDICTION, AND RECONNAISSANCE OPERATIONS. ALSO INCLUDED ARE FUNDS TO SUPPORT SPECIAL PAYMENTS FOR OVERSEAS EXTENSION INCENTIVES UNDER PROVISIONS OF 37 U.S.C. 314; AND FOR FOREIGN LANGUAGE PROFICIENCY PAY (FLPP) AUTHORIZED UNDER THE PROVISIONS OF 37 U.S.C. 316, AS PROVIDED BY PL 99-661. FLPP IS A MONTHLY MONETARY INCENTIVE THAT IS PAID TO ALL MILITARY PERSONNEL WHO QUALIFY FOR AND MAINTAIN THE REQUIRED PROFICIENCY IN DESIGNATED FOREIGN LANGUAGES. THE MONTHLY RATE FOR FLPP MAY NOT EXCEED $100.00 PER INDIVIDUAL. HOSTILE FIRE PAY IS PAID TO ENLISTED PERSONNEL ON DUTY SUBJECT TO HOSTILE FIRE OR IMMINENT DANGER (37 U.S.C. 310). HOSTILE FIRE IS PAID AT A RATE OF $150 PER MONTH.

THE FUNDS REQUESTED ARE TO PROVIDE FOR CAREER SEA PAY AND CAREER SEA PAY PREMIUM UNDER 37 U.S.C. 305, FOR ARMY MEMBERS WHO ARE PERMANENTLY OR TEMPORARILY ASSIGNED TO AN ARMY VESSEL IN COMMISSION OR IN SERVICE AND EQUIPPED WITH BERTHING AND MESSING FACILITIES WHICH ARE REGULARLY USED FOR THE INTENDED PURPOSES. IN ADDITION, THE SHIP'S MISSION IS ACCOMPLISHED WHILE UNDERWAY, OR THE SHIP'S MISSION IS ACCOMPLISHED IN PORT, BUT AWAY FROM ITS HOME PORT FOR 30 CONSECUTIVE DAYS OR MORE. A MEMBER WHO IS IN RECEIPT OF CAREER SEA PAY AND WHO HAS SERVED OVER 36 CONSECUTIVE MONTHS OF SEA DUTY IS ENTITLED TO CAREER SEA PAY MONTHLY PREMIUM OF $100.00 FOR THE 37TH CONSECUTIVE MONTH AND EACH SUBSEQUENT MONTH. INDIVIDUALS WHO ARE AFFECTED BY CAREER SEA PAY ARE GENERALLY ASSIGNED TO ONE OF FOUR LOCATIONS: FORT EUSTIS, VIRGINIA; HAWAII; PANAMA; AND THE AZORES.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE PROJECTED AVERAGE NUMBER OF PAYMENTS IS BASED ON THE TOTAL SPACES WHERE EACH TYPE OF PAY IS AUTHORIZED TO MEET FORCE STRUCTURE REQUIREMENTS. THE COMPENSATION FOR EACH TYPE OF SPECIAL PAY IS DEVELOPED BY MULTIPLYING THE PROJECTED NUMBER ELIGIBLE FOR EACH TYPE OF PAY BY THE STATUTORY RATE. THE DECREASE FROM FY96 TO FY97 REFLECTS THE REDUCED FY97 BOSNIA MISSION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
SEA DUTY PAY	425	$ 1,591	$ 676	396	$ 1,538	$ 609	418	$ 1,526	$ 638
DUTY AT CERTAIN PLACES									
SERGEANT MAJOR	247	$ 270	$ 67	232	$ 270	$ 63	231	$ 270	$ 62
1ST SERGEANT/MASTER SERGEANT	967	270	261	906	270	245	902	270	244
PLATOON SERGEANT/SERGEANT 1ST CLASS	3,755	270	1,014	7,080	270	1,912	4,132	270	1,116
STAFF SERGEANT	5,853	240	1,405	11,035	240	2,648	6,440	240	1,546
SERGEANT	9,092	192	1,746	17,143	192	3,291	10,006	192	1,921
CORPORAL/SPECIALIST 4	14,714	156	2,295	27,741	156	4,328	16,192	156	2,526
PRIVATE, FIRST CLASS	6,898	108	745	6,461	108	698	6,430	108	694
PRIVATE (E2)	2,942	96	282	2,756	96	265	2,742	96	263
PRIVATE (E1)	456	96	44	427	96	41	425	96	41
TOTAL DUTY AT CERTAIN PLACES	44,924		$ 7,859	73,781		$ 13,491	47,500		$ 8,413
SUBTOTAL	45,349		$ 8,535	74,177		$ 14,100	47,918		$ 9,051
FOREIGN LANGUAGE PAY	5,689	$ 675	$ 3,840	6,089	$ 675	$ 4,110	6,089	$ 675	$ 4,110
DIVING DUTY PAY	474	2,061	977	491	2,053	1,008	491	2,053	1,008
HOSTILE FIRE PAY	10,709	1,800	19,276	22,439	1,800	40,390	4,812	1,800	8,662
OVERSEAS EXTENTION PAY	460	960	442	1,045	960	1,003	1,045	960	1,003
TOTAL ENLISTED SPECIAL PAY	62,681		$ 33,070	104,241		$ 60,611	60,355		$ 23,834

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 35,719
ESTIMATE FY 1996	$ 35,438
ACTUAL FY 1995	$ 34,144

PROJECT: SPECIAL DUTY ASSIGNMENT PAY - ENLISTED

PART I - PURPOSE AND SCOPE

THE SPECIAL DUTY ASSIGNMENT PAY (SDAP) PROGRAM IS AUTHORIZED UNDER PROVISION OF 37 U.S.C. 307, AS AMENDED, BY PL-98-525. SDAP IS A MONTHLY MONETARY INCENTIVE THAT IS PAID TO ENLISTED MEMBERS WHO QUALIFY FOR AND SERVE IN DESIGNATED SPECIAL DUTY ASSIGNMENTS. THE FUNDS ARE UTILIZED FOR RECRUITERS, GUIDANCE COUNSELORS, RETENTION NCOS, DRILL SERGEANTS, AND SPECIALLY DESIGNATED PERSONNEL WHO HAVE EXTREMELY DEMANDING DUTIES REQUIRING EXTRAORDINARY EFFORT FOR SATISFACTORY PERFORMANCE, AND/OR UNUSUAL DEGREE OF RESPONSIBILITIES.

PART II - JUSTIFICATION AND FUNDS REQUESTED

THESE FUNDS ARE UTILIZED TO ENSURE READINESS BY COMPENSATING AND INFLUENCING SPECIALLY DESIGNATED SOLDIERS, RECRUITERS, RETENTION NCO'S, AND DRILL SERGEANTS WHO PERFORM DEMANDING DUTIES WHICH REQUIRE SPECIAL TRAINING AND EXTRAORDINARY EFFORT FOR SATISFACTORY PERFORMANCE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED SPECIAL DUTY ASSIGNMENT PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT									
SD5 ($375.00).....	0	$ 4,500.00	$ 0	0	$ 4,500.00	$ 0	0	$ 4,500.00	$ 0
SD5 ($275.00).....	6,296	3,300.00	20,777	6,835	3,300.00	22,556	6,898	3,300.00	22,763
SD4 ($220.00).....	3,404	2,640.00	8,987	2,970	2,640.00	7,841	1,534	2,640.00	4,050
SD3 ($165.00).....	2,212	1,980.00	4,380	2,546	1,980.00	5,041	4,498	1,980.00	8,906
TOTAL ENLISTED SPECIAL DUTY ASSIGNMENT PAY.....	11,912		$ 34,144	12,351		$ 35,438	12,930		$ 35,719

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATED FY 1997	$ 42,784
ESTIMATED FY 1996	$ 43,393
ACTUAL FY 1995	$ 53,972

PROJECT: REENLISTMENT BONUS - ENLISTED

PART I - PURPOSE AND SCOPE

THE SELECTIVE REENLISTMENT BONUS PROGRAM (SRB) IS AUTHORIZED UNDER THE PROVISIONS OF TITLE 37 USC 308. THE LAW STATES THAT A MEMBER OF A UNIFORMED SERVICE WHO HAS COMPLETED AT LEAST TWENTY-ONE MONTHS OF CONTINUOUS ACTIVE DUTY BUT NOT MORE THAN FOURTEEN YEARS OF ACTIVE DUTY, IS QUALIFIED IN A SKILL DESIGNATED AS CRITICAL, AND REENLISTS FOR A PERIOD OF AT LEAST THREE YEARS MAY BE PAID A BONUS. THE BONUS WILL NOT EXCEED SIX MONTHS OF THE BASE PAY MULTIPLIED BY THE ADDITIONAL OBLIGATED SERVICE (NOT TO EXCEED SIX YEARS). FOR MOST ARMY PERSONNEL, THE MAXIMUM BONUS CANNOT EXCEED $20,000. HOWEVER, THE MAXIMUM MAY BE EXTENDED TO $45,000 FOR NOT MORE THAN 10% OF BONUS RECIPIENTS.

THE PURPOSE OF THE SRB PROGRAM IS TO INCREASE THE NUMBER OF REENLISTMENTS IN CRITICAL SKILLS CHARACTERIZED BY CURRENT OR PROJECTED RETENTION LEVELS INSUFFICIENT TO ADEQUATELY MAN THE CAREER FORCE. THE SRB PROGRAM ALSO WORKS AS A VALUABLE TOOL IN THE FORCE ALIGNMENT PROCESS BY HELPING TO DRAW PEOPLE FROM OVERAGE SKILLS TO SHORTAGE SKILLS THROUGH THE BONUS EXTENSION AND RETRAINING PROGRAM.

SRB PAYMENTS ARE MADE USING THE INSTALLMENT METHOD OF PAYMENT. FIFTY PERCENT OF THE TOTAL BONUS IS PAID AT THE TIME OF REENLISTMENT WITH THE REMAINING BONUS BEING PAID IN EQUAL ANNUAL INSTALLMENTS OVER THE BALANCE OF THE REENLISTMENT CONTRACT PERIOD.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE SELECTIVE REENLISTMENT BONUS PROGRAM IS A KEY COMPONENT IN MOS/GRADE CELL FORCE ALIGNMENT INITIATIVES. THE FOCUS OF THE SRB PROGRAM IS TO REENLIST SUFFICIENT SPECIALISTS AND SERGEANTS TO OVERCOME OR PREVENT PRESENT AND FUTURE SERGEANTS AND STAFF-SERGEANTS MANNING SHORTFALLS. THESE HAVE A DIRECT NEGATIVE IMPACT ON THE COMBAT AND OPERATIONAL READINESS OF ARMY UNITS.

IN ADDITION TO CRITICALLY AND MODERATELY SHORT MOS/GRADE CELLS, THERE ARE SPECIFIC MOS CATEGORIES THAT REQUIRE EXCEPTIONAL MANAGEMENT AND THE APPLICATION OF REENLISTMENT BONUSES. THESE SKILLS INCLUDE SPECIAL OPERATIONS MOS AND SKILLS REQUIRED TO MEET VARIOUS TREATY COMMITMENTS.

THE ARMY HAS AND WILL CONTINUE TO FOCUS MANAGEMENT INITIATIVES TO BALANCE OVERAGE AND SHORTAGE SKILLS THROUGH THE FORCE ALIGNMENT PLAN (FAP). FOR SHORTAGE SKILLS, WE CONTINUALLY EVALUATE THE SRB PROGRAM AND OFFER BONUSES WHERE APPROPRIATE. OTHER ADJUSTMENTS TO ALIGN THE FORCE INCLUDE: RECRUITING FULLY QUALIFIED PRIOR SERVICE PERSONNEL, RECLASSIFICATION OF SOLDIERS INTO SHORTAGE SKILLS AND INCREASING PROMOTION OPPORTUNITIES TO SOLDIERS IN SHORTAGE SKILLS. IN OVERAGE SKILLS, THE ARMY CONSTRAINS PROMOTION OPPORTUNITY, CONSTRAINS RECLASSIFICATION OF SOLDIERS INTO THESE SKILLS, RESTRICTS FULLY QUALIFIED PRIOR SERVICE PERSONNEL FROM ENLISTING IN THESE SKILLS, AND DOES NOT PERMIT RETENTION BEYOND THE RETENTION INELIGIBILITY POINT. THE ARMY WILL CONTINUE TO FOCUS AND APPLY MANAGEMENT INITIATIVES TO DEVELOP AN OPTIMAL FORCE STRUCTURE.

SHORTAGES AT SPECIFIC GRADE/CELL/MOS WILL CONTINUE DESPITE THE CONTINUED DRAWDOWN OF THE ARMY. ESTIMATED COSTS FOR ANNIVERSARY PAYMENTS REFLECT PROGRAMMED DECREASES IN INITIAL PAYMENTS FROM PREVIOUS YEARS AND RESTRICTIONS ON 5 AND 6 YEAR REENLISTMENTS.

IN ACCORDANCE WITH CONGRESSIONAL DIRECTION, THE FOLLOWING ARE THE ARMY'S MOST CRITICALLY IMBALANCED SKILLS AS OF JANUARY 1996 (RESTRICTED TO MOS WITH AUTHORIZATIONS IN AT LEAST FOUR GRADE CELLS):

SHORTAGE MOS

MOS	TITLE
12C	BRIDGE CREWMEMBER
13F	FIRE SUPPORT SPECIALIST
27X	PATRIOT SYSTEM REPAIRER
31S	SATELLITE COMMUNICATIONS SYSTEM OPERATOR-MAINTAINER
46R	BROADCAST JOURNALIST
68H	AIRCRAFT PNEUDRAULICS REPAIRER
77F	PETROLEUM SUPPLY SPECIALISTS
91V	RESPIRATORY SPECIALIST
96H	IMAGERY GROUND STATION (IGS) OPERATOR
98G	VOICE INTERCEPTOR

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATED FY 1996			ESTIMATED FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SELECTED REENLISTMENT BONUS									
INITIAL PAYMENTS.....	5,464	$ 4,180	$ 22,840	3,117	$ 4,280	$ 13,340	5,112	$ 4,400	$ 22,493
ANNIVERSARY PAYMENTS.....	25,318	1,230	31,132	24,471	1,228	30,053	15,404	1,317	20,291
TOTAL REENLISTMENT BONUS.....	30,782		$ 53,972	27,588		$ 43,393	20,516		$ 42,784

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	FY 1995		FY 1996		FY 1997		FY 1998		FY 1999		FY 2000		FY 2001		FY 2002	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
PRIOR OBLIGATIONS.....	28,318	31,132	19,062	22,636	6,964	8,690	2,550	2,665	995	999	0	0	0	0	0	0
ACCELERATED PAYMENTS.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR YEAR (94) INITITAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT YEAR (95) INITITAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	5,406	7,417	5,355	7,769	4,300	5,687	1,191	1,322	973	996	0	0	0	0
BUDGET YEAR (96) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	3,086	4,332	3,054	4,246	2,453	3,322	679	772	555	582	0	0
BUDGET YEAR (97) INITIAL & SUBSEQUENT ANNIVERSARY PAYMENTS.....	0	0	0	0	0	0	5,061	7,305	5,010	7,159	4,023	5,601	1,114	1,302	910	981
TOTAL																
INITIAL PAYMENTS....	5,464	22,840	3,117	13,340	5,112	22,493	5,350	24,237	5,351	24,988	5,356	25,575	5,362	26,116	5,474	26,661
ANNIVERSARY PAYMENTS.....	25,318	31,132	24,471	30,053	15,404	20,291	14,966	19,902	14,946	20,672	16,216	23,197	16,426	24,177	16,845	25,226
SRB TOTAL.....		53,972		43,393		42,784		44,139		45,660		48,772		50,293		51,887

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATED FY 1997	$ 12,300
ESTIMATED FY 1996	$ 15,145
ACTUAL FY 1995	$ 12,743

PROJECT: ENLISTMENT BONUS - ENLISTED

PART I - PURPOSE AND SCOPE

ENLISTMENT BONUSES ARE USED TO ATTRACT HIGHER QUALITY HIGH SCHOOL DIPLOMA GRADUATES INTO DESIGNATED ARMY SKILLS WHICH ARE DIFFICULT TO FILL WITH QUALIFIED ENLISTEES. THE PAYMENT IS AUTHORIZED BY 37 U.S.C. 308A, AS AMENDED BY P.L. 101-189 ALLOWS FOR UP TO $12,000 FOR A FOUR YEAR ENLISTMENT, OF WHICH THE INITIAL LUMP SUM PAYMENT MAY NOT EXCEED $7,000. THE REMAINING AMOUNT IS PAID QUARTERLY OVER THE YEAR FOLLOWING INITIAL PAYMENT. THE PAYMENT AUTHORIZED BY 37 U.S.C. 308F ALLOWS UP TO $4,000 FOR A THREE YEAR ENLISTEE WHO SCORES 50 OR ABOVE ON THE ARMED FORCES QUALIFICATION TEST (AFQT). THE ARMY PAYS SOLDIERS AFTER COMPLETION OF INITIAL ENTRY SKILL TRAINING AND AFTER THE SOLDIER ARRIVES AT THEIR FIRST DUTY STATION.

NEW PAYMENTS - PAYMENTS ARE MADE BEFORE 30 SEPTEMBER FOR INDIVIDUALS WHO ENTER ACTIVE DUTY AND COMPLETE SKILL TRAINING DURING THE SAME FISCAL YEAR.

RESIDUAL PAYMENTS - PAYMENTS EXPECTED IN CURRENT FISCAL YEAR ARE FOR INDIVIDUALS WHO ENTERED THE SERVICE IN PREVIOUS FISCAL YEARS. SINCE PAYMENTS DO NOT OCCUR UNTIL COMPLETION OF SKILL TRAINING AND AFTER ARRIVAL AT FIRST DUTY STATION, AN AVERAGE OF FOUR MONTHS ELAPSES FROM THE TIME THE INDIVIDUAL ENTERS THE SERVICE AND THE INITIAL PAYMENT IS MADE.

INCREMENTAL PAYMENTS - BY LAW, ONLY $7,000 MAY BE PAID IN LUMP SUM. THE ARMY HAS ELECTED TO ESTABLISH $5,000 AS THE MAXIMUM AMOUNT PAID. AMOUNTS ABOVE $5,000 ARE PAID IN FOUR EQUAL PAYMENTS COMMENCING THREE MONTHS AFTER THE INITIAL PAYMENT AND CONTINUING EVERY THREE MONTHS FOR ONE YEAR. THESE PAYMENTS ARE CONTRACTUAL OBLIGATIONS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ENLISTMENT BONUS PROGRAM IS DESIGNED TO EXPAND PENETRATION INTO THE QUALITY MARKET AND TO DISTRIBUTE QUALITY AMONG THE 240 PLUS INITIAL ENTRY MILITARY OCCUPATIONAL SPECIALTIES (MOS). QUALITY GAINS FOR ARMY ACCESSIONS ARE: 95% HIGH SCHOOL DIPLOMA GRADUATES, 67% CATEGORY I-IIIA AND LESS THAN 2% CATEGORY IV.

THE BONUS PROGRAM IS TIED TO A LEVEL COMMENSURATE WITH PROGRAMMED RECRUITING MISSION. THESE FUNDING LEVELS ARE CRITICAL TO ATTAINING ARMY QUALITY GOALS; A DECLINING POSITIVE PROPENSITY OF THE YOUTH MARKET TO JOIN THE ARMY; AND RECRUITING RESOURCE AND STRUCTURE REDUCTIONS. THE CUMULATIVE EFFECT OF THESE FACTORS IS THAT IT IS INCREASINGLY DIFFICULT TO RECRUIT SUFFICIENT SOLDIERS TO SUSTAIN A QUALITY FORCE--THE ARMY'S TOP MANPOWER IMPERATIVE. THEREFORE, THESE FUNDING LEVELS ARE CONSIDERED TO BE THE MINIMUM REQUIRED LEVELS. FLUCTUATION FROM YEAR TO YEAR IN THE OVERALL TOTAL IS CONSISTENT WITH CHANGES IN RECRUITING MISSIONS AND REQUIRED PROGRAM CHANGES TO ACCOMPLISH THOSE MISSIONS.

THE ESTIMATE DECREASES BY -$2.8 MILLION BETWEEN FY96 AND FY97 REFLECTING A REDUCED LEVEL OF BONUSES.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTMENT BONUS PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATED FY 1996			ESTIMATED FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTED BONUS PROGRAM									
NEW PAYMENTS									
UP THRU $2,000	162	$ 1,785	$ 289	476	$ 1,785	$ 850	0	$ 1,785	$ 0
UP THRU $3,000	108	2,875	311	352	2,875	1,012	0	2,875	0
UP THRU $4,000	226	3,876	876	598	3,876	2,318	0	3,876	0
UP THRU $5,000	133	4,990	664	135	4,990	674	0	4,990	0
UP THRU $8,000	848	5,000	4,240	531	5,000	2,655	2,460	5,000	12,300
TOTAL	1,477		$ 6,380	2,092		$ 7,509	2,460		$ 12,300
RESIDUAL NEW PAYMENTS									
UP THRU $2,000	144	$ 1,867	$ 269	298	$ 1,867	$ 556	0	$ 1,867	$ 0
UP THRU $3,000	125	2,945	368	203	2,945	598	0	2,945	0
UP THRU $4,000	209	3,915	818	465	3,915	1,820	0	3,915	0
UP THRU $5,000	115	4,990	574	91	4,990	454	0	4,990	0
UP THRU $8,000	565	5,000	2,825	366	5,000	1,830	0	5,000	0
TOTAL	1,158		$ 4,854	1,423		$ 5,258	0		$ 0
ANNIVERSARY (INCREMENTAL) PAYMENTS	2,831	$ 533	$ 1,509	4,462	$ 533	$ 2,378	0	$ 533	$ 0
TOTAL ENLISTMENT BONUS PROGRAM	5,466		$ 12,743	7,977		$ 15,145	2,460		$ 12,300

ENLISTMENT BONUS INCREMENT PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995		ESTIMATED FY 1996		ESTIMATED FY 1997	
	# PAYMENTS	AMOUNT $	# PAYMENTS	AMOUNT $	# PAYMENTS	AMOUNT $
NEW OBLIGATIONS.....	708	377	1,116	595	1,083	577
PRIOR OBLIGATIONS.....	2,123	1,132	3,347	1,784	3,248	1,731
TOTAL INCREMENT PAYMENTS.....	2,831	1,509	4,462	2,378	4,331	2,308

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 1,025,431
ESTIMATE FY 1996	$ 1,003,752
ACTUAL FY 1995	$ 1,002,621

PROJECT: BASIC ALLOWANCE FOR QUARTERS - ENLISTED

PART I - PURPOSE AND SCOPE

AN ARMY MEMBER WHO IS ENTITLED TO BASIC PAY IS ENTITLED TO A BASIC ALLOWANCE FOR QUARTERS (BAQ). MONTHLY RATES ARE ASSIGNED ACCORDING TO THE PAY GRADE. HOWEVER, A MEMBER WHO IS ASSIGNED TO QUARTERS IN THE U. S. OR A HOUSING FACILITY UNDER THE JURISDICTION OF A UNIFORMED SERVICE APPROPRIATE TO THE MEMBER'S RANK AND ADEQUATE FOR MEMBER AND THE MEMBER'S DEPENDENTS, IF WITH DEPENDENTS, IS NOT ENTITLED TO A BAQ. THE AUTHORIZATION FOR PAYMENT, 37 U.S.C. 403 STATES EXCEPT THAT A MEMBER ASSIGNED TO SUCH QUARTERS MAY NOT BE DENIED BAQ IF, BECAUSE OF ORDERS OF COMPETENT AUTHORITY, THE MEMBER'S DEPENDENTS ARE PREVENTED FROM OCCUPYING THOSE QUARTERS. THERE ARE FOUR TYPES OF BAQ PAYMENTS: (1) TO MEMBERS WITH DEPENDENTS, NOT OCCUPYING GOVERNMENT QUARTERS; (2) TO MEMBERS WITHOUT DEPENDENTS, NOT OCCUPYING GOVERNMENT QUARTERS; (3) PARTIAL PAYMENT TO MEMBERS WITHOUT DEPENDENTS ASSIGNED TO SINGLE-TYPE QUARTERS; AND (4) TO MEMBERS WITH DEPENDENTS OCCUPYING INADEQUATE HOUSING. UNDER THE PROVISIONS OF P.L. 97-214 THE RENTAL CHARGE FOR INADEQUATE QUARTERS IS THE FAIR RENTAL VALUE FOR SUCH QUARTERS, NOT TO EXCEED 75 PERCENT OF THE OCCUPANT'S BAQ AT THE WITH DEPENDENT RATE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATE INCREASES BY +$21.7 MILLION FROM FY96 TO FY97. THE ANNUALIZATION OF THE FY96 PAY RAISE ACCOUNTS FOR A NET INCREASE OF +$12.7 MILLION AND THE FY97 3.0% PAY RAISE IS +$21.8 MILLION. FORCE MANNING REDUCTIONS DECREASE THE NET AMOUNT BY -$17.2 MILLION. FAMILY HOUSING INVENTORY CHANGES THE NET AMOUNT BY +$4.4 MILLION INCREASE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED BASIC ALLOWANCE FOR QUARTERS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ WITH DEPENDENTS									
SERGEANT MAJOR.....	1,933	$7,145.91	$ 13,813	1,907	$7,471.92	$ 14,249	1,880	$7,735.59	$ 14,543
1ST SERGEANT/MASTER SERGEANT.....	7,242	6,588.00	47,710	7,417	6,888.57	51,093	7,520	7,131.72	53,631
PLATOON SERGEANT/SERGEANT 1ST CLAS	25,887	6,118.20	158,382	24,780	6,397.32	158,526	25,071	6,623.07	166,047
STAFF SERGEANT.....	34,014	5,655.78	192,376	32,514	5,913.78	192,281	32,196	6,122.49	197,120
SERGEANT.....	39,810	5,083.20	202,362	36,995	5,315.13	196,633	36,251	5,502.69	199,478
CORPORAL/SPECIALIST 4.....	44,919	4,422.60	198,659	43,592	4,624.41	201,587	40,604	4,787.67	194,399
PRIVATE, FIRST CLASS.....	13,122	4,114.26	53,987	12,829	4,301.94	55,190	13,700	4,453.77	61,017
PRIVATE (E2).....	5,763	3,916.08	22,568	5,644	4,094.76	23,111	6,012	4,239.33	25,487
PRIVATE (E1).....	3,888	3,916.08	15,226	3,754	4,094.76	15,372	4,020	4,239.33	17,042
TOTAL BAQ WITH DEPENDENTS.....	176,578	0.00	$ 905,083	169,432	0.00	$ 908,042	167,254	0.00	$ 928,764
BAQ WITHOUT DEPENDENTS									
SERGEANT MAJOR.....	168	$5,424.57	$ 911	163	$5,672.10	$ 925	160	$5,872.32	$ 940
1ST SERGEANT/MASTER SERGEANT.....	695	4,980.42	3,461	700	5,207.64	3,645	706	5,391.42	3,806
PLATOON SERGEANT/SERGEANT 1ST CLAS	3,456	4,250.07	14,688	3,253	4,443.93	14,456	3,275	4,600.77	15,068
STAFF SERGEANT.....	4,356	3,850.02	16,771	4,094	4,025.67	16,481	4,034	4,167.75	16,813
SERGEANT.....	5,750	3,549.06	20,407	5,254	3,711.00	19,498	5,123	3,841.95	19,682
CORPORAL/SPECIALIST 4.....	7,529	3,086.64	23,239	7,185	3,227.46	23,189	6,659	3,341.37	22,250
PRIVATE, FIRST CLASS.....	1,491	3,031.56	4,520	1,434	3,169.86	4,546	1,524	3,281.70	5,001
PRIVATE (E2).....	311	2,462.67	766	300	2,575.02	773	318	2,665.92	848
PRIVATE (E1).....	65	2,191.14	142	61	2,291.16	140	65	2,372.04	154
TOTAL BAQ WITHOUT DEPENDENTS.....	23,821	0.00	$ 84,905	22,444	0.00	$ 83,653	21,864	0.00	$ 84,562

ENLISTED BASIC ALLOWANCE FOR QUARTERS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ PARTIAL ALLOWANCE BACHELOR									
SERGEANT MAJOR.....	15	$223.20	$ 3	15	$223.20	$ 3	15	$223.20	$ 3
1ST SERGEANT/MASTER SERGEANT.....	68	183.60	12	68	183.60	12	69	183.60	13
PLATOON SERGEANT/SERGEANT 1ST CLAS	453	144.00	65	426	144.00	61	429	144.00	62
STAFF SERGEANT.....	2,432	118.80	289	2,286	118.80	272	2,253	118.80	268
SERGEANT.....	10,166	104.40	1,061	9,290	104.40	970	9,058	104.40	946
CORPORAL/SPECIALIST 4.....	45,160	97.20	4,390	43,098	97.20	4,189	39,943	97.20	3,882
PRIVATE, FIRST CLASS.....	33,118	93.60	3,100	31,838	93.60	2,980	33,834	93.60	3,167
PRIVATE (E2).....	21,364	86.40	1,846	20,575	86.40	1,778	21,811	86.40	1,884
PRIVATE (E1).....	16,859	82.80	1,396	16,005	82.80	1,325	17,058	82.80	1,412
TOTAL BAQ PARTIAL ALLOWANCE BACHELOR	129,635		$ 12,162	123,601		$ 11,590	124,470		$ 11,637
BAQ INADEQUATE FAMILY HOUSING									
SERGEANT MAJOR.....	0	$1,786.48	$ 0	0	$1,867.98	$ 0	0	$1,933.90	$ 0
1ST SERGEANT/MASTER SERGEANT.....	2	1,647.00	3	2	1,722.14	3	2	1,782.93	4
PLATOON SERGEANT/SERGEANT 1ST CLAS	17	1,529.55	26	16	1,599.33	26	16	1,655.77	26
STAFF SERGEANT.....	31	1,413.95	44	30	1,478.45	44	29	1,530.62	44
SERGEANT.....	61	1,270.80	78	55	1,328.78	73	54	1,375.67	74
CORPORAL/SPECIALIST 4.....	203	1,105.65	224	194	1,156.10	224	179	1,196.92	214
PRIVATE, FIRST CLASS.....	80	1,028.57	82	77	1,075.49	83	82	1,113.44	91
PRIVATE (E2).....	12	979.02	12	12	1,023.69	12	12	1,059.83	13
PRIVATE (E1).....	2	979.02	2	2	1,023.69	2	2	1,059.83	2
TOTAL BAQ INADEQUATE FAMILY HOUSING.	408		$ 471	388		$ 467	376		$ 468
TOTAL ENLISTED BASIC ALLOWANCE FOR QUARTERS.....	330,442		$ 1,002,621	315,865		$ 1,003,752	313,964		$ 1,025,431

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 172,157
ESTIMATE FY 1996	$ 170,385
ACTUAL FY 1995	$ 171,107

PROJECT: VARIABLE HOUSING ALLOWANCE - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUIRED ARE TO PROVIDE FOR PAYMENT OF A VARIABLE HOUSING ALLOWANCE AUTHORIZED UNDER THE PROVISIONS OF PUBLIC LAW 96-343, DATED 8 SEPTEMBER 80. UNDER THIS LAW A MEMBER ENTITLED TO A BASIC ALLOWANCE FOR QUARTERS IS ENTITLED TO A VARIABLE HOUSING ALLOWANCE WHENEVER ASSIGNED TO DUTY IN AN AREA OF THE UNITED STATES, (INCLUDING ALASKA AND HAWAII FOR THOSE SOLDIERS ASSIGNED TO THESE TWO STATES ON OR AFTER 9 NOVEMBER 85), WHICH HAS BEEN DESIGNATED AS A HIGH COST AREA. THIS PAYMENT IS ALSO MADE TO THOSE MEMBERS SERVING UNACCOMPANIED TOURS OF DUTY OUTSIDE THE UNITED STATES WHEN THE MEMBER'S DEPENDENTS RESIDE IN AN AREA WHERE THIS ALLOWANCE IS AUTHORIZED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE VARIABLE HOUSING ALLOWANCES ARE DEVELOPED BY MULTIPLYING THE PROJECTED AVERAGE NUMBER OF PERSONNEL BY GRADE BY THE AVERAGE RATE APPLICABLE. THE ESTIMATE INCREASES BY +$1.8 MILLION BETWEEN FY96 AND FY97. THE FY97 INFLATION CHANGE OF 2.2 PERCENT PROVIDES A NET INCREASE FOR COST GROWTH OF +$3.6 MILLION. FORCE MANNING COSTS PROVIDE A NET DECREASE OF -$2.9 MILLION. THESE ARE OFFSET BY A NET INCREASE OF +$1.1 MILLION REFLECTING CHANGES IN THE FAMILY HOUSING INVENTORY.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED VARIABLE HOUSING ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR	1,734	$ 1,695.64	$ 2,941	1,741	$ 1,729.34	$ 3,010	1,718	$ 1,766.66	$ 3,036
1ST SERGEANT/MASTER SERGEANT	6,209	1,614.66	10,028	6,469	1,646.75	10,654	6,569	1,682.29	11,049
PLATOON SERGEANT/SERGEANT 1ST CLASS	22,436	1,537.80	34,507	21,849	1,568.36	34,259	22,136	1,602.21	35,462
STAFF SERGEANT	27,824	1,346.75	37,479	27,058	1,373.51	37,178	26,830	1,403.16	37,642
SERGEANT	30,432	1,192.96	36,305	28,771	1,216.67	35,014	28,231	1,242.93	35,091
CORPORAL/SPECIALIST 4	33,511	1,070.66	35,890	33,086	1,091.94	36,130	30,858	1,115.50	34,438
PRIVATE, 1ST CLASS	8,804	988.10	8,698	8,756	1,007.74	8,826	9,364	1,029.48	9,636
PRIVATE (E2)	3,360	957.80	3,219	3,347	976.84	3,270	3,571	997.92	3,564
PRIVATE (E1)	2,232	913.79	2,040	2,193	931.95	2,044	2,352	952.06	2,239
TOTAL ENLISTED VARIABLE HOUSING ALLOWANCE	136,542		$ 171,107	133,270		$ 170,385	131,629		$ 172,157

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 400,394
ESTIMATE FY 1996	$ 399,482
ACTUAL FY 1995	$ 407,890

PROJECT: STATION ALLOWANCE OVERSEAS - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE PAYMENT OF A PER DIEM ALLOWANCE TO ENLISTED PERSONNEL ON DUTY OUTSIDE THE UNITED STATES CONSIDERING ALL ELEMENTS OF THE COST OF LIVING, INCLUDING QUARTERS, SUBSISTENCE AND OTHER NECESSARY INCIDENTAL EXPENSES AS PRESCRIBED BY JOINT TRAVEL REGULATIONS AND AUTHORIZED UNDER PROVISIONS OF 37 U.S.C. 405.

PART II - JUSTIFICATION OF FUNDS REQUESTED

OVERSEAS STATION ALLOWANCE PAYMENTS ARE DETERMINED BY MULTIPLYING THE PROJECTED NUMBER OF PERSONNEL ELIGIBLE FOR EACH TYPE OF ALLOWANCE BY THE ESTIMATED AVERAGE RATE APPLICABLE. FLUCTUATIONS IN CURRENCY EXCHANGE RATES HAVE A DIRECT IMPACT ON OVERSEAS STATION ALLOWANCE. THIS IS ESPECIALLY TRUE IN THE CASE OF GERMANY. STARTING IN 1986, THE DEVALUATION OF THE DOLLAR ABROAD HAS REQUIRED INCREASED COLA FOR FULL SUPPORT AREAS IN GERMANY - - THE PREPONDERANCE OF SOLDIERS ARE ASSIGNED TO FULL SUPPORT AREAS.

THE ESTIMATE INCREASES BY -$.9 MILLION FROM FY96 TO FY97. THE ANNUALIZATION OF THE FY96 PAY RAISE AND A TEMPORARY LODGING ALLOWANCE COST GROWTH CONTRIBUTES TO AN INCREASE OF +$2.2 MILLION INCREASE. THE COST OF THE FY97, 3.0% PAY RAISE IS +$6.1 MILLION. COSTS ASSOCIATED WITH OVERSEAS TROOP CHANGES REFLECT A DECREASE OF -$7.4 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
SERGEANT MAJOR	712	$ 5,587.00	$ 3,978	667	$ 6,065.37	$ 4,048	655	$ 6,205.56	$ 4,065
1ST SERGEANT/MASTER SERGEANT	2,435	4,952.00	12,058	2,237	5,319.24	11,897	2,195	5,442.18	11,946
PLATOON SERGEANT/SERGEANT 1ST CLASS	9,602	4,537.00	43,564	8,410	5,069.82	42,638	8,254	5,187.00	42,813
STAFF SERGEANT	15,009	4,043.00	60,681	14,141	4,285.15	60,595	13,878	4,384.19	60,844
SERGEANT	24,439	3,447.00	84,241	21,703	3,740.27	81,176	21,300	3,826.73	81,509
CORPORAL/SPECIALIST 4	36,711	2,551.00	93,650	33,647	2,754.35	92,675	33,021	2,818.02	93,055
PRIVATE, FIRST CLASS	15,105	1,702.00	25,709	13,315	1,863.71	24,815	13,067	1,906.80	24,917
PRIVATE (E2)	5,131	1,159.00	5,947	4,915	1,341.32	6,593	4,824	1,372.32	6,620
PRIVATE (E1)	1,050	1,199.00	1,259	1,128	1,339.18	1,511	1,107	1,370.13	1,517
SUBTOTAL	110,194		$ 331,087	100,163		$ 325,948	98,302		$ 327,286
HOUSING ALLOWANCE									
SERGEANT MAJOR	63	$ 7,743.00	$ 488	63	$ 8,167.53	$ 515	63	$ 7,981.56	$ 503
1ST SERGEANT/MASTER SERGEANT	321	7,126.00	2,287	310	7,791.51	2,415	310	7,614.10	2,360
PLATOON SERGEANT/SERGEANT 1ST CLASS	1,299	6,953.00	9,032	1,218	7,732.59	9,418	1,218	7,556.52	9,204
STAFF SERGEANT	1,579	6,976.00	11,015	1,454	7,590.10	11,036	1,454	7,417.28	10,785
SERGEANT	1,882	6,295.00	11,847	1,622	6,823.06	11,067	1,622	6,667.70	10,815
CORPORAL/SPECIALIST 4	2,007	6,221.00	12,486	1,709	6,623.81	11,320	1,709	6,472.99	11,062
PRIVATE, FIRST CLASS	376	6,234.00	2,344	245	6,152.44	1,507	245	6,012.35	1,473
PRIVATE (E2)	46	7,324.00	337	50	7,895.43	395	50	7,715.65	386
PRIVATE (E1)	10	6,624.00	66	10	7,140.16	71	10	6,977.58	70
SUBTOTAL	7,583		$ 49,902	6,681		$ 47,744	6,681		$ 46,658
TEMPORARY LODGING ALLOWANCE	50,949	$ 528.00	$ 26,901	47,858	$ 538.88	$ 25,790	48,027	$ 550.74	$ 26,450
TOTAL ENLISTED STATION ALLOWANCE OVERSEAS	168,726		$ 407,890	154,702		$ 399,482	153,010		$ 400,394

ESTIMATE FY 1997	$ 2,625
ESTIMATE FY 1996	$ 2,625
ACTUAL FY 1995	$ 164

PROJECT: CONUS COST OF LIVING ALLOWANCE - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE PAYMENT OF A COST OF LIVING ALLOWANCE (COLA) TO SOLDIERS WHO ARE ASSIGNED TO HIGH COST AREAS IN THE CONTINENTAL UNITED STATES (CONUS). A HIGH COST AREA IS DEFINED AS A LOCALITY WHERE THE COST OF LIVING EXCEEDS THE AVERAGE COST OF LIVING IN CONUS BY AN ESTABLISHED THRESHOLD PERCENTAGE DURING A BASE PERIOD. THE THRESHOLD PERCENTAGE IS ESTABLISHED BY THE SECRETARY OF DEFENSE BUT CANNOT BE LESS THAN EIGHT PERCENT. THE CURRENT ESTABLISHED THRESHOLD PERCENTAGE IS 109% OF THE NATIONAL COST OF LIVING AVERAGE. THE AMOUNT OF COLA PAYABLE IS THE PRODUCT OF SPENDABLE INCOME (BASED ON REGULAR MILITARY COMPENSATION LEVEL) MULTIPLIED BY THE DIFFERENCE BETWEEN THE COLA INDEX FOR THE INDIVIDUAL'S HIGH COST AREA AND THE THRESHOLD PERCENTAGE. THE ALLOWANCE WAS AUTHORIZED BY THE FY95 DOD AUTHORIZATION ACT.

PART II - JUSTIFICATION OF FUNDS REQUESTED

CONUS COLA PAYMENTS ARE DETERMINED BY MULTIPLYING THE PROJECTED NUMBER OF PERSONNEL ELIGIBLE BY AN ESTIMATED RATE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED CONUS COST OF LIVING ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	954	172.00	$ 164	3,816	688.00	$ 2,625	3,816	688.00	$ 2,625

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 182,231
ESTIMATE FY 1996	$ 174,477
ACTUAL FY 1995	$ 176,769

PROJECT: CLOTHING ALLOWANCES - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE FOR PAYMENT TO ENLISTED PERSONNEL FOR PRESCRIBED CLOTHING AUTHORIZED BY THE SECRETARY OF DEFENSE UNDER THE PROVISIONS OF 37 U.S.C. 418 INCLUDING:

(1) INITIAL CLOTHING ALLOWANCE WHEN AUTHORIZED BY COMPETENT ORDERS.

(2) FOR CASH PAYMENT OF THE CLOTHING BASIC MAINTENANCE ALLOWANCE AUTHORIZED FROM THE SIXTH MONTH OF ENTRANCE ON DUTY THROUGH THE THIRTY-SIXTH MONTH AND OR CASH PAYMENT OF THE STANDARD MAINTENANCE ALLOWANCE AUTHORIZED FROM THE THIRTY-SEVENTH MONTH THRU THE COMPLETION OF THE ENLISTMENT.

(3) FOR COST OF ISSUE-IN-KIND IN AREAS WHERE CLOTHING MAINTENANCE ALLOWANCE IS NOT AUTHORIZED.

(4) SUPPLEMENTARY CLOTHING ALLOWANCES FOR PERSONNEL ASSIGNED TO SPECIAL ORGANIZATIONS OR DETAILS WHERE THE NATURE OF THE DUTIES TO BE PERFORMED REQUIRE ADDITIONAL ITEMS OF INDIVIDUAL CLOTHING NOT REQUIRED FOR THE MAJORITY OF ENLISTED PERSONNEL.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATE INCREASES $+7.8 MILLION BETWEEN FY96 AND FY97. INITIAL CLOTHING ALLOWANCE REFLECTS INCREASE ACCESSIONS OFFSET BY DECREASES TO THE MAINTENANCE AND ALLOWANCE PROGRAMS FOR A NET INCREASE OF $+3.8 MILLION, CLOTHING BAG RATES AND OTHER RATE INCREASE BY A NET $+4.0 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED CLOTHING ALLOWANCES
RATE SUMMARY REVIEW
(AMOUNTS IN THOUDSANDS OF DOLLARS)

	FY 1996 COLUMN OF FY 96/97 PRES BUDGET	FY 1996 COLUMN OF FY 1997 PRES BUDGET	FY 1997 COLUMN OF FY 1997 OSD BUDGET
INITIAL ISSUE			
ENLISTED MEN	921.95	948.66	969.53
ENLISTED WOMEN	1,133.74	1,182.57	1,208.59
CLOTHING MAINTENANCE ALLOWANCE			
ENLISTED MEN - BASIC	194.40	193.07	197.32
- STANDARD	219.60	275.81	281.88
ENLISTED WOMEN - BASIC	277.20	217.43	222.21
- STANDARD	313.20	310.61	317.44

ENLISTED CLOTHING ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - INITIAL ALLOWANCE									
MILITARY CLOTHING									
CIVILIAN LIFE, MEN.....	58,009	$ 895.15	$ 51,927	59,228	$ 948.66	$ 56,187	71,790	$ 969.53	$ 69,603
CIVILIAN LIFE, WOMEN.....	10,084	1,100.82	11,101	12,999	1,182.57	15,372	15,750	1,208.59	19,035
ARMY RESERVE W/ PARTIAL CLOTHING ALLOWANCE.....	224	266.55	60	75	282.30	21	75	290.80	22
NATIONAL GUARD W/ PARTIAL CLOTHING ALLOWANCE.....	194	212.25	41	65	218.75	14	65	225.35	15
LESS SAVINGS ON DEFERRED CLOTHING ISSUE.....			(1,533)			(1,383)			0
ADVANCE FUNDING FOR NEW CLOTHING ITEMS.....			1,700			0			0
LIQUIDATION OF PRIOR YEAR ADVANCES.....			0			0			0
TOTAL MILITARY CLOTHING.....			$ 63,296			$ 70,211			$ 88,675
CIVILIAN CLOTHING									
WINTER AND SUMMER.....	1,001	$ 1,182.00	$ 1,183	500	$ 1,217.00	$ 609	535	$ 1,243.77	$ 665
WINTER OR SUMMER.....	71	764.00	54	76	787.00	60	76	804.31	61
TEMPORARY DUTY.....	162	436.00	71	164	449.00	74	162	458.88	74
SPEC CONTINUING - DUAL SEASON.....	204	591.00	121	209	608.50	127	209	621.89	130
SPEC CONTINUING - SINGLE SEASON.....	35	382.00	13	35	393.50	14	35	402.16	14
TOTAL CIVILIAN CLOTHING.....			$ 1,442			$ 884			$ 944
TOTAL INITIAL ALLOWANCE.....			$ 64,738			$ 71,095			$ 89,619

ENLISTED CLOTHING ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - MAINTENANCE ALLOWANCE									
BASIC MAINTENANCE (PERSONNEL WITH 7-36 MONTHS SERVICE)									
MALE	104,128	$ 188.03	$ 19,579	93,926	$ 193.07	$ 18,134	97,113	$ 197.32	$ 19,162
FEMALE	13,489	213.86	2,885	14,810	217.43	3,220	14,283	222.21	3,174
TOTAL BASIC MAINTENANCE			$ 22,464			$ 21,354			$ 22,336
STANDARD MAINTENANCE (PERSONNEL WITH 37 MONTHS OF MORE MONTHS SERVICE)									
MALE	268,201	$ 268.61	$ 72,041	230,475	$ 275.81	$ 63,567	184,879	$ 281.88	$ 52,114
FEMALE	38,746	305.52	11,838	40,152	310.61	12,472	37,219	317.44	11,815
TOTAL STANDARD MAINTENANCE			$ 83,879			$ 76,039			$ 63,929
TOTAL MAINTENANCE ALLOWANCE			$ 106,343			$ 97,393			$ 86,265
SUPPLEMENTARY ALLOWANCE			1,663			1,852			1,893
OTHER									
ISS.-IN-KIND-KATUSA	5,200	$ 389.38	$ 2,025	5,200	$ 397.70	$ 2,068	5,200	$ 407.66	$ 2,120
REPLACEMENT DURING FIRST SIX MONTHS	68,093	13.91	947	72,227	14.80	1,069	87,540	15.23	1,334
CHARGE SALES			1,053			1,000			1,000
TOTAL OTHER			$ 4,025			$ 4,137			$ 4,454
TOTAL CLOTHING ALLOWANCES			$ 176,769			$ 174,477			$ 182,231
LESS REIMBURSABLE OBLIGATIONS			$ 1,053			$ 1,000			$ 1,000
TOTAL DIRECT ENLISTED CLOTHING OBLIGATIONS			$ 175,716			$ 173,477			$ 181,231

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 30,184
ESTIMATE FY 1996	$ 45,814
ACTUAL FY 1995	$ 25,561

PROJECT: FAMILY SEPARATION ALLOWANCES - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED ARE TO PROVIDE FOR FAMILY SEPARATION ALLOWANCE PAYMENTS TO ENLISTED PERSONNEL WITH DEPENDENTS ON DUTY OUTSIDE THE UNITED STATES OR IN ALASKA FOR ADDED SEPARATION EXPENSES UNDER TWO CIRCUMSTANCES:

(1) TRAVEL OF DEPENDENTS TO OVERSEAS DUTY STATION IS NOT AUTHORIZED AND THE MEMBER MAINTAINS TWO HOMES, ONE IN CONUS FOR THE MEMBER'S FAMILY AND ONE OVERSEAS FOR THE MEMBER. PAYMENT IS MADE AT THE MONTHLY QUARTERS ALLOWANCE RATE AUTHORIZED FOR A MEMBER OF THE SAME GRADE WITHOUT DEPENDENTS.

(2) WHEN A MEMBER WITH DEPENDENTS MAKES A PERMANENT CHANGE OF STATION OR IS ON TEMPORARY DUTY TRAVEL, OR ON BOARD SHIP FOR THIRTY DAYS OR MORE EITHER IN CONUS OR OVERSEAS AND THE TRAVEL OF DEPENDENTS TO THE MEMBER'S DUTY STATION IS NOT AUTHORIZED AND DEPENDENTS DO NOT RESIDE AT OR NEAR DUTY STATION. THE PAYMENT IS $75 PER MONTH (37 U.S.C. 427).

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATED NUMBER OF PAYMENTS IS BASED ON EXECUTION DATA PROJECTED INTO THE FUTURE AND MODIFIED TO REFLECT ANTICIPATED OVERSEAS STATIONING REQUIREMENTS. ALLOWANCES FOR FAMILY SEPARATION PAYMENTS ARE DETERMINED BY MULTIPLYING THE ESTIMATED NUMBER OF PERSONNEL FOR EACH TYPE OF FAMILY SEPARATION ALLOWANCE BY THE STATUTORY RATE APPLICABLE. THE DECREASE BETWEEN FY96 AND FY97 IS DIRECTLY RELATED TO REDUCED MISSION IN BOSNIA.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED FAMILY SEPARATION PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
SERGEANT MAJOR	11	$ 5,424.57	$ 60	11	$ 5,672.10	$ 62	11	$ 5,872.32	$ 65
1ST SERGEANT/MASTER SERGEANT	51	4,980.42	254	52	5,207.64	271	51	5,391.42	275
PLATOON SERGEANT/SERGEANT 1ST CLASS	215	4,250.07	914	217	4,443.93	964	215	4,600.77	989
STAFF SERGEANT	199	3,850.02	766	201	4,025.67	809	199	4,167.75	829
SERGEANT	141	3,549.06	500	142	3,711.00	527	141	3,841.95	542
CORPORAL/SPECIALIST 4	88	3,086.64	272	89	3,227.46	287	88	3,341.37	294
SUBTOTAL	705		$ 2,766	712		$ 2,920	705		$ 2,994
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED	16,103	$ 900.00	$ 14,493	17,610	$ 900.00	$ 15,849	17,795	$ 900.00	$ 16,016
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS RESIDING NEAR TDY STATION	9,224	900.00	8,302	30,050	900.00	27,045	12,415	900.00	11,174
TOTAL ENLISTED FAMILY SEPARATION ALLOWANCES	26,032		$ 25,561	48,372		$ 45,814	30,915		$ 30,184

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 309,170
ESTIMATE FY 1996	$ 296,521
ACTUAL FY 1995	$ 355,560

PROJECT: SEPARATION PAYMENTS - ENLISTED

PART I - PURPOSE AND SCOPE

ACCRUED LEAVE PAYMENTS - MEMBERS ARE AUTHORIZED 30 DAYS OF ORDINARY LEAVE ANNUALLY. THEY MAY ACCUMULATE A MAXIMUM OF NO MORE THAN 60 DAYS UNUSED LEAVE AT THE BEGINNING OF ANY FISCAL YEAR. UPON RETIREMENT OR SEPARATION, MEMBERS ARE PAID FOR UNUSED ACCRUED LEAVE AT THE RATE OF BASIC PAY TO WHICH ENTITLED AT TIME OF RELEASE. EFFECTIVE 10 FEBRUARY 76, A MEMBER CANNOT BE PAID FOR MORE THAN 60 DAYS OF ACCRUED LEAVE DURING HIS MILITARY CAREER. THIS LIMITATION DOES NOT INCLUDE PAYMENTS FOR ACCRUED LEAVE MADE BEFORE THAT DATE.

SEVERANCE PAY - DISABILITY - DISABILITY SEVERANCE PAY IS AUTHORIZED TO MEMBERS ON ACTIVE DUTY WHO ARE DISCHARGED BECAUSE OF PHYSICAL DISABILITY AND WHO HAVE LESS THAN 20 YEARS OF SERVICE AND LESS THAN 30 PERCENT DISABILITY.

SEVERANCE PAY - NON DISABILITY - COMMENCING IN FY91 NON DISABILITY SEVERANCE PAY IS AUTHORIZED TO MEMBERS ON ACTIVE DUTY WHO ARE INVOLUNTARILY SEPARATED FROM SERVICE, ARE NOT ELIGIBLE FOR RETIREMENT PAY, AND MEET MINIMUM TIME-IN-SERVICE REQUIREMENTS.

THE FY92 NATIONAL DEFENSE AUTHORIZATION ACT APPROVED TWO VOLUNTARY SEPARATION PAY PROGRAMS TO EMPLOY DURING THE FORCE DRAWDOWN. THE PROGRAMS APPLY TO BOTH OFFICERS AND ENLISTED SOLDIERS WHO HAVE MORE THAN SIX AND LESS THAN 20 YEARS OF SERVICE. THE FIRST, VOLUNTARY SEPARATION INCENTIVE (VSI), IS AN ANNUITY THAT MAKES ANNUAL PAYMENTS FOR TWICE THE NUMBER OF YEARS SERVED FOR SOLDIERS WHO VOLUNTARILY LEAVE ACTIVE DUTY. THE SECOND PROGRAM, SPECIAL SEPARATION BENEFITS (SSB), PROVIDES A LUMP OF ONE AND A HALF TIMES INVOLUNTARY SEPARATION PAY (50% MORE) FOR SOLDIERS WHO VOLUNTARILY LEAVE ACTIVE DUTY. VSI AND SSB WILL BE USED TO REDUCE INVOLUNTARY SEPARATIONS. THEY WILL NOT BE OFFERED TO ALL SOLDIERS. THE PROGRAMS WILL BE OFFERED THROUGH A DIFFERENTIAL POLICY TARGETING GROUPS FACING INVOLUNTARY SEPARATIONS AND SOLDIERS SERVING IN OVERAGE SPECIALTIES TO AID IN REDUCING INVOLUNTARY SEPARATIONS AND FACILITATE FORCE SHAPING REQUIREMENTS DURING THE DRAWDOWN. SOLDIERS WILL BE GIVEN THE THEIR CHOICE BETWEEN THE TWO INCENTIVES. THE LEGISLATION TERMINATES VSI/SSB AT THE END OF FY99.

THE FY93 NATIONAL DEFENSE AUTHORIZATION ACT APPROVED AN ACTIVE DUTY EARLY RETIREMENT PROGRAM FOR USE DURING THE FORCE DRAWDOWN. THE EARLY RETIREMENT PROGRAM IS NECESSARY TO SHAPE THE 15-20 YEAR SEGMENT OF THE FORCE. IT WILL ASSIST THE SERVICES IN ACHIEVING THEIR DRAWDOWN GOALS OF MAINTAINING READINESS AND TREATING PEOPLE FAIRLY. THE CRITERIA FOR EARLY RETIREMENT WILL INCLUDE SUCH FACTORS AS GRADE, YEARS OF SERVICE, AND SKILL, WITH A FOCUS ON THE POPULATION WHERE THE INVENTORY EXCEEDS REQUIREMENTS. SOLDIERS APPROVED FOR EARLY RETIREMENT WILL RECEIVE THE SAME BENEFITS AS INDIVIDUALS WITH 20 OR MORE YEARS OF SERVICE. HOWEVER, THEIR RETIRED PAY WILL BE REDUCED BY ONE PERCENT FOR EACH YEAR THAT THEY ARE SHORT OF 20 YEARS OF ACTIVE DUTY. THE EARLY RETIREMENT AMOUNT IS THE PRODUCT OF 2.5 PERCENT TIMES OF YEARS OF SERVICE TIMES BASIC PAY TIMES REDUCTION FACTOR. THE AUTHORITY TO USE THE EARLY RETIREMENT BENEFIT TERMINATES ON 1 OCTOBER 1999.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SEVERANCE PAYMENTS ARE DETERMINED BY MULTIPLYING THE PROJECTED NUMBER ELIGIBLE FOR EACH TYPE OF PAYMENT BY THE ESTIMATED AVERAGE PAYMENT APPLICABLE. ACCUMULATED LEAVE PAYMENTS ARE MADE BASED UPON LEAVE ACCRUED AS OF 1 SEPTEMBER 76. FOR LEAVE ACCUMULATED PRIOR TO 1 SEPTEMBER 76, AND RETAINED THROUGHOUT THE CAREER, PAYMENTS INCLUDE BASIC PAY, $1.25 PER DAY QUARTERS ALLOWANCE TO MEMBERS IN PAY GRADE E-5 TO E-9 WITH DEPENDENTS, AND 70 CENTS PER DAY TO ALL MEMBERS FOR SUBSISTENCE. FOR LEAVE ACCUMULATED AFTER 1 SEPTEMBER 76, TO INCLUDE LOWERING OF LEAVE BALANCES PRIOR TO 1

SEPTEMBER 76, THE RATE PAYABLE IS BASIC PAY ONLY. LEAVE PAYMENTS WILL NOT EXCEED A CAREER TOTAL OF 60 DAYS. SEVERANCE PAY FOR DISABILITY IS COMPUTED AT TWO MONTHS BASIC PAY OF GRADE HELD AT TIME OF DISCHARGE MULTIPLIED BY THE NUMBER OF YEARS ACTIVE SERVICE, BUT NOT MORE THAN 12. THE SSB AMOUNT IS FROM THE ANNUAL BASE PAY TIMES 15 PERCENT TIMES YEARS OF SERVICE. THE VSI (ANNUITY) IS A PRODUCT OF ANNUAL BASE PAY TIMES 2.5 PERCENT TIMES YEARS OF SERVICE AND IS PAID FOR TWICE THE NUMBER OF YEARS SERVED, WITHOUT ANY COST OF LIVING ADJUSTMENTS. DONATIONS ARE COMPUTED BY MULTIPLYING THE PROGRAMMED NUMBER OF RELEASES FROM CONFINEMENT AND THE NUMBER DISCHARGED FOR FRAUDULENT ENLISTMENTS BY $25.00. THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY92 AND FY93 REQUIRED THE ESTABLISHMENT OF A VSI FUND EFFECTIVE 1 JANUARY 93 FROM WHICH VSI PAYMENTS WILL BE MADE. THE ACT FURTHER REQUIRED THE BOARD OF ACTUARIES TO DETERMINE: (1) THE AMOUNT NECESSARY TO LIQUIDATE THE ORIGINAL UNFUNDED LIABILITY, I.E. THOSE PERSONNEL ACCEPTING VSI BENEFITS PRIOR TO 1 JANUARY 93 AND (2) THE TOTAL PRESENT VALUE COSTS NECESSARY TO FUND THOSE MEMBERS ACCEPTING VSI BENEFITS AFTER 1 JANUARY 93.

THE ESTIMATE INCREASED BY +$12.6 MILLION FROM FY96 TO FY97. THE ANNUALIZATION OF THE FY96 PAYRAISE INCREASED BY A NET +$1.6 MILLION. THE FY97, 3.0 PERCENT PAY RAISE REFLECTS A NET INCREASE OF +$4.2 MILLION. A DECREASED NUMBER OF SOLDIERS RECEIVING SEPARATION PAYMENTS PROVIDE A NET DECREASE OF -$11.2 MILLION. INCREASED PAYMENT INTO THE VSI TRUST FUND CONTRIBUTE A NET INCREASE OF +$18.0 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED SEPARATION PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995				ESTIMATE FY 1996				ESTIMATE FY 1997			
	NUMBER	DAYS	RATE	AMOUNT	NUMBER	DAYS	RATE	AMOUNT	NUMBER	DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
SERGEANT MAJOR	551	15.2	$ 1,575	$ 868	481	15.2	$ 1,614	$ 776	443	15.2	$ 1,660	$ 735
1ST SERGEANT/MASTER SERGEANT	2,029	16.3	1,368	2,776	1,890	16.3	1,402	2,649	1,763	16.3	1,442	2,542
PLATOON SERGEANT/SERGEANT 1ST CLASS	6,982	20.7	1,424	9,942	4,840	20.7	1,459	7,062	4,356	20.7	1,501	6,537
STAFF SERGEANT	6,807	24.6	1,457	9,918	4,194	24.6	1,493	6,261	4,056	24.6	1,535	6,228
SERGEANT	12,859	21.3	1,045	13,438	11,837	21.3	1,071	12,674	13,050	21.3	1,101	14,372
CORPORAL/SPECIALIST 4	36,619	17.1	686	25,121	42,822	17.1	703	30,099	37,380	17.1	725	27,090
PRIVATE, FIRST CLASS	5,364	18.0	602	3,229	4,942	18.0	617	3,048	5,447	18.0	634	3,456
PRIVATE (E2)	3,687	13.9	441	1,626	3,398	13.9	452	1,535	3,745	13.9	465	1,740
PRIVATE (E1)	2,620	13.5	368	964	2,414	13.5	377	910	2,661	13.5	388	1,032
SUBTOTAL	77,518			$ 67,882	76,818			$ 65,014	72,901			$ 63,732
SEVERANCE PAY (DISABILITY)	2,179		$ 15,672	$ 34,149	3,436		$ 15,571	$ 53,502	3,892		$ 16,017	$ 62,338
AUTHORIZED DONATIONS	152		25	4	152		25	4	152		25	4
INVOLUNTARY HALF PAY (5%)	1,946		8,022	15,611	2,311		8,963	20,713	2,208		9,220	20,358
INVOLUNTARY FULL PAY (10%)	3,547		15,209	53,946	6,900		13,754	94,903	5,989		14,148	84,732
VOLUNTARY SPECIAL SEPARATION BENEFIT (15%)	2,436		38,311	93,326	0		39,624	0	0		40,759	0
15 YEAR RETIREMENT	7,035		11,966	84,181	1,500		35,340	53,010	1,400		36,165	50,631
SEVERANCE PAY (NON-DISABILITY)	14,964			$ 247,064	10,711			$ 168,626	9,597			$ 155,721
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILITARY PAYMENTS) 1)	244			$ 6,461	0			$ 9,375	0			$ 27,375
THRU DECEMBER 31, 1992	0			0	0			9,375	0			9,375
JANUARY 1, 1993 AND AFTER	244			6,461	0			0	0			18,000
TOTAL ENLISTED SEPARATION PAYMENTS	95,057			$ 355,560	91,117			$ 296,521	86,542			$ 309,170

1) VSI recipients after 31 Dec 92 - Payments are made from the Military Personnel, Army Appropriaton to the VSI Trust Fund.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 624,926
ESTIMATE FY 1996	$ 635,577
ACTUAL FY 1995	$ 652,695

PROJECT: SOCIAL SECURITY TAX - EMPLOYER'S OBLIGATION - ENLISTED

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR THE 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 PERCENTAGE. THE OLD AGE, SURVIVOR, AND DISABILITY INSURANCE (OASDI) RATE IS 6.2$ AND THE HOSPITAL INSURANCE (HI) IS 1.45%. THE MAXIMUM AMOUNT OF EARNINGS PER INDIVIDUAL ON WHICH TAX IS PAYABLE AND THE PERCENT PAYABLE, FOR THE OLD-AGE, SURVIVORS, AND DISABILITY (OASDI) AND MEDICARE PROGRAMS ARE:

CALENDAR YEAR	OASDI BASE	OASDI PERCENTAGE	MEDICARE BASE	MEDICARE PERCENTAGE
1995	$61,200	6.2	NO UPPER LIMIT	1.45
1996	$63,000	6.2	NO UPPER LIMIT	1.45
1997	$64,200	6.2	NO UPPER LIMIT	1.45

THE REQUEST REFLECTS THE IMPACT OF P.L 99-576, WHICH PROVIDES FOR REMOVAL FROM TAXABLE INCOME OF THE $1,200 MEMBER CONTRIBUTION REQUIRED FOR PARTICIPATION IN THE BASIC BENEFIT PROGRAM OF THE NEW G.I. BILL EFFECTIVE 1 JANUARY 86.

THE ESTIMATE FROM FY96 TO FY97 DECREASES BY +$10.6 MILLION. FORCE MANNING COSTS DECREASE BY A NET -$17.4 MILLION. THE INCREASE FOR THE ANNUALIZATION OF THE FY96 PAY RAISE PROVIDES A NET INCREASE OF +$3.2 MILLION. THE FY97, 3.0 PERCENT PAY RAISE REFLECTS A NET INCREASE OF +$12.2 MILLION. THE CHANGE IN THE WAGE CREDIT PAYMENT REFLECTS A NET DECREASE OF -$9.9 MILLION BETWEEN YEARS. THE G.I. BILL INCREASED BETWEEN FY96 AND FY97 BY $+1.3 MILLION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOC. SEC TAX-EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	440,279	$ 1,292	$ 568,742	416,363	$ 1,315	$ 547,664	411,389	$ 1,330	$ 546,973
WAGE CREDITS.....			$ 85,693			$ 89,653			$ 79,693
LESS NON-JUDICAL FINES AND FORFEITURES...			$ 1,740			$ 1,740			$ 1,740
TOTAL ENLISTED SOCIAL SECURITY TAX.....	440,279		$ 652,695	416,363		$ 635,577	411,389		$ 624,926

SECTION 4
SCHEDULE OF INCREASES AND DECREASES

PAY AND ALLOWANCES OF CADETS			AMOUNT
FY 1996 DIRECT PROGRAM			$ 35,495
INCREASES:			
PAY RAISE/SUBSISTENCE INFLATION	1,408		
TOTAL INCREASES:		1,408	
FY 1997 DIRECT PROGRAM			$ 36,903

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 36,903
ESTIMATE FY 1996	$ 35,495
ACTUAL FY 1995	$ 37,126

PROJECT: ACADEMY CADETS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR BASIC PAY AND ALLOWANCES OF ACADEMY CADETS AND COMMUTED RATION ALLOWANCE UNDER THE PROVISIONS OF 37 U.S.C. 201, 203, AND 422; AND FOR THE EMPLOYER'S SHARE OF FICA TAX AS PROVIDED BY THE FEDERAL INSURANCE CONTRIBUTION ACT.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE FUND REQUIREMENT WAS DETERMINED BY APPLYING STATUTORY RATES TO THE PROJECTED MANYEARS. THE STATUTORY RATE INCREASES IN FY97 DUE TO THE 3.0% PAY RAISE. IN ADDITION, THE DAILY REIMBURSEMENT RATE FOR CADET RATIONS INCREASES FROM $4.88 PER DAY IN FY 96 TO $4.99 IN FY 97 DUE TO INFLATION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

PAY AND ALLOWANCES OF ACADEMY CADETS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
(1) BASIC PAY	4,184	$ 6,654	$ 27,840	3,891	$ 6,819	$ 26,533	3,940	$ 7,014	$ 27,633
(2) SUBSISTENCE - COMMUTED-RATION									
A. SUBSISTENCE ALLOWANCE		1,733	7,251		1,792	6,973		1,829	7,205
B. OPERATIONAL RATIONS			0			0			0
(3) SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION		509	2,035		518	1,989		533	2,065
TOTAL ACADEMY CADETS	4,184		$ 37,126	3,891		$ 35,495	3,940		$ 36,903

SECTION 4
SCHEDULE OF INCREASES AND DECREASES

BASIC ALLOWANCE FOR SUBSISTENCE OF ENLISTED PERSONNEL		AMOUNT
FY 1996 DIRECT PROGRAM		$ 769,409
INCREASES:		
A. REFLECTS ANNUALIZATION OF THE 2.4% PAY RAISE EFFECTIVE 1 JAN 96 AND THE 3.0% PAY RAISE EFFECTIVE 1 JAN 97.	18,708	
B. SUBSISTENCE-IN-KIND TRANSFERRED FROM OPERATION & MAINTENANCE, ARMY APPROPRIATION TO MILITARY PERSONNEL, ARMY APPROPRIATION	248,500	
TOTAL INCREASES:		267,208
DECREASES:		
OVERALL STRENGTH REDUCTION AND THE ELIMINATION OF CONTINGENCY FORCE COST	-30,129	
TOTAL DECREASES:		-30,129
FY 1997 DIRECT PROGRAM		$1,006,488

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 1,063,486
ESTIMATE FY 1996	$ 769,409
ACTUAL FY 1995	$ 777,000

PROJECT: BASIC ALLOWANCE FOR SUBSISTENCE OF ENLISTED PERSONNEL

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED FOR THIS ACTIVITY PROVIDE FOR PAYMENT OF A BASIC ALLOWANCE FOR SUBSISTENCE (BAS) FOR ENLISTED PERSONNEL. WHEN AUTHORIZED, ENLISTED PERSONNEL ARE ENTITLED TO BAS ON A DAILY BASIS. THE ENLISTED MEMBER IS ENTITLED TO ONE OF THE FOLLOWING TYPES -- (1) WHEN RATIONS-IN-KIND ARE NOT AVAILABLE; (2) WHEN PERMISSION TO MESS SEPARATELY IS GRANTED; OR (3) WHEN ASSIGNED TO DUTY UNDER EMERGENCY CONDITIONS WHERE NO MESSING FACILITIES ARE AVAILABLE.

THIS BUDGET ACTIVITY INCLUDES SUBSISTENCE-IN-KIND IN FY97, WHICH FUNDS SUBSISTENCE TO FEED THE ENLISTED SOLDIER THEIR DAILY RATION IN ACCORDANCE WITH TITLE 10 U.S.C. . THIS ACTIVITY ALSO FUNDS OPERATIONAL RATIONS FOR FIELD SUBSISTENCE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

BASIC ALLOWANCE FOR SUBSISTENCE

BASIC ALLOWANCE FOR SUBSISTENCE (BAS) IS PAID TO ENLISTED SOLDIERS UNDER THE FOLLOWING CONDITIONS:
(1) WHEN AUTHORIZED TO MESS SEPARATELY, (2) WHILE ON AUTHORIZED LEAVE, (3) WHEN RATIONS-IN-KIND ARE NOT AVAILABLE, AND (4) FOR THE AUGMENTATION OF COMMUTED RATION ALLOWANCE FOR MEALS TAKEN SEPARATELY. EFFECTIVE 1 OCTOBER 74, BAS RATE INCREASES WERE TIED TO THE PAY RAISE. IN FY96 THE PAY RAISE RATE IS 2.4% AND IN FY97, 3.0%. THE DAILY RATES ARE $7.15 IN FY96 FOR MESSING SEPARATELY AND LEAVE RATIONS AND $7.36 IN FY97 FOR THOSE ACCOUNTS. FOR RATIONS NOT AVAILABLE, THE DAILY RATES ARE $8.06 IN FY96 AND $8.30 FOR FY97. PRESIDENT CLINTON SIGNED EXECUTIVE ORDER 11157 IN ORDER THAT BEGINNING IN FY95 TROOPS WILL CONTINUE TO RECEIVE BAS WHEN DEPLOYED IN TIMES OF ACTUAL OR POTENTIAL COMBAT. THIS CONTINGENCY COST FOR FY95 WAS ESTIMATED AT $9.5 MILLION AND IN FY96 IS ESTIMATED TO BE $22.1 MILLION.

THE FY97 ESTIMATE INCREASES $248.5 MILLION DUE TO THE SUBSISTENCE-IN-KIND TRANSFER. THESE FUNDS TRANSFER FROM OPERATION AND MAINTENANCE APPROPRIATION TO THE MILITARY PERSONNEL APPROPRIATION TO PROVIDE GREATER VISIBILITY OF THE FULL COST OF FEEDING MILITARY PERSONNEL.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
A. BASIC ALLOWANCE FOR SUBSISTENCE									
1. WHEN AUTH TO MESS SEPARATE.....	247,109	$ 2,531.14	$ 625,467	238,635	$ 2,601.26	$ 620,752	228,856	$ 2,667.08	$ 610,377
2. LEAVE RATION.....	35,209	2,531.14	89,119	33,569	2,601.26	87,322	32,514	2,667.08	86,717
3. WHEN RATIONS IN KIND NOT AVAILABLE.	21,738	2,854.15	62,044	20,756	2,932.48	60,867	20,079	3,007.42	60,386
4. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEPARATE.....	1,957	188.88	370	2,422	193.06	468	2,554	198.91	508
TOTAL ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE.....	304,056		$ 777,000	292,960		$ 769,409	281,449		$ 757,988

MPA FINANCIAL MANAGEMENT SYSTEM
SUBSISTENCE IN KIND
(AMOUNTS IN THOUSANDS OF DOLLARS)

B. SUBSISTENCE-IN-KIND	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
Average Enlisted Strength	440,279	416,363	410,864

(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995				ESTIMATE FY 1996				ESTIMATE FY 1997			
	Number	Daily Rate	Annual Rate	Dollar Amount	Number	Daily Rate	Annual Rate	Dollar Amount	Number	Daily Rate	Annual Rate	Dollar Amount
1. Subsistence in Messes												
CONUS												
Army	0	0.00	0.00	0	0	0.00	0.00	0	49,426	4.95	1,806.75	89,300
Other	0	0.00	0.00	0	0	0.00	0.00	0	1,174	4.95	1,806.75	2,121
OVERSEAS												
Army	0	0.00	0.00	0	0	0.00	0.00	0	20,045	5.89	2,149.85	43,094
Other	0	0.00	0.00	0	0	0.00	0.00	0	129	5.89	2,149.85	277
Total Reimbursable				0				0				56,998
SubTotal: Messes	0			$0	0			$0	70,774			$191,790

(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	Number	Unit Cost	Dollar Amount	Number	Unit Cost	Dollar Amount	Number	Unit Cost	Dollar Amount
2. Operational Rations									
Meal-Ready-to-Eat	0	0.00	0	0	0.00	0	1,218,500	67.29	81,993
Tray Packs	0	0.00	0	0	0.00	0	5,005	1,931.04	9,665
Unitized Group Rations	0	0.00	0	0	0.00	0	7,448	1,506.00	11,217
Other			0			0			1,651
SubTotal: Operatnl Ratio			$0			$0			$104,526

MRE's - Package of 12, Tray packs - Pallet of 432 Meals

(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995 Dollar Amount	ESTIMATE FY 1996 Dollar Amount	ESTIMATE FY 1997 Dollar Amount
3. Augmentation Rations / Other Programs			
Augment Rations / Other Pgms	$0	$0	$9,182
Includes supplemental rations, special exercises/operations, contract messes, box lunch meals, KATUSA Rations/Kits, New Food Items, Allied Nations support, and special issue.			
Total SIK	$0	$0	$305,498

(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995 Total Amount (with payraise)	ESTIMATE FY 1996 Total Amount (with payraise)	ESTIMATE FY 1997 Total Amount (with payraise)
Totals: BAS/SIK			
Total Obligations	777,000	769,409	1,063,486
Total Reimbursable	0	0	56,998
Total Direct Obligations	777,000	769,409	1,006,488

SECTION 4
SCHEDULE OF INCREASES AND DECREASES

PERMANENT CHANGE OF STATION TRAVEL			AMOUNT
FY 1996 DIRECT PROGRAM			$ 1,066,352
INCREASES:			
A. PAY RAISE	1,965		
SUB-TOTAL		1,965	
B. DEFENSE BUSINESS OPERATIONS FUND (DBOF)			
AMC PASS	2,440		
AMC HHG	579		
MSC HHG/POV	10,624		
SUB-TOTAL		13,643	
C. INFLATION			
LAND	6,196		
ITGBL	4,689		
TRAILER	71		
COMMERCIAL AIR	202		
NON TEMPORARY STORAGE	505		
SUB-TOTAL		11,663	
D. INCREASED MOVES			
ACCESSIONS	19,577		
SEPARATIONS	2,748		
SUB-TOTAL		22,325	
E. TRANSFER FROM OMA TO SUPPORT IN-PLACE CONSECUTIVE OVERSEAS TOURS & OVERSEAS TOUR EXSTENSION PROGRAM	400		
SUB-TOTAL		400	
TOTAL INCREASES:			$ 49,996
DECREASES:			
A. REDUCTION TO PCS MOVES MANAGEMENT EFFICIENCIES	-50,000		
SUB-TOTAL		-50,000	
B. OPERATIONAL MOVES	- 9,797		
ROTATIONAL MOVES	- 6,151		
UNIT MOVES	-17,186		
SUB-TOTAL MOVE PROGRAM DECREASE			$-83,134
C. DBOF - PORT HANDLING	- 1,329		
TOTAL DECREASES:			$-84,463
FY 1997 DIRECT PROGRAM			$1,031,885

PCS - SUMMARY OF MOVE REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995		ESTIMATE FY 1996		ESTIMATE FY 1997	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
ACCESSIONS TRAVEL	70,955	97,598	82,596	111,590	97,724	131,090
TRAINING TRAVEL	9,925	50,648	9,749	51,235	9,749	52,266
OPERATIONAL TRAVEL BETWEEN DUTY STATIONS	22,105	107,552	21,339	104,667	19,867	99,435
ROTATIONAL TRAVEL TO AND FROM OVERSEAS	91,357	616,300	80,632	573,342	74,307	540,420
SEPARATION TRAVEL	99,863	169,189	93,046	159,291	94,680	164,254
TRAVEL OF ORGANIZED UNITS	8,812	31,578	8,509	30,589	2,795	10,815
NON-TEMPORARY STORAGE		22,891		22,961		23,144
TEMPORARY LODGING EXPENSE		22,858		20,677		18,461
TOTAL OBLIGATIONS	303,017	1,118,613	295,871	1,074,352	299,122	1,039,885
LESS: REIMBURSABLES		$ 6,000		$ 8,000		$ 8,000
TOTAL DIRECT	303,017	1,112,613	295,871	1,066,352	299,122	1,031,885

PCS - SUMMARY OF REQUIREMENTS BY TYPES OF COST
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995		ESTIMATE FY 1996		ESTIMATE FY 1997	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
TRAVEL OF MILITARY MEMBER						
MILEAGE AND PER DIEM	303,017	$ 153,764	295,871	$ 150,097	299,122	$ 151,732
MAC	123,323	58,341	116,240	56,640	115,638	58,039
COMMERCIAL AIR	13,703	6,998	12,917	6,727	12,848	6,840
TRAVEL OF DEPENDENTS						
MILEAGE	133,365	77,854	127,268	71,729	122,939	67,219
MAC	54,947	25,994	49,807	24,271	46,501	23,338
COMMERCIAL AIR	5,091	2,600	4,651	2,421	4,347	2,313
TRANSPORTATION OF HHG						
LAND SHIPMENT	83,238	292,007	79,840	281,639	75,722	268,378
ITGBL SHIPMENT	65,595	231,397	58,984	213,154	55,596	203,035
M TONS - MSC	62,175	7,959	57,410	8,783	52,859	9,035
S TONS - MAC	16,594	23,944	16,423	23,142	16,666	22,647
DISLOCATION ALLOWANCE	90,475	87,081	83,056	82,153	74,031	75,274
TRAILER ALLOWANCE	1,204	3,125	1,211	3,205	1,202	3,250
TRANSPORTATION OF POVS	54,761	71,112	49,432	76,711	46,708	81,036
PORT HANDLING CHARGES		30,688		30,042		26,144
NON-TEMPORARY STORAGE		22,891		22,961		23,144
TEMPORARY LODGING EXPENSE		22,858		20,677		18,461
TOTAL OBLIGATIONS		$ 1,118,613		$ 1,074,352		$ 1,039,885
LESS: REIMBURSABLES		$ 6,000		$ 8,000		$ 8,000
TOTAL DIRECT		$ 1,112,613		$ 1,066,352		$ 1,031,885

SECTION 4
PERMANENT CHANGE OF STATION TRAVEL

PURPOSE AND SCOPE OF WORK

THE FUNDS REQUESTED ARE FOR EXPENSES INCIDENT TO PERMANENT CHANGE OF STATION (PCS) TRAVEL OF MILITARY PERSONNEL, INDIVIDUALLY OR AS PART OF AN ORGANIZATIONAL UNIT. PCS TRAVEL COSTS INCLUDE MILEAGE; MONETARY ALLOWANCE IN LIEU OF TRANSPORTATION; TRANSPORTATION BY COMMON CARRIER (RAIL, BUS, AIR, OR WATER, INCLUDING MILITARY AIRLIFT COMMAND AND MILITARY SEALIFT COMMAND); PER DIEM ALLOWANCES; COST OF SUBSISTENCE WHILE IN A TRAVEL STATUS; MISCELLANEOUS REIMBURSABLE EXPENSES AUTHORIZED BY JFTR CHAPTERS. FOR PCS TRAVEL; ISSUE OF MEAL TICKETS IN LIEU OF SUBSISTENCE; TRAVEL OF DEPENDENTS AND TRANSPORTATION OF BAGGAGE AND HOUSEHOLD GOODS; PORT HANDLING CHARGES FOR PERSONNEL, THEIR HOUSEHOLD GOODS, BAGGAGE AND PRIVATELY OWNED AUTOMOBILES; PAYMENTS OF DISLOCATION ALLOWANCES; AUTHORIZED TRANSPORTATION OF DEPENDENTS AND PERSONAL AND HOUSEHOLD EFFECTS OF DECEASED MILITARY PERSONNEL; COSTS OF CONTRACT PACKING, CRATING, HANDLING AND TEMPORARY STORAGE OF HOUSEHOLD EFFECTS OF ALL MILITARY PERSONNEL, INCLUDING DECEASED MILITARY PERSONNEL; COST OF NON-TEMPORARY STORAGE OF HOUSEHOLD GOODS; COST OF TRAILER ALLOWANCES; TRAVEL INCIDENT TO ORGANIZATION MOVEMENTS ON PERMANENT CHANGE OF STATION 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 ORGANIZATION PCS MOVEMENTS; EXPENSES AND ALLOWANCES INCIDENT TO SEPARATION TRAVEL, DISCHARGE OR RELEASE. ALL AUTHORIZED PCS TRAVEL EXPENSES PROVIDED UNDER THIS BUDGET PROGRAM ACCOUNT SHALL BE CHARGED TO THE SAME SUBPROGRAM ACCOUNT CITED IN THE PCS TRAVEL ORDER OF THE MILITARY MEMBER. THE ONLY EXCEPTION IS COST OF CONTRACT COMMERCIAL STORAGE OF HOUSEHOLD GOODS ON A NON-TEMPORARY BASIS. THE TERM "CONUS" (CONTINENTAL UNITED STATES) APPLIES TO THE UNITED STATES TERRITORY, INCLUDING THE ADJACENT TERRITORIAL WATERS LOCATED WITHIN THE NORTH AMERICAN CONTINENT BETWEEN CANADA AND MEXICO.

THE NUMBER OF MOVES IS DRIVEN PRIMARILY BY THE COMMITMENT TO DEPLOY FORCES OVERSEAS (APPROXIMATELY 25% OF THE FORCE). ALL PERSONNEL OVERSEAS ARE ON TOURS OF A PRESCRIBED LENGTH (12, 24, OR 36 MONTHS). UNLESS SOLDIERS VOLUNTARILY EXTEND, THEY WILL PCS TO THE U.S. AFTER COMPLETION OF THE PRESCRIBED TOUR. A REQUIREMENT IS THEN GENERATED TO FILL THE OVERSEAS SPACE FROM THE CONUS SUSTAINING BASE. THE OVERSEAS ROTATIONAL MOVES REPRESENT 25% OF THE ARMY'S TOTAL MOVE PROGRAM. ROTATIONAL MOVES COMBINED WITH THE PEOPLE ENTERING (ACCESSIONS) AND LEAVING (SEPARATIONS) REQUIRING A PCS MOVE, ACCOUNTS FOR 89% OF THE MOVE PROGRAM AND 81% OF THE DOLLAR REQUIREMENT. UNIT MOVES ARE REQUIRED FOR FORCE REDUCTIONS-REALIGNMENTS/RESTATIONINGS AND MAINTAINING UNIT TACTICAL INTEGRITY. UNIT MOVES ACCOUNT FOR LESS THAN 1% OF BOTH THE MOVE PROGRAM AND DOLLAR REQUIREMENT. THE SMALL PERCENTAGE OF REMAINING MOVE/DOLLAR REQUIREMENTS (10% MOVES PROGRAM/18% OF DOLLAR REQUIREMENT) CONSISTS OF TRAINING AND OPERATIONAL MOVE CATEGORIES THAT ARE ESSENTIAL TO MAINTAIN REQUISITE LEVELS OF TRAINING, FORCE READINESS, AND QUALITY OF LIFE.

PROJECTED CONUS TIME-ON-STATION (TOS) IS PROGRAMMED TO INCREASE TO MORE THAN FIVE YEARS BY FY01, DUE TO SIGNIFICANT REDUCTIONS IN OVERSEAS END STRENGTHS. THE ARMY BELIEVES THAT THIS EXTENDED TOS DOES NOT ALLOW ENOUGH MOVEMENT TO KEEP THE FORCE PROPERLY DISTRIBUTED. THE RESULTING IMBALANCE WILL HAVE A DIRECT NEGATIVE IMPACT ON PERSONNEL READINESS. IN SUPPORT OF CONGRESSIONAL DESIRE TO REDUCE THE FREQUENCY OF FAMILY MOVES AND CONSERVE PCS FUNDS, THIS BUDGET REFLECTS STRICT ADHERENCE TO TIME-ON-STATION REQUIREMENTS AND RETAINABILITY CONSTRAINTS CONTAINED IN DODD 1315.7. IN ADDITION, APPROVAL AUTHORITY FOR CURTAILMENT OF FOREIGN SERVICE TOURS HAS BEEN PLACED AT THE GENERAL OFFICER LEVEL EXERCISING ASSIGNMENT AUTHORITY FOR THE SERVICE. THESE ACTIONS REFLECT EFFORTS TO REDUCE THE FREQUENCY OF FAMILY MOVES WITHOUT NEGATIVELY AFFECTING ARMY READINESS LEVELS OR THE QUALITY OF LIFE EXPERIENCED BY SOLDIERS AND THEIR FAMILIES. TO FURTHER MINIMIZE PCS COSTS AND REDUCE PERSONNEL TURBULENCE, THE ARMY WILL MAXIMIZE THE USE OF INTRA-THEATER CONSECUTIVE TOURS AND FOREIGN SERVICE TOUR EXTENSIONS. TO SUPPORT THIS EFFORT, FUNDING FOR IN-PLACE CONSECUTIVE OVERSEAS TOURS AND THE OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM HAS BEEN TRANSFERRED FROM THE OPERATION AND MAINTENANCE, ARMY APPROPRIATION TO THE MILITARY PERSONNEL, ARMY APPROPRIATION

THE FY97 BUDGET ESTIMATE INCLUDES PROJECTED INFLATION AND DEFENSE BUSINESS OPERATING FUND (DBOF) COST GROWTH FOR APPLICABLE MODES OF PCS TRAVEL AND TRANSPORTATION. INFLATION FACTORS OF 2.2% FOR FY97 GENERATED INCREASED COSTS OF $11.7M. THE AUTHORIZED PAY RAISE OF 3.0%, WHICH IMPACTS ON DISLOCATION ALLOWANCE, REQUIRES A $1.7M INCREASE. RATE INCREASES FOR DBOF VARY BY ENTITLEMENT - AIR MOBILITY COMMAND RATES FOR PASSENGER AND HOUSEHOLD GOOD SHIPMENTS INCREASED BY 3.0%. MILITARY SEALIFT COMMAND FOR HOUSEHOLD GOODS AND VEHICLE SHIPMENTS INCREASED BY 11.8%. TOTAL COST INCREASES FOR FY97, RESULTING FROM DBOF PRICE ADJUSTMENTS, EQUAL $13.6M. PORT HANDLING CHARGES FOR BOTH HOUSEHOLD GOOD AND VEHICLE SHIPMENTS DECREASED BY 7.0%. RATE INCREASES BY SEPARATE ENTITLEMENT ARE PROVIDED IN THE SCHEDULE OF INCREASES AND DECREASES.

BUDGET ESTIMATES FOR FY97 PCS PROGRAM INCLUDE A REDUCTION OF $50.0M REFLECTING EFFICIENCIES. INCLUDED IN THE ROTATIONAL MOVE PROGRAM IS $2.6M FOR THE MOVEMENT OF SOUTHCOM HEADQUARTERS TO CONUS AND $5.0M FOR SUSTAINMENT OF AN INFANTRY BATTALION IN PANAMA.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 131,090
ESTIMATE FY 1996	$ 111,590
ACTUAL FY 1995	$ 97,598

PROJECT: ACCESSION TRAVEL

PART I - PURPOSE AND SCOPE

OFFICERS. COVERS PCS MOVEMENTS OF (1) OFFICERS APPOINTED TO A COMMISSIONED GRADE FROM CIVILIAN LIFE, MILITARY ACADEMIES, ROTC, AND ARMY RESERVE AND NATIONAL GUARD OFFICERS CALLED OR RECALLED TO EXTENDED DUTY FROM HOME OR POINT WHERE ORDERS WERE RECEIVED TO FIRST PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION AND (2) NEW PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION (INCLUDES OFFICERS APPOINTED FROM ENLISTED STATUS UPON GRADUATION FROM OCS). THIS CATEGORY ALSO INCLUDES TRAVEL TO/FROM SCHOOLS LESS THAN 20 WEEKS DURATION WHEN THEY PRECEDE COMPLETION OF TRAVEL TO THE NEW PERMANENT DUTY STATION OR TRAINING SCHOOL IN EXCESS OF 20 WEEKS.

ENLISTED. COVERS PCS MOVEMENTS OF (1) ENLISTEES AND PRIOR SERVICE PERSONNEL FROM RECRUITING STATION OR PLACE OF ENLISTMENT TO FIRST PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION AND (2) RECALLED ENLISTED RESERVISTS FROM HOME TO FIRST PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION. ALSO INCLUDES TRAVEL TO/FROM SCHOOLS LESS THAN 20 WEEKS WHEN THEY PRECEDE COMPLETION OF TRAVEL TO THE NEW PERMANENT DUTY STATION OR TRAINING SCHOOL IN EXCESS OF 20 WEEKS.

CADETS. COVERS PCS MOVEMENTS OF (1) INDIVIDUALS SELECTED AS ACADEMY CADETS UPON ENTRY INTO THE ACADEMY AND (2) 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

ACCESSION ESTIMATES ARE BASED UPON THE OFFICER, ENLISTED AND CADET GAINS NECESSARY TO MEET THE ARMY'S PLANNED MANPOWER LEVELS. CHANGES TO THIS PROGRAM CAN ONLY BE ACCOMMODATED THROUGH ADJUSTMENTS IN OFFICER, ENLISTED OR CADET STRENGTHS. INFLATION, DBOF RATES, AND PAY RAISE ALL IMPACT ON THE COST PER MOVE. CHANGES IN MOVE NUMBERS BETWEEN FISCAL YEARS REFLECT ADJUSTMENTS REQUIRED TO MEET THE ARMY'S PROJECTED END STRENGTHS.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	6,779	$ 718.10	$ 4,868	6,134	$ 722.20	$ 4,430	6,014	$ 726.47	$ 4,369
DEPENDENT TRAVEL.....	2,034	632.25	1,286	1,840	643.48	1,184	1,804	654.66	1,181
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	4,746	2,842.18	13,489	4,294	2,899.16	12,449	4,210	2,962.71	12,473
- OVERSEAS (MAC & MSC)...	2,398	381.57	915	2,169	410.79	891	2,127	433.94	923
DISLOCATION ALLOWANCE.....	2,176	1,069.10	2,326	1,969	1,094.76	2,156	1,930	1,127.60	2,176
TRAILER ALLOWANCE.....	27	2,594.30	70	25	2,646.19	66	24	2,704.41	65
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	976	1,298.60	1,267	883	1,551.82	1,370	866	1,734.94	1,502
- PORT HANDLING (MTMC)...	976	335.52	327	883	360.69	318	866	335.44	290
PORT HANDLING (HHG).....	12,204	40.67	496	11,040	43.72	483	10,824	40.66	440
SUBTOTAL.....			$ 25,044			$ 23,347			$ 23,419
CADETS.....	1,183	$ 375.00	$ 444	1,220	$ 375.00	$ 458	1,220	$ 375.00	$ 458

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	62,993	$ 683.09	$ 43,030	75,242	$ 687.91	$ 51,760	90,490	$ 692.94	$ 62,704
DEPENDENT TRAVEL.....	18,268	279.07	5,098	21,820	279.97	6,109	26,242	280.89	7,371
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	9,379	1,867.36	17,514	11,204	1,904.77	21,341	13,474	1,946.71	26,230
- OVERSEAS (MAC & MSC)...	4,933	376.85	1,859	5,891	390.26	2,299	7,085	403.39	2,858
DISLOCATION ALLOWANCE.....	0	0.00	0	0	0.00	0	0	0.00	0
TRAILER ALLOWANCE.....	315	2,594.30	817	376	2,646.19	995	452	2,704.41	1,222
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	2,205	1,298.60	2,863	2,634	1,551.82	4,088	3,167	1,734.94	5,495
- PORT HANDLING (MTMC)...	2,205	335.52	740	2,634	360.69	950	3,167	335.44	1,062
PORT HANDLING (HHG).....	6,195	30.50	189	7,400	32.79	243	8,900	30.49	271
SUBTOTAL.....			$ 72,110			$ 87,785			$ 107,213
TOTAL PCS ACCESSION TRAVEL...			$ 97,598			$ 111,590			$ 131,090

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 52,266
ESTIMATE FY 1996	$ 51,235
ACTUAL FY 1995	$ 50,648

PROJECT: TRAINING TRAVEL

PART I - PURPOSE AND SCOPE

OFFICERS. COVERS CONUS PCS MOVEMENTS OF (1) OFFICERS AND WARRANT OFFICERS FROM PREVIOUS PERMANENT DUTY STATION TO FORMAL SERVICE OR CIVILIAN SCHOOLS, INCLUDING TECHNICAL SCHOOLS, FLYING TRAINING SCHOOLS, FACTORY TRAINING, AND OTHER APPROVED COURSES OF INSTRUCTION OF 20 WEEKS DURATION OR MORE, AND (2) OFFICER AND WARRANT OFFICER SCHOOL GRADUATES AND THOSE ELIMINATED FROM SCHOOL TO THEIR NEXT PERMANENT CONUS DUTY STATION (EXCLUDES ACADEMY GRADUATES, OCS GRADUATES, ROTC GRADUATES, AND OTHERS CHARGEABLE AS ACCESSION TRAVEL).

ENLISTED. COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL FROM PREVIOUS CONUS PERMANENT DUTY STATION TO FORMAL SERVICE OR CIVILIAN SCHOOLS, INCLUDING TECHNICAL SCHOOLS, FLYING TRAINING SCHOOLS, FACTORY TRAINING, AND OTHER APPROVED COURSES OF INSTRUCTION, OF 20 WEEKS DURATION OR MORE; (2) ENLISTED SCHOOL GRADUATES AND THOSE ELIMINATED FROM SCHOOL TO THEIR NEXT CONUS PERMANENT DUTY STATION; AND (3) ENLISTED PERSONNEL ORDERED TO TRAINING LEADING TO A COMMISSION, IF SUCH TRAINING PERIOD IS OF 20 WEEKS DURATION OR MORE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ESTIMATES FOR TRAINING TRAVEL ARE BASED UPON REQUIREMENTS FOR OFFICER AND ENLISTED PERSONNEL TO ATTEND MILITARY, OTHER FEDERAL GOVERNMENT, AND CIVILIAN TRAINING PROGRAMS. THE TRAINING IS REQUIRED TO MAINTAIN THE REQUISITE SKILL LEVELS/EDUCATIONAL LEVELS REQUIRED BY AN ARMY THAT IS CAPABLE OF RESPONDING TO STRATEGIC OBLIGATIONS IN THE EVOLVING INTERNATIONAL ENVIRONMENT. TRAINING MOVES SUPPORT THE REQUIREMENT TO SHAPE THE FORCE FOR TOMORROW AND THE ARMY'S DUTY TO PREPARE SOLDIERS TO PERFORM THEIR REQUIRED MISSION. THROUGH TRAINING MOVES THE ARMY IS PROVIDED WITH SOLDIERS TRAINED IN AVIATION, MEDICAL SPECIALTIES, LINGUISTICS, FORCE MODERNIZATION, LEADERSHIP SKILLS, AND SPECIAL FORCES OPERATIONS. DUE TO THE REDUCED INFLUX OF SOLDIERS ROTATIONALLY MOVING INTO TRAINING SEATS, THE ARMY PROJECTS REQUIREMENTS FOR TRAINING MOVES TO REMAIN RELATIVELY CONSTANT. THE AVERAGE ESTIMATED COST PER TRAINING MOVE FOR OFFICER AND ENLISTED INCREASES IN FY97 DUE TO EFFECTS OF INFLATION AND PAY RAISE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

PCS TRAINING TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	7,002	$ 460.01	$ 3,221	6,949	$ 460.07	$ 3,197	6,949	$ 460.07	$ 3,197
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	5,111	410.10	2,096	5,073	410.01	2,080	5,073	410.01	2,080
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	5,952	4,856.85	28,908	5,907	4,953.95	29,263	5,907	5,062.98	29,907
DISLOCATION ALLOWANCE.....	5,532	1,128.60	6,243	5,490	1,155.69	6,345	5,490	1,190.36	6,535
TRAILER ALLOWANCE.....	7	2,594.30	18	7	2,646.19	19	7	2,704.41	19
SUBTOTAL.....			$ 40,486			$ 40,904			$ 41,738
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	2,800	$ 460.00	$ 1,288	2,800	$ 460.00	$ 1,288	2,800	$ 460.00	$ 1,288
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	1,876	409.91	769	1,876	409.91	769	1,876	409.91	769
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	2,100	3,010.00	6,321	2,100	3,070.00	6,447	2,100	3,137.62	6,589
DISLOCATION ALLOWANCE.....	1,876	938.79	1,761	1,876	961.32	1,803	1,876	990.16	1,858
TRAILER ALLOWANCE.....	9	2,594.30	23	9	2,646.19	24	9	2,704.41	24
SUBTOTAL.....			$ 10,162			$ 10,331			$ 10,528
TOTAL PCS TRAINING TRAVEL.....			$ 50,648			$ 51,235			$ 52,266

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 99,435
ESTIMATE FY 1996	$ 104,667
ACTUAL FY 1995	$ 107,552

PROJECT: OPERATIONAL TRAVEL

PART I - PURPOSE AND SCOPE

OFFICERS. COVERS PCS MOVEMENTS OF (1) OFFICERS AND WARRANT OFFICERS TO AND FROM PERMANENT DUTY STATIONS LOCATED WITHIN THE UNITED STATES; (2) OFFICERS AND WARRANT OFFICERS TO AND FROM PERMANENT DUTY STATIONS LOCATED WITHIN AN OVERSEAS AREA WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED; AND (3) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCES, AND PRIVATELY OWNED VEHICLES OF OFFICERS AND WARRANT OFFICERS WHO ARE INTERNED, MISSING, OR CAPTURED WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED.

ENLISTED. COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL TO AND FROM PERMANENT DUTY STATIONS LOCATED WITHIN THE UNITED STATES; (2) ENLISTED PERSONNEL TO AND FROM PERMANENT DUTY STATIONS WITHIN AN OVERSEAS AREA WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED; AND (3) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCES, AND PRIVATELY OWNED VEHICLES OF ENLISTED PERSONNEL WHO ARE INTERNED, MISSING, OR CAPTURED WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

OPERATIONAL MOVES ARE NECESSARY TO MAINTAIN UNITS AT REQUIRED PERSONNEL READINESS LEVELS; SUPPORT ACTIVATIONS AND INACTIVATIONS; CORRECT IMBALANCES OF SKILL AND GRADE; SUPPORT HUMANITARIAN, COMPASSIONATE, AND JOINT DOMICILE NEEDS; ASSIGN PERSONNEL TO KEY POSITIONS IN RESPONSE TO UNPROGRAMMED/UNANTICIPATED REQUIREMENTS AND TO FILL HIGH PRIORITY UNITS. OPERATIONAL MOVES ARE ALSO REQUIRED TO SUPPORT BASE CLOSURES AND FORCE STRUCTURE CHANGES WHERE THERE IS NO MOVEMENT OF EQUIPMENT. PROJECTED TIME-ON-STATION IS PROGRAMMED TO INCREASE TO MORE THAN FIVE YEARS DUE TO DIMINISHED OVERSEAS REQUIREMENTS. THE ARMY FEELS THAT THE EXTENDED TIME-ON-STATION DOES NOT ALLOW ENOUGH MOVEMENT TO KEEP THE FORCE PROPERLY DISTRIBUTED AND THE RESULTING IMBALANCE WILL HAVE A DIRECT NEGATIVE IMPACT ON PERSONNEL READINESS. HOWEVER, DUE TO AFFORDABLITY, INCREASED OPERATIONAL MOVES NECESSARY TO PROPERLY DISTRIBUTE THE FORCE WERE NOT INCLUDED IN THIS SUBMISSION. IN FACT, DUE TO HIGH PRIORITY ARMY PROGRAMS THE OPERATIONAL MOVE PROGRAM WAS REDUCED BY $10.0M, AS PART OF AN OVERAL $50.0M REDUCTION TO THE PCS PROGRAM.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

PCS OPERATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	4,982	$ 555.00	$ 2,765	4,339	$ 554.97	$ 2,408	4,066	$ 555.09	$ 2,257
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	3,836	460.11	1,765	3,341	460.04	1,537	3,131	459.92	1,440
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	4,833	5,499.90	26,581	4,209	5,609.88	23,612	3,944	5,733.52	22,613
DISLOCATION ALLOWANCE.....	3,836	1,277.37	4,900	3,341	1,308.03	4,370	3,131	1,347.27	4,218
TRAILER ALLOWANCE.....	19	2,594.30	49	17	2,646.19	45	16	2,704.41	43
SUBTOTAL.....			$ 36,060			$ 31,972			$ 30,571
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	17,000	$ 500.00	$ 8,500	17,000	$ 500.00	$ 8,500	15,801	$ 500.03	$ 7,901
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	12,580	410.02	5,158	12,580	410.02	5,158	11,693	409.99	4,794
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	13,430	3,404.69	45,725	13,430	3,472.75	46,639	12,483	3,549.15	44,304
DISLOCATION ALLOWANCE.....	12,580	928.53	11,681	12,580	950.81	11,961	11,693	979.34	11,451
TRAILER ALLOWANCE.....	165	2,594.30	428	165	2,646.19	437	153	2,704.41	414
SUBTOTAL.....			$ 71,492			$ 72,695			$ 68,864
TOTAL PCS OPERATIONAL TRAVEL.....			$ 107,552			$ 104,667			$ 99,435

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 540,420
ESTIMATE FY 1996	$ 573,342
ACTUAL FY 1995	$ 616,300

PROJECT: ROTATIONAL TRAVEL

PART I - PURPOSE AND SCOPE

OFFICERS. COVERS PCS MOVEMENTS OF (1) OFFICERS AND WARRANT OFFICERS FROM PERMANENT DUTY STATIONS IN CONUS TO PERMANENT DUTY STATIONS OVERSEAS; (2) OFFICERS AND WARRANT OFFICERS FROM PERMANENT DUTY STATIONS OVERSEAS TO PERMANENT DUTY STATIONS IN CONUS; (3) OFFICERS AND WARRANT OFFICERS FROM PERMANENT DUTY STATIONS IN ONE OVERSEAS AREA TO PERMANENT DUTY STATIONS IN ANOTHER OVERSEAS AREA WHEN TRANSOCEANIC TRAVEL IS INVOLVED; AND (4) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCE, AND PRIVATELY OWNED VEHICLES OF OFFICERS AND WARRANT OFFICERS WHO ARE INTERNED, MISSING, OR CAPTURED WHEN TRANSOCEANIC TRAVEL IS INVOLVED.

ENLISTED. COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL FROM PERMANENT DUTY STATIONS IN CONUS TO PERMANENT DUTY STATIONS OVERSEAS; (2) ENLISTED PERSONNEL FROM PERMANENT DUTY STATIONS OVERSEAS TO PERMANENT DUTY STATIONS IN CONUS; (3) ENLISTED PERSONNEL FROM PERMANENT DUTY STATIONS OVERSEAS TO PERMANENT DUTY STATIONS IN ANOTHER OVERSEAS AREA WHEN TRANSOCEANIC TRAVEL IS INVOLVED; AND (4) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCES, AND PRIVATELY OWNED VEHICLES OF ENLISTED PERSONNEL WHO ARE INTERNED, MISSING, OR CAPTURED WHEN TRANSOCEANIC TRAVEL IS INVOLVED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ROTATIONAL MOVES ARE DETERMINED BY OVERSEAS END STRENGTH AND THE AVERAGE TIME ACTUALLY SERVED OVERSEAS LESS THE NUMBER OF OVERWATER ACCESSION, SEPARATION, AND UNIT MOVES. THE ARMY HAS 123,000 SOLDIERS STATIONED OVERSEAS WHICH REPRESENT 25% OF TOTAL ARMY END STRENGTH.

TO PROVIDE FOR GREATER FLEXIBILITY THE FUNDING TO SUPPORT IN-PLACE CONSECUTIVE OVERSEAS TOURS AND OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM HAS BEEN TRANSFERRED FROM THE OPERATION AND MAINTENANCE, ARMY APPROPRIATION TO THE MILITARY PERSONNEL, ARMY APPROPRIATION. OVERALL ROTATIONAL MOVE RATE INCREASES DUE TO PRICE INCREASES IN INFLATION, DEFENSE BUSINESS OPERATING FUND RATES, AND PAY RAISE.

THE FY97 ROTATIONAL MOVE PROGRAM INCLUDES $2.6M FOR THE MOVEMENT OF SOUTHCOM HEADQUARTERS TO CONUS AND $5M FOR SUSTAINMENT OF AN INFANTRY BATTALION IN PANAMA.

THE ROTATIONAL MOVE PROGRAM WAS REDUCED BY 5,300 FROM REQUIRED MOVE LEVELS. THIS REDUCTION WAS MADE IN ORDER TO SUPPORT HIGHER PRIORITY PROGRAMS. THIS REDUCTION EQUALS $40.0M.

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	9,913	1,276.81	$ 12,657	9,870	1,290.68	$ 12,739	8,650	1,304.97	$ 11,288
DEPENDENT TRAVEL.....	8,426	1,605.86	13,531	8,390	1,624.67	13,631	7,353	1,644.36	12,091
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	9,338	6,043.37	56,433	9,298	6,164.12	57,314	8,147	6,299.74	51,324
- OVERSEAS.....	25,269	380.94	9,626	25,159	410.67	10,332	22,049	434.67	9,584
TRAILER ALLOWANCE.....	78	2,602.56	203	78	2,641.03	206	68	2,705.88	184
DISLOCATION ALLOWANCE...	8,426	1,231.19	10,374	8,390	1,260.79	10,578	7,353	1,298.52	9,548
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND	5,948	1,298.59	7,724	5,922	1,551.84	9,190	5,190	1,735.07	9,005
- PORT HANDLING (MTMC)	5,948	335.41	1,995	5,922	360.69	2,136	5,190	335.45	1,741
PORT HANDLING (HHG).....	87,748	50.03	4,390	87,368	53.77	4,698	76,568	50.02	3,830
SUBTOTAL.....			$ 116,933			$ 120,824			$ 108,595

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	81,198	1,076.82	$ 87,436	70,762	1,090.61	$ 77,174	65,657	1,104.94	$ 72,547
DEPENDENT TRAVEL.....	50,343	1,324.28	66,668	43,872	1,335.20	58,578	40,707	1,346.50	54,812
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	64,341	3,309.62	212,944	56,072	3,375.84	189,290	52,027	3,450.07	179,497
- OVERSEAS.....	38,732	408.37	15,817	33,754	438.29	14,794	31,318	462.61	14,488
TRAILER ALLOWANCE.....	187	2,598.93	486	163	2,644.17	431	151	2,701.99	408
DISLOCATION ALLOWANCE...	50,343	872.10	43,904	43,872	893.03	39,179	40,707	919.82	37,443
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND	40,600	1,298.60	52,723	35,382	1,551.83	54,907	32,829	1,734.93	56,956
- PORT HANDLING (MTMC)	40,600	335.52	13,622	35,382	360.69	12,762	32,829	335.44	11,012
PORT HANDLING (HHG).....	141,683	40.70	5,767	123,474	43.76	5,403	114,565	40.69	4,662
SUBTOTAL.....			$ 499,367			$ 452,518			$ 431,825
TOTAL PCS ROTATIONAL TRAVEL.....			$ 616,300			$ 573,342			$ 540,420

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 164,254
ESTIMATE FY 1996	$ 159,291
ACTUAL FY 1995	$ 169,189

PROJECT: SEPARATION TRAVEL

PART I - PURPOSE AND SCOPE

OFFICERS. COVERS PCS MOVEMENTS OF (1) OFFICERS AND WARRANT OFFICERS UPON RELEASE OR SEPARATION FROM THE SERVICE FROM LAST PERMANENT DUTY STATION TO HOME OF RECORD, POINT OF ENTRY INTO SERVICE, OR TO HOME OF SELECTION WHEN AUTHORIZED BY LAW AND (2) DEPENDENTS, HOUSEHOLD GOODS, TRAILER ALLOWANCES, AND PERSONAL EFFECTS OF OFFICERS AND WARRANT OFFICERS WHO ARE DECEASED.

ENLISTED. COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL UPON RELEASE OR SEPARATION FROM THE SERVICE FROM LAST PERMANENT DUTY STATION TO HOME OF RECORD, POINT OF ENTRY INTO SERVICE, OR TO HOME OF SELECTION WHEN AUTHORIZED BY LAW AND (2) DEPENDENTS, HOUSEHOLD GOODS, TRAILER ALLOWANCES, AND PERSONAL EFFECTS OF ENLISTED PERSONNEL WHO ARE DECEASED.

CADETS. COVERS PCS MOVEMENTS OF CADETS ELIMINATED FROM THE ACADEMY TO HOME OF RECORD OR POINT OF ENTRY INTO SERVICE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SEPARATIONS ARE BASED ON PROJECTED PERSONNEL LOSSES. THE OVERALL SEPARATION RATE INCREASES DUE TO COST GROWTH IN THE DEFENSE BUSINESS OPERATING FUND RATES, INFLATION, AND PAY RAISE. DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	9,047	560.19	$ 5,068	7,373	563.14	$ 4,152	7,014	566.01	$ 3,970
DEPENDENT TRAVEL.....	6,333	314.86	1,994	5,161	317.96	1,641	4,910	320.98	1,576
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	4,568	4,566.11	20,858	3,723	4,657.53	17,340	3,542	4,760.02	16,860
- OVERSEAS.....	1,208	504.14	609	985	537.06	529	937	561.37	526
TRAILER ALLOWANCE.....	43	2,594.30	112	35	2,646.19	93	34	2,704.41	92
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	1,045	1,298.60	1,357	851	1,551.82	1,321	810	1,734.94	1,405
- PORT HANDLING (MTMC)...	1,045	335.52	351	851	360.69	307	810	335.44	272
PORT HANDLING (HHG).....	19,000	40.67	773	15,480	43.72	677	14,730	40.66	599
SUBTOTAL.....			$ 31,122			$ 26,060			$ 25,300
CADETS.....	210	307.20	$ 65	212	307.20	$ 65	255	307.20	$ 78

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	90,606	514.90	$ 46,653	85,461	517.93	$ 44,263	87,411	521.09	$ 45,549
DEPENDENT TRAVEL.....	19,027	328.80	6,256	17,947	332.20	5,962	18,356	335.75	6,163
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	24,527	3,020.92	74,094	23,134	3,081.35	71,284	23,662	3,149.10	74,514
- OVERSEAS.....	6,229	493.98	3,077	5,875	524.26	3,080	6,009	549.68	3,303
TRAILER ALLOWANCE.....	272	2,594.30	706	256	2,646.19	677	262	2,704.41	709
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	3,987	1,298.60	5,178	3,760	1,551.82	5,835	3,846	1,734.94	6,673
- PORT HANDLING (MTMC)...	3,987	335.52	1,338	3,760	360.69	1,356	3,846	335.44	1,290
PORT HANDLING (HHG).....	23,322	29.99	700	21,997	32.24	709	22,499	29.99	675
SUBTOTAL.....			$ 138,002			$ 133,166			$ 138,876
TOTAL PCS SEPARATION TRAVEL.....			$ 169,189			$ 159,291			$ 164,254

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 10,815
ESTIMATE FY 1996	$ 30,589
ACTUAL FY 1995	$ 31,578

PROJECT: TRAVEL OF ORGANIZED UNITS

PART I - PURPOSE AND SCOPE

OFFICERS. COVERS PCS MOVEMENTS (CONUS OR OVERSEAS), OF (1) OFFICERS AND WARRANT OFFICERS DIRECTED TO MOVE AS MEMBERS OF AN ORGANIZED UNIT MOVEMENT AND (2) OFFICER AND WARRANT OFFICER FILLERS AND REPLACEMENTS DIRECTED TO MOVE AS PART OF THE UNIT MOVE.

ENLISTED. COVERS PCS MOVEMENTS (CONUS OR OVERSEAS), OF (1) ENLISTED PERSONNEL DIRECTED TO MOVE AS MEMBERS OF AN ORGANIZED UNIT MOVEMENT AND (2) ENLISTED FILLERS AND REPLACEMENTS DIRECTED TO MOVE AS PART OF THE UNIT MOVE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

UNIT MOVES ARE REQUIRED TO SUPPORT CHANGES IN FORCE STRUCTURE THAT NECESSITATE REALIGNMENT OF FORCES TO CORRECT IMBALANCES OF SUPPORT/COMMAND/CONTROL UNITS, TO MAINTAIN UNIT TACTICAL INTEGRITY AND TO SUPPORT BASE REALIGNMENT AND CLOSURE INITIATIVES. THE ESTIMATE IS BASED ON POINT-TO-POINT UNIT MOVES. THE NUMBER OF UNITS MOVES ARE CYCLICAL AS THE ARMY REPOSITIONS THE FORCE STRUCTURE IN RESPONSE TO AN EVOLVING GLOBAL FOCUS, THE FIELDING OF NEW EQUIPMENT/UNITS, AND TO SUPPORT BASE CLOSURES/REALIGNMENTS FROM PREVIOUSLY ANNOUNCED BRAC ACTIONS. UNIT MOVES THAT MAY BE REQUIRED TO SUPPORT BRAC 95 INITIATIVES ARE NOT FUNDED IN THIS SUBMISSION DUE TO AFFORDABILITY.

UNIT MOVE RATES INCREASE DUE TO INFLATION AND PAY RAISE. DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

PCS ORGANIZED UNIT TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	1,362	$ 400.15	$ 545	1,042	$ 400.19	$ 417	527	$ 400.38	$ 211
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	1,062	330.51	351	813	329.64	268	411	330.90	136
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	1,076	5,500.00	5,918	823	5,609.96	4,617	416	5,733.17	2,385
DISLOCATION ALLOWANCE.....	1,090	1,363.46	1,486	834	1,396.18	1,164	422	1,438.07	607
TRAILER ALLOWANCE.....	11	2,594.30	29	8	2,646.19	21	4	2,704.41	11
SUBTOTAL.....			$ 8,329			$ 6,487			$ 3,350
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	7,327	$ 349.94	$ 2,564	7,467	$ 349.94	$ 2,613	2,268	$ 350.09	$ 794
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	4,469	330.28	1,476	4,555	330.19	1,504	1,383	330.44	457
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	4,543	3,217.92	14,619	4,630	3,282.29	15,197	1,406	3,354.91	4,717
DISLOCATION ALLOWANCE.....	4,616	954.41	4,406	4,704	977.31	4,597	1,429	1,006.63	1,438
TRAILER ALLOWANCE.....	71	2,594.30	184	72	2,646.19	191	22	2,704.41	59
SUBTOTAL.....			$ 23,249			$ 24,102			$ 7,465
TOTAL PCS ORGANIZED UNIT TRAVEL.....			$ 31,578			$ 30,589			$ 10,815

PCS - NON-TEMPORARY STORAGE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995 AMOUNT	ESTIMATE FY 1996 AMOUNT	ESTIMATE FY 1997 AMOUNT
NON-TEMPORARY STORAGE	$ 22,891	$ 22,961	$ 23,144
TEMPORARY LODGING EXPENSE	22,858	20,677	18,461
TOTAL OBLIGATIONS	$ 1,118,613	$ 1,074,352	$ 1,039,885
LESS: REIMBURSABLE OBLIGATIONS	6,000	8,000	8,000
TOTAL DIRECT OBLIGATIONS	$ 1,112,613	$ 1,066,352	$ 1,031,885

SECTION 4
SCHEDULE OF INCREASES AND DECREASES

OTHER MILITARY PERSONNEL COSTS		AMOUNT
FY 1996 DIRECT PROGRAM		$ 199,602
INCREASES:		
A. EDUCATION BENEFITS -- TRUST FUND AMORTIZATION RATE INCREASE, LIABILITY PAYMENT, AND INCREASE IN ACCESSIONS	14,050	
TOTAL INCREASES:		$ 14,050
DECREASES:		
A. DEATH GRATUITIES -- MANYEAR DECREASES	-60	
B. APPREHENSION OF DESERTERS -- MANYEAR DECREASES	-1	
C. UNEMPLOYMENT BENEFITS EXPECTED DECREASE IN UNEMPLOYMENT BENEFIT RECIPIENTS	-3,901	
D. INTEREST ON SOLDIER DEPOSIT -- MANYEAR DECREASES	-2	
E. SURVIVOR BENEFITS -- EXPECTED PROGRAM DECREASE	-1,107	
TOTAL DECREASES:		$ -5,071
FY 1997 DIRECT PROGRAM		$ 208,581

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 790
ESTIMATE FY 1996	$ 791
ACTUAL FY 1995	$ 925

PROJECT: APPREHENSION OF DESERTERS

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED PROVIDE FOR EXPENSES IN CONNECTION WITH THE APPREHENSION OF DESERTERS, ABSENTEES, AND ESCAPED MILITARY PRISONERS AND FOR THEIR DELIVERY TO THE CONTROL OF THE DEPARTMENT OF DEFENSE. INCLUDED IS THE COST OF DETENTION AND SUBSISTENCE FURNISHED 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 (NOT TO EXCEED $75.00 IN EITHER CASE), AND COST OF TRANSPORTATION, LODGING, AND SUBSISTENCE OF AN ESCORT GUARD.

PART II - JUSTIFICATION OF FUNDS REQUESTED

COST ESTIMATES ARE BASED ON FACTORS DEVELOPED FROM CURRENT EXPENDITURE EXPERIENCE AS APPLIED AGAINST PROGRAMMED MANYEARS.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OTHER MILITARY PERSONNEL COSTS
APPREHENSION OF DESERTERS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
TRAVEL AND OTHER EXPENSES INCIDENT TO THE APPREHENSION AND DELIVERY OF DESERTERS, PRISONERS AND SOLDIERS AWOL INCLUDING PAYMENT OF CONFINEMENT OF MILITARY PRISONERS IN NONMILITARY FACILITIES.....	$ 925	$ 791	$ 790

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 2,190
ESTIMATE FY 1996	$ 2,250
ACTUAL FY 1995	$ 2,400

PROJECT: DEATH GRATUITIES

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED ARE FOR THE PAYMENT OF DEATH GRATUITIES TO BENEFICIARIES OF DECEASED MILITARY PERSONNEL AS AUTHORIZED BY LAW. DEATH GRATUITIES ARE COMPOSED OF BASIC PAY, INCENTIVE PAY, AND OVERSEAS PAY, IF APPLICABLE. THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY92 AND FY93, SECTION 652, AMENDS SECTION 1478(a) OF TITLE 10 U.S.C. INCREASING THE MAXIMUM AMOUNT PAYABLE TO $6,000.

PART II - JUSTIFICATION OF FUNDS REQUESTED

FUND REQUIREMENTS ARE BASED ON THE MOST RECENT MORTALITY RATES AS APPLIED AGAINST PROGRAMMED MANYEARS OF PERSONNEL.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OTHER MILITARY PERSONNEL COSTS
DEATH GRATUITIES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
DEATH GRATUITIES	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER.....	47	$ 6,000.00	$ 282	37	$ 6,000.00	$ 222	35	$ 6,000.00	$ 210
ENLISTED.....	353	6,000.00	2,118	338	6,000.00	2,028	330	6,000.00	1,980
CADETS.....	0	6,000.00	0	0	6,000.00	0	0	6,000.00	0
TOTAL.....	400		$ 2,400	375		$ 2,250	365		$ 2,190

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 121,462
ESTIMATE FY 1996	$ 125,363
ACTUAL FY 1995	$ 194,795

PROJECT: UNEMPLOYMENT BENEFITS PAID TO EX-SERVICE MEMBERS

PART I - PURPOSE AND SCOPE

FUNDS ARE TO PAY UNEMPLOYMENT BENEFITS 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. GENERALLY, ELIGIBILITY IS DEFINED AS ACTIVE SERVICE IN THE ARMY WHEREUPON THE INDIVIDUAL WAS DISCHARGED UNDER HONORABLE CONDITIONS (AND IF AN OFFICER DID NOT RESIGN FOR THE GOOD OF THE SERVICE); AND HAD COMPLETED HIS FIRST FULL TERM OF ACTIVE SERVICE; OR WAS DISCHARGED BEFORE COMPLETING HIS FIRST TERM UNDER AN EARLY RELEASE PROGRAM, BECAUSE OF HARDSHIP, FOR MEDICAL REASONS, OR FOR PERSONAL DISORDERS, OR INAPTITUDE (BUT ONLY IF THE SERVICE WAS CONTINUOUS FOR 365 DAYS OR MORE).

THE EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1991 (P.L. 102-164) EXTENDED UNEMPLOYMENT COMPENSATION BENEFITS FOR FORMER MILITARY PERSONNEL UP TO 26 WEEKS WITH A ONE-WEEK WAITING PERIOD AS OPPOSED TO 13 WEEKS AFTER A FOUR-WEEK WAIT. THE ACT ALSO REDUCED THE AMOUNT OF ACTIVE DUTY IN A RESERVE STATUS FROM 180 CONTINUOUS DAYS TO 90 CONTINUOUS DAYS NECESSARY TO BE CONSIDERED "FEDERAL SERVICE" FOR CLAIM PURPOSES.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATED UNEMPLOYMENT BENEFIT PAYMENTS ARE BASED ON PROGRAMMED LOSSES FROM THE ARMY'S MANPOWER PROGRAM AND AVERAGE MONTHLY BENEFIT AMOUNTS OF COMPENSATION FROM DEPARTMENT OF LABOR. AN ANTICIPATED DECREASE IN THE NUMBER OF LOSSES AS WELL AS AN EXPECTED DECLINE IN THE NUMBER OF WEEKS THAT AN EX-SERVICE MEMBER WILL RECEIVE UNEMPLOYMENT BENEFITS, REDUCES THE REQUIREMENT BY -$3.9 MILLION FROM FY96 TO FY97.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OTHER MILITARY PERSONNEL COSTS
UNEMPLOYEMENT BENEFITS PAID TO EX-SERVICE MEMBERS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNEMPLOYMENT BENEFITS									
OFFICER.....									
ENLISTED.....	60,339	3,228.35	194,795	38,764	3,234.01	125,363	37,594	3,230.88	121,462
TOTAL.....	60,339		$ 194,795	38,764		$ 125,363	37,594		$ 121,462

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 7,175
ESTIMATE FY 1996	$ 8,282
ACTUAL FY 1995	$ 10,742

PROJECT: SURVIVOR BENEFITS

PART I - PURPOSE AND SCOPE

FUNDS ARE REQUESTED TO PROVIDE FOR PAYMENTS OF RESTORED SOCIAL SECURITY BENEFITS TO WIDOWS AND ORPHANS OF DECEASED ARMY MILITARY PERSONNEL. THESE BENEFITS WERE WITHDRAWN UNDER PUBLIC LAW 97-35, WHICH TERMINATED THE "MOTHER'S MILK BENEFIT" WHEN THE LAST CHILD IN CUSTODY OF THE SURVIVING SPOUSE REACHED AGE 16, RATHER THAN 18, AND AFFECTED THE "SCHOOL CHILD" BY EITHER ELIMINATING BENEFIT PAYMENTS OR BY REQUIRING A REDUCTION IN BENEFITS. SECTION 156 OF PUBLIC LAW 97-37 MODIFIED BY SECTION 943 OF THE DOD AUTHORIZATION ACT, 1984, P.L.98-94, STAT. 614, RESTORED THESE SOCIAL SECURITY BENEFITS TO SURVIVORS OF MILITARY MEMBERS AND DIRECTED THE DEPARTMENT OF DEFENSE TO BUDGET FOR THIS REQUIREMENT.

PART II - JUSTIFICATION OF FUNDS REQUESTED

COST ESTIMATES FROM THE DEPARTMENT OF VETERANS AFFAIRS ARE BASED ON AVERAGE BENEFIT PAYMENTS AND CASELOAD FOR SPOUSES AND CHILDREN IN SCHOOL.

COST ESTIMATES PROVIDED IN THE FOLLOWING TABLE:

OTHER MILITARY PERSONNEL COSTS
SURVIVOR BENEFITS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
SURVIVOR BENEFIT COSTS.....	$ 10,742	$ 8,282	$ 7,175

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 350
ESTIMATE FY 1996	$ 350
ACTUAL FY 1995	$ 500

PROJECT: ADOPTION COSTS

PART I - PURPOSE AND SCOPE

SECTION 651 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY92 AND FY93 PERMANENTLY ESTABLISHED THE ADOPTION PROGRAM TO REIMBURSE SERVICE MEMBERS FOR ADOPTION EXPENSES.

PART II - JUSTIFICATION OF FUNDS REQUIRED

THE AVERAGE AMOUNT PAYABLE IS $2,000 PER ADOPTION.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OTHER MILITARY PERSONNEL COSTS
ADOPTION EXPENSES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ADOPTION EXPENSES.....	250	2,000.00	$ 500	175	2,000.00	$ 350	175	2,000.00	$ 350

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 120
ESTIMATE FY 1996	$ 122
ACTUAL FY 1995	$ 149

PROJECT: INTEREST ON SOLDIER'S DEPOSIT

PART I - PURPOSE AND SCOPE

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY92 AND FY93, SECTION 639 AMENDS SECTION 1035 OF TITLE 10 U.S.C. THIS SECTION ESTABLISHES A SAVINGS PROGRAM FOR OVERSEAS MEMBERS PARTICIPATING IN DESERT STORM. PRECEDENCE FROM VIETNAM INDICATES THAT THE DEPARTMENT OF ARMY WILL BE REQUIRED TO FUND THE DIFFERENCE BETWEEN TEN PERCENT PAID AND THE AVERAGE TREASURY BILL RATES.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE AMOUNT BUDGETED IS BASED ON CURRENT EXECUTION AND THE NUMBER OF ARMY PARTICIPANTS.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OTHER MILITARY PERSONNEL COSTS
INTEREST ON SOLDIERS' DEPOSIT
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
INTEREST ON SOLDIERS' DEPOSIT.....									
OFFICER.....	118	475.00	56	99	475.00	47	96	475.00	46
ENLISTED.....	296	315.00	93	238	315.00	75	236	315.00	74
TOTAL.....	414		$ 149	337		$ 122	332		$ 120

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1997	$ 76,754
ESTIMATE FY 1996	$ 62,704
ACTUAL FY 1995	$ 62,097

PROJECT: EDUCATIONAL BENEFITS

PART I - PURPOSE AND SCOPE

FUNDS ARE FOR THE PAYMENT TO THE DEPARTMENT OF DEFENSE EDUCATIONAL BENEFITS TRUST FUND. THE ARMY COLLEGE FUND IS GOVERNED BY TITLE 38 U.S.C., CHAPTER 30. THE PROGRAM WILL FUND ADDITIONAL AND SUPPLEMENTAL BENEFIT PAYMENTS ABOVE A BASIC BENEFIT TO BE BUDGETED BY THE VETERANS ADMINISTRATION. THIS PROGRAM IS BUDGETED ON AN ACCRUAL BASIS BY THE DEPARTMENT OF DEFENSE. ACTUAL BENEFIT PAYMENTS TO INDIVIDUALS WILL BE MADE BY THE DEPARTMENT OF VETERANS AFFAIRS FROM FUNDS TRANSFERRED FROM THE TRUST FUND ACCOUNT.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ALL INDIVIDUALS ENTERING ACTIVE DUTY AFTER JULY 1, 1985 (INCLUDING THOSE IN THE DELAYED ENTRY PROGRAM) EXCEPT THOSE WHO HAVE RECEIVED A COMMISSION FROM A SERVICE ACADEMY OR COMPLETED AN ROTC SCHOLARSHIP PROGRAM ARE ELIGIBLE TO RECEIVE ADDITIONAL AND SUPPLEMENTAL EDUCATIONAL ASSISTANCE AT THE DISCRETION OF THE SECRETARY OF DEFENSE UNLESS THEY ELECT NOT TO PARTICIPATE IN THE BASIC PROGRAM.

THE BOARD OF ACTUARIES ESTABLISHED NEW AMORTIZATION RATES FOR FY93-FY97, REQUIRING THE ARMY TO BEGIN MAKING CONTRIBUTIONS INTO THE FUND, EFFECTIVE 1 OCTOBER 92. BETWEEN FY96 AND FY97 THE ESTIMATE INCREASES BY $14.1 MILLION DUE TO AN INCREASE IN AMORTIZATION RATES, THE REQUIRED ANNUAL AMORTIZATION PAYMENTS TOTALING $29.9 MILLION, AND AN ANTICIPATED INCREASE IN ACCESSIONS.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

OTHER MILITARY PERSONNEL COSTS
EDUCATIONAL BENEFITS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
FOUR YEAR OBLIGATION.....	$ 12,479	$ 14,752	$ 18,260
THREE YEAR OBLIGATION.....	16,202	12,241	14,737
TWO YEAR OBLIGATION.....	8,445	7,779	8,687
2YR ACT/2YR SEL RES/4YR IND RDY RES.....			
AMORTIZATION PAYMENTS	24,971	23,264	29,858
TOTAL EDUCATIONAL BENEFITS.....	$ 62,097	$ 62,704	$ 76,754
TOTAL DIRECT OMPC OBLIGATION AMOUNTS.....	$ 271,308	$ 199,602	$ 208,581

SECTION 5
MILITARY PERSONNEL, ARMY DBOF REIMBURSEMENT PROGRAM
INTRODUCTION

THE DEFENSE MANAGEMENT RESOURCE DECISION (DMRD) 971 ESTABLISHED THE DEFENSE BUSINESS OPERATIONS FUND (DBOF) IN ORDER TO EXPAND THE USE OF BUSINESS LIKE FINANCIAL MANAGEMENT PRACTICES. DBOF WAS INITIATED TO IMPROVE THE TOOLS AVAILABLE TO MANAGERS OF THE SUPPORT ESTABLISHMENT BY COLLECTING ALL COSTS RELATED TO GOODS AND SERVICES, INCLUDING MILITARY COSTS. PRIOR TO DMRD 971 DBOF ACTIVITIES DID NOT PAY FOR THE COST OF MILITARY SUPPORT. REIMBURSEMENTS REQUESTED ARE FOR THE COST OF BASE PAY AND ENTITLEMENTS FOR MILITARY PERSONNEL ASSIGNED TO DBOF ACTIVITIES.

JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATED REIMBURSEMENTS ARE BASED ON THE DEPARTMENT OF UNDER SECRETARY OF DEFEENSE (COMPTROLLER) GUIDANCE. ESTIMATED MANPOWER REFLECTS THE NUMBER OF WORKYEARS FOR EACH DBOF BUSINESS AREA.

DETAILED COST BY DBOF ACTIVITY IS PROVIDED BY THE FOLLOWING TABLE:

SECTION 5
DBOF REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1995		ESTIMATE FY 1996		ESTIMATE FY 1997	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
SUPPLY MGMT	21	$ 1,426	12	$ 983	9	$ 683
DEPOT MAINT-ORD	20	1,398	15	1,107	13	1,089
DEPOT MAINT-OTH	61	4,585	61	5,207	44	3,249
AMC	102	7,410	88	7,297	66	5,021
USAISC	0	0	63	4,164	53	3,647
ICP's	0	0	2	155	2	160
DRMS	3	250	2	183	2	188
DCMC	89	7,124	101	8,249	103	8,336
DEPOTS	33	2,783	35	2,870	35	2,955
DLA	125	10,157	140	11,457	142	11,639
DFAS	59	4,707	52	3,637	52	4,180
DECA	11	862	11	841	9	619
DECCO	3	233	3	226	2	147
DISO	36	2,688	16	689	16	1,297
DISA	39	2,920	19	915	18	1,443
JLSC	2	188	3	254	2	160
MTMC	117	9,171	106	8,100	106	8,829
DEFENSE COURIER	0	0	12	0	12	777
TRANSCOM	69	5,622	68	6,100	69	5,680
TOTAL TRANSCOM	186	14,792	186	14,200	187	15,286
TOTAL	524	$ 41,037	562	$ 42,765	529	$ 41,994

SECTION 5
DBOF REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

ENLISTED

	ACTUAL FY 1995		ESTIMATE FY 1996		ESTIMATE FY 1997	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
SUPPLY MGMT	31	$ 903	10	$ 291	9	$ 299
DEPOT MAINT-ORD	40	1,144	10	423	10	324
DEPOT MAINT-OTH	352	8,927	160	2,336	68	2,006
AMC	423	10,974	180	3,050	87	2,629
USAISC	0	0	237	5,789	183	4,928
ICP's	0	0	0	0	0	0
DRMS	22	673	27	800	27	825
DCMC	38	1,153	45	1,343	45	1,393
DEPOTS	27	814	37	1,100	37	1,134
DLA	87	2,640	109	3,243	109	3,352
DFAS	471	12,596	449	10,563	447	12,101
DECA	12	355	8	202	2	67
DECCO	12	352	12	345	9	262
DISO	144	3,994	65	1,120	65	1,787
DISA	156	4,346	77	1,465	74	2,049
JLSC	1	28	1	27	1	28
MTMC	147	4,176	146	4,900	146	4,338
DEFENSE COURIER	0	0	35	0	98	2,874
TRANSCOM	35	984	98	4,200	35	990
TOTAL TRANSCOM	182	5,160	279	9,100	279	8,202
TOTAL	1,332	$ 36,098	1,340	$ 33,440	1,182	$ 33,356

SECTION 5
DBOF REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

TOTAL

	ACTUAL FY 1995		ESTIMATE FY 1996		ESTIMATE FY 1997	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
SUPPLY MGMT	52	$ 2,329	22	$ 1,274	18	$ 982
DEPOT MAINT-ORD	60	2,542	25	1,530	23	1,413
DEPOT MAINT-OTH	413	13,513	221	7,543	112	5,255
AMC	525	18,384	268	10,347	153	7,650
USAISC	0	0	300	9,954	236	8,574
ICP's	0	0	2	155	2	160
DRMS	25	923	29	983	29	1,013
DCMC	127	8,276	146	9,592	148	9,729
DEPOTS	60	3,597	72	3,970	72	4,089
DLA	212	12,797	249	14,700	251	14,991
DFAS	530	17,303	501	14,200	499	16,282
DECA	23	1,217	19	1,043	11	685
DECCO	15	585	15	571	11	409
DISO	180	6,682	81	1,809	81	3,084
DISA	195	7,266	96	2,380	92	3,492
JLSC	3	216	4	281	3	188
MTMC	264	13,346	252	13,000	252	13,167
DEFENSE COURIER	0	0	47	0	110	3,652
TRANSCOM	104	6,606	166	10,300	104	6,669
TOTAL TRANSCOM	368	19,953	465	23,300	466	23,488
TOTAL	1,856	$ 77,135	1,902	$ 76,205	1,711	$ 75,350

SECTION 5

SCHEDULE OF MILITARY PERSONNEL ASSIGNED OUTSIDE DOD

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
NONREIMBURSABLE									
EXECUTIVE OFFICE OF THE PRESIDENT.....	18	9	27	18	9	27	18	11	29
NATIONAL SECURITY COUNCIL.....	3	0	3	3	0	3	3	6	9
INTERIOR DEPARTMENT.....	0	0	0	0	0	0	0	0	0
STATE DEPARTMENT.....	21	1	22	21	1	22	20	6	26
ENERGY DEPARTMENT.....	8	0	8	8	0	8	8	0	8
UN TRUCE SUPERVISOR.....	16	1	17	16	1	17	16	1	17
FEDERAL EMERGENCY MANAGEMENT AGENCY....	4	1	5	4	1	5	9	35	44
JUSTICE DEPARTMENT.....	18	7	25	18	7	25	18	8	26
TREASURY DEPARTMENT.....	1	0	1	1	0	1	1	0	1
EXECUTIVE OFFICE OF THE VICE PRESIDENT.	0	2	2	0	2	2	0	2	2
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
TOTAL NONREIMBURSABLE.....	89	21	110	89	21	110	93	69	162
REIMBURSABLE									
OFFICE OF JOINT INTELLIGENT COORD.....	0	0	0	0	0	0	0	0	0
ENERGY DEPARTMENT.....	2	0	2	2	0	2	2	0	2
AMERICAN BATTLE MON COMMITTEE.....	6	0	6	6	0	6	6	0	6
ARMS CONTROL DISARMAMENT AGENCY.....	7	0	7	7	0	7	7	0	7
AID.....	6	0	6	6	0	6	6	0	6
CLASSIFIED ACT.....	17	26	43	16	24	40	15	5	20
JUSTICE DEPARTMENT.....	2	4	6	2	4	6	2	4	6
NASA.....	5	0	5	5	0	5	5	0	5
TRANSPORTATION DEPARTMENT (FAA).....	4	0	4	4	0	4	4	0	4
SELECTIVE SERVICE.....	0	1	1	0	1	1	0	1	1
FEDERAL EMERGENCY MANAGEMENT AGENCY....	0	0	0	0	0	0	0	0	0
VETERANS ADMINISTRATION.....	5	0	5	5	0	5	5	0	5
NATIONAL SCIENCE FOUNDATION.....	4	11	15	4	11	15	4	7	11
TOTAL REIMBURSABLE.....	58	42	100	57	40	97	56	17	73
TOTAL OUTSIDE DOD.....	147	63	210	146	61	207	149	86	235

SECTION 5
SCHEDULE OF MILITARY PERSONNEL ASSIGNED OUTSIDE DOD

	ACTUAL FY 1995			ESTIMATE FY 1996			ESTIMATE FY 1997		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
ASSIGNED TO DOD IN SUPPORT OF NON-DOD FUNCTIONS REIMBURSABLE:									
FOREIGN MILITARY SALES.....	7	2	9	7	2	9	7	5	12
MILITARY ASSIST PROGRAM.....	0	0	0	0	0	0	0	0	0
AIF / SF / DBOF	524	1,332	1,856	562	1,340	1,902	529	1,182	1,711
TOTAL OTHER.....	531	1,334	1,865	569	1,342	1,911	536	1,187	1,723
TOTAL NONREIMBURSABLE.....	89	21	110	89	21	110	93	69	162
TOTAL REIMBURSABLE.....	58	42	100	57	40	97	56	17	73
GRAND TOTAL.....	678	1,397	2,075	715	1,403	2,118	685	1,273	1,958

SECTION 5 - REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
MEDICAL	$ 24,425	$ 38,000	$ 6,900
FOREIGN MILITARY SALES	$ 38,805	$ 76,742	$ 32,349
TRAINING	28,117	63,900	19,342
PCS TRAVEL	5,580	7,580	7,580
ADMINISTRATIVE SURCHARGE	5,108	5,262	5,427
OTHER NON-STRENGTH	$ 550	$ 510	$ 57,508
SUBSISTENCE IN KIND	0	0	56,998
CLOTHING	250	250	250
OTHER MILITARY COSTS	300	260	260
STRENGTH RELATED	$ 102,156	$ 103,958	$ 110,543
OFFICER	53,709	60,839	63,750
ENLISTED	48,027	42,699	46,373
PCS TRAVEL	420	420	420
TOTAL PROGRAM	$ 165,936	$ 219,210	$ 207,300

SECTION 5 - REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
STRENGTH RELATED	$ 101,736	$ 103,538	$ 110,123
TOTAL END STRENGTH	1,965	2,008	1,817
ENLISTED	1,376	1,382	1,224
OFFICER	589	626	593
TOTAL MANYEARS	1,962	2,004	1,813
ENLISTED	1,375	1,381	1,223
OFFICER	587	623	590
FEDERAL AGENCIES			
OFFICER	$ 9,297	$ 16,000	$ 19,064
END STRENGTH	58	57	57
MANYEARS	56	54	54
ENLISTED	$ 6,906	$ 8,807	$ 11,671
END STRENGTH	42	40	40
MANYEARS	41	39	39
TOTAL	$ 16,203	$ 24,807	$ 30,735
END STRENGTH	100	97	97
MANYEARS	97	93	93
MAAGS, MISSIONS, AND MILITARY GROUPS			
OFFICER	$ 1,162	$ 2,074	$ 2,471
END STRENGTH	7	7	7
MANYEARS	7	7	7
ENLISTED	$ 337	$ 452	$ 599
END STRENGTH	2	2	2
MANYEARS	2	2	2
TOTAL	$ 1,499	$ 2,526	$ 3,070
END STRENGTH	9	9	9
MANYEARS	9	9	9

SECTION 5 - REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

DEFENSE BUSINESS OPERATIONS FUND (DBOF)	ACTUAL FY 1995	ESTIMATE FY 1996	ESTIMATE FY 1997
OFFICER	$ 43,250	$ 42,765	$ 42,215
END STRENGTH	524	562	529
MANYEARS	524	562	529
ENLISTED	$ 40,784	$ 33,440	$ 34,103
END STRENGTH	1,332	1,340	1,182
MANYEARS	1,332	1,340	1,182
TOTAL	$ 84,034	$ 76,205	$ 76,318
END STRENGTH	1,856	1,902	1,711
MANYEARS	1,856	1,902	1,711