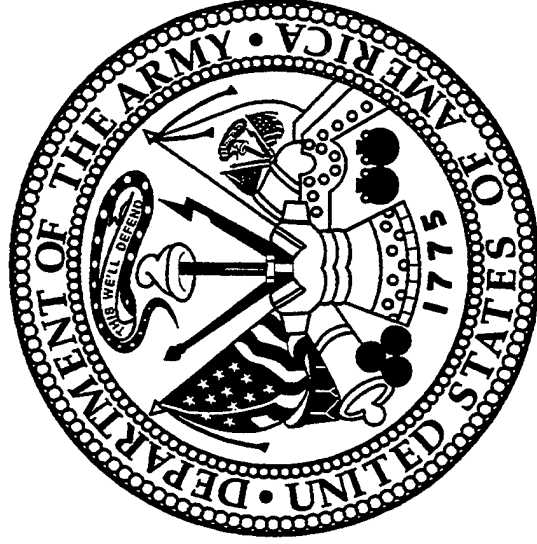


DEPARTMENT OF THE

ARMY

FY 1998/1999 BIENNIAL BUDGET ESTIMATES

Submitted to Congress, February 1997



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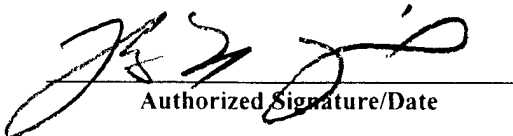
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DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FY 1998/1999

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

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
DIRECT PROGRAM				
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 5,808,031	\$ 5,826,230	\$ 5,740,604	\$ 5,957,677
PAY AND ALLOWANCES FOR ENLISTED.....	12,456,892	12,476,363	12,469,688	12,625,307
PAY AND ALLOWANCES FOR CADETS.....	35,495	36,903	38,679	39,876
SUBSISTENCE OF ENLISTED PERSONNEL...	768,609	1,045,188	1,036,081	1,069,423
PERMANENT CHANGE OF STATION TRAVEL..	1,066,352	1,056,245	1,064,845	1,088,609
OTHER MILITARY PERSONNEL COSTS.....	199,602	207,381	179,360	182,036
TOTAL DIRECT PROGRAM.....	\$ 20,334,981	\$ 20,648,310	\$ 20,529,257	\$ 20,962,928
REIMBURSABLE PROGRAM				
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 88,100	\$ 73,121	\$ 76,392	\$ 79,319
PAY AND ALLOWANCES FOR ENLISTED.....	65,500	68,921	64,102	66,237
SUBSISTENCE OF ENLISTED PERSONNEL...	0	56,998	58,423	59,884
PERMANENT CHANGE OF STATION TRAVEL..	8,000	8,000	8,000	8,000
OTHER MILITARY PERSONNEL COSTS.....	260	260	150	150
TOTAL REIMBURSABLE PROGRAM.....	\$ 161,860	\$ 207,300	\$ 207,067	\$ 213,590
TOTAL PROGRAM				
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 5,896,131	\$ 5,899,351	\$ 5,816,996	\$ 6,036,996
PAY AND ALLOWANCES FOR ENLISTED.....	12,522,392	12,545,284	12,533,790	12,691,544
PAY AND ALLOWANCES FOR CADETS.....	35,495	36,903	38,679	39,876
SUBSISTENCE OF ENLISTED PERSONNEL...	768,609	1,102,186	1,094,504	1,129,307
PERMANENT CHANGE OF STATION TRAVEL..	1,074,352	1,064,245	1,072,845	1,096,609
OTHER MILITARY PERSONNEL COSTS.....	199,862	207,641	179,510	182,186
TOTAL OBLIGATIONS.....	\$ 20,496,841	\$ 20,855,610	\$ 20,736,324	\$ 21,176,518

- UNIFIED LEGISLATIVE BUDGET ITEMS INCLUDED IN THE FY98/99 ESTIMATES ARE: (\$000)

	FY 98	FY99
OVERSEAS TOUR EXTENSION PROGRAM (OTEIP)	-1,000	-4,000
BASIC ALLOWANCE FOR SUBSISTENCE (BAS)	12,670	23,084
PARTIAL BAS OFFSET	-12,670	-23,084
PROXIMITY MOVES	300	100
TOTAL	-700	-3,900

- The Overseas Tour Extension Incentive Program will result in savings by encouraging soldiers to extend their tour overseas, thereby reducing PCS costs.
- The Proximity Move Program is designed to protect a soldier's Variable Housing Allowance when he is tied to a fixed mortgage/lease rate and local VHA payments are changed due to a local move.
- The Partial BAS program represents a cost neutral initiative to provide all enlisted soldiers with a BAS payment. It is explained in detail in Budget Activity 4: Enlisted Subsistence.

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 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 combat readiness in units.

Management Characteristics of MPA

MPA is a centrally managed, single-year, open allotment appropriation. Entitlements are set by statute with the biggest cost driver being the average number of personnel on active duty. There are other factors such as overseas strength, marital content, and personnel policy which also impact heavily on costs in this appropriation.

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 is 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 force in FY98 will consist of four corps, 10 active component divisions and eight reserve component divisions. Manpower policy assumptions used to man the force are detailed in the Active Army Military Manpower Program (AAMMP) employed to develop these estimates.

Total End Strength

The Active Army budgeted end strength for FY98 & FY99 is 495,000, reflecting a stable position from the FY97 end strength at the same level.

Officer Strength

In FY98/FY99 the Army's officer force will be 80,300, which is the same as the FY97 level. FY98 represents the first full year of a steady state force. Planned accessions are necessary to maintain the officer force at steady-state based on the current loss analysis, which, because of drawdown turbulence, contains some degree of uncertainty. As manpower levels become constant, the Army will closely monitor natural loss behavior and adjust accordingly. Some involuntary reductions such as the Selective Early Retirement Program (SERB) may be minimally applied as necessary to properly shape the force. The officer manyears in the budget reflect the projected by grade seasonalities of losses and gains.

Enlisted Strength

Active Army enlisted strength, like the officer force, will experience its first full year at a steady state end strength of 410,700. The NCO corps will decrease from 188,876 soldiers at the end of FY96 to 187,715 soldiers at the end of FY98. Statutory limitations will keep master sergeant and sergeant major strengths at 3.5 percent for FY97 and beyond. Soldiers in the bottom four grades will increase from 217,626 at the end of FY96 to 222,985 at the end of FY98.

Accessions

Officer Accessions

Officer accessions level off at 6,200 beginning in FY98, representing the post-drawdown steady state requirement. At the same time, Warrant Officer accessions are projected to hit their steady state level of approximately 1,000 per year.

Enlisted Accessions

FY96 was the last year of the drawdown and FY97 is the first year of the steady state Active Army. Losses must now be replaced at a one for one rate to maintain the end strength. Modest changes in accessions reflected in this budget from year to year reflect accession experience from the prior three to four years. The Army's annual non-prior service accession quality standards remain unchanged with least 95 percent high school diploma graduates; at least 67 percent test score I-IIIA; and not more than two percent test score category IV. The Army is concerned about successfully achieving steady state accessions missions near 87,000 in an environment in which positive propensity to enlist in the Army has fallen 29 percent since FY91.

Permanent Change of Station Travel (PCS)

The FY98/99 budget estimate includes projected inflation cost growth, payraise and Defense Working Capital Funds rates for all applicable modes of PCS travel and transportation. The funds requested also reflect impacts of expanded PCS entitlements which increased FY97 requirements by \$50M and FY98 requirement by \$33.6M.

The number of PCS moves is driven primarily by the commitment to station 25 percent of the force overseas, while Accession and Separation PCS moves are required to maintain end strength. The FY97 Column reflects a 11.5 percent reduction in the number of PCS moves (excluding Accessions/Separations required to maintain end strength) and a cost reduction of \$83.0M, exceeding the \$20.6M funding reduction directed by Congress in the 1997 DOD Appropriations bill. Programmed FY98 moves (excluding Accessions/Separations) were reduced from FY97 levels by an additional 2 percent generating a \$10.6M cost savings.

The FY98/99 PCS program supports changes to force structure and policy changes to include increased Korea endstrength (\$10.0M), force structure changes in Panama and CONUS (\$1.3M), and conversion of tour lengths in Saudi Arabia and Kuwait (\$2.1M).

Key budget assumptions used to develop these estimates include:

- The FY98/99 estimates for overseas station allowances are based on rates of exchange of 1.564 DM/\$1 US. Beginning with FY97, MPA is included in the Foreign Currency Fluctuation Account.
- Pay raise estimates are based on 1 January implementation. The FY98 pay raise is budgeted at 2.8 percent. The FY99 pay raise is at 3.0 percent.
- The normal cost percentages (NCP) used to calculate payments to the military retired pay trust fund are 30.5% in FY98 and 30.2% in FY99. These rates are set by the DoD Board of Actuaries.
- The FY98/99 estimates in this budget fully fund the Active Army manpower program required to man the force at the levels described. There is no flexibility in the budget for non-programatic reductions.

Program and Management Efficiencies Included in the Budget Estimates are:

NCO CONTENT REDUCTION	IMPROVED INITIAL ENTRY ATTRITION RATES
SPECIALIST AUTHORIZATION REDUCTION	JUMP PAY REDUCTIONS
IMPROVED DEBT MANAGEMENT	CURTAIL OFFICER VOLUNTARY SEPARATION PGMS
PCS MOVE REDUCTIONS	

SECTION 3
SUMMARY OF MILITARY PERSONNEL STRENGTH

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE STRENGTH	END STRENGTH	AVERAGE STRENGTH	END STRENGTH	AVERAGE STRENGTH	END STRENGTH	AVERAGE STRENGTH	END STRENGTH
DIRECT PROGRAM								
OFFICERS.....	81,766	79,691	79,337	79,395	79,476	79,503	79,800	79,501
ENLISTED.....	413,176	404,956	405,246	409,251	409,679	409,407	409,090	409,408
ACADEMY CADETS.....	3,834	3,973	3,830	4,000	3,874	4,000	3,874	4,000
TOTAL DIRECT PROGRAM.....	498,776	488,620	488,413	492,646	493,029	492,910	492,764	492,909
REIMBURSABLE PROGRAM								
OFFICERS.....	931	937	908	905	796	797	798	799
ENLISTED.....	1,540	1,546	1,454	1,449	1,293	1,293	1,292	1,292
TOTAL REIMBURSABLE PROGRAM.....	2,471	2,483	2,362	2,354	2,089	2,090	2,090	2,091
TOTAL PROGRAM								
OFFICERS.....	82,697	80,628	80,245	80,300	80,272	80,300	80,598	80,300
ENLISTED.....	414,716	406,502	406,700	410,700	410,972	410,700	410,382	410,700
ACADEMY CADETS.....	3,834	3,973	3,830	4,000	3,874	4,000	3,874	4,000
TOTAL.....	501,247	491,103	490,775	495,000	495,118	495,000	494,854	495,000

SECTION 3
END STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS								
O-10 GENERAL.....	13	0	11	0	11	0	11	0
O-9 LIEUTENANT GENERAL.....	38	0	34	0	34	0	34	0
O-8 MAJOR GENERAL.....	101	2	106	2	106	2	106	2
O-7 BRIGADIER GENERAL.....	151	4	151	4	151	4	151	4
O-6 COLONEL.....	3,623	42	3,783	37	3,839	25	3,837	25
O-5 LIEUTENANT COLONEL.....	9,037	73	8,992	70	9,173	60	9,176	60
O-4 MAJOR.....	13,631	185	14,604	178	15,015	152	15,013	153
O-3 CAPTAIN.....	23,984	426	23,204	413	23,635	376	23,985	377
O-2 FIRST LIEUTENANT.....	9,037	178	9,162	177	8,374	162	7,614	162
O-1 SECOND LIEUTENANT.....	9,047	0	8,453	0	8,312	0	8,723	0
TOTAL COMMISSIONED OFFICERS..	68,662	910	68,500	881	68,650	781	68,650	783
WARRANT OFFICERS								
W-5 CHIEF WARRANT OFFICER.....	367	2	401	2	396	1	396	1
W-4 CHIEF WARRANT OFFICER.....	1,292	5	1,581	5	1,561	4	1,561	4
W-3 CHIEF WARRANT OFFICER.....	3,005	10	2,915	10	2,878	6	2,878	6
W-2 CHIEF WARRANT OFFICER.....	5,390	9	4,767	6	4,706	6	4,706	6
W-1 CHIEF WARRANT OFFICER.....	1,912	1	2,136	1	2,109	1	2,109	1
TOTAL WARRANT OFFICERS.....	11,966	27	11,800	24	11,650	18	11,650	18
TOTAL OFFICER PERSONNEL.....	80,628	937	80,300	905	80,300	799	80,300	801
ENLISTED PERSONNEL								
E-9 SERGEANT MAJOR.....	3,121	37	3,195	35	3,121	23	3,061	23
E-8 1ST SGT/MAST. SGT.....	11,224	69	10,890	62	11,042	51	11,141	51
E-7 PLATOON SGT/SGT 1ST CLASS..	40,051	246	39,912	237	38,603	201	37,635	201
E-6 STAFF SGT.....	57,623	351	57,485	333	57,143	297	55,660	297
E-5 SERGEANT.....	76,857	310	77,611	285	77,806	265	77,568	265
E-4 CORPORAL/SPECIALIST 4.....	106,146	298	113,543	270	115,012	252	117,271	251
E-3 PRIVATE, FIRST CLASS.....	54,899	213	52,689	205	52,988	186	53,090	186
E-2 PRIVATE.....	33,109	18	31,488	19	28,973	15	28,399	15
E-1 PRIVATE.....	23,472	4	23,887	3	26,012	3	26,875	3
TOTAL ENLISTED PERSONNEL.....	406,502	1,546	410,700	1,449	410,700	1,293	410,700	1,292
TOTAL OFF. AND ENL. PERSONNEL....	487,130	2,483	491,000	2,354	491,000	2,092	491,000	2,093
CADETS.....	3,973	0	4,000	0	4,000	0	4,000	0
TOTAL END STRENGTH.....	491,103	2,483	495,000	2,354	495,000	2,092	495,000	2,093

SECTION 3
AVERAGE STRENGTH BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
COMMISSIONED OFFICERS								
O-10 GENERAL.....	13	0	11	0	11	0	11	0
O-9 LIEUTENANT GENERAL.....	38	0	34	0	34	0	34	0
O-8 MAJOR GENERAL.....	97	2	106	2	106	2	106	2
O-7 BRIGADIER GENERAL.....	152	4	151	4	151	3	151	3
O-6 COLONEL.....	3,640	42	3,784	42	3,828	30	3,844	32
O-5 LIEUTENANT COLONEL.....	9,225	75	9,012	75	9,095	62	9,191	62
O-4 MAJOR.....	14,913	186	14,838	180	14,766	158	15,202	158
O-3 CAPTAIN.....	24,451	434	22,585	427	23,189	376	23,346	376
O-2 FIRST LIEUTENANT.....	8,587	163	9,019	155	8,902	144	8,209	144
O-1 SECOND LIEUTENANT.....	9,392	0	8,891	0	8,555	0	8,836	0
TOTAL COMMISSIONED OFFICERS..	70,508	906	68,431	885	68,637	775	68,930	777
WARRANT OFFICERS								
W-5 CHIEF WARRANT OFFICER.....	390	2	384	2	399	2	396	2
W-4 CHIEF WARRANT OFFICER.....	1,373	5	1,572	5	1,559	5	1,564	5
W-3 CHIEF WARRANT OFFICER.....	3,007	9	2,924	9	2,873	9	2,882	9
W-2 CHIEF WARRANT OFFICER.....	5,529	8	4,803	6	4,699	6	4,714	6
W-1 CHIEF WARRANT OFFICER.....	1,890	1	2,131	1	2,105	1	2,112	1
TOTAL WARRANT OFFICERS.....	12,189	25	11,814	23	11,635	23	11,668	23
TOTAL OFFICER PERSONNEL.....	82,697	931	80,245	908	80,272	798	80,598	800
ENLISTED PERSONNEL								
E-9 SERGEANT MAJOR.....	3,122	37	3,162	35	3,145	33	3,053	33
E-8 1ST SGT/MAST. SGT.....	10,931	69	10,939	62	10,971	57	11,065	57
E-7 PLATOON SGT/SGT 1ST CLASS..	40,082	248	40,142	231	38,997	218	37,832	218
E-6 STAFF SGT.....	60,580	355	58,393	335	57,455	294	56,097	294
E-5 SERGEANT.....	77,448	312	78,621	295	77,723	263	77,719	262
E-4 CORPORAL/SPECIALIST 4.....	121,704	294	113,479	274	115,027	244	117,246	244
E-3 PRIVATE, FIRST CLASS.....	49,570	203	49,974	200	50,856	167	53,173	167
E-2 PRIVATE.....	29,396	18	29,602	19	30,899	14	29,323	14
E-1 PRIVATE.....	21,883	4	22,388	3	25,899	3	24,874	3
TOTAL ENLISTED PERSONNEL.....	414,716	1,540	406,700	1,454	410,972	1,293	410,382	1,292
TOTAL OFF. AND ENL. PERSONNEL....	497,413	2,471	486,945	2,362	491,244	2,091	490,980	2,092
CADETS.....	3,834	0	3,830	0	3,874	0	3,874	0
TOTAL AVERAGE STRENGTH.....	501,247	2,471	490,775	2,362	495,118	2,091	494,854	2,092

SECTION 3
ACTIVE DUTY STRENGTHS BY MONTHS
(IN THOUSANDS)

1)																
		ACTUAL FY 1996		ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999						
	OFFICER	ENLISTED	CADET	TOTAL	OFFICER	ENLISTED	CADET	TOTAL	OFFICER	ENLISTED	CADET	TOTAL	OFFICER	ENLISTED	CADET	TOTAL
SEPTEMBER.....	82.5	422.1	4.0	508.6	80.6	406.5	4.0	491.1	80.3	411.2	4.0	495.5	80.3	410.7	4.0	495.0
OCTOBER.....	82.2	420.2	4.0	506.4	80.4	407.5	4.0	491.9	79.6	412.7	4.0	496.3	80.1	412.2	4.0	496.3
NOVEMBER.....	81.8	419.5	3.9	505.2	80.4	408.5	3.9	492.8	79.7	413.9	4.0	497.6	80.2	413.7	4.0	497.9
DECEMBER.....	81.6	414.3	3.9	499.8	80.1	402.1	3.9	486.1	79.5	408.6	3.9	492.0	80.0	408.5	3.9	492.4
JANUARY.....	81.6	415.9	3.9	501.4	80.1	406.8	3.9	490.8	79.6	412.6	3.9	496.1	80.0	411.9	3.9	495.8
FEBRUARY.....	81.7	415.1	3.9	500.7	78.8	407.0	3.9	489.7	79.6	411.3	3.9	494.8	80.0	410.1	3.9	494.0
MARCH.....	81.3	414.0	3.9	499.2	78.9	406.6	3.8	489.3	79.7	409.8	3.9	493.4	80.1	408.5	3.9	492.5
APRIL.....	80.5	410.9	3.9	495.3	79.0	405.9	3.8	488.7	79.8	410.2	3.9	493.9	80.1	408.8	3.9	492.8
MAY.....	81.0	408.5	3.9	493.4	80.4	405.9	3.8	490.1	81.1	410.3	2.9	494.3	81.4	409.3	2.9	493.6
JUNE.....	82.1	406.1	2.9	491.1	80.8	405.0	2.9	488.7	81.3	409.8	4.1	495.2	81.6	409.1	4.1	494.8
JULY.....	81.2	406.5	4.0	491.7	80.2	405.2	4.0	489.4	80.7	410.2	4.1	495.0	80.8	410.1	4.1	495.0
AUGUST.....	81.0	407.8	4.0	492.8	80.2	407.6	4.0	491.8	80.6	410.5	4.1	495.2	80.7	410.7	4.1	495.5
SEPTEMBER.....	80.6	406.5	4.0	491.1	80.3	410.7	4.0	495.0	80.3	410.0	4.0	494.3	80.3	410.7	4.0	495.0
AVERAGE STRENGTH...	82.7	414.7	3.8	501.2	80.2	406.7	3.8	490.7	80.3	411.0	3.9	495.2	80.6	410.4	3.9	494.9
Below are TTAD Manyears and Contingency Manyears and the Respective Dollars in Millions																
TTAD MANYEARS INCL.	109	87		196	107	44		151	168	71		239	164	71		235
TTAD \$ INCL.....				\$ 15				\$ 10				\$ 16				\$ 16
CONTINGENCY MANYRS																
INCLUDED.....	1,116	1,861		2,977	164	249		413	0	0		0	0	0		0
CONTINGENCY \$ INCL.				\$ 363				\$ 51				\$ 0				\$ 0

1) ACTUAL DATA THROUGH SEPT. 1996.

SECTION 3
GAINS & LOSSES BY SOURCE AND TYPE

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
OFFICERS				
BEGINNING STRENGTH.....	82,539	80,628	80,300	80,300
GAINS (BY SOURCE)				
SERVICE ACADEMIES.....	879	910	860	860
ROTC.....	2,788	2,994	2,943	2,909
OFFICER CANDIDATE SCHOOL.....	360	375	350	350
VOLUNTARY ACTIVE DUTY.....	0	0	0	0
DIRECT APPOINTMENTS.....	1,126	1,061	923	958
WARRANT OFFICER PROGRAMS.....	928	800	1,000	1,100
OTHER.....	0	212	120	43
TOTAL GAINS.....	6,081	6,352	6,196	6,220
LOSSES (BY TYPE)				
EXPIRATION OF CONTRACT.....	665	555	437	479
RETIREMENT.....	2,937	2,648	1,462	1,493
DISABILITY.....	(124)	(112)	(87)	(95)
NON-DISABILITY.....	(1,796)	(1,619)	(1,375)	(1,398)
15 YEAR RETIREMENT.....	(1,017)	(917)	(0)	(0)
VOLUNTARY SEPARATION-VSI.....	371	367	0	0
VOLUNTARY SEPARATION-SSB.....	436	327	0	0
INVOLUNTARY SEP OF RESERVE.....	0	0	0	0
INVOLUNTARY SEP OF REGULAR.....	50	57	45	49
REDUCTION-IN-FORCE.....	0	0	0	0
ATTRITION.....	3,197	2,431	4,102	4,049
OTHER.....	336	295	150	150
TOTAL LOSSES.....	7,992	6,680	6,196	6,220
END STRENGTH.....	80,628	80,300	80,300	80,300

SECTION 3
GAINS & LOSSES BY SOURCE AND TYPE

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
ENLISTED				
BEGINNING STRENGTH.....	422,073	406,502	410,700	410,700
GAINS (BY SOURCE)				
NON-PRIOR SERVICE ENLISTMENTS.....				
MALES.....	68,616	83,700	83,233	82,904
FEMALES.....	(54,765)	(66,633)	(65,809)	(64,826)
PRIOR SERVICE ENLISTMENTS.....	(13,851)	(17,067)	(17,424)	(18,078)
RENEWAL (IMM).....	4,187	6,000	4,000	4,000
RESERVE COMPONENTS.....	72,120	63,866	55,979	56,457
RETURNED TO MILITARY CONTROL.....	234	200	200	200
OTHER.....	1,649	1,529	1,607	1,627
GAIN ADJUSTMENT.....	914	2,381	523	0
TOTAL GAINS.....	(63)	473	(79)	(28)
	147,657	158,149	145,463	145,160

LOSSES (BY TYPE)				
DRAFTEES AND REGULAR ARMY				
ESTIMATED TERMINATION OF SERVICE..	33,700	32,910	30,849	31,930
NORMAL EARLY RELEASE.....	0	0	0	0
PROGRAMMED EARLY RELEASE.....	0	0	0	0
SEPARATIONS - VSI.....	0	0	0	0
SEPARATIONS - SSB.....	0	0	0	0
TO COMMISSIONED OFFICER				
AND WARRANT OFFICER.....	1,285	1,235	1,385	1,385
REENLISTMENT.....	72,120	63,866	55,979	56,457
RETIREMENT.....	9,707	8,796	8,798	7,999
15 YEAR RETIREMENT.....	838	1,400	1,100	400
DROPPED FROM ROLLS.....	2,536	2,153	2,264	2,292
ATTRITION ADVERSE CAUSES.....	18,144	18,746	20,072	20,493
OTHER ATTRITION.....	24,815	24,705	24,876	24,064
RESERVE COMPONENTS.....	83	140	140	140
TOTAL LOSSES.....	163,228	153,951	145,463	145,160
END STRENGTH.....	406,502	410,700	410,700	410,700

CADETS

GAINS				
ENTERING CADETS.....	1,193	1,195	1,220	1,220
LOSSES				
ATTRITION.....	228	255	255	255
GRADUATES.....	965	965	965	965

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
1. BASIC PAY.....	3275322	7221465	10496787	3285905	7253654	10539559	3378493	7432671	10811164	3501132	7542367	11043499
2. RETIRED PAY ACCRUAL.....	1077581	2375862	3453443	1071205	2364691	3435896	1030440	2266965	3297405	1057342	2277795	3335137
3. BASIC ALLOWANCES												
FOR QUARTERS.....	425076	987079	1412155	430317	997769	1428086	442818	1053674	1496492	458552	1085157	1543709
A. WITH DEPENDENTS.....	320569	875674	1196243	324814	884641	1209455	333922	929079	1263001	346704	957073	1303777
B. WITHOUT DEPENDENTS.....	103977	99688	203665	104992	101604	206596	108390	112676	221066	111336	116106	227442
C. SUBSTANDARD												
FAMILY HOUSING.....	14	464	478	16	472	488	17	491	508	20	512	532
D. PARTIAL.....	516	11253	11769	495	11052	11547	489	11428	11917	492	11466	11958
4. VARIABLE HOUSING ALLOWANCE.....	104390	185299	289689	103183	186525	289708	104629	203420	308049	107609	205280	312889
5. SUBSISTENCE.....	147656	768609	916265	147366	1102186	1249552	149609	1094504	1244113	151721	1129307	1281028
A. BASIC ALLOWANCE												
FOR SUBSISTENCE.....	147656	768609	916265	147366	761215	908581	149609	785773	935382	151721	802383	954104
1. AUTHORIZED TO												
MESS SEPARATELY.....	147656	620497	768153	147366	602736	750102	149609	610655	760264	151721	615537	767258
2. LEAVE RATIONS.....		86976	86976		83640	83640		85735	85735		86422	86422
3. RATIONS-IN-KIND												
NOT AVAILABLE.....		60626	60626		74331	74331		76207	76207		76826	76826
4. AUGMENTATION FOR												
SEPARATE MEALS.....		510	510		508	508		506	506		514	514
5. PARTIAL BAS.....								12670	12670		23084	23084
B. SUBSISTENCE IN KIND..												
1. SUBSISTENCE IN MESSE												
2. OPERATIONAL RATIONS.												
3. AUGMENTATION												
RATIONS/OTHER.....												

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
6. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER.....	64828	54279	119107	63302	53874	117176	57898	51292	109190	58102	51280	109382
A. FLYING DUTY PAY.....	56697	7119	63816	55856	7279	63135	51788	7312	59100	51992	7268	59260
1. AVIATION CAREER, OFFICERS.....	56483		56483	55642		55642	51574		51574	51778		51778
2. CREW MEMBERS, ENLISTED.....		6072	6072		6112	6112		6145	6145		6101	6101
3. NONCREW MEMBERS.....	111	1047	1158	111	1167	1278	111	1167	1278	111	1167	1278
4. CREW NON-RATED.....	103		103	103		103	103		103	103		103
B. PARACHUTE JUMP PAY....	7509	42784	50293	6904	43163	50067	5570	40549	46119	5570	40549	46119
C. DEMOLITION PAY.....	205	1720	1925	181	1241	1422	178	1237	1415	178	1269	1447
D. OTHER PAY.....	417	2656	3073	361	2191	2552	362	2194	2556	362	2194	2556
7. SPECIAL PAYS.....	184158	154149	338307	179597	148774	328371	179162	124078	303240	180643	124482	305125
A. PHYSICIAN MEDICAL....	158134		158134	153625		153625	153233		153233	154459		154459
B. DENTIST MEDICAL.....	12226		12226	16824		16824	17662		17662	17861		17861
C. NURSE MEDICAL.....	2416		2416	3633		3633	3633		3633	3633		3633
D. BOARD CERTIFIED PAY FOR NONPHYSICIAN												
HEALTH CARE PROVIDER	300		300	1290		1290	1350		1350	1410		1410
E. OPTOMETRIST MEDICAL...	144		144	150		150	150		150	150		150
F. VETERINARIAN MEDICAL..	478		478	516		516	516		516	516		516
G. SEA AND FOREIGN DUTY..	352	10141	10493	347	10025	10372	347	7749	8096	347	7734	8081
1. SEA DUTY.....	352	609	961	347	609	956	347	586	933	347	586	933
2. DUTY AT CERTAIN PLACES.....		9335	9335		8413	8413		6160	6160		6145	6145
3. OVERSEAS EXTENSION PAY.....		197	197		1003	1003		1003	1003		1003	1003
H. FOREIGN LANGUAGE PROFICIENCY PAY.....	1496	3840	5336	1440	4110	5550	1440	4110	5550	1440	4110	5550
I. DIVING DUTY PAY.....	177	1008	1185	177	1009	1186	181	1008	1189	177	1008	1185
J. REENLISTMENT BONUS....		37793	37793		47923	47923		40076	40076		41406	41406
K. SPECIAL DUTY ASSIGN PAY.....		42833	42833		52746	52746		51927	51927		50901	50901
L. ENLISTMENT BONUS.....		18144	18144		24299	24299		18065	18065		18185	18185
M. HOSTILE FIRE PAY.....	8435	40390	48825	1595	8662	10257	650	1143	1793	650	1138	1788

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
8. ALLOWANCES.....	146926	605011	751938	146734	641776	788509	116649	530645	647294	118470	547335	665805
A. UNIFORM/CLOTHING												
ALLOWANCES.....	2381	177653	180034	2569	203004	205573	2543	196939	199482	2570	197896	200466
1. INITIAL ISSUE.....	1861	69099	70960	1934	83914	85848	1923	86073	87996	1948	86678	88626
A. MILITARY.....	1216	67002	68218	1270	81773	83043	1239	83885	85124	1244	84438	85682
B. CIVILIAN.....	645	2097	2742	664	2141	2805	684	2188	2872	704	2240	2944
2. ADDITIONAL ALLOWANCE..	520		520	635		635	620		620	622		622
3. BASIC MAINTENANCE.....	21247		21247	26639		26639	27385		27385	33620		33620
4. STANDARD MAINTENANCE..	81047		81047	86200		86200	77120		77120	71113		71113
5. SUPPLEMENTARY.....	1899		1899	1871		1871	1915		1915	1964		1964
6. OTHER.....	4361		4361	4380		4380	4446		4446	4521		4521
B. STATION ALLOWANCE												
OVERSEAS.....	138495	383983	522478	139042	405872	544914	109380	303799	413179	111139	319181	430320
1. COST OF LIVING.....	93581	314656	408237	98143	334393	432536	74305	245857	320162	76686	259922	336608
2. HOUSING.....	34657	44997	79654	30841	45416	76257	25041	31784	56825	24204	31029	55233
3. TEMPORARY LODGING.....	10257	24330	34587	10058	26063	36121	10034	26158	36192	10249	28230	38479
C. CONUS COLA.....	432	968	1400	845	968	1812	845	968	1812	845	968	1812
D. FAMILY SEPARATION												
ALLOWANCES.....	5564	42408	47972	4230	31932	36162	3833	28939	32772	3868	29291	33159
1. ON PCS - NO GOVERNMENT												
QUARTERS.....	1032	2796	3828	1073	2923	3996	1072	2985	4057	1107	3124	4231
2. ON PCS - DEPENDENTS												
NOT AUTHORIZED.....	1663	15559	17222	1653	15557	17210	1622	15329	16951	1622	15557	17179
3. ON TDY.....	2869	24053	26922	1504	13452	14956	1139	10625	11764	1139	10610	11749
E. GENERAL AND FLAG												
OFFICERS, PERSONAL												
MONEY ALLOWANCE.....	54		54	48		48	48		48	48		48

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
9. SEPARATION PAY.....	180318	307045	487363	183049	272518	455567	62775	236325	299100	99960	212088	312048
A. TERMINAL LEAVE PAY....	26634	62173	88807	25028	60688	85716	20408	46693	67101	23021	47067	70088
B. LUMP-SUM READJUSTMENT PAY....												
C. DONATIONS.....		4	4		4	4		4	4		4	4
D. SEVERANCE PAY, DISABILITY.....	3019	59530	62549	2427	62633	65060	2497	65857	68354	2571	65724	68295
E. SEVERANCE PAY, NON-PROMOTION.....	8624		8624	8871		8871	9125		9125	44406		44406
F. SEVERANCE PAY, INVOL HALF (5%).....	99	32193	32292	102	21711	21813	105	21105	21210	108	21689	21797
G. SEVERANCE PAY, INVOL FULL (10%)....	1673	116644	118317	1677	54517	56194	1725	52979	54704	1729	54433	56162
H. SEVERANCE PAY, VSI....	59449	9375	68824	67725	27375	95100	28915	12785	41700	28125	9375	37500
I. SEVERANCE PAY, SSB....	19658		19658	19445		19445						
J. SEVERANCE PAY, 15 YR RETIREMENT.....	61162	27126	88288	57774	45590	103364		36902	36902		13796	13796
10. SOCIAL SECURITY TAX PAYMENTS.....	289876	632202	922078	288693	625704	914397	294523	634721	929244	303466	645760	949226
11. PERMANENT CHANGE OF STATION TRAVEL.....	262031	812321	1074352	252369	811876	1064245	250801	822044	1072845	256158	840451	1096609
12. OTHER MILITARY PERSONNEL COSTS.....	444	199418	199862	482	207159	207641	482	179028	179510	452	181734	182186
A. ADOPTION EXPENSES.....		382	382		380	380		380	380		380	380
B. APPREHENSION OF DESERTERS.....		904	904		813	813		822	822		821	821
C. DEATH GRATUITIES.....	288	2112	2400	282	2070	2352	282	2094	2376	282	2094	2376
D. UNEMPLOYMENT COMPENSATION.....		125399	125399		123914	123914		112114	112114		115073	115073
E. SURVIVOR BENEFITS.....		9062	9062		7400	7400		6920	6920		6440	6440
F. EDUCATION BENEFITS....		61354	61354		72298	72298		56414	56414		56675	56675
G. INTEREST ON SOLDIERS' DEPOSIT.....	156	205	361	200	284	484	200	284	484	170	251	421

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

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED
13. CADETS.....	35495		35495	36903	38679	38679	39876	39876
SUBTOTAL, ALL MILITARY								
PERSONNEL APPROPRIATION								
REQUEST.....	6194101	14302740	20496841	6189105	14666505	20855610	6106958	14629366
14. LESS REIMBURSABLES.....	88100	73760	161860	73121	134179	207300	76392	130675
A. RETIRED PAY ACCRUAL...	24928	13853	38781	14991	14130	29121	15560	13109
B. OTHER.....	63172	59907	123079	58130	120049	178179	60832	117566
TOTAL, ALL MILITARY								
PERSONNEL APPROPRIATION								
REQUEST.....	6106001	14228980	20334981	6115984	14532326	20648310	6030566	14498691
							6254163	14708765
							20529257	20962928

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1997

	FY 1997/97 PRESIDENTS BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY PRICE/PROGRAM OPERATIONS CHANGES	OTHER FY 1997 FY 1998	REVISED COLUMN REQUEST
PAY AND ALLOWANCES OF OFFICERS								
BASIC PAY.....	3,259,007	0	3,259,007	(22,093)	3,236,914	0	0	3,236,914
RETIRED PAY ACCRUAL.....	1,063,416	0	1,063,416	(7,202)	1,056,214	0	0	1,056,214
INCENTIVE PAY.....	59,258	0	59,258	4,044	63,302	0	0	63,302
SPECIAL PAY.....	176,594	3,700	180,294	(649)	179,645	0	0	179,645
BASIC ALLOWANCE FOR QUARTERS.....	423,591	5,000	428,591	294	428,885	0	0	428,885
VARIABLE HOUSING ALLOWANCES.....	97,970	400	98,370	4,425	102,795	0	0	102,795
BASIC ALLOWANCE FOR SUBSISTENCE.....	147,054	0	147,054	(551)	146,503	0	0	146,503
STATION ALLOWANCES OVERSEAS.....	137,209	0	137,209	1,833	139,042	0	0	139,042
CONUS COLA.....	845	0	845	0	845	0	0	845
UNIFORM ALLOWANCES.....	2,468	0	2,468	101	2,569	0	0	2,569
FAMILY SEPARATION ALLOWANCES.....	4,164	0	4,164	66	4,230	0	0	4,230
SEPARATION PAYMENTS.....	188,687	0	188,687	(5,638)	183,049	0	0	183,049
SOCIAL SECURITY TAX -								
EMPLOYER CONTRIBUTION.....	281,169	0	281,169	1,068	282,237	0	0	282,237
REIMBURSABLES.....	73,121	0	73,121	0	73,121	0	0	73,121
TOTAL OBLIGATIONS.....	5,914,553	9,100	5,923,653	(24,302)	5,899,351	0	0	5,899,351
LESS REIMBURSABLES.....	73,121	0	73,121	0	73,121	0	0	73,121
TOTAL OFFICER DIRECT OBLIGATIONS.....	5,841,432	9,100	5,850,532	(24,302)	5,826,230	0	0	5,826,230

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1997

	FY 1997/97 PRESIDENTS BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY OPERATIONS	OTHER CHANGES	REVISED FY 1997 COLUMN FY 1998 REQUEST
PAY AND ALLOWANCES OF ENLISTED								
BASIC PAY.....	7,200,237	(5,965)	7,194,272	13,205	7,207,477	0	0	7,207,477
RETIRED PAY ACCRUAL.....	2,348,201	(1,945)	2,346,256	4,305	2,350,561	0	0	2,350,561
INCENTIVE PAY.....	53,870	0	53,870	4	53,874	0	0	53,874
SPECIAL PAY.....	23,834	0	23,834	(28)	23,806	0	0	23,806
SPECIAL DUTY ASSIGNMENT PAY.....	35,719	6,400	42,119	5,113	47,232	0	0	47,232
REENLISTMENT BONUS.....	42,784	0	42,784	5,139	47,923	0	0	47,923
ENLISTMENT BONUS.....	12,300	0	12,300	11,999	24,299	0	0	24,299
BASIC ALLOWANCE FOR QUARTERS.....	1,024,330	10,782	1,035,112	(38,444)	996,668	0	0	996,668
VARIABLE HOUSING ALLOWANCE.....	171,792	6,652	178,444	7,716	186,160	0	0	186,160
STATION ALLOWANCE OVERSEAS.....	400,394	0	400,394	5,478	405,872	0	0	405,872
CONUS COLA.....	2,625	0	2,625	(1,657)	968	0	0	968
CLOTHING ALLOWANCES.....	181,231	0	181,231	20,773	202,004	0	0	202,004
FAMILY SEPARATION ALLOWANCES.....	30,184	0	30,184	1,748	31,932	0	0	31,932
SEPARATION PAYMENTS.....	309,170	0	309,170	(36,652)	272,518	0	0	272,518
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION.....	618,778	(512)	618,266	6,803	625,069	0	0	625,069
REIMBURSABLES.....	68,921	0	68,921	0	68,921	0	0	68,921
TOTAL OBLIGATIONS.....	12,524,370	15,412	12,539,782	5,502	12,545,284	0	0	12,545,284
LESS REIMBURSABLES.....	68,921	0	68,921	0	68,921	0	0	68,921
TOTAL ENLISTED DIRECT OBLIGATIONS.....	12,455,449	15,412	12,470,861	5,502	12,476,363	0	0	12,476,363
PAY & ALLOWANCES OF CADETS								
TOTAL OBLIGATIONS.....	36,903	0	36,903	0	36,903	0	0	36,903
TOTAL CADET DIRECT OBLIGATIONS.....	36,903	0	36,903	0	36,903	0	0	36,903

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1997

	FY 1997/97 PRESIDENT'S BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY PRICE/PROGRAM CHANGES	OTHER PROGRAM CHANGES	REVIS ED FY 1997 COLUMN FY 1998 REQUEST
SUBSISTENCE OF								
ENLISTED PERSONNEL								
TOTAL OBLIGATIONS.....	1,063,486	5,000	1,068,486	0	1,068,486	33,700	0	1,102,186
REIMBURSABLES.....	56,998	0	56,998	0	56,998	0	0	56,998
TOTAL ENL. SUBSISTENCE DIRECT OBLIGATIO	1,006,488	5,000	1,011,488	0	1,011,488	33,700	0	1,045,188
PERMANENT CHANGE OF STATION								
ACCESSION TRAVEL.....	131,090	0	131,090	5,001	136,091	0	0	136,091
TRAINING TRAVEL.....	52,266	0	52,266	(4,874)	47,392	0	0	47,392
OPERATIONAL TRAVEL.....	99,435	0	99,435	32,100	131,535	0	0	131,535
ROTATIONAL TRAVEL.....	532,420	4,360	536,780	(7,360)	529,420	0	0	529,420
SEPARATION TRAVEL.....	164,254	0	164,254	2,870	167,124	0	0	167,124
ORGANIZED UNIT TRAVEL.....	10,815	0	10,815	(2,081)	8,734	0	0	8,734
NON-TEMPORARY STORAGE.....	23,144	0	23,144	2,269	25,413	0	0	25,413
TEMPORARY LODGING.....	18,461	0	18,461	(7,925)	10,536	0	0	10,536
REIMBURSABLES.....	8,000	0	8,000	0	8,000	0	0	8,000
TOTAL OBLIGATIONS.....	1,039,885	4,360	1,044,245	20,000	1,064,245	0	0	1,064,245
LESS REIMBURSABLES.....	8,000	0	8,000	0	8,000	0	0	8,000
TOTAL PCS DIRECT OBLIGATIONS.....	1,031,885	4,360	1,036,245	20,000	1,056,245	0	0	1,056,245

SECTION 3
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)
FY 1997

	FY 1997/97 PRESIDENT'S BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	CONTINGENCY PRICE/PROGRAM CHANGES	OPERATIONS	OTHER	REVISED FY 1997 COLUMN FY 1998 REQUEST
OTHER MILITARY PERSONNEL COSTS									
APPREHENSION OF MILITARY DESERTERS									
ABSENTEES AND ESCAPED MILITARY									
PRISONERS.....	530	0	530	23	553	0	0	0	553
DEATH GRATUITIES.....	2,190	0	2,190	162	2,352	0	0	0	2,352
UNEMPLOYMENT BENEFITS PAID TO									
EX-SERVICE MEMBERS.....	121,462	0	121,462	2,452	123,914	0	0	0	123,914
SURVIVOR BENEFITS.....	7,175	0	7,175	225	7,400	0	0	0	7,400
ADOPTION COSTS.....	350	0	350	30	380	0	0	0	380
EDUCATIONAL BENEFITS.....	76,754	0	76,754	(4,455)	72,299	0	0	0	72,299
SOLDIER INTEREST ON DEPOSIT.....	120	0	120	363	483	0	0	0	483
REIMBURSABLES.....	260	0	260	0	260	0	0	0	260
TOTAL OBLIGATIONS.....	208,841	0	208,841	(1,200)	207,641	0	0	0	207,641
REIMBURSABLES.....	260	0	260	0	260	0	0	0	260
TOTAL OMPC DIRECT OBLIGATIONS.....	208,581	0	208,581	(1,200)	207,381	0	0	0	207,381
TOTAL DIRECT OBLIGATIONS.....	20,580,738	33,872	20,614,610	0	20,614,610	33,700	0	0	20,648,310

Section 3
Schedule of Increases and Decreases
(Amounts in Thousands of Dollars)

	Amount
FY 1997 Direct Program	\$ 20,648,310
Increases:	
a. Pay raise Reflects annualized costs of the 3.0 percent FY 97 pay raise and the FY 98 2.8 percent pay raise.	507,326
b. Inflation Includes clothing, variable housing allowance, temporary lodging allowance, SIK, and PCS inflation costs.	23,898
c. BAQ/VHA program changes Primarily due to housing inventory changes, implementation of enlisted housing policy changes, and the start of Capital Venture Initiatives at Ft. Carson and Ft. Bragg.	39,148
d. Defense Working Capital Funds Projected decreased collections due to workload changes and revised rates.	11,937
Total Increases	\$ 582,309
Decreases:	
a. Force Manning program costs Reflects slight variations in grade structure in a steady state environment.	-103,248
b. Retired pay accrual The Normal Cost Percentage rate decrease from 32.6 percent in FY97 to 30.5 percent in FY98.	-221,330
c. Overseas manning Reduced costs associated primarily with a more favorable currency exchange rate in Germany.	-141,165
d. Unemployment payments Required payments to the Department of Labor for unemployment costs are expected to decrease FY97 to FY98.	-9,555
e. FICA Wage Credit and G.I. Bill payments Reflects decrease in payments for wage credits required by HHS and lower G.I. Bill payments due to reduced enlisted accessions in FY98.	-7,155

f. Enlisted Clothing Reflects changes in the enlisted accession program.	-6,065	
g. Education Benefits Reflects expected lower payments to the Education Benefits Trust Fund.	-18,129	
h. Separation Pays Reflects reduced separation pays as the downsizing ends.	-163,644	
i. Reduced PCS Move Program Reflects a reduced overall PCS move program.	-13,891	
j. Special/Incentive/Family Separation Allowance Pays Reflects reduced number receiving parachute pay and costs of contingency operations.	-15,471	
k. Miscellaneous Reduced number receiving Special Duty Assignment Pay.	- 1,709	
Total Decreases:		\$ 701,362
FY 1998 Direct Program		\$ 20,529,257
Increases:		
a. Pay raise Reflects annualized costs of the budgeted 2.8 percent FY 98 pay and the FY 1999 3.0 percent pay raise.	520,261	
b. Inflation Reflects increased clothing, variable housing allowance, temporary lodging allowance, SIK, and PCS inflation costs.	22,551	
c. BAQ/VHA program changes Primarily due to housing inventory changes and changes in the percent receiving.	2,167	
d. Overseas Manning Reflects primarily changes in overseas manning.	6,976	
e. Defense Working Capital Funds Projected decreased collections due to workload changes and revised rates.	18,155	
f. Separation pay Reflects a net increase in officer/enlisted separation costs in FY99.	5,861	

g. Special/Incentive Pays Increased Officer Medical Pays.	1,481	
h. Unemployment Compensation Represents expected increased payments to HHS for Unemployment Compensation Costs.	3,214	
i. Selective Reenlistment Bonuses Programmed increased number of new payments.	1,330	
j. Miscellaneous	413	
Total Increases		\$ 582,409
Decreases:		
a. Force Manning Many year cost savings due primarily to grade structure changes.	-106,716	
b. Retired pay accrual Normal cost percentage rates decrease from 30.5 percent in FY98 to 30.2 percent in FY99.	-32,433	
c. PCS Move Program	-9,589	
Total Decreases:		\$ -148,738
FY 1999 Direct Program		\$ 20,962,928

Section 4
Schedule of Increases and Decreases
(Amounts in Thousands of Dollars)

	Amount
Pay and Allowances of Officers Program	
FY 1997 Direct Program	\$ 5,826,230
Increases:	
a. Pay Raise	145,572
Reflects annualized costs of the 3.0 percent (4.6% for BAQ) 1 Jan 97 and the 2.8 percent (1.0% for BAS) 1 Jan 98 pay raises.	
b. Inflation	2,378
Reflects inflation costs for VHA and TLA.	
c. BAQ/VHA Programs	785
Implementation of Capital Venture Initiatives at Ft Carson and Ft Bragg.	
Total Increases:	\$ 148,735
Decreases:	
a. Separation Pay	-121,216
Reflects discontinued use of voluntary separation incentive programs as the officer strength reduction is completed.	
b. Retired Pay Accrual	-69,004
NCP decreases from 32.6 percent to 30.5 percent.	
c. Overseas Station Allowances (OSA)	-31,211
Reflects rate changes associated with foreign currency fluctuation. Also includes strength decreases in regions where OSA is authorized.	
d. Force Manning	-10,640
Reflects the decrease associated with the officer strength reduction, including contingency operations.	
e. FICA	-1,400
Wage credit transfer.	
f. Miscellaneous	-890
Total Decreases:	\$ -234,361
FY 1998 Direct Program	\$ 5,740,604

Increases:

a. Pay Raise	154,294	
Reflects annualized costs of the 2.8 percent (1.0% for BAS) 1 Jan 98 and the 3.0 percent (1.0% for BAS) 1 Jan 99 pay raises.		
b. Separation Pay	35,911	
Reflects net increased requirement for severance pay (non-promotion) to coincide with the discontinued use of SSB, VSI, and 15-year early retirement.		
c. Force Manning	33,197	
Reflects changes in officer strength levels.		
d. Special Pay	1,481	
Reflects increase for medical incentive special pay and multi-year special pay.		
e. Inflation	2,240	
Reflects inflation costs for VHA and TLA.		
f. Miscellaneous	85	

Total Increases:

\$ 227,208

Decreases:

a. Retired Pay Accrual
NCP decreases from 30.5 percent to 30.2 percent.

-10,135

Total Decreases:

\$ -10,135

FY 1999 Direct Program

\$ 5,957,677

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 3,501,132
ESTIMATE FY 1998	\$ 3,378,493
ESTIMATE FY 1997	\$ 3,285,905
ACTUAL FY 1996	\$ 3,275,322

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 +\$92.6 million between FY97 and FY98. This change is based on--

- (1) Annualization of the 1 Jan 97, 3.0 percent pay raise: +\$24.6 million.
- (2) The 1 Jan 98, 2.8 percent pay raise: +\$69.6 million.
- (3) Force manning changes, including contingency operations: -\$1.6 million.

The net change in the basic pay requirement is +\$122.6 million from FY98 to FY99. This change is based on--

- (1) Annualization of the 1 Jan 98, 2.8 percent pay raise: +\$23.7 million.
- (2) The 1 Jan 99, 3.0 percent pay raise: +\$77.1 million.
- (3) Force manning changes: +\$21.8 million.

Detailed cost computations are provided by the following table:

OFFICER BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	13	\$ 108,202	\$ 1,407	11	\$ 110,636	\$ 1,217	11	\$ 113,788	\$ 1,252	11	\$ 117,146	\$ 1,289
LT. GENERAL.....	38	103,627	3,938	34	106,584	3,624	34	109,622	3,727	34	112,859	3,837
MAJOR GENERAL.....	97	93,893	9,108	106	96,571	10,237	106	99,323	10,528	106	102,255	10,839
BRIG. GENERAL.....	152	82,862	12,595	151	85,227	12,869	151	87,657	13,236	151	90,245	13,627
COLONEL.....	3,640	70,396	256,242	3,784	72,656	274,929	3,828	74,642	285,729	3,844	77,095	296,351
LT. COLONEL.....	9,225	56,489	521,108	9,012	58,264	525,073	9,095	59,818	544,043	9,191	61,743	567,480
MAJOR.....	14,913	46,063	686,942	14,838	47,324	702,195	14,766	48,395	714,606	15,202	49,756	756,397
CAPTAIN.....	24,451	37,945	927,799	22,585	39,076	882,527	23,189	40,028	928,218	23,346	41,230	962,565
1ST LIEUTENANT.....	8,587	29,828	256,129	9,019	30,565	275,663	8,902	31,172	277,494	8,209	31,964	262,393
2ND LIEUTENANT.....	9,392	22,102	207,580	8,891	22,745	202,222	8,555	23,299	199,320	8,836	23,994	212,014
SUBTOTAL.....	70,508		\$ 2,882,848	68,431		\$ 2,890,556	68,637		\$ 2,978,153	68,930		\$ 3,086,792
WARRANT OFF. (W-5)	390	\$ 49,877	\$ 19,452	384	\$ 51,298	\$ 19,698	399	\$ 52,515	\$ 20,954	396	\$ 54,052	\$ 21,404
WARRANT OFF. (W-4)	1,373	44,732	61,418	1,572	46,006	72,322	1,559	47,100	73,429	1,564	48,478	75,819
WARRANT OFF. (W-3)	3,007	35,248	105,991	2,924	36,238	105,961	2,873	37,085	106,546	2,882	38,155	109,963
WARRANT OFF. (W-2)	5,529	28,703	158,700	4,803	29,611	142,223	4,699	30,407	142,882	4,714	31,392	147,980
WARRANT OFF. (W-1)	1,890	24,822	46,913	2,131	25,878	55,145	2,105	26,855	56,529	2,112	28,018	59,174
SUBTOTAL.....	12,189		\$ 392,474	11,814		\$ 395,349	11,635		\$ 400,340	11,668		\$ 414,340
TOTAL OFFICER BASIC PAY.....	82,697		\$ 3,275,322	80,245		\$ 3,285,905	80,272		\$ 3,378,493	80,598		\$ 3,501,132

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 1,057,342
ESTIMATE FY 1998	\$ 1,030,440
ESTIMATE FY 1997	\$ 1,071,205
ACTUAL FY 1996	\$ 1,077,581

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 Fund, 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., 32.9% for FY96, 32.6% for FY97, 30.5% for FY98, and 30.2% for FY99.
- (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 -\$40.8 million from FY97 to FY98. This change is based on--

- (1) Annualization of the 1 Jan 97, 3.0 percent pay raise: +\$7.5 million.
- (2) The 1 Jan 98, 2.8 percent pay raise: +\$21.2 million.
- (3) Decrease in NCP from 32.6% to 30.5%: -\$69.0 million.
- (4) Force manning changes: -\$0.5 million.

The net change in the retired pay accrual estimate is +\$26.9 million between FY98 and FY99. This change is based on--

- (1) Annualization of the 1 Jan 98, 2.8 percent pay raise: +\$7.2 million.
- (2) The 1 Jan 99, 3.0 percent pay raise: +\$23.3 million.
- (3) Decrease in NCP from 30.5% to 30.2%: -\$10.1 million.
- (4) Force manning changes: +\$6.5 million.

Detailed cost computations are provided by the following table:

OFFICER RETIRED PAY ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
OFFICER AVERAGE STRENGTH	RATE	AMOUNT	OFFICER AVERAGE STRENGTH	RATE	AMOUNT	OFFICER AVERAGE STRENGTH	RATE	AMOUNT	OFFICER AVERAGE STRENGTH	RATE	AMOUNT
82,697	13,030.47	\$ 1,077,581	80,245	13,349.18	\$ 1,071,205	80,272	12,836.86	\$ 1,030,440	80,598	13,118.71	\$ 1,057,342

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 58,102
\$ 57,898
\$ 63,302
\$ 64,828

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 2,500 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, DC.

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, sulfuric fluoride, hydrogen cyanide, methyl bromide, or (2) a fumigant of comparable high acute toxicity and hazard potential.

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 \$5.4 million between FY97 and FY98 due to a reduced number of officers receiving flying duty pay (-\$4.1 million). Also, an Army decision to reduce the number of paid parachute positions as a cost savings initiative lowers the requirement for parachute pay by \$1.3 million from FY97 to FY98.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY												
FLYING DUTY COMMISSIONED												
OFFICERS CATEGORY												
125.....	736	\$ 1,500	\$ 1,104	712	\$ 1,500	\$ 1,068	597	\$ 1,500	\$ 896	601	\$ 1,500	\$ 902
156.....	348	1,872	651	346	1,872	648	336	1,872	629	338	1,872	633
188.....	358	2,256	808	363	2,256	819	387	2,256	873	390	2,256	880
206.....	785	2,472	1,941	760	2,472	1,879	636	2,472	1,572	641	2,472	1,585
250.....	29	3,000	87	28	3,000	84	26	3,000	78	26	3,000	78
310 / 385.....	182	4,620	841	179	4,620	827	166	4,620	767	167	4,620	772
340 / 495.....	204	5,940	1,212	201	5,940	1,194	189	5,940	1,123	191	5,940	1,135
370 / 585.....	232	7,020	1,629	241	7,020	1,692	284	7,020	1,994	286	7,020	2,008
400 / 650.....	2,241	7,800	17,480	2,196	7,800	17,129	1,977	7,800	15,421	1,993	7,800	15,545
SUBTOTAL.....	5,115		\$ 25,753	5,026		\$ 25,340	4,598		\$ 23,353	4,633		\$ 23,538
WARRANT OFFICERS CATEGORY												
125.....	594	1,500	891	617	1,500	926	732	1,500	1,098	732	1,500	1,098
156.....	401	1,872	751	448	1,872	839	680	1,872	1,273	680	1,872	1,273
188.....	610	2,256	1,376	562	2,256	1,268	326	2,256	735	326	2,256	735
206.....	949	2,472	2,346	978	2,472	2,418	1,123	2,472	2,776	1,124	2,472	2,779
400 / 650.....	3,252	7,800	25,366	3,186	7,800	24,851	2,864	7,800	22,339	2,866	7,800	22,355
SUBTOTAL.....	5,806		\$ 30,730	5,791		\$ 30,302	5,725		\$ 28,221	5,728		\$ 28,240
TOTAL FLYING DUTY CREW.....	10,921		\$ 56,483	10,817		\$ 55,642	10,323		\$ 51,574	10,361		\$ 51,778
FLYING DUTY NON-CREW MEMBERS.	84	1,320	111	84	1,320	111	84	1,320	111	84	1,320	111
CREW-NONRATED.....	41	2,520	103	41	2,520	103	41	2,520	103	41	2,520	103
TOTAL FLYING DUTY PAY.....	11,046		\$ 56,697	10,942		\$ 55,856	10,448		\$ 51,788	10,486		\$ 51,992
OTHER HAZARDOUS DUTY												
PARACHUTE JUMPING.....	5,689	1,320	7,509	5,230	1,320	6,904	4,220	1,320	5,570	4,220	1,320	5,570
EXPERIMENTAL STRESS.....	34	1,320	45	34	1,320	45	35	1,320	46	35	1,320	46
DEMOLITION OF EXPLOSIVES...	155	1,320	205	137	1,320	181	135	1,320	178	135	1,320	178
TOXIC PESTICIDES EXPOSURE..	4	1,320	5	4	1,320	5	4	1,320	5	4	1,320	5
CHEMICAL MUNITIONS.....	24	1,320	32	24	1,320	32	24	1,320	32	24	1,320	32
HIGH ALTITUDE JUMP PAY.....	169	1,980	335	141	1,980	279	141	1,980	279	141	1,980	279
SUB-TOTAL.....	6,075		8,131	5,570		7,446	4,559		6,110	4,559		6,110
TOTAL OFFICER INCENTIVE PAY	17,121		64,828	16,512		63,302	15,007		57,898	15,045		58,102
FOR HAZARDOUS PAY.....												

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	180,691
ESTIMATE FY 1998	179,210
ESTIMATE FY 1997	179,645
ACTUAL FY 1996	184,212

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, 302h, and 311 and are intended to provide monetary incentives for the procurement and retention of dental officers. The FY97 Authorization Act increased the rates for three type of dental pays and also authorized the use of a dental accession bonus. The 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. Effective 1 Oct 96 the annual rate ranges from \$1,000 to \$7,000.

(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. Effective 1 Oct 96 the annual rate ranges from \$2,500 to \$6,000.

(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. Effective 1 Oct 96 the payment amount ranges from \$4,000 to \$10,000.

(4) Accession Bonus - paid to an individual who is a graduate of an accredited dental school and who executes an agreement to remain on active duty as a commissioned officer for a period of not less than 4 four years. The amount of the accession bonus may not exceed \$30,000.

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.

Board Certified Pay for Non-physician Health Care Providers - authorized by the FY91 DOD Authorization Act. It is paid on a monthly basis to 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 USC 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 USC 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 USC 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 USC 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; or (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 USC 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 USC 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 may not exceed \$100.00 per individual.

Hostile Fire Pay - paid to officers on duty subject to hostile fire or imminent danger (37 USC 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.

From FY98 to FY99, the estimate for special pay increases by a net \$1.5 million. This increase is primarily for medical incentive special pay and multi-year special pay.

Detailed cost computations are provided by the following table:

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY FOR PHYSICIANS												
VARIABLE SPECIAL PAY.....	4,794	\$ 7,762	\$ 37,211	4,481	\$ 7,983	\$ 35,772	4,410	\$ 7,963	\$ 35,117	4,405	\$ 7,966	\$ 35,090
ADDITIONAL SPECIAL PAY.....	3,453	15,000	51,795	3,185	15,000	47,775	3,076	15,000	46,140	3,069	15,000	46,035
BOARD CERTIFIED PAY.....	2,627	3,713	9,754	2,511	3,894	9,778	2,624	3,798	9,966	2,624	3,798	9,966
MEDICAL INCENTIVE PAY.....	2,852	17,505	49,924	2,712	19,051	51,666	2,712	19,583	53,109	2,712	19,990	54,213
MED. MULTI-YEAR SPEC. PAY..	987	9,574	9,450	866	9,970	8,634	895	9,945	8,901	920	9,951	9,155
SUBTOTAL.....	14,713		\$ 158,134	13,755		\$ 153,625	13,717		\$ 153,233	13,730		\$ 154,459
OTHER SPECIAL PAY												
DENTIST PAY												
VARIABLE SPECIAL PAY.....	1,106	\$ 3,617	\$ 4,000	1,115	\$ 4,673	\$ 5,210	1,126	\$ 4,677	\$ 5,266	1,130	\$ 4,707	\$ 5,319
BOARD CERTIFIED PAY.....	415	3,795	1,575	420	5,336	2,241	425	5,322	2,262	426	5,312	2,263
ADDITIONAL SPECIAL PAY...	877	7,558	6,628	1,066	7,205	7,681	1,076	7,178	7,724	1,079	7,155	7,720
ACCESSION BONUS.....	0	0	0	56	30,000	1,680	80	30,000	2,400	85	30,000	2,550
SAVED PAY.....			23			12			10			9
SUBTOTAL.....	2,398		\$ 12,226	2,657		\$ 16,824	2,707		\$ 17,662	2,720		\$ 17,861
NURSE PAY												
ACCESSION BONUS.....	41	\$ 5,000	\$ 205	75	\$ 5,000	\$ 375	75	\$ 5,000	\$ 375	75	\$ 5,000	\$ 375
ANESTHETISTS PAY.....	202	10,946	2,211	276	11,804	3,258	276	11,804	3,258	276	11,804	3,258
SUBTOTAL.....	243		\$ 2,416	351		\$ 3,633	351		\$ 3,633	351		\$ 3,633
BOARD CERTIFIED PAY FOR NON-PHYSICIAN												
HEALTH CARE PROVIDERS...	86	3,488	300	372	3,468	1,290	389	3,470	1,350	406	3,473	1,410
OPTOMETRISTS.....	120	\$ 1,200	\$ 144	125	\$ 1,200	\$ 150	125	\$ 1,200	\$ 150	125	\$ 1,200	\$ 150
VETERINARIANS.....	398	\$ 1,200	\$ 478	430	\$ 1,200	\$ 516	430	\$ 1,200	\$ 516	430	\$ 1,200	\$ 516
TOTAL MEDICAL PAY.....	17,958		\$ 173,698	17,690		\$ 176,038	17,719		\$ 176,544	17,762		\$ 178,029

OFFICER SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	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	1	\$ 4,000	\$ 4
CHIEF OF STAFF.....	1	4,000	4	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	1	2,700	3
GENERAL.....	11	2,200	24	9	2,200	20	9	2,200	20	9	2,200	20
LIEUTENANT GENERAL.....	37	500	19	33	500	17	33	500	17	33	500	17
SUBTOTAL.....	51		\$ 54	45		\$ 48	45		\$ 48	45		\$ 48
DIVING DUTY PAY.....	82	\$ 2,159	\$ 177	82	\$ 2,159	\$ 177	84	\$ 2,155	\$ 181	82	\$ 2,159	\$ 177
HOSTILE FIRE PAY.....	4,686	1,800	8,435	886	1,800	1,595	361	1,800	650	361	1,800	650
SEA DUTY PAY.....	103	3,417	352	102	3,402	347	102	3,402	347	102	3,402	347
FOREIGN LANGUAGE PAY.....	2,078	720	1,496	2,000	720	1,440	2,000	720	1,440	2,000	720	1,440
TOTAL OFFICER SPECIAL PAY.....	24,958		\$ 184,212	20,805		\$ 179,645	20,311		\$ 179,210	20,352		\$ 180,691

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 458,552
\$ 442,818
\$ 430,317
\$ 425,076

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. As part of the Quality of Life Proposal, BAQ rates increased for With and Without Dependents to 5.2 percent in FY96 (1.8 percent above the pay raise amount) and 4.6 percent in FY97 (1.6 percent above the pay raise amount).

Part II - Justification of Funds Requested

The BAQ estimate increases by a net \$12.5 million from FY97 to FY98. This change is based on--

- (1) Annualization of the 1 Jan 97, 4.6 percent pay raise: +\$4.8 million.
- (2) The 1 Jan 98, 2.8 percent pay raise: +\$9.1 million.
- (3) Force manning changes: -\$2.0 million.
- (4) Implementation of housing Capital Venture Initiatives (CVI) at Fort Carson, CO and Fort Bragg, NC: +\$0.6 million.

From FY98 to FY99, the BAQ requirement increases by a net \$15.7 million. This change is based on--

- (1) Annualization of the 1 Jan 98, 2.8 percent pay raise: +\$3.0 million.
- (2) The 1 Jan 99, 3.0 percent pay raise: +\$10.1 million.
- (3) Force manning changes: +\$2.6 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ WITH DEPENDENTS												
GENERAL.....	53	\$ 0	\$ 611	52	\$ 0	\$ 626	52	\$ 0	\$ 647	52	\$ 0	\$ 665
COLONEL.....	2,176	10,357	22,537	2,247	10,849	24,378	2,255	11,200	25,256	2,265	11,530	26,115
LIEUTENANT COLONEL.....	5,912	9,984	59,025	5,738	10,458	60,008	5,744	10,796	62,012	5,805	11,114	64,517
MAJOR.....	8,434	8,800	74,219	8,337	9,217	76,842	8,229	9,516	78,307	8,472	9,796	82,992
CAPTAIN.....	11,868	7,347	87,194	10,905	7,697	83,936	11,094	7,946	88,153	11,168	8,180	91,354
1ST LIEUTENANT.....	2,502	6,384	15,973	2,612	6,691	17,477	2,557	6,908	17,664	2,358	7,111	16,768
2ND LIEUTENANT.....	2,328	5,775	13,444	2,189	6,046	13,235	2,090	6,241	13,044	2,159	6,425	13,872
OFFICER SUBTOTAL.....	33,273		\$ 273,003	32,080		\$ 276,502	32,021		\$ 285,083	32,279		\$ 296,283
WARRANT OFFICER (5).....	282	8,494	2,395	274	8,897	2,438	284	9,185	2,609	282	9,456	2,667
WARRANT OFFICER (4).....	993	7,787	7,732	1,129	8,156	9,208	1,111	8,420	9,355	1,115	8,568	9,665
WARRANT OFFICER (3).....	1,930	7,136	13,772	1,864	7,474	13,932	1,818	7,716	14,028	1,824	7,944	14,490
WARRANT OFFICER (2).....	2,841	6,564	18,648	2,451	6,875	16,851	2,380	7,097	16,891	2,387	7,307	17,442
WARRANT OFFICER (1).....	884	5,678	5,019	989	5,948	5,883	970	6,140	5,956	974	6,321	6,157
WARRANT OFFICER SUBTOTAL.....	6,930		\$ 47,566	6,707		\$ 48,312	6,563		\$ 48,839	6,582		\$ 50,421
TOTAL BAQ WITH DEPENDENTS.....	40,203		\$ 320,569	38,787		\$ 324,814	38,584		\$ 333,922	38,861		\$ 346,704
BAQ WITHOUT DEPENDENTS												
GENERAL.....	3	\$ 0	\$ 28	3	\$ 0	\$ 30	3	\$ 0	\$ 30	3	\$ 0	\$ 31
COLONEL.....	193	8,573	1,655	200	8,979	1,796	203	9,270	1,882	203	9,543	1,937
LIEUTENANT COLONEL.....	827	8,256	6,828	805	8,648	6,962	812	8,927	7,249	821	9,191	7,546
MAJOR.....	2,070	7,652	15,840	2,051	8,014	16,437	2,041	8,274	16,887	2,101	8,518	17,896
CAPTAIN.....	6,135	6,162	37,804	5,630	6,455	36,342	5,781	6,664	38,525	5,820	6,861	39,931
1ST LIEUTENANT.....	3,802	4,902	18,637	3,975	5,139	20,428	3,923	5,306	20,815	3,618	5,462	19,762
2ND LIEUTENANT.....	3,877	4,125	15,993	3,653	4,320	15,781	3,515	4,460	15,677	3,631	4,591	16,670
OFFICER SUBTOTAL.....	16,907		\$ 96,785	16,317		\$ 97,776	16,278		\$ 101,065	16,197		\$ 103,773
WARRANT OFFICER (5).....	23	7,772	179	23	8,141	187	23	8,404	193	23	8,652	199
WARRANT OFFICER (4).....	81	6,905	559	92	7,232	665	92	7,466	687	92	7,687	707
WARRANT OFFICER (3).....	229	5,802	1,329	223	6,078	1,355	219	6,275	1,374	220	6,460	1,421
WARRANT OFFICER (2).....	736	5,152	3,792	637	5,396	3,437	623	5,571	3,471	625	5,735	3,584
WARRANT OFFICER (1).....	309	4,313	1,333	348	4,517	1,572	343	4,664	1,600	344	4,801	1,652
WARRANT OFFICER SUBTOTAL.....	1,378		\$ 7,192	1,323		\$ 7,216	1,300		\$ 7,325	1,304		\$ 7,563
TOTAL BAQ WITHOUT DEPENDENTS.....	18,285		\$ 103,977	17,640		\$ 104,992	17,578		\$ 108,390	17,501		\$ 111,336

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

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999	
	AVERAGE	AVERAGE	AVERAGE	AVERAGE	
	NUMBER	NUMBER	NUMBER	NUMBER	AMOUNT
	RATE	RATE	RATE	RATE	AMOUNT
BAQ PARTIAL ALLOWANCE					
BACHELOR					
GENERAL.....	0	\$ 0	\$ 0	\$ 0	\$ 0
COLONEL.....	8	475	475	475	4
LIEUTENANT COLONEL.....	29	396	396	396	11
MAJOR.....	92	320	320	320	30
CAPTAIN.....	521	266	266	266	132
1ST LIEUTENANT.....	383	212	212	212	78
2ND LIEUTENANT.....	1,437	158	158	158	214
OFFICER SUBTOTAL.....	2,470	\$ 491	\$ 472	\$ 466	\$ 469
WARRANT OFFICER (5).....	1	302	302	302	0
WARRANT OFFICER (4).....	5	302	302	302	2
WARRANT OFFICER (3).....	14	248	248	248	3
WARRANT OFFICER (2).....	73	191	191	191	12
WARRANT OFFICER (1).....	34	166	166	166	6
WARRANT OFFICER SUBTOTAL.....	127	\$ 25	\$ 23	\$ 23	\$ 23
TOTAL BAQ PARTIAL ALLOWANCE BACHELOR.....	2,597	\$ 516	\$ 495	\$ 489	\$ 492
BAQ INADEQUATE FAMILY HOUSING					
GENERAL.....	0	\$ 0	\$ 0	\$ 0	\$ 0
COLONEL.....	0	2,589	2,712	2,800	0
LIEUTENANT COLONEL.....	1	2,496	2,614	2,699	3
MAJOR.....	1	2,200	2,304	2,379	2
CAPTAIN.....	5	1,837	1,924	1,986	5
1ST LIEUTENANT.....	0	1,596	1,673	1,727	0
2ND LIEUTENANT.....	0	1,444	1,511	1,560	0
OFFICER SUBTOTAL.....	7	\$ 13	\$ 15	\$ 15	\$ 18
WARRANT OFFICER (5).....	0	2,124	2,224	2,296	0
WARRANT OFFICER (4).....	0	1,947	2,039	2,105	0
WARRANT OFFICER (3).....	0	1,784	1,869	1,929	0
WARRANT OFFICER (2).....	0	1,641	1,719	1,774	0
WARRANT OFFICER (1).....	1	1,420	1,487	1,535	2
WARRANT OFFICER SUBTOTAL.....	1	\$ 1	\$ 1	\$ 2	\$ 2
TOTAL BAQ INADEQUATE FAMILY HOUSING.....	8	\$ 14	\$ 16	\$ 17	\$ 20
TOTAL OFFICER BASIC ALLOWANCE FOR QUARTERS.....	61,093	\$ 425,076	\$ 430,317	\$ 442,818	\$ 458,552

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 107,609
ESTIMATE FY 1998	\$ 104,629
ESTIMATE FY 1997	\$ 103,183
ACTUAL FY 1996	\$ 104,390

Project: Variable Housing Allowance - Officers

Part I - Purpose and Scope

The funds required are to provide for payment of a variable housing allowance (VHA) 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 Nov 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 VHA is developed by multiplying the projected average number of personnel eligible, by grade and the average applicable rate.

The VHA estimate increases by a net \$1.4 million from FY97 to FY98. This change is based on:

- (1) Cost growth of 2.1 percent, effective 1 Jan 97, and 2.1 percent, effective 1 Jan 98: +\$2.2 million.
- (2) Force manning changes: -\$1.0 million.
- (3) Implementation of housing Capital Venture Initiatives (CVI) at Fort Carson, CO, and Fort Bragg, NC: +\$0.2 million.

Between FY98 and FY99, the VHA requirement increases by \$2.9 million. This change is based on:

- (1) Cost growth of 2.1 percent, effective 1 Jan 98, and 2.1 percent, effective 1 Jan 99: +\$2.2 million.
- (2) Force manning changes: +\$0.7 million.

Detailed cost computations are provided by the following table:

OFFICER VARIABLE HOUSING ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	58	\$ 3,414	\$ 198	57	\$ 3,491	\$ 199	57	\$ 3,561	\$ 203	57	\$ 3,632	\$ 207
COLONEL.....	2,162	3,425	7,405	2,232	3,497	7,804	2,236	3,571	7,984	2,245	3,646	8,186
LIEUTENANT COLONEL.....	6,049	3,132	18,945	5,870	3,197	18,769	5,864	3,265	19,147	5,926	3,334	19,759
MAJOR.....	9,246	2,473	22,865	9,138	2,525	23,070	9,003	2,578	23,211	9,269	2,633	24,403
CAPTAIN.....	14,736	1,875	27,630	13,519	1,914	25,877	13,742	1,955	26,861	13,835	1,996	27,616
1ST LIEUTENANT.....	4,913	1,499	7,365	5,125	1,530	7,843	5,008	1,563	7,826	4,618	1,596	7,369
2ND LIEUTENANT.....	4,736	1,548	7,331	4,452	1,580	7,036	4,242	1,614	6,846	4,381	1,648	7,220
OFFICER SUBTOTAL.....	41,900		\$ 91,739	40,393		\$ 90,598	40,152		\$ 92,078	40,331		\$ 94,760
WARRANT OFFICER (5).....	262	2,411	632	257	2,461	633	264	2,513	664	262	2,567	672
WARRANT OFFICER (4).....	922	2,192	2,021	1,049	2,238	2,347	1,030	2,285	2,354	1,033	2,334	2,411
WARRANT OFFICER (3).....	1,780	1,816	3,232	1,719	1,854	3,187	1,672	1,893	3,165	1,677	1,933	3,242
WARRANT OFFICER (2).....	2,909	1,723	5,012	2,509	1,759	4,413	2,430	1,796	4,365	2,438	1,834	4,472
WARRANT OFFICER (1).....	961	1,825	1,754	1,076	1,863	2,005	1,053	1,903	2,003	1,056	1,943	2,052
WARRANT OFFICER SUBTOTAL.....	6,834		\$ 12,651	6,610		\$ 12,585	6,449		\$ 12,551	6,466		\$ 12,849
TOTAL OFFICER VARIABLE HOUSING ALLOWANCE..	48,734		\$ 104,390	47,003		\$ 103,183	46,601		\$ 104,629	46,797		\$ 107,609

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 151,721
\$ 149,609
\$ 147,366
\$ 147,656

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 of Funds Requested

Subsistence allowance costs are obtained by multiplying the projected average number eligible for the allowance by the annual statutory rate. The estimates for FY98 and FY99 reflect a pay raise of one percent to accommodate a Unified Legislation and Budgeting (ULB) initiative called Partial BAS resourced from the remainder of the pay raise. The Partial BAS proposal is a cost neutral effort to provide all eligible enlisted personnel with a BAS payment.

Estimated subsistence allowance costs increase by a net \$2.2 million from FY97 to FY98. This change is based on--

- (1) Annualization of the 3.0 percent, 1 Jan 97 pay raise: +\$1.1 million.
- (2) The 1.0 percent, 1 Jan 98 pay raise: +\$1.1 million.

Between FY98 and FY99, the BAS requirement increases by a net +\$2.1 million. This change is based on--

- (1) Annualization of the 1.0 percent, 1 Jan 98 pay raise: +\$0.4 million.
- (2) The 1.0 percent, 1 Jan 99 pay raise: +\$1.1 million.
- (3) Force manning changes: +0.6 million.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE...	82,697	\$ 1,785.51	\$ 147,656	80,245	\$ 1,836.45	\$ 147,366	80,272	\$ 1,863.78	\$ 149,609	80,598	\$ 1,882.44	\$ 151,721

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 111,139
\$ 109,380
\$ 139,042
\$ 138,495

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. The FY98/99 estimates for overseas station allowances are based on exchange rates of 1.564 DM/\$1 US. Beginning with FY97, MPA re-joins the Foreign Currency Fluctuations, Defense account.

Estimated costs decrease by a net \$29.7 million between FY97 and FY98. This change is based on--

- (1) Annualization of the 3.0 percent, 1 Jan 97 pay raise: +\$0.3 million.
- (2) The 2.8 percent, 1 Jan 98 pay raise: +\$1.0 million.
- (3) Rate changes due to foreign currency fluctuations: -\$30.5 million.
- (4) Cost growth for TLA inflation: +\$0.2 million.
- (5) Changes in members stationed overseas: -\$0.7 million.

From FY98 to FY99, the requirement for overseas station allowance increases by a net \$1.8 million. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +\$0.4 million.
- (2) The 3.0 percent, 1 Jan 99 pay raise: +\$1.1 million.
- (3) Cost growth for TLA inflation: +\$0.3 million.

Detailed cost computations are provided by the following table:

OFFICER OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING												
GENERAL.....	59	\$ 8,288	\$ 489	55	\$ 9,000	\$ 495	55	\$ 6,800	\$ 374	55	\$ 7,055	\$ 388
COLONEL.....	656	8,016	5,258	647	8,650	5,597	644	6,513	4,194	639	6,771	4,327
LIEUTENANT COLONEL.....	1,768	7,463	13,195	1,698	8,035	13,643	1,690	6,063	10,246	1,678	6,303	10,576
MAJOR.....	2,862	6,375	18,245	2,746	6,803	18,680	2,733	5,143	14,055	2,713	5,348	14,508
CAPTAIN.....	4,993	5,116	25,544	5,017	5,437	27,276	4,993	4,156	20,753	4,956	4,321	21,415
1ST LIEUTENANT.....	2,182	4,437	9,682	2,205	4,870	10,739	2,194	3,638	7,981	2,178	3,782	8,238
2ND LIEUTENANT.....	1,949	3,084	6,011	1,802	3,154	5,684	1,794	2,523	4,526	1,780	2,624	4,670
WARRANT OFFICER (5).....	85	6,285	534	74	6,227	461	78	5,064	395	76	5,266	400
WARRANT OFFICER (4).....	300	5,637	1,691	307	6,122	1,879	301	4,547	1,369	300	4,728	1,418
WARRANT OFFICER (3).....	839	4,899	4,110	854	5,195	4,437	850	3,932	3,342	843	4,086	3,444
WARRANT OFFICER (2).....	1,656	4,515	7,477	1,630	4,785	7,800	1,622	3,686	5,978	1,611	3,833	6,176
WARRANT OFFICER (1).....	365	3,685	1,345	373	3,892	1,452	371	2,945	1,092	368	3,059	1,126
SUBTOTAL.....	17,714		\$ 93,581	17,408		\$ 98,143	17,325		\$ 74,305	17,197		\$ 76,686
HOUSING ALLOWANCE												
GENERAL.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
COLONEL.....	123	13,906	1,710	112	14,243	1,595	112	12,442	1,394	112	12,030	1,347
LIEUTENANT COLONEL.....	452	9,570	4,326	345	10,453	3,606	345	8,502	2,933	345	8,217	2,835
MAJOR.....	682	8,351	5,695	534	9,343	4,989	534	7,241	3,867	534	6,999	3,737
CAPTAIN.....	1,233	7,807	9,626	1,072	8,221	8,813	1,072	6,506	6,975	1,072	6,289	6,742
1ST LIEUTENANT.....	806	6,845	5,517	735	7,110	5,226	735	6,145	4,517	735	5,940	4,366
2ND LIEUTENANT.....	516	7,901	4,077	396	8,369	3,314	396	6,682	2,646	396	6,459	2,558
WARRANT OFFICER (5).....	17	7,411	126	11	8,599	95	12	6,978	84	12	6,724	81
WARRANT OFFICER (4).....	61	6,646	405	47	7,878	370	46	6,382	294	46	6,181	284
WARRANT OFFICER (3).....	152	7,268	1,105	127	7,912	1,005	127	6,298	800	127	6,088	773
WARRANT OFFICER (2).....	229	7,130	1,633	199	7,156	1,424	199	5,915	1,177	199	5,719	1,138
WARRANT OFFICER (1).....	51	8,572	437	47	8,599	404	47	7,528	354	47	7,287	343
SUBTOTAL.....	4,322		\$ 34,657	3,625		\$ 30,841	3,625		\$ 25,041	3,625		\$ 24,204
TEMPORARY LODGING ALLOWANCE...	7,374	\$ 1,391	\$ 10,257	7,083	\$ 1,420	\$ 10,058	6,920	\$ 1,450	\$ 10,034	6,925	\$ 1,480	\$ 10,249
TOTAL OFFICER												
STATION ALLOWANCE OVERSEAS...	29,410		\$ 138,495	28,116		\$ 139,042	27,870		\$ 109,380	27,747		\$ 111,139

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 845
\$ 845
\$ 845
\$ 432

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 is 109 percent 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 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
CONUS COLA.....	474	912.00	917	921.00	917	921.00	917	921.00
		\$ 432		\$ 845		\$ 845		\$ 845

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 2,570
\$ 2,543
\$ 2,569
\$ 2,381

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 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNIFORM ALLOWANCES												
INITIAL.....	6,081	\$ 200	\$ 1,216	6,352	\$ 200	\$ 1,270	6,196	\$ 200	\$ 1,239	6,220	\$ 200	\$ 1,244
ADDITIONAL.....	5,202	100	520	6,352	100	635	6,196	100	620	6,220	100	622
SUBTOTAL.....	11,283		\$ 1,736	12,704		\$ 1,905	12,392		\$ 1,859	12,440		\$ 1,866
CIVILIAN CLOTHING												
WINTER AND SUMMER.....	530	\$ 1,216	\$ 645	530	\$ 1,253	\$ 664	530	\$ 1,290	\$ 684	530	\$ 1,329	\$ 704
TOTAL OFFICER												
CLOTHING ALLOWANCES.....	11,813		\$ 2,381	13,234		\$ 2,569	12,922		\$ 2,543	12,970		\$ 2,570

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 3,868
\$ 3,833
\$ 4,230
\$ 5,564

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.

Detailed cost computations are provided by the following table:

OFFICER FAMILY SEPARATION ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES												
COLONEL.....	9	\$ 8,573.00	\$ 77	9	\$ 8,979.00	\$ 81	9	\$ 9,269.00	\$ 83	9	\$ 9,543.00	\$ 86
LIEUTENANT COLONEL.....	36	8,256.00	297	36	8,648.00	311	35	8,927.00	312	35	9,191.00	322
MAJOR.....	31	7,652.00	237	31	8,015.00	248	30	8,274.00	248	30	8,518.00	256
CAPTAIN.....	22	6,162.00	136	22	6,455.00	142	21	6,664.00	140	21	6,861.00	144
1ST LIEUTENANT.....	4	4,902.00	20	4	5,139.00	21	4	5,306.00	21	4	5,462.00	22
2ND LIEUTENANT.....	8	4,125.00	33	8	4,320.00	35	8	4,460.00	36	8	4,591.00	37
WARRANT OFFICER (5).....	1	7,772.00	8	1	8,141.00	8	1	8,405.00	8	1	8,653.00	9
WARRANT OFFICER (4).....	5	6,905.00	35	4	7,232.00	29	4	7,466.00	30	4	7,687.00	31
WARRANT OFFICER (3).....	11	5,802.00	64	11	6,078.00	67	11	6,275.00	69	11	6,460.00	71
WARRANT OFFICER (2).....	21	5,152.00	108	21	5,396.00	113	20	5,571.00	111	20	5,735.00	115
WARRANT OFFICER (1).....	4	4,313.00	17	4	4,517.00	18	3	4,664.00	14	3	4,801.00	14
SUBTOTAL.....	152		\$ 1,032	151		\$ 1,073	146		\$ 1,072	146		\$ 1,107
PCS CONUS OR OVERSEAS WITH DEPENDENT NOT AUTHORIZED.....	1,848	900.00	1,663	1,837	900.00	1,653	1,802	900.00	1,622	1,802	900.00	1,622
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	3,188	900.00	2,869	1,671	900.00	1,504	1,265	900.00	1,139	1,265	900.00	1,139
TOTAL OFFICER FAMILY SEPARATION ALLOWANCES.....	5,188		\$ 5,564	3,659		\$ 4,230	3,213		\$ 3,833	3,213		\$ 3,868

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 99,960
ESTIMATE FY 1998	\$ 62,775
ESTIMATE FY 1997	\$ 183,049
ACTUAL FY 1996	\$ 180,318

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 benefit (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 Sep 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 Oct 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 Feb 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 basic 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 Jan 93 from which VSI payments will be made. The Act further required the DOD 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 Jan 93 and (2) the total present value costs necessary to fund those members accepting VSI benefits after 1 Jan 93.

From FY97 to FY98, the estimate for separation pays decreases by a net \$120.3 million. This change is based on--

- (1) Annualization of the 3.0 percent, 1 Jan 97 pay raise: +\$0.2 million.
- (2) The 2.8 percent, 1 Jan 98 pay raise: +\$0.7 million.
- (3) Discontinued use of SSB, VSI (new takers), and 15-year early retirement, plus reduced need for lump terminal leave as officer drawdown was completed at end FY97: -\$121.2 million.

The requirement for separation pays increases by a net \$37.2 million between FY98 and FY99. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +\$0.5 million.
- (2) The 3.0 percent, 1 Jan 99 pay raise: +\$1.6 million.
- (3) Increased need for lump sum leave, plus additional requirement for severance pay (non-promotion) to coincide with the discontinued use of SSB, VSI, and 15-year early retirement: +\$35.9 million.
- (4) Reduced need for transfers into the VSI Trust Fund: -\$0.8 million.

Detailed cost computations are provided by the following table:

OFFICER SEPARATION PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996				ESTIMATE FY 1997				ESTIMATE FY 1998				ESTIMATE FY 1999			
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
SEVERANCE PAY (DISABILITY).....	77		39,203	\$ 3,019	66		36,778	\$ 2,427	66		37,832	\$ 2,497	66		38,954	\$ 2,571
SEVERANCE PAY (NON-PROMOTIONAL)	201		42,903	8,624	201		44,132	8,871	201		45,396	9,125	950		46,743	44,406
INVOLUNTARY HALF-PAY (5%).....	4		24,739	99	4		25,447	102	4		26,177	105	4		26,953	108
INVOLUNTARY FULL-PAY (10%)...	39		42,903	1,673	38		44,132	1,677	38		45,396	1,725	37		46,743	1,729
VOLUNTARY SPECIAL SEPARATION	339		57,988	19,658	326		59,648	19,445	0		0	0	0		0	0
BENEFIT (15%)....	1,016		60,199	61,162	933		61,923	57,774	0		0	0	0		0	0
15 YEAR RETIREMENT	1,398			\$ 82,592	1,301			\$ 78,998	42			\$ 1,830	41			\$ 1,837
SEPARATION PAY (NON-DISABILITY).																
VOLUNTARY																
SEPARATION																
INCENTIVE (DIRECT MILPERS PAY) 1)...	328			59,449	353			67,725	0			28,915	0			28,125
THRU																
DEC 31, 1992	0			28,125	0			28,125	0			28,125	0			28,125
JAN 1, 1993																
AND AFTER.....	328			31,324	353			39,600	0			790	0			0
LUMP SUM TERMINAL LEAVE PAYMENTS																
GENERAL.....	43	56.1	15,837	\$ 681	37	56.1	16,297	\$ 603	32	56.1	16,813	\$ 538	34	56.1	17,206	\$ 585
COLONEL.....	498	42.4	8,916	4,440	471	42.4	9,171	4,320	485	42.4	9,433	4,575	532	42.4	9,711	5,166
LT. COLONEL.....	847	32.1	5,235	4,434	950	32.1	5,385	5,116	842	32.1	5,538	4,663	923	32.1	5,702	5,263
MAJOR.....	1,670	33.6	4,286	7,158	1,330	33.6	4,409	5,864	704	33.6	4,534	3,192	772	33.6	4,668	3,604
CAPTAIN.....	2,207	23.7	2,491	5,498	1,973	23.7	2,562	5,055	1,508	23.7	2,635	3,974	1,654	23.7	2,713	4,487
1ST LIEUT.....	764	17.3	1,429	1,092	721	17.3	1,470	1,060	651	17.3	1,512	984	713	17.3	1,556	1,110
2ND LIEUT.....	217	16.6	1,016	220	163	16.6	1,045	170	143	16.6	1,075	154	157	16.6	1,107	174
WARR OFF (5)....	54	35.2	5,062	273	48	35.2	5,207	250	51	35.2	5,355	273	56	35.2	5,513	309
WARR OFF (4)....	278	35.2	4,540	1,262	242	35.2	4,670	1,130	135	35.2	4,803	648	148	35.2	4,945	732
WARR OFF (3)....	309	26.2	2,557	790	283	26.2	2,630	744	257	26.2	2,705	695	282	26.2	2,785	785
WARR OFF (2)....	404	23.6	1,876	758	349	23.6	1,930	673	322	23.6	1,985	639	354	23.6	2,043	723
WARR OFF (1)....	12	33.5	2,302	28	18	33.5	2,368	43	30	33.5	2,435	73	33	33.5	2,507	83
SUBTOTAL.....	7,303			\$ 26,634	6,585			\$ 25,028	5,160			\$ 20,408	5,658			\$ 23,021
TOTAL OFFICER																
SEPARATION PAY....	9,307			\$ 180,318	8,506			\$ 183,049	5,469			\$ 62,775	6,715			\$ 99,960

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

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 303,466
ESTIMATE FY 1998	\$ 294,523
ESTIMATE FY 1997	\$ 288,693
ACTUAL FY 1996	\$ 289,876

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 is 6.2% and the hospital insurance (HI) is 1.45%. The maximum amount of earnings per individual on which tax is payable for the old-age, survivors, and disability (OASDI), medicare programs are:

Calendar Year	OASDI Base	Medicare Base
1995	\$61,200	No upper limit
1996	\$62,700	No upper limit
1997	\$65,400	No upper limit
1998	\$68,700	No upper limit
1999	\$71,400	No upper limit

From FY97 to FY98, the social security tax estimate increases by a net \$5.8 million. This change is based on--

- (1) Annualization of the 3.0 percent, 1 Jan 97 pay raise: +\$2.3 million.
- (2) The 2.8 percent, 1 Jan 98 pay raise: +\$4.9 million.
- (3) Decrease in wage credit payments: -\$1.4 million.

The social security tax requirement increases by a net \$8.9 million between FY98 and FY99.
This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +2.2 million.
- (2) The 3.0 percent, 1 Jan 99 pay raise: +\$5.5 million.
- (3) Force manning changes: +\$1.2 million.

Detailed cost computations are provided by the following table:

OFFICER SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX -												
EMPLOYER'S CONTRIBUTION												
OF TAX ON BASIC PAY.....	82,697	\$ 3,031	\$ 250,635	80,245	\$ 3,103	\$ 248,986	80,272	\$ 3,192	\$ 256,216	80,598	\$ 3,292	\$ 265,359
WAGE CREDITS.....			\$ 39,241			\$ 39,707			\$ 38,307			\$ 38,107
TOTAL OFFICER												
SOCIAL SECURITY TAX.....	82,697		\$ 289,876	80,245		\$ 288,693	80,272		\$ 294,523	80,598		\$ 303,466

Section 4
Schedule of Increases and Decreases
(Amounts in Thousands of Dollars)

Pay and Allowances of Enlisted Personnel		Amount
FY 1997 Direct Program		
Increases		
a. Pay Raise		334,600
Reflects annualized costs of the 3.0 percent pay raise 1 Jan 97 and the 2.8 percent 1 Jan 98 pay raises.		
b. Inflation		4,783
Reflects inflation for Variable Housing Allowance, and Temporary Housing Allowance.		
c. Basic Allowance for Quarters and Variable Housing Allowance		38,363
Reflects changes in the family housing inventory, enlisted housing policy changes, and the Capital Venture Initiative (CVI) at Ft. Carson and Ft. Bragg.		
d. Reimbursable Program		4,819
Total Increase:		\$ 382,565
Decreases:		
a. Force Manning Costs		-42,341
b. Retired Pay Accrual		-152,326
Decrease in NCP from 32.6 percent in FY97 to 30.5 percent in FY98.		
c. Enlisted Bonus and Selective Reenlistment Bonus		-14,081
Reflects changes in numbers receiving bonus payments.		
d. FICA		-5,755
Decrease reflects changes in Wage Credit payments and the G.I. Bill Offset.		
e. Incentive Pay and Special Pay		-12,378
Reflects reduced numbers receiving parachute pay and FY97 contingency costs for Bosnia.		
f. Family Separation Allowance		-3,093
Reflects decreased number of members receiving payments.		
g. Overseas Station Allowances (OSA)		-109,954
Reflects rate changes associated with foreign currency fluctuation. Also includes strength decreases in regions where OSA is authorized.		
h. Separation Pay		-42,428

Reflects decreased number of members receiving separation payments.		
i. Clothing	-6,065	
Reflects decreased strength offset by changes in clothing bag rates.		
j. Miscellaneous	-819	
Total Decreases		\$-389,240
FY 1998 Direct Program		\$12,469,688
Increases		
a. Pay Raise	345,312	
Reflects annualized costs of the 2.8 percent pay raise 1 Jan 98 and the 3.0 percent 1 Jan 99 pay raises.		
b. Inflation	4,893	
Reflects inflation for Variable Housing Allowance, and Temporary Housing Allowance.		
c. Selective Reenlistment Bonus	1,330	
Reflects changes in numbers receiving new payments.		
d. Basic Allowance for Quarters and Variable Housing Allowance	2,167	
Reflects changes in the family housing inventory.		
e. Overseas Station Allowance (OSA)	6,976	
Reflects rate changes associated with foreign currency fluctuation. Also includes strength decreases in regions where OSA is authorized.		
f. Clothing	957	
Reflects decreased strength offset by changes in clothing bag rates.		
g. Miscellaneous	397	
Total increase:		\$ 362,032
Decreases:		
a. Force Manning Costs	-150,904	
b. Retired pay accrual	-22,298	
Decrease in NCP from 30.5 percent in FY98 to 30.1 percent in FY99.		
c. Special Duty Assignment Pay	-1,026	
Reflects decreased authorizations for production recruiters.		

d. Separation Pay
Reflects decreased number of members receiving payments.

-30,050

e. Reimbursable Program

-2,135

Total Decreases

\$ -206,413

FY 1999 Direct

\$12,625,307

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 7,542,367
ESTIMATE FY 1998	\$ 7,432,671
ESTIMATE FY 1997	\$ 7,253,654
ACTUAL FY 1996	\$ 7,221,465

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, many year program changes contribute to the full cost of the basic pay.

The estimated net change is \$179.1 million from FY97 to FY98. Force manning costs decreases by \$28.1 million. The annualization of the FY97 pay raise requires an increase of \$54.2 million, and the FY98, 2.8 percent pay raise requires an additional \$153 million. The estimated net change is \$109.7 million from FY98 to FY99. Force manning costs decreases by \$107.5 million. The annualization of the FY98 pay raise requires an increase of \$51.3 million and the FY99, 3.0 percent pay raise requires an additional \$165.9 million.

Detailed cost computations are provided by the following table:

ENLISTED BASIC PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	3,122	\$ 38,425	\$ 119,963	3,162	\$ 39,341	\$ 124,396	3,145	\$ 40,219	\$ 126,489	3,053	\$ 40,973	\$ 125,091
1ST SGT/MASTER SGT.....	10,931	30,971	338,544	10,939	31,691	346,668	10,971	32,388	355,329	11,065	32,995	365,090
PLATOON SGT/SGT 1ST CLASS.	40,082	26,054	1,044,296	40,142	26,669	1,070,547	38,997	27,256	1,062,902	37,832	27,767	1,050,481
STAFF SERGEANT.....	60,580	21,830	1,322,461	58,393	22,335	1,304,208	57,455	22,827	1,311,525	56,097	23,256	1,304,592
SERGEANT.....	77,448	18,126	1,403,822	78,621	18,537	1,457,397	77,723	18,945	1,472,462	77,719	19,300	1,499,977
CORPORAL/SPECIALIST 4.....	121,704	14,884	1,811,442	113,479	15,253	1,730,895	115,027	15,589	1,793,156	117,246	15,881	1,861,984
PRIVATE, FIRST CLASS.....	49,570	12,357	612,536	49,974	12,654	632,371	50,856	12,933	657,721	53,173	13,175	700,554
PRIVATE (E2).....	29,396	11,795	346,726	29,602	12,026	355,994	30,899	12,290	379,749	29,323	12,521	367,153
PRIVATE (E1).....	21,883	10,130	221,675	22,388	10,326	231,178	25,899	10,554	273,338	24,874	10,752	267,445
TOTAL ENLISTED BASIC PAY..	414,716		\$ 7,221,465	406,700		\$ 7,253,654	410,972		\$ 7,432,671	410,382		\$ 7,542,367

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 2,277,795
\$ 2,266,965
\$ 2,364,691
\$ 2,375,862

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 Fund, in accordance with 10 U.S.C. 1466.

Part II - Justification of Funds Requested

The budget estimates are derived as a product of:

- (a) The DOD Actuary approved full-time normal cost percentage (NCP) of basic pay, i.e., 32.9% for FY96, 32.6 percent for FY97, 30.5 percent for FY98, and 30.2 percent for FY99.
- (b) The total amount of the basic pay expected to be paid during the fiscal year to members of the Active Army.

The estimate decreases by \$97.7 million from FY97 to FY98. Force manning costs decrease by \$8.5 million; the annualization of the FY97 pay raise accounts for an increase of \$16.5 million; and the FY98, 2.8 percent pay raise is \$46.6 million. The Normal Cost Percentage (NCP) decreases from 32.6 percent in FY97 to 30.5 percent in FY98, accounting for a decrease of \$152.3 million. The estimate increases by \$10.8 million from FY98 to FY99. Force manning costs decrease by \$32.5 million; the annualization of the FY98 pay raise accounts for an increase of \$15.5 million; and the FY99, 3.0 percent pay raise is \$50.1 million. The Normal Cost Percentage decreases from 30.5 percent in FY98 to 30.2 percent in FY99, accounting for a decrease of \$22.3 million.

Detailed cost computations are provided by the following table:

ENLISTED RETIRED PAY ACCRUAL
(AMOUNTS IN THOUSANDS OF DOLLARS)

ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
ENLISTED AVERAGE STRENGTH	RATE	AMOUNT	ENLISTED AVERAGE STRENGTH	RATE	AMOUNT	ENLISTED AVERAGE STRENGTH	RATE	AMOUNT	ENLISTED AVERAGE STRENGTH	RATE	AMOUNT
414,716	\$ 5,728.89	\$ 2,375,862	406,700	\$ 5,814.34	\$ 2,364,691	410,972	\$ 5,516.10	\$ 2,266,965	410,382	\$ 5,550.43	\$ 2,277,795

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 51,280
\$ 51,292
\$ 53,874
\$ 54,279

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 2,500 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 proponentcy 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 dimethyl 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. An Army decision to reduce the number of parachute positions as a cost avoidance initiative lowers the requirement for parachute pay by \$2.6 million from FY97 to FY98.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	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	1	\$ 2,400	\$ 2
1ST SGT/MASTER SGT.....	8	2,400	19	12	2,400	29	12	2,400	29	12	2,400	29
PLATOON SGT/SGT 1ST CLASS..	133	2,400	319	127	2,400	305	135	2,400	324	124	2,400	298
STAFF SERGEANT.....	674	2,100	1,415	1,239	2,100	2,602	1,292	2,100	2,713	1,297	2,100	2,724
SERGEANT.....	1,287	1,800	2,317	925	1,800	1,665	925	1,800	1,665	909	1,800	1,636
CPL/SPECIALIST 4.....	1,186	1,500	1,779	926	1,500	1,389	888	1,500	1,332	888	1,500	1,332
PRIVATE, 1ST CLASS.....	153	1,320	202	83	1,320	110	55	1,320	73	55	1,320	73
PRIVATE (E2).....	9	1,320	12	5	1,320	7	3	1,320	4	3	1,320	4
PRIVATE (E1).....	5	1,320	7	2	1,320	3	2	1,320	3	2	1,320	3
SUBTOTAL.....	3,456		\$ 6,072	3,320		\$ 6,112	3,313		\$ 6,145	3,291		\$ 6,101
FLYING DUTY NON-CREW MEMBERS..	793	\$1,320	\$ 1,047	884	\$1,320	\$ 1,167	884	\$1,320	\$ 1,167	884	\$1,320	\$ 1,167
TOTAL FLYING DUTY PAY.....	4,249		\$ 7,119	4,204		\$ 7,279	4,197		\$ 7,312	4,175		\$ 7,268
OTHER HAZARDOUS DUTY												
PARACHUTE JUMPING.....	32,412	1,320	42,784	32,699	1,320	43,163	30,719	1,320	40,549	30,719	1,320	40,549
EXPERIMENTAL STRESS.....	68	1,320	90	88	1,320	116	90	1,320	119	90	1,320	119
DEMOLITION OF EXPLOSIVES...	1,303	1,320	1,720	940	1,320	1,241	937	1,320	1,237	961	1,320	1,269
TOXIC FUEL.....	9	1,320	12	9	1,320	12	9	1,320	12	9	1,320	12
TOXIC PESTICIDES EXPOSURE..	7	1,320	9	4	1,320	5	4	1,320	5	4	1,320	5
DANGEROUS VIRUSES EXPOSURE.	121	1,000	121	0	0	0	0	0	0	0	0	0
HIGH ALTITUDE JUMP PAY.....	1,120	1,980	2,218	844	1,980	1,671	844	1,980	1,671	844	1,980	1,671
CHEMICAL MUNITIONS.....	156	1,320	206	293	1,320	387	293	1,320	387	293	1,320	387
SUBTOTAL.....	35,196		47,160	34,877		46,595	32,896		43,980	32,920		44,012
TOTAL ENLISTED INCENTIVE PAY	39,445		54,279	39,081		53,874	37,093		51,292	37,095		51,280
FOR HAZARDOUS PAY.....												

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 13,990
\$ 14,010
\$ 23,806
\$ 55,379

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. Special Pay is paid at rates varying from \$8-22.50 per month. Rates depend 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 also 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 FY97 to FY98 of \$9.8 million reflects the FY97 Bosnia mission.

Contingency operations funding in FY98 accounts for \$3.4 million for Imminent Danger Pay and \$.4 million for Duty at Certain Places Pay. Funding for contingency operations in FY99 is \$3.5 million for Imminent Danger Pay and \$.4 million for Duty at Certain Places Pay.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
SEA DUTY PAY.....	396	\$ 1,538	\$ 609	396	\$ 1,538	\$ 609	396	\$ 1,480	\$ 586	396	\$ 1,480	\$ 586
DUTY AT CERTAIN PLACES												
SERGEANT MAJOR.....	232	\$ 270	\$ 63	231	\$ 270	\$ 62	194	\$ 270	\$ 52	193	\$ 270	\$ 52
1ST SGT/MASTER SGT.....	906	270	245	902	270	244	758	270	205	757	270	204
PLATOON SGT/SGT 1ST CLASS..	7,080	270	1,912	4,132	270	1,116	2,944	270	795	2,937	270	793
STAFF SERGEANT.....	1,200	240	288	6,440	240	1,546	4,588	240	1,101	4,577	240	1,098
SERGEANT.....	16,514	192	3,171	10,006	192	1,921	7,128	192	1,369	7,110	192	1,365
CORPORAL/SPECIALIST 4.....	17,000	156	2,652	16,192	156	2,526	11,535	156	1,799	11,507	156	1,795
PRIVATE, FIRST CLASS.....	6,461	108	698	6,430	108	694	5,408	108	584	5,394	108	583
PRIVATE (E2).....	2,756	96	265	2,742	96	263	2,307	96	221	2,301	96	221
PRIVATE (E1).....	427	96	41	425	96	41	358	96	34	357	96	34
TOTAL DUTY AT CERTAIN PLACES.....	52,576		\$ 9,335	47,500		\$ 8,413	35,220		\$ 6,160	35,133		\$ 6,145
SUBTOTAL.....	52,972		\$ 9,944	47,896		\$ 9,022	35,616		\$ 6,746	35,529		\$ 6,731
FOREIGN LANGUAGE PAY.....	5,334	\$ 720	\$ 3,840	5,709	\$ 720	\$ 4,110	5,709	\$ 720	\$ 4,110	5,709	\$ 720	\$ 4,110
DIVING DUTY PAY.....	491	2,053	1,008	493	2,047	1,009	491	2,053	1,008	491	2,053	1,008
HOSTILE FIRE PAY.....	22,439	1,800	40,390	4,812	1,800	8,662	635	1,800	1,143	632	1,800	1,138
OVERSEAS EXTENSION PAY.....	205	960	197	1,045	960	1,003	1,045	960	1,003	1,045	960	1,003
TOTAL ENLISTED SPECIAL PAY...	81,441		\$ 55,379	59,955		\$ 23,806	43,496		\$ 14,010	43,406		\$ 13,990

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 50,901
ESTIMATE FY 1998	\$ 51,927
ESTIMATE FY 1997	\$ 52,746
ACTUAL FY 1996	\$ 42,833

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 NCO's, 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. The estimate decreases by \$1 million between FY98 and FY99 resulting from the reduced number of authorizations for production recruiters.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY												
ASSIGNMENT												
SD6 (\$375.00)	3,587	\$ 4,500.00	\$ 16,142	6,875	\$ 4,500.00	\$ 30,938	6,693	\$ 4,500.00	\$ 30,119	6,465	\$ 4,500.00	\$ 29,093
SD5 (\$275.00)	5,006	3,300.00	16,520	1,914	3,300.00	6,316	1,914	3,300.00	6,316	1,914	3,300.00	6,316
SD4 (\$220.00)	2,589	2,640.00	6,835	896	2,640.00	2,365	896	2,640.00	2,365	896	2,640.00	2,365
SD3 (\$165.00)	1,685	1,980.00	3,336	6,630	1,980.00	13,127	6,630	1,980.00	13,127	6,630	1,980.00	13,127
TOTAL ENLISTED SPECIAL												
DUTY ASSIGNMENT PAY.....	12,867		\$ 42,833	16,315		\$ 52,746	16,133		\$ 51,927	15,905		\$ 50,901

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATED FY 1999
ESTIMATED FY 1998
ESTIMATED FY 1997
ACTUAL FY 1996

\$ 41,406
\$ 40,076
\$ 47,923
\$ 37,793

Project: Reenlistment Bonus - Enlisted

Part I - Purpose and Scope

The Selective Reenlistment Bonus Program (SRB) is authorized under the provisions of Title 37 U.S.C. 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 percent 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 Control Point (RCP's). The Army will continue to focus and apply management initiatives to develop an optimal force structure.

The estimate decreases from FY97 to FY98 by \$7.8 million and increases by \$1.3 million between FY98 and FY99. The fluctuation of estimates between fiscal years reflect the changes in the number of personnel receiving initial payments. Shortages at specific grade/cell/MOS will continue despite the continued drawdown of the Army.

Project: Reenlistment Bonus - Enlisted

Furnished in accordance with Congressional direction, the following are the Army's most critically imbalanced skills as of January 1997 (restricted to MOS with authorizations in at least four grade cells):

MOS	Title	Shortage MOS
13E	Cannon Fire Direction Specialist	
13P	MLRS Operations/Fire Direction SP	
13R	Field Artillery Firefinder Radar Operator	
14J	Early Warning System Operator	
14R	Line of Sight - Forward - Heavy Crewmember	
31F	Network Switching Systems Operator/Maintainer	
31S	Satellite Communications System Operator-Maintainer	
35M	Radar Repairer	
35R	Avionic Radar Repairer	
46R	Broadcast Journalist	

Detailed cost computations are provided by the following table:

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

SELECTED REENLISTMENT BONUS	ACTUAL FY 1996			ESTIMATED FY 1997			ESTIMATED FY 1998			ESTIMATED FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INITIAL PAYMENTS.....	3,864	\$ 4,281	\$ 16,540	6,044	\$ 4,400	\$ 26,593	4,158	\$ 4,530	\$ 18,837	4,365	\$ 4,670	\$ 20,386
ANNIVERSARY PAYMENTS.....	24,471	868	21,253	16,145	1,321	21,330	16,621	1,278	21,239	15,267	1,377	21,020
TOTAL REENLISTMENT BONUS.....	28,335		\$ 37,793	22,189		\$ 47,923	20,779		\$ 40,076	19,632		\$ 41,406

ENLISTED REENLISTMENT BONUS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	FY 1996		FY 1997		FY 1998		FY 1999		FY 2000		FY 2001		FY 2002		FY 2003	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
PRIOR																
OBLIGATIONS.....	24,471	25,853	12,319	15,959	6,850	7,339	2,186	2,321	973	996	0	0	0	0	0	0
ANNIVERSARY																
PAYMENTS.....	3,864	16,540	3,826	5,371	3,787	5,264	3,041	4,118	842	958	721	0	0	0	0	0
PRIOR YEAR (96)																
INITIAL &																
SUBSEQUENT																
ANNIVERSARY																
PAYMENTS.....	0	0	6,044	26,593	5,983	8,636	5,923	8,463	4,757	6,622	1,318	1,540	1,076	1,159	0	0
CURRENT YEAR (97)																
INITIAL &																
SUBSEQUENT																
ANNIVERSARY																
PAYMENTS.....	0	0	0	0	4,158	18,837	4,117	6,117	4,075	5,995	3,273	4,690	906	1,091	740	821
BUDGET YEAR (98)																
INITIAL &																
SUBSEQUENT																
ANNIVERSARY																
PAYMENTS.....	0	0	0	0	0	0	4,365	20,386	4,322	6,620	4,278	6,488	3,435	4,076	952	1,180
BUDGET YEAR (99)																
INITIAL &																
SUBSEQUENT																
INITIAL PAYMENTS....	3,864	16,540	6,044	26,593	4,158	18,837	4,365	20,386	5,283	25,225	5,368	26,141	5,184	25,244	5,516	26,861
TOTAL																
ANNIVERSARY																
PAYMENTS.....	24,471	21,253	16,145	21,330	16,621	21,239	15,267	21,020	14,969	21,191	14,786	21,631	15,909	23,843	16,241	24,800
SRB TOTAL.....	37,793		47,923		40,076		41,406		46,416		47,772		49,087		51,661	

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATED FY 1999
ESTIMATED FY 1998
ESTIMATED FY 1997
ACTUAL FY 1996

\$ 18,185
\$ 18,065
\$ 24,299
\$ 18,144

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 PL 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 250 plus initial entry military occupational specialties (MOS).

Quality goals for army accessions are: at least 95 percent high school diploma graduates, 67 percent Test Score Category (TSC) Category I-IIIA, and less than 2 percent Category IV.

The program is tied to a level commensurate with programmed recruiting mission. These funding levels are critical to attaining army quality goals during a period of low positive propensity of the youth market to enlist. It is becoming increasingly difficult to recruit sufficient soldiers to sustain a quality force.

The estimate decreases by \$6.2 million between FY97 and FY98. The decrease occurs primarily because the Enlistment Bonus Program increase by \$12M in FY97 to assist recruiters in filling additional critical skills as a result of a larger mission.

Detailed cost computations are provided by the following table:

ENLISTMENT BONUS PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATED FY 1997			ESTIMATED FY 1998			ESTIMATED FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTED BONUS PROGRAM												
NEW PAYMENTS												
UP THRU \$2,000.....	443	\$ 1,830	\$ 811	294	\$ 1,785	\$ 525	629	\$ 1,785	\$ 1,123	633	\$ 1,785	\$ 1,130
UP THRU \$3,000.....	242	2,833	686	196	2,875	564	404	2,875	1,162	407	2,875	1,170
UP THRU \$4,000.....	345	3,906	1,348	410	3,876	1,589	967	3,876	3,748	973	3,876	3,771
UP THRU \$5,000.....	385	4,763	1,834	242	4,990	1,208	168	4,990	838	169	4,990	843
UP THRU \$8,000.....	867	5,000	4,335	1,832	5,000	9,160	761	5,000	3,805	766	5,000	3,830
TOTAL.....	2,282		\$ 9,014	2,974		\$ 13,046	2,929		\$ 10,676	2,948		\$ 10,744
RESIDUAL NEW PAYMENTS												
UP THRU \$2,000.....	375	\$ 1,830	\$ 686	262	\$ 1,867	\$ 489	370	\$ 1,867	\$ 691	372	\$ 1,867	\$ 695
UP THRU \$3,000.....	279	2,833	790	226	2,945	666	258	2,945	760	260	2,945	766
UP THRU \$4,000.....	465	3,906	1,816	380	3,915	1,488	565	3,915	2,212	569	3,915	2,228
UP THRU \$5,000.....	300	4,763	1,429	208	4,990	1,038	98	4,990	489	99	4,990	494
UP THRU \$8,000.....	390	5,000	1,950	1,026	5,000	5,130	472	5,000	2,360	475	5,000	2,375
TOTAL.....	1,809		\$ 6,671	2,102		\$ 8,811	1,763		\$ 6,512	1,775		\$ 6,558
ANNIVERSARY (INCREMENTAL)												
PAYMENTS.....	4,614	\$ 533	\$ 2,459	4,581	\$ 533	\$ 2,442	1,646	\$ 533	\$ 877	1,656	\$ 533	\$ 883
TOTAL	8,705		\$ 18,144	9,657		\$ 24,299	6,338		\$ 18,065	6,379		\$ 18,185
ENLISTMENT BONUS PROGRAM.....												

ENLISTMENT BONUS INCREMENT PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996 # PAYMENTS	AMOUNT \$	ESTIMATED FY 1997 # PAYMENTS	AMOUNT \$	ESTIMATED FY 1998 # PAYMENTS	AMOUNT \$	ESTIMATED FY 1999 # PAYMENTS	AMOUNT \$
NEW OBLIGATIONS.....	1,154	615	1,145	611	412	219	414	221
PRIOR OBLIGATIONS.....	3,460	1,845	3,436	1,832	1,234	658	1,242	662
TOTAL INCREMENT PAYMENTS.....	4,614	2,460	4,581	2,442	1,646	877	1,656	883

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 1,085,157
\$ 1,053,674
\$ 997,769
\$ 987,079

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 to 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 PL 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. As part of the Quality of Life Proposal, BAQ rates increased for With and Without Dependents to 5.2 percent in FY96 (1.8 percent above the pay raise amount) and 4.6 percent in FY97 (1.6 percent the pay raise amount).

Part II - Justification of Funds Requested

The estimate increases by \$55.9 million from FY97 to FY98. The annualization of the FY97 pay raise accounts for a net increase of +\$11.2 million and the FY98 2.8 percent pay raise is \$23.7 million. Force manning reductions decrease the net amount by \$2.9 million. Housing related changes reflects a \$23.9 million increase. The estimate increases by \$31.9 million from FY98 to FY99. The annualization of the FY98 pay raise accounts for a net increase of \$7.9 million and the FY99 3.0 percent pay raise is \$24.4 million. Force manning reductions decrease the net amount by \$5.4 million. Family housing inventory changes the net amount by a \$4.5 million increase.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ WITH DEPENDENTS												
SERGEANT MAJOR.....	1,905	\$7,473.60	\$ 14,237	1,894	\$7,828.29	\$ 14,827	1,919	\$8,099.37	\$ 15,543	1,871	\$8,350.44	\$ 15,624
1ST SGT/MASTER SGT...	7,329	6,890.40	50,500	7,205	7,217.46	52,002	7,357	7,467.33	54,937	7,458	7,698.84	57,418
PLTN SGT/SGT FCL.....	24,327	6,396.30	155,603	23,928	6,699.87	160,314	23,673	6,931.86	164,098	23,078	7,146.72	164,932
STAFF SERGEANT.....	32,423	5,913.00	191,717	30,694	6,193.35	190,099	30,756	6,407.82	197,079	30,177	6,606.48	199,364
SERGEANT.....	34,976	5,315.40	185,911	34,871	5,567.67	194,150	35,107	5,760.42	202,231	35,278	5,938.95	209,514
CORPORAL/SPC 4.....	41,551	4,622.40	192,065	38,050	4,841.46	184,218	39,278	5,009.13	196,749	40,234	5,164.44	207,786
PRIVATE, 1ST CL.....	11,327	4,302.00	48,729	11,216	4,506.30	50,543	11,624	4,682.33	54,195	12,212	4,806.90	58,702
PRIVATE (E2).....	5,281	4,095.90	21,630	5,222	4,290.30	22,404	5,552	4,438.89	24,645	5,294	4,576.47	24,228
PRIVATE (E1).....	3,731	4,095.90	15,282	3,749	4,290.30	16,084	4,416	4,438.89	19,602	4,262	4,576.47	19,505
TOTAL BAQ												
WITH DEPENDENTS.....	162,850		\$ 875,674	156,829		\$ 884,641	159,682		\$ 929,079	159,864		\$ 957,073
BAQ WITHOUT DEPENDENTS												
SERGEANT MAJOR.....	186	\$5,670.90	\$ 1,055	188	\$5,940.09	\$ 1,117	201	\$6,145.80	\$ 1,235	196	\$6,336.36	\$ 1,242
1ST SGT/MASTER SGT...	822	5,205.60	4,279	823	5,452.20	4,487	888	5,640.96	5,009	895	5,815.80	5,205
PLTN SGT/SGT FCL.....	3,599	4,444.20	15,995	3,605	4,655.25	16,782	3,768	4,816.44	18,148	3,655	4,965.78	18,150
STAFF SERGEANT.....	4,604	4,024.80	18,530	4,438	4,215.78	18,710	4,699	4,361.73	20,496	4,587	4,496.91	20,627
SERGEANT.....	5,057	3,711.60	18,770	5,134	3,888.09	19,961	5,461	4,022.76	21,968	5,460	4,147.47	22,645
CORPORAL/SPC 4.....	10,978	3,228.30	35,440	10,236	3,381.57	34,614	11,165	3,498.63	39,062	11,379	3,607.11	41,045
PRIVATE, 1ST CLASS...	1,527	3,168.00	4,838	1,539	3,318.30	5,107	1,685	3,433.23	5,785	1,762	3,539.70	6,237
PRIVATE (E2).....	256	2,574.00	659	258	2,696.31	696	289	2,789.64	806	274	2,876.10	788
PRIVATE (E1).....	53	2,293.20	122	54	2,402.10	130	67	2,485.23	167	65	2,562.27	167
TOTAL BAQ												
WITHOUT DEPENDENTS.....	27,082		\$ 99,688	26,275		\$ 101,604	28,223		\$ 112,676	28,273		\$ 116,106

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ PARTIAL ALLOWANCE												
BACHELOR												
SERGEANT MAJOR.....	19	\$223.20	\$ 4	19	\$223.20	\$ 4	19	\$223.20	\$ 4	18	\$223.20	\$ 4
1ST SGT/MASTER SGT.	60	183.60	11	60	183.60	11	60	183.60	11	61	183.60	11
PLTN SGT/SGT FCL...	389	144.00	56	389	144.00	56	378	144.00	54	367	144.00	53
STAFF SERGEANT.....	2,357	118.80	280	2,271	118.80	270	2,235	118.80	266	2,182	118.80	259
SERGEANT.....	9,116	104.40	952	9,254	104.40	966	9,148	104.40	955	9,148	104.40	955
CORPORAL/SPC 4.....	41,172	97.20	4,002	38,390	97.20	3,732	38,914	97.20	3,782	39,664	97.20	3,855
PRIVATE, 1ST CLASS.	30,188	93.60	2,826	30,434	93.60	2,849	30,971	93.60	2,899	32,382	93.60	3,031
PRIVATE (E2).....	20,774	86.40	1,795	20,920	86.40	1,807	21,836	86.40	1,887	20,723	86.40	1,790
PRIVATE (E1).....	16,023	82.80	1,327	16,392	82.80	1,357	18,963	82.80	1,570	18,213	82.80	1,508
TOTAL BAQ PARTIAL ALLOWANCE BACHELOR...	120,098		\$ 11,253	118,129		\$ 11,052	122,524		\$ 11,428	122,758		\$ 11,466
BAQ INADEQUATE FAMILY HOUSING												
SERGEANT MAJOR.....	0	\$1,868.40	\$ 0	0	\$1,957.07	\$ 0	0	\$2,024.84	\$ 0	0	\$2,087.61	\$ 0
1ST SGT/MASTER SGT.	2	1,722.60	3	2	1,804.37	4	2	1,866.83	4	2	1,924.71	4
PLTN SGT/SGT FCL...	16	1,599.08	26	16	1,674.97	27	16	1,732.97	28	15	1,786.68	27
STAFF SERGEANT.....	30	1,478.25	44	29	1,548.34	45	29	1,601.96	46	28	1,651.62	46
SERGEANT.....	54	1,328.85	72	55	1,391.92	77	54	1,440.11	78	54	1,484.74	80
CORPORAL/SPC 4.....	195	1,155.60	225	182	1,210.37	220	184	1,252.28	230	188	1,291.11	243
PRIVATE, 1ST CLASS.	74	1,075.50	80	75	1,126.58	84	76	1,165.58	89	80	1,201.73	96
PRIVATE (E2).....	12	1,023.98	12	12	1,072.58	13	12	1,109.72	13	12	1,144.12	14
PRIVATE (E1).....	2	1,023.98	2	2	1,072.58	2	3	1,109.72	3	2	1,144.12	2
TOTAL BAQ INADEQUATE FAMILY HOUSING.....	385		\$ 464	373		\$ 472	376		\$ 491	381		\$ 512
TOTAL ENLISTED BASIC ALLOWANCE FOR QUARTERS.....	310,415		\$987,079	301,606		\$997,769	310,805		\$1,053,674	311,276		\$1,085,157

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 205,280
ESTIMATE FY 1998	\$ 203,420
ESTIMATE FY 1997	\$ 186,525
ACTUAL FY 1996	\$ 185,299

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 PL 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 \$16.7 million between FY97 and FY98. The FY98 inflation change of 2.1 percent provides an increase for cost growth of \$4.2 million. Force manning costs provides a decrease of \$1.8 million. These are offset by an increase of \$14.3 million reflecting changes in the family housing inventory, E-6 off-post housing, and Capital Venture Initiative (CVI). The estimate increases by \$1.9 million between FY98 and FY99. The FY99 inflation change of 2.1 percent provides an increase for cost growth of +\$4.3 million. Force manning costs provides a decrease of \$.03 million and a decrease of \$2.4 million reflects changes in the family housing inventory.

This account includes increases of .3 million in FY98 and \$1 million in FY99 of legislatively approved contingency funds for proximity moves.

Detailed cost computations are provided by the following table:

ENLISTED VARIABLE HOUSING ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	1,855	\$ 1,729.50	\$ 3,208	1,887	\$ 1,765.61	\$ 3,332	2,016	\$ 1,803.01	\$ 3,635	1,946	\$ 1,841.20	\$ 3,583
1ST SGT/MASTER SGT.....	7,070	1,707.76	12,074	7,104	1,743.42	12,385	7,652	1,780.35	13,623	7,677	1,818.06	13,957
PLATOON SGT/SGT 1ST CLASS..	23,425	1,631.07	38,208	23,556	1,665.13	39,224	24,579	1,700.40	41,794	23,722	1,736.42	41,191
STAFF SERGEANT.....	29,595	1,399.18	41,409	28,643	1,428.39	40,913	30,272	1,458.65	44,156	29,403	1,489.55	43,797
SERGEANT.....	31,077	1,217.70	37,842	31,677	1,243.12	39,378	33,635	1,269.45	42,698	33,460	1,296.34	43,376
CORPORAL/SPECIALIST 4.....	36,776	1,067.68	39,265	34,430	1,089.97	37,528	37,487	1,113.06	41,725	38,011	1,136.64	43,205
PRIVATE, 1ST CLASS.....	9,555	846.18	8,085	9,672	863.85	8,355	10,572	882.15	9,326	10,997	900.84	9,907
PRIVATE (E2).....	3,663	857.37	3,141	3,704	875.27	3,242	4,154	893.81	3,713	3,920	912.74	3,578
PRIVATE (E1).....	2,354	878.06	2,067	2,419	896.39	2,168	3,004	915.38	2,750	2,873	934.77	2,686

TOTAL ENLISTED	145,370		\$ 185,299	143,092		\$ 186,525	153,371		\$ 203,420	152,009		\$ 205,280
VARIABLE HOUSING ALLOWANCE.												

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 319,181
\$ 303,799
\$ 405,872
\$ 383,983

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 FY98/99 estimates for overseas station allowances are based on rates of exchange of 1.564 DM/\$1 US. Beginning in FY97, MPA rejoins the Foreign Currency Fluctuation, Defense Account.

The net estimate decreases by \$102.1 million from FY97 to FY98. The annualization of the FY97 pay raise and a Temporary Lodging Allowance cost growth contributes to an increase of \$3.5 million increase. The cost of the FY98, 2.8 percent pay raise is \$4.4 million. Foreign currency changes account for a decrease of \$108.3 million. Costs associated with the number of personnel receiving TLA and overseas deployments are reflected in a decrease of \$1.7 million. The net estimate increases by \$15.4 million from FY98 to FY99. The annualization of the FY98 pay raise and a Temporary Lodging Allowance cost growth contributes to an increase of \$3.3 million increase. The cost of the FY99, 3.0 percent pay raise is \$5.2 million. Foreign currency changes account for \$5.3 million. Costs associated with the number of personnel receiving TLA and overseas deployments are reflected in an increase of \$1.6 million.

Detailed cost computations are provided by the following table:

ENLISTED OVERSEAS STATION ALLOWANCE
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING												
SERGEANT MAJOR.....	722	\$ 5,565.00	\$ 4,017	722	\$ 6,205.56	\$ 4,483	722	\$ 4,629.85	\$ 3,345	723	\$ 4,891.90	\$ 3,536
1ST SGT/MASTER SGT..	2,426	4,853.00	11,775	2,482	5,442.18	13,508	2,482	3,988.70	9,900	2,483	4,214.49	10,465
PLATOON SGT/SGT FC..	9,180	4,436.00	40,723	9,233	5,187.00	47,893	9,233	3,644.92	33,655	9,238	3,851.93	35,583
STAFF SERGEANT.....	14,903	3,951.00	58,882	14,295	4,384.19	62,670	14,294	3,250.44	46,463	14,301	3,434.73	49,121
SERGEANT.....	22,449	3,414.00	76,641	22,227	3,826.73	85,056	22,227	2,769.99	61,568	22,237	2,927.34	65,096
CORPORAL/SPC 4.....	35,841	2,606.00	93,403	30,653	2,818.02	86,382	30,653	2,135.73	65,467	30,668	2,256.87	69,214
PRIVATE, 1ST CLASS..	12,610	1,731.00	21,829	12,714	1,906.80	24,243	12,714	1,398.32	17,778	12,720	1,477.10	18,788
PRIVATE (E2).....	5,155	1,201.00	6,192	6,615	1,372.32	9,078	6,615	1,061.41	7,022	6,619	1,121.49	7,423
PRIVATE (E1).....	1,025	1,165.00	1,194	788	1,370.13	1,080	788	836.24	659	788	882.97	696
SUBTOTAL.....	104,312		\$ 314,656	99,730		\$ 334,393	99,729		\$ 245,857	99,777		\$ 259,922
HOUSING ALLOWANCE												
SERGEANT MAJOR.....	76	\$ 7,104.00	\$ 540	83	\$ 7,981.56	\$ 662	81	\$ 5,622.62	\$ 453	81	\$ 5,489.02	\$ 443
1ST SGT/MASTER SGT..	355	6,944.00	2,465	387	7,614.10	2,947	376	5,154.13	1,938	376	5,031.68	1,892
PLATOON SGT/SGT FC..	1,314	7,319.00	9,617	1,337	7,556.52	10,103	1,299	5,549.14	7,207	1,299	5,417.28	7,036
STAFF SERGEANT.....	1,513	7,195.00	10,886	1,558	7,417.28	11,556	1,513	5,398.72	8,171	1,513	5,270.45	7,977
SERGEANT.....	1,668	6,421.00	10,710	1,684	6,667.70	11,228	1,636	4,815.59	7,878	1,636	4,701.18	7,690
CORPORAL/SPC 4.....	1,546	6,069.00	9,383	1,199	6,472.99	7,761	1,165	4,556.90	5,307	1,165	4,448.64	5,181
PRIVATE, 1ST CLASS..	190	5,973.00	1,135	166	6,009.31	998	161	4,525.26	730	161	4,417.74	712
PRIVATE (E2).....	34	6,871.00	234	20	7,711.74	154	19	5,008.14	97	19	4,889.14	95
PRIVATE (E1).....	3	8,894.00	27	1	6,974.05	7	1	3,072.40	3	1	2,999.40	3
SUBTOTAL.....	6,699		\$ 44,997	6,435		\$ 45,416	6,251		\$ 31,784	6,251		\$ 31,029
TEMPORARY LODGING ALLOWANCE.....	44,501	\$ 546.72	\$ 24,330	46,645	\$ 558.75	\$ 26,063	45,808	\$ 571.04	\$ 26,158	48,324	\$ 584.18	\$ 28,230
TOTAL ENLISTED STATION ALLOWANCE OVERSEAS....	155,512		\$ 383,983	152,810		\$ 405,872	151,788		\$ 303,799	154,352		\$ 319,181

ESTIMATE FY 1999
 ESTIMATE FY 1998
 ESTIMATE FY 1997
 ACTUAL FY 1996

\$ 968
 \$ 968
 \$ 968
 \$ 968

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 is 109 percent 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 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
CONUS COLA.....	1,359	712.00	\$ 968	1,359	712.00	\$ 968	1,359	712.00	\$ 968	1,359	712.00	\$ 968

ESTIMATE FY 1999	\$ 197,896
ESTIMATE FY 1998	\$ 196,939
ESTIMATE FY 1997	\$ 203,004
ACTUAL FY 1996	\$ 177,653

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 through 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 estimated \$6.1 million decrease between FY97 and FY98 reflects reduced numbers receiving allowances offset by increased clothing bag rates and other associated rates.

Detailed cost computations are provided by the following table:

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

	FY 1997 COLUMN OF FY 1997 PRES BUDGET	FY 1997 COLUMN OF FY 1998 PRES BUDGET	FY 1998 COLUMN OF FY 1998 PRES BUDGET	FY 1999 COLUMN OF FY 1998 PRES BUDGET
INITIAL ISSUE				
ENLISTED MEN.....	969.53	951.70	972.64	995.01
ENLISTED WOMEN.....	1,208.59	1,175.84	1,201.71	1,229.35
CLOTHING MAINTENANCE ALLOWANCE				
ENLISTED MEN - BASIC.....	197.32	228.88	233.92	239.30
- STANDARD.....	281.88	326.97	334.16	341.85
ENLISTED WOMEN - BASIC.....	222.21	298.50	305.07	312.09
- STANDARD.....	317.44	426.42	435.80	445.82

ENLISTED CLOTHING ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING -												
INITIAL ALLOWANCE												
MILITARY CLOTHING												
CIVILIAN LIFE, MEN.....	54,765	\$ 948.66	\$ 51,953	66,633	\$ 951.70	\$ 63,415	65,809	\$ 972.64	\$ 64,008	64,826	\$ 995.01	\$ 64,503
CIVILIAN LIFE, WOMEN....	13,851	1,182.57	16,380	17,067	1,175.84	20,068	17,424	1,201.71	20,939	18,078	1,229.35	22,224
ARMY RESERVE W/ PARTIAL CLOTHING ALLOWANCE....	75	282.30	21	75	288.51	22	75	294.86	22	75	301.64	23
NATIONAL GUARD WITH PARTIAL CLOTHING ALLOWANCE.....	65	218.75	14	65	223.56	15	65	228.48	15	65	233.74	15
LESS SAVINGS ON DEFERRED CLOTHING ISSUE.....			(1,366)			(1,747)			(1,678)			(1,748)
ADVANCE FUNDING FOR NEW CLOTHING ITEMS.....			0			0			579			0
LIQUIDATION OF PRIOR YEAR ADVANCES.....			0			0			0			(579)
TOTAL			\$ 67,002			\$ 81,773			\$ 83,885			\$ 84,438
MILITARY CLOTHING.....												
CIVILIAN CLOTHING												
WINTER AND SUMMER.....	1,497	\$ 1,217.00	\$ 1,822	1,497	\$ 1,244.00	\$ 1,862	1,497	\$ 1,271.37	\$ 1,903	1,497	\$ 1,300.61	\$ 1,947
WINTER OR SUMMER.....	76	787.00	60	76	804.00	61	76	821.69	62	76	840.59	64
TEMPORARY DUTY.....	164	449.00	74	162	459.00	74	162	469.10	76	162	479.89	78
SPEC CONTINUING - DUAL SEASON.....	209	608.50	127	209	622.00	130	209	635.68	133	209	650.30	136
SPEC CONTINUING - SINGLE SEASON.....	35	393.50	14	35	402.00	14	35	410.84	14	35	420.29	15
TOTAL			\$ 2,097			\$ 2,141			\$ 2,188			\$ 2,240
CIVILIAN CLOTHING.....												
TOTAL INITIAL ALLOWANCE...			\$ 69,099			\$ 83,914			\$ 86,073			\$ 86,678

ENLISTED CLOTHING ALLOWANCES
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING -												
MAINTENANCE ALLOWANCE												
BASIC MAINTENANCE												
(PERSONNEL WITH 7-36												
MONTHS SERVICE)												
MALE.....	90,842	\$ 193.07	\$ 17,539	93,196	\$ 228.88	\$ 21,331	93,758	\$ 233.92	\$ 21,932	115,943	\$ 239.30	\$ 27,745
FEMALE.....	17,052	217.43	3,708	17,782	298.50	5,308	17,873	305.07	5,453	18,824	312.09	5,875
TOTAL.....			\$ 21,247			\$ 26,639			\$ 27,385			\$ 33,620
STANDARD MAINTENANCE												
(PERSONNEL WITH 37												
MONTHS OF MORE												
MONTHS SERVICE)												
MALE.....	253,439	\$ 275.81	\$ 69,901	218,237	\$ 326.97	\$ 71,357	187,928	\$ 334.16	\$ 62,798	169,767	\$ 341.85	\$ 58,035
FEMALE.....	35,885	310.61	11,146	34,809	426.42	14,843	32,864	435.80	14,322	29,335	445.82	13,078
TOTAL.....			\$ 81,047			\$ 86,200			\$ 77,120			\$ 71,113
TOTAL			\$ 102,294			\$ 112,839			\$ 104,505			\$ 104,733
MAINTENANCE ALLOWANCE.....												
SUPPLEMENTARY ALLOWANCE...			1,899			1,871			1,915			1,964
OTHER												
ISS.-IN-KIND-KATUSA.....	5,900	\$ 397.70	\$ 2,346	5,200	\$ 406.45	\$ 2,114	5,200	\$ 415.39	\$ 2,160	5,200	\$ 424.94	\$ 2,210
REPLACEMENT DURING												
FIRST SIX MONTHS.....	68,616	14.80	1,015	83,700	15.12	1,266	83,233	15.45	1,286	82,904	15.81	1,311
CHARGE SALES.....			1,000			1,000			1,000			1,000
TOTAL.....			\$ 4,361			\$ 4,380			\$ 4,446			\$ 4,521
TOTAL			\$ 177,653			\$ 203,004			\$ 196,939			\$ 197,896
CLOTHING ALLOWANCES.....												
LESS REIMBURSABLE												
OBLIGATIONS.....			\$ 1,000			\$ 1,000			\$ 1,000			\$ 1,000
TOTAL DIRECT ENLISTED												
CLOTHING OBLIGATIONS.....			\$ 176,653			\$ 202,004			\$ 195,939			\$ 196,896

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 29,291
ESTIMATE FY 1998	\$ 28,939
ESTIMATE FY 1997	\$ 31,932
ACTUAL FY 1996	\$ 42,408

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 are actual performance and programmed requirements for overseas stationing. 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 estimated decrease between FY97 and FY98 is \$3 million. The annualization of the FY97 pay raise is \$.03 million. The FY98 pay raise of 2.8 percent accounts for an increase of \$.07 million. A decrease of \$6.4 million reflects the decreased number receiving payments in FY98 and is directly related to FY97 mission in Bosnia.

Funding for contingency operations in this account in FY98 and FY99 is \$.7 million.

Detailed cost computations are provided by the following table:

ENLISTED FAMILY SEPARATION PAY
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES												
SERGEANT MAJOR.....	13	\$ 5,670.90	\$ 74	13	\$ 5,940.09	\$ 77	13	\$ 6,145.80	\$ 80	13	\$ 6,336.36	\$ 82
1ST SGT/MASTER SGT.....	58	5,205.60	302	58	5,452.20	316	57	5,640.96	322	58	5,815.80	337
PLATOON SGT/SGT 1ST CLASS..	226	4,444.20	1,004	225	4,655.25	1,047	222	4,816.44	1,069	226	4,965.78	1,122
STAFF SERGEANT.....	177	4,024.80	712	177	4,215.78	746	175	4,361.73	763	177	4,496.91	796
SERGEANT.....	134	3,711.60	497	134	3,888.09	521	132	4,022.76	531	134	4,147.47	556
CORPORAL/SPECIALIST 4.....	64	3,228.30	207	64	3,381.57	216	63	3,498.63	220	64	3,607.11	231
SUBTOTAL.....	672		\$ 2,796	671		\$ 2,923	662		\$ 2,985	672		\$ 3,124
PCS CONUS OR OVERSEAS WITH DEPENDENTS NOT AUTHORIZED....	17,288	\$ 900.00	\$ 15,559	17,285	\$ 900.00	\$ 15,557	17,032	\$ 900.00	\$ 15,329	17,285	\$ 900.00	\$ 15,557
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS RESIDING NEAR TDY STATION.....	26,725	900.00	24,053	14,947	900.00	13,452	11,806	900.00	10,625	11,789	900.00	10,610
TOTAL ENLISTED FAMILY SEPARATION ALLOWANCES.....	44,685		\$ 42,408	32,903		\$ 31,932	29,500		\$ 28,939	29,746		\$ 29,291

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 212,088
\$ 236,325
\$ 272,518
\$ 307,045

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 percent 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 99.

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 net estimate decreased by \$36.2 million from FY97 to FY98. The annualization of the FY97 payraise increased by \$1.8 million. The FY98, 2.8 percent pay raise reflects a increase of \$4.4 million. A decreased number of soldiers receiving separation payments provide a net decrease of \$27.8 million. Decreased payment into the VSI Trust Fund contribute a net decrease of \$14.6 million. The net estimate decreased by \$24.2 million from FY98 to FY99. The annualization of the FY98 payraise increased by \$1.7 million. The FY99, 3.0 percent pay raise reflects an increase of \$4.1 million. A decreased number of soldiers receiving separation payments provide

a decrease of \$26.6 million. Decreased payment into the VSI Trust Fund contribute to a decrease of \$3.4 million.

This account includes \$.1 million in FY98 and FY99 of legislatively approved contingency funds for leave sell back.

Detailed cost computations are provided by the following table:

ENLISTED SEPARATION PAYMENTS
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	DAYS	RATE	AMOUNT	DAYS	RATE	AMOUNT	DAYS	RATE	AMOUNT
LUMP SUM TERMINAL												
LEAVE PAYMENTS												
SGT MAJOR.....	548	\$ 2,042	\$ 1,119	427	\$ 2,100	\$ 897	336	\$ 2,160	\$ 726	304	\$ 2,224	\$ 676
1ST SGT/MSG.....	2,014	1,649	3,321	1,636	1,696	2,775	1,279	1,745	2,231	1,180	1,796	2,119
PLATOON SGT/SFC...	4,807	1,664	7,999	4,228	1,712	7,237	3,663	1,760	6,448	3,164	1,812	5,734
STAFF SGT.....	3,795	1,582	6,004	3,857	1,627	6,276	3,235	1,674	5,414	2,915	1,723	5,023
SERGEANT.....	12,429	1,051	13,063	13,004	1,081	14,059	10,696	1,112	11,893	11,314	1,145	12,951
CPL/SPEC 4.....	38,609	628	24,246	35,451	648	22,957	22,508	664	14,954	22,483	684	15,378
PRIVATE, FC.....	5,231	651	3,405	5,137	670	3,440	3,874	689	2,668	3,880	709	2,751
PRIVATE (E2).....	3,596	521	1,874	3,532	536	1,893	2,659	551	1,466	2,667	567	1,513
PRIVATE (E1).....	2,555	447	1,142	2,509	460	1,154	1,889	473	893	1,894	487	922
SUBTOTAL.....	73,584		\$ 62,173	69,781		\$ 60,688	50,139		\$ 46,693	49,801		\$ 47,067
SEVERANCE PAY												
(DISABILITY).....	3,451	\$ 17,250	\$ 59,530	3,784	\$ 16,552	\$ 62,633	3,868	\$ 17,026	\$ 65,857	3,749	\$ 17,531	\$ 65,724
AUTHORIZED												
DONATIONS.....	152	25	4	152	25	4	152	25	4	152	25	4
INVOLUNTARY												
HALF PAY (5%).....	3,018	10,667	32,193	2,182	9,950	21,711	2,062	10,235	21,105	2,058	10,539	21,689
INVOLUNTARY												
FULL PAY (10%)....	7,422	15,716	116,644	3,492	15,612	54,517	3,299	16,059	52,979	3,292	16,535	54,433
VOLUNTARY SPEC												
SEP BENEFIT (15%)..	0	0	0	0	0	0	0	0	0	0	0	0
15 YEAR RETIREMENT	838	32,370	27,126	1,400	32,564	45,590	1,100	33,547	36,902	400	34,491	13,796
SEVERANCE PAY												
(NON-DISABILITY)..	11,278		\$ 175,963	7,074		\$ 121,818	6,461		\$ 110,986	5,750		\$ 89,918
VOLUNTARY SEPARA-												
TION INCENTIVE												
(DIRECT MILITARY												
PAYMENTS) 1).....	0		\$ 9,375	0		\$ 27,375	0		\$ 12,785	0		\$ 9,375
THRU												
DEC 31, 1992..	0		9,375	0		9,375	0		9,375	0		9,375
JAN 1, 1993												
AND AFTER.....	0		0	0		18,000	0		3,410	0		0
TOTAL ENLISTED												
SEPARATION												
PAYMENTS.....	88,465		\$307,045	80,791		\$272,518	60,620		\$236,325	59,452		\$212,088

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

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 645,760
\$ 634,721
\$ 625,704
\$ 632,202

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 percent and the Hospital Insurance (HI) is 1.45 percent. 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	Medicare base
1995	\$61,200	No upper limit
1996	\$62,700	No upper limit
1997	\$65,400	No upper limit
1998	\$68,700	No upper limit
1999	\$71,400	No upper limit

The request reflects the impact of PL 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 FY97 to FY98 increases by \$9 million. Force manning costs decrease by \$1.1 million. The increase for the annualization of the FY97 pay raise provides a net increase of \$4.1 million. The FY98, 2.8 percent pay raise reflects an increase of \$11.7 million. The G.I. Bill decreased between FY97 and FY98 by \$4 million. There is a \$5.3 million decrease in the wage credit costs. The net estimate from FY98 to FY99 increases by \$11 million. Force manning costs decrease by \$5.5 million. The increase for the annualization of the FY98 pay raise is of \$3.9 million. The FY99, 2.8 percent pay raise reflects an increase of \$12.7 million. The G.I. Bill increased between FY98 and FY99 by \$1 million. \$2 million reflects a decreased change in the wage credit costs.

Detailed cost computations are provided by the following table:

ENLISTED SOCIAL SECURITY TAX
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOC. SEC TAX-EMPLOYER'S CONTRIBUTION OF TAX												
ON BASIC PAY.....	414,716	\$ 1,318	\$ 546,529	406,700	\$ 1,333	\$ 542,051	410,972	\$ 1,354	\$ 556,368	410,382	\$ 1,383	\$ 567,607
WAGE CREDITS.....			\$ 87,413			\$ 85,393			\$ 80,093			\$ 79,893
LESS NON-JUDICIAL FINES AND FORFEITURES.....			\$ 1,740			\$ 1,740			\$ 1,740			\$ 1,740
TOTAL ENLISTED SOCIAL SECURITY TAX.....	414,716		\$ 632,202	406,700		\$ 625,704	410,972		\$ 634,721	410,382		\$ 645,760

Section 4
Schedule of Increases and Decreases
(Amounts in Thousands of Dollars)

Pay and Allowances of Cadets		Amount
FY 1997 Direct Program		\$ 36,903
Increases:		
Cadet manyyears/Subsistence Inflation	1,776	
Total Increases:	1,776	
FY 1998 Direct Program		\$ 38,679
Increases:		
Cadet manyyears/Subsistence Inflation	1,197	
Total Increases:	1,197	
FY 1999 Direct Program		\$ 39,876

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 39,876
ESTIMATE FY 1998	\$ 38,679
ESTIMATE FY 1997	\$ 36,903
ACTUAL FY 1996	\$ 35,495

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 (FICA).

Part II - Justification of Funds Requested

The fund requirement was determined by applying statutory rates to the projected manyears. The daily reimbursement rate for cadet rations increases from \$5.03 per day in FY97 to \$5.14 in FY98 and \$5.26 in FY99 due to inflation. The cost of operational rations is included for field training.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
(1) BASIC PAY.....	3,909	\$ 6,696	\$ 26,177	3,974	\$ 6,847	\$ 27,211	4,054	\$ 7,053	\$ 28,590	4,064	\$ 7,264	\$ 29,522
(2) SUBSISTENCE -												
COMMUTED-RATION												
A. SUBSISTENCE ALLOWANCE..		1,786	6,982		1,837	7,300		1,876	7,605		1,920	7,803
B. OPERATIONAL RATIONS.....			371			386			394			398
(3) SOCIAL SECURITY TAX -												
EMPLOYER CONTRIBUTION.....		512	1,965		524	2,006		540	2,090		556	2,153
TOTAL ACADEMY CADETS.....	3,909		\$ 35,495	3,974		\$ 36,903	4,054		\$ 38,679	4,064		\$ 39,876

Section 4
Schedule of Increases and Decreases
(Amounts in Thousands of Dollars)

Subsistence of Enlisted Personnel	Amount
Fy 1997 Direct Program	\$ 1,045,188
Increases:	
a. Reflects annualization of the FY97 3.0 percent pay raise and the FY98 2.8 percent pay raise effective for BAS (BAS is one percent and Partial BAS is 1.8 percent).	23,677
b. Increased number of payments for BAS.	899
c. Inflation increase of 2.1 percent for SIK.	4,841
Total Increases	+ 29,417
Decreases:	
a. Reduction in Tray Pacs and MRE's.	- 4,824
b.Reduction in SIK for contingency operations.	-33,700
Total Decreases	-38,524
Fy 1998 Direct Program	\$1,036,081
Increases:	
a. Reflects annualization of the FY98 2.8 percent pay raise and the FY99 3.0 percent pay raise effective for BAS (BAS is one percent and Partial BAS is two percent).	17,709
b. Inflation increase of 2.1 percent for SIK.	5,301
c. Increase in Operational Rations.	10,332
Total Increase	+33,342
FY 1999 Direct Program	\$1,069,423

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 1,129,307
ESTIMATE FY 1998	\$ 1,094,504
ESTIMATE FY 1997	\$ 1,102,186
ACTUAL FY 1996	\$ 768,609

Project: Subsistence of Enlisted Personnel

Part I - Purpose and Scope

The funds requested for this activity are for the payment of authorized basic allowances for subsistence to enlisted personnel and for the cost of procuring food and beverage supplies for issue as rations to enlisted personnel on extended active duty, including emergency and operational rations; also includes the payment of meals furnished under contract (when approved by competent authority) at commercial facilities where the payment of commuted rations would create an individual hardship and/or the costs for establishment of a Government mess facility are prohibitive or the contract feeding of enlisted personnel is determined to be more economical or advantageous.

Part II - Justification of Funds Requested

This budget activity includes the Basic Allowance for Subsistence paid to enlisted personnel 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 1974 under U.S.C. §1009 Title 37, U.S.C. Sec 4 P.L. 93-419 Basic Allowance for Subsistence (BAS) rates were tied to the same percentage increase as pay increases for military personnel. Historically, Congress has passed legislation to align this allowance with food cost as well using this allowance to adjust compensation to the soldier regardless of its relationship to food costs.

Starting in FY98, BAS Reform initiates a program for Partial BAS payments. The Partial BAS proposal is a cost neutral effort to provide all eligible enlisted personnel with a BAS payment. The proposal limits the growth of BAS to one percent per year in order to allow the Department to make a partial BAS payment with the remaining 1.8 percent pay raise resources to members

receiving subsistence-in-kind. Projected increases in cost growth will allow the U.S. Department of Agriculture (USDA) food plans to catch-up with the BAS payment in approximately six years at which time all enlisted personnel will be entitled to a BAS payment.

Subsistence-In-Kind (SIK) transferred from the Operations and Maintenance Appropriation to the Military Personnel, Army appropriation in FY97. It funds subsistence to feed enlisted soldiers their daily ration in accordance with Title 10 U.S. Code. This activity also funds operational rations for field subsistence. Operational rations include Meals-Ready-to-Eat (MRE's), Tray Rations, Unitized Group Rations, Rations Cold Weather, and Arctic Rations.

SIK dining facility funding requirements are dependent on the number of enlisted personnel not on BAS actually using the dining facilities (participation rate), and the cost of subsistence used in preparing meals (food cost). Congress has mandated the use of Prime Vendor delivery of subsistence to be fully implemented by the end of FY97. Under Prime Vendor, subsistence prices may increase and be vulnerable to market place price fluctuations. The anticipated additional costs of Prime Vendor have not been included in the dining facility (Basic Daily Food Allowance) rates. The cost of rations used for field subsistence is determined by the number of active duty personnel and the type of ration used, OPTEMPO miles, and unique training scenarios.

From FY97 to FY98 Subsistence costs decrease by \$9.1M. This cost change is composed of a reduction of \$33.7M for Contingency Operations and \$4.8M for Subsistence-in-Kind. Cost increases are attributed to \$11.0M for pay raise calculated at one percent, Partial BAS costs calculated at \$12.7M, and the number of BAS payment increase by \$.9M. Inflation costs for SIK are +\$4.8M.

From FY98 to FY99 Subsistence costs increase \$33.3M. For BAS this reflects the pay raise at one percent costing \$7.3M and the increase to Partial BAS payments costing \$10.4M which includes the remainder of the pay raise. The cost increase of inflation at 2.1 percent for Subsistence-in-Kind is \$5.3. The increase in the number of Unitized Group Rations and Meals-Ready-To-Eat costs \$10.3.

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

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999		
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	
A. BASIC ALLOWANCE FOR SUBSISTENCE									
1. WHEN AUTH TO MESS SEP....	238,537	\$ 2,601.26	\$ 620,497	225,991	\$ 2,667.08	\$ 602,736	225,708	\$ 2,705.51	\$ 610,655
2. LEAVE RATION	33,436	\$ 2,601.26	86,976	31,360	\$ 2,667.08	83,640	31,689	\$ 2,705.51	85,735
3. WHEN RATIONS IN KIND NOT AVAILABLE...	20,674	\$ 2,932.48	60,626	24,716	\$ 3,007.42	74,331	24,975	\$ 3,051.34	76,207
4. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEP...	2,640	\$ 193.06	510	2,554	\$ 198.91	508	2,488	\$ 203.48	506
5. PARTIAL BAS.	0	\$ 0.00	0	0	\$ 0.00	0	128,600	\$ 98.52	12,670
TOTAL ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE...	292,647	\$ 768,609	282,067	\$ 761,215	282,372	\$ 785,773	281,967	\$ 802,383	

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

B. SUBSISTENCE-IN-KIND

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	Average Number	Annual Rate	Dollar Amount	Average Number	Annual Rate	Dollar Amount	Average Number	Annual Rate	Dollar Amount	Average Number	Annual Rate	Dollar Amount
1. Subsistence in Messes												
CONUS												
Army	0	\$ 0.00	\$ 0	47,673	\$ 2,142.55	\$ 102,142	50,051	\$ 2,186.35	\$ 109,429	49,744	\$ 2,233.80	\$ 111,118
Other	0	\$ 0.00	0	1,202	\$ 2,142.55	2,575	1,202	\$ 2,186.35	2,628	1,202	\$ 2,233.80	2,685
OVERSEAS												
Army	0	\$ 0.00	0	19,538	\$ 2,357.90	46,069	20,514	\$ 2,409.00	49,418	20,388	\$ 2,460.10	50,157
Other	0	\$ 0.00	0	132	\$ 2,357.90	311	132	\$ 2,409.00	318	132	\$ 2,460.10	325
Tot Reim			0			56,998			58,423			59,884
Subtotal	0		\$ 0	68,545		\$ 208,095	71,899		\$ 220,216	71,466		\$ 224,169

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	Number	Unit Cost	Dollar Amount	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	1,288,650	76.76	\$ 98,917	685,555	78.37	\$ 53,727	854,100	80.02	\$ 68,345
Tray Packs	0	0.00	0	5,200	1,955.52	10,169	2,600	1,996.59	5,191	0	2,038.52	0
Group Rat'n-Unit	0	0.00	0	6,272	1,680.00	10,537	9,392	1,715.28	16,110	11,807	1,751.30	20,678
Other			0			3,001			3,064			3,128
Subtotal			\$ 0			\$ 122,624			\$ 78,092			\$ 92,151

MRE's - Package of 12, Tray packs - Pallet of 432 Meals; Unitized Group Rations = Pallet of 400 meals

(AMOUNTS IN THOUSANDS OF DOLLARS)

3. Augmentation Rations / Other Programs

ACTUAL FY 1996 Dollar Amount	ESTIMATE FY 1997 Dollar Amount	ESTIMATE FY 1998 Dollar Amount	ESTIMATE FY 1999 Dollar Amount
\$0	\$10,252	\$10,423	\$10,604

Augment Rations / Other Pgms

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 \$340,971 \$308,731 \$326,924

ACTUAL FY 1996 Total Amount (with payraise)	ESTIMATE FY 1997 Total Amount (with payraise)	ESTIMATE FY 1998 Total Amount (with payraise)	ESTIMATE FY 1999 Total Amount (with payraise)
\$ 768,609	\$ 1,102,186	\$ 1,094,504	\$ 1,129,307
0	56,998	58,423	59,884
\$ 768,609	\$ 1,045,188	\$ 1,036,081	\$ 1,069,423

Totals: BAS/SIK

Total Obligations

Total Reimbursable

Total Direct Obligations

Section 4
Schedule of Increases and Decreases
(Amounts in Thousands of Dollars)

Permanent Change of Station Travel		Amount
FY 1997 Direct Program		\$ 1,056,245
Increases:		
a. Pay Raise	2,704	
BAQ Increase (DLA)	773	
Sub-total	3,477	
b. Defense Working Capital Funds		
AMC Passenger	3,412	
AMC HHG	1,543	
MSC HHG/POV	538	
Port Handling HHG/POV	1,625	
Sub-total	7,118	
c. Inflation		
Land	6,374	
ITGBL	4,728	
Trailer	68	
Commercial Air	196	
Non Temporary Storage	530	
Sub-total	11,896	
d. Entitlements		
Increased DLA from 2 to 2 1/2 Months	6,036	
POV Storage (new entitlement)	3,600	
Reimbursement for POV Pick-up (new entitlement)	1,300	
Sub-total	10,936	
Total Increases:		\$ 33,427
Decreases:		
Rotational Moves	- 4,191	
Operational Moves	- 3,982	
Training Moves	- 4,276	
Accession Moves	- 7,299	
Separation Moves	- 3,102	
Unit Moves	- 1,977	
Total Decreases:		\$-24,827
FY 1998 Direct Program		\$ 1,064,845

Section 4
Schedule of Increases and Decreases
(dollars in thousands)

Permanent Change of Station Travel

FY 1998 Direct Program

Amount
\$ 1,064,845

Increases:

a. Pay Raise	2,946	2,946
Sub-total		
b. Defense Working Capital Funds		
AMC Passenger	3,038	
AMC HHG	1,216	
MSC HHG/POV	16,284	
Sub-total		20,538
c. Inflation		
Land	5,401	
ITGBL	4,012	
Trailer	69	
Commercial Air	199	
Non Temporary Storage	436	
Sub-total		10,117
d. Increased Moves		
Separation Moves	1,287	
Sub-total		1,287

Total Increases:

\$ 34,887

Decreases:

a. Decreased Moves		
Operational Moves	- 6,436	
Unit Moves	- 2,908	
Accession Moves	- 1,532	
Subtotal		-10,876
b. Defense Working Capital Funds		
Subtotal	- 247	- 248

Total Decreases:

\$- 11,123

FY 1999 Direct Program

\$1,088,609

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

	ACTUAL FY 1996 NUMBER	AMOUNT	ESTIMATE FY 1997 NUMBER	AMOUNT	ESTIMATE FY 1998 NUMBER	AMOUNT	ESTIMATE FY 1999 NUMBER	AMOUNT
ACCESSIONS TRAVEL.....	81,225	110,111	99,828	136,091	95,372	132,380	94,544	134,423
TRAINING TRAVEL.....	9,773	50,067	8,715	47,392	8,070	45,529	8,070	46,508
OPERATIONAL TRAVEL BETWEEN DUTY STATIONS..	24,078	130,601	23,027	131,535	22,368	131,393	21,668	129,668
ROTATIONAL TRAVEL TO AND FROM OVERSEAS....	78,799	549,101	72,950	537,420	72,775	548,845	72,771	569,861
SEPARATION TRAVEL.....	95,507	170,616	93,632	168,430	92,286	167,976	91,501	170,978
TRAVEL OF ORGANIZED UNITS.....	7,148	25,675	2,009	7,465	2,145	8,139	1,646	6,537
NON-TEMPORARY STORAGE.....		22,610		25,440		25,236		25,546
TEMPORARY LODGING EXPENSE.....		15,571		10,472		13,347		13,088
TOTAL OBLIGATIONS.....	296,530	1,074,352	300,161	1,064,245	293,016	1,072,845	290,200	1,096,609
LESS: REIMBURSABLES.....		\$ 8,000		\$ 8,000		\$ 8,000		\$ 8,000
TOTAL DIRECT.....	296,530	1,066,352	300,161	1,056,245	293,016	1,064,845	290,200	1,088,609

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

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
	NUMBER	NUMBER	NUMBER	NUMBER
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
TRAVEL OF MILITARY MEMBER				
MILEAGE AND PER DIEM.....	296,530	300,161	293,016	290,200
MAC.....	117,073	117,448	115,585	115,141
COMMERCIAL AIR.....	13,008	13,051	12,843	12,795
				7,092
TRAVEL OF DEPENDENTS				
MILEAGE.....	127,173	123,340	120,468	119,245
MAC.....	49,213	46,692	46,268	46,211
COMMERCIAL AIR.....	4,587	4,375	4,328	4,323
				2,397
TRANSPORTATION OF HHG				
LAND SHIPMENT.....	82,608	78,297	76,236	75,062
ITGBL SHIPMENT.....	57,853	54,857	54,493	54,417
M TONS - MSC.....	54,349	51,790	51,200	51,148
S TONS - MAC.....	15,966	16,702	16,296	16,220
				24,315
DISLOCATION ALLOWANCE.....	81,187	73,202	72,082	71,318
				98,185
TRAILER ALLOWANCE.....	1,196	1,211	1,179	1,161
				3,269
TRANSPORTATION OF POVS.....	49,066	46,707	46,314	46,249
				93,963
PORT HANDLING CHARGES.....				
NON-TEMPORARY STORAGE.....				
TEMPORARY LODGING EXPENSE.....				
TOTAL OBLIGATIONS.....				
	\$ 1,074,352	\$ 1,064,245	\$ 1,072,845	\$ 1,096,609
LESS: REIMBURSABLES.....				
	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
TOTAL DIRECT.....				
	\$ 1,066,352	\$ 1,056,245	\$ 1,064,845	\$ 1,088,609

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. Entitlements for PCS include:

- Mileage and monetary allowances in lieu of transportation for members and dependents
- Transportation by common carrier to include Air Mobility Command (AMC) for members and dependents.
- Transportation of Household Goods (HHG) and baggage by common carrier, AMC, and Military Sealift Command (MSC). Includes cost of packing, crating, handling and temporary storage.
- Transportation and storage in lieu of transportation of Privately Owned Vehicles (POVs).
- Port handling charges for HHG, baggage, and POVs.
- Transportation of trailers.
- Non-temporary storage of HHG.
- Dislocation Allowances.
- Temporary Lodging Expenses.

The number of moves is driven by the commitment to station 25 percent of the force overseas and by mandated end strength. All personnel overseas serve prescribed lengths as directed by Senate Report 99-176 DOD Appropriation Bill 1986 and House of Representatives Report 99-81 Authorization Bill which directs 36/24 month tour lengths unless designated a hardship area by service secretary. In FY98, 89,000 of the 121,300 soldiers stationed overseas will serve in a 36/24 month tour length area, 4,706 soldiers in a 24/12 month tour length and the remaining 27,594 soldiers on 12 month dependent restricted tour. Currently average time on station for soldiers serving in overseas locations, exceeds prescribed tour lengths by three months. The FY98 Accessions and Separation move program supports a 495,000 end strength.

--The overseas rotational moves account for 25 percent of the Army's total move program and 53 percent of total PCS costs.

--Accessions and Separations moves, comprise 64 percent of total moves and 29 percent of the dollar requirement.

--The remaining move/dollar requirements consist of Operational/Training and Unit moves which equal 11 percent of total moves and 18 percent of dollar requirements. These moves are essential to maintain requisite levels of training, force readiness, quality of life, unit integrity and support Base Realignment and Closure actions.

In compliance with congressional desire to reduce the frequency of family moves and conserve PCS funds:

--The FY97 Column reflects a 11.5 percent reduction in the number of PCS moves (excluding Accessions/Separations required to maintain endstrength) and a cost reduction of \$83.0M, exceeding the \$20.6M funding reduction directed by Congress in the 1997 DOD Appropriations bill.

-- FY98 PCS moves (excluding Accessions/Separations) were reduced from FY97 levels by 2 percent generating a \$10.6M cost savings.

The General Accounting Office examined the Army's system of rotating forces overseas. Results in brief from the November 1993 report to Congress stated there were no strong arguments to depart from the current system.

The FY98/99 budget estimate includes projected inflation, payraise (impacts Dislocation allowance, and Defense Working Capital Funds (DWCF) cost growth for applicable modes of PCS travel and transportation:

--Inflation factors of 2.1% for FY98/99 generated increased costs of \$10.8M/\$11.9M respectively.

-- Increase in Dislocation Allowance (DLA) cost requirements because of authorized pay raises of 2.8 percent for FY98 and 3.0 percent for FY99. In addition, the Basic Allowance Quarters (BAQ) entitlement was increased by 1.6 percent. This impacts PCS requirements because DLA payments are based on authorized BAQ rates. Combined, these increases result in a cost growth of a \$3.4M and \$2.9M respectively.

-- Rate increases for DWCF vary by entitlement in each fiscal year, details are provided in the schedule of increases and decreases. Total increase for DWCF total \$7.0M in FY98 and \$20.5M in FY99.

The 1997 DOD Appropriations Bill established a new PCS entitlement and expanded upon existing entitlements increasing PCS requirements:

--DLA increase from two months BAQ to two and half months BAQ adds \$18.3M to FY97 costs and \$6.0M to FY98.

--Storage of Privately Owned Vehicles (POVs) in lieu of transportation adds \$3.6M to PCS requirements. These costs are currently included in Non-Temporary Storage (NTS).

--Reimbursement for round trip mileage incurred during drop-off/pick-up of POVs at port locations results in increased PCS requirements of \$1.3M.

The FY98 PCS program supports changes to force structure and policy changes.

--Increase to Korea end strength increases requirements by \$10.0M.

--Force Structure changes in Panama and CONUS increases requirements by \$1.3M

--Conversion of tour lengths in Saudi Arabia and Kuwait has a \$2.1M impact on the rotational move program.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 134,423
ESTIMATE FY 1998	\$ 132,380
ESTIMATE FY 1997	\$ 136,091
ACTUAL FY 1996	\$ 110,111

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 place 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. Also included are 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 their 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. Funds 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 through FY99.

Changes to this program can only be accommodated through adjustments in officer, enlisted or cadet strengths. Changes in move numbers between fiscal years reflect adjustments required to meet the Army's projected end strengths.

Inflation, DCWF rates, and pay raise all impact on the cost per move.

Detailed cost computations are provided by the following table:

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL.....	6,081	\$ 726.20	\$ 4,416	6,352	\$ 738.82	\$ 4,693	6,196	\$ 744.51	\$ 4,613	6,220	\$ 750.64	\$ 4,669
DEPENDENT TRAVEL.....	1,824	645.29	1,177	1,906	656.87	1,252	1,859	671.87	1,249	1,866	688.10	1,284
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	4,257	2,886.30	12,287	4,446	2,946.69	13,101	4,337	3,008.53	13,048	4,354	3,071.89	13,375
- OVERSEAS (MAC & MSC)...	2,150	410.23	882	2,247	434.36	976	2,192	449.82	986	2,200	487.73	1,073
DISLOCATION ALLOWANCE.....	1,952	1,094.76	2,137	2,039	1,376.63	2,807	1,989	1,485.93	2,956	1,997	1,527.54	3,050
TRAILER ALLOWANCE.....	24	2,646.19	64	25	2,701.76	68	25	2,758.50	69	25	2,816.42	70
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND...	876	1,551.82	1,359	915	1,736.49	1,589	892	1,746.91	1,558	896	2,031.66	1,820
- PORT HANDLING (MTMC)...	876	371.51	325	915	349.22	320	892	369.12	329	896	364.69	327
PORT HANDLING (HHG).....	10,944	45.91	502	11,436	43.15	493	11,154	45.61	509	11,196	45.06	505
SUBTOTAL.....			\$ 23,149			\$ 25,299			\$ 25,317			\$ 26,173
CADETS.....	1,193	\$ 375.00	\$ 447	1,195	\$ 375.00	\$ 448	1,220	\$ 375.00	\$ 458	1,220	\$ 375.00	\$ 458

PCS ACCESSION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED												
MEMBER TRAVEL.....	73,951	\$ 691.54	\$ 51,140	92,281	\$ 704.42	\$ 65,005	87,956	\$ 711.22	\$ 62,556	87,104	\$ 718.28	\$ 62,565
DEPENDENT TRAVEL.....	21,446	281.73	6,042	26,761	282.65	7,564	25,507	283.88	7,241	25,260	285.19	7,204
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	11,012	1,894.93	20,867	13,740	1,934.79	26,584	13,097	1,975.34	25,871	12,970	2,016.81	26,158
- OVERSEAS (NAC & MSC)...	5,790	390.33	2,260	7,225	403.32	2,914	6,887	422.68	2,911	6,820	445.75	3,040
DISLOCATION ALLOWANCE.....	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
TRAILER ALLOWANCE.....	370	2,646.19	979	461	2,701.76	1,246	440	2,758.50	1,214	436	2,816.42	1,228
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND...	2,588	1,551.82	4,016	3,230	1,736.49	5,609	3,079	1,746.91	5,379	3,049	2,031.66	6,195
- PORT HANDLING (MTMC)...	2,588	371.51	961	3,230	349.22	1,128	3,079	369.12	1,137	3,049	364.69	1,112
PORT HANDLING (HHG).....	7,273	34.43	250	9,076	32.36	294	8,651	34.21	296	8,567	33.80	290
SUBTOTAL.....			\$ 86,515			\$ 110,344			\$ 106,605			\$ 107,792
TOTAL PCS ACCESSION TRAVEL...			\$ 110,111			\$ 136,091			\$ 132,380			\$ 134,423

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 46,508
ESTIMATE FY 1998	\$ 45,529
ESTIMATE FY 1997	\$ 47,392
ACTUAL FY 1996	\$ 50,067

Project: Training Travel

Part I - Purpose and Scope

Officers. Funds CONUS PCS movements for officers and warrant officers 1) from current permanent duty station to formal service or civilian schools, including technical schools, pilot training, factory training, and other approved courses of instruction of 20 weeks duration or more, and (2) PCS moves upon completion of school for officers and warrants to next CONUS permanent duty stations, and those eliminated from school prior to completion next permanent CONUS duty station. Excludes academy graduates, OCS graduates, ROTC graduates, and others (chargeable as Accession travel) and those officers and warrant officers who are moving into and out of a training seat from/to and overseas location (chargeable as Rotational travel).

Enlisted. Funds PCS movements of (1) enlisted personnel from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, aircraft maintenance training, 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. Excludes those soldiers moving in or out of a training seat to or from an overseas location (chargeable as a Rotational travel).

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.

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.

Training move requirements are projected to remain relatively constant.

The average estimated cost per training move for officer and enlisted increases in FY98/FY99 due to effects of inflation, pay raise and expansion of entitlements.

Detailed cost computations are provided by the following table:

PCS TRAINING TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL												
MILEAGE AND PER DIEM.....	6,850	\$ 463.21	\$ 3,173	6,015	\$ 468.33	\$ 2,817	5,770	\$ 468.28	\$ 2,702	5,770	\$ 468.28	\$ 2,702
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	5,138	412.81	2,121	4,511	412.77	1,862	4,328	412.89	1,787	4,328	412.89	1,787
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	5,823	4,923.24	28,668	5,113	5,026.60	25,701	4,905	5,132.31	25,174	4,905	5,239.96	25,702
DISLOCATION ALLOWANCE.....	5,138	1,155.69	5,938	4,511	1,453.24	6,556	4,328	1,568.63	6,789	4,328	1,612.55	6,979
TRAILER ALLOWANCE.....	7	2,646.19	19	6	2,701.76	16	6	2,758.50	17	6	2,816.42	17
SUBTOTAL.....			\$ 39,919			\$ 36,952			\$ 36,469			\$ 37,187
ENLISTED												
MEMBER TRAVEL												
MILEAGE AND PER DIEM.....	2,800	\$ 463.21	\$ 1,297	2,700	\$ 468.15	\$ 1,264	2,300	\$ 468.26	\$ 1,077	2,300	\$ 468.26	\$ 1,077
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	1,820	412.64	751	1,755	413.11	725	1,495	412.71	617	1,495	412.71	617
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	2,100	3,050.95	6,407	2,025	3,115.06	6,308	1,725	3,180.29	5,486	1,725	3,247.54	5,602
DISLOCATION ALLOWANCE.....	1,736	961.32	1,669	1,755	1,208.83	2,121	1,426	1,304.81	1,861	1,495	1,341.35	2,005
TRAILER ALLOWANCE.....	9	2,646.19	24	8	2,701.76	22	7	2,758.50	19	7	2,816.42	20
SUBTOTAL.....			\$ 10,148			\$ 10,440			\$ 9,060			\$ 9,321
TOTAL PCS												
TRAINING TRAVEL.....			\$ 50,067			\$ 47,392			\$ 45,529			\$ 46,508

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 129,668
\$ 131,393
\$ 131,535
\$ 130,601

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 provided 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 provided no transoceanic travel is involved.

Part II - Justification of Funds Requested

Operational moves are critical to the Army's ability to maintain readiness throughout the force. They are necessary to maintain units at required personnel readiness levels; support activations and inactivations; fill joint duty positions mandated under the Goldwater-Nichols DOD Reorganization Act of 1986; correct imbalances of skill and grade; support humanitarian, compassionate, and joint domicile needs; assign personnel to key positions in response to unprogrammed/unanticipated requirements; support Base Realignment and Closure actions and to fill high priority units.

The Army has implemented various management efficiencies and as a result reduced FY98/99 operational move requirements. Current CONUS time on station for career enlisted soldiers exceeds the DOD 36 month goal.

Inflation, payraise and increased entitlements all impact on the cost per move.

Detailed cost computations are provided by the following table:

PCS OPERATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	6,455	\$ 558.95	\$ 3,608	6,027	\$ 564.96	\$ 3,405	5,868	\$ 565.10	\$ 3,316	5,668	\$ 565.10	\$ 3,203
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	4,970	463.18	2,302	4,641	463.26	2,150	4,518	463.26	2,093	4,364	463.11	2,021
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	6,261	6,270.88	39,262	5,846	6,402.50	37,429	5,692	6,537.07	37,209	5,498	6,674.25	36,695
DISLOCATION ALLOWANCE.....	4,970	1,308.03	6,501	4,641	1,644.80	7,634	4,518	1,775.40	8,021	4,364	1,825.11	7,965
TRAILER ALLOWANCE.....	25	2,646.19	66	24	2,701.76	65	23	2,758.50	63	22	2,816.42	62
SUBTOTAL.....			\$ 51,739			\$ 50,683			\$ 50,702			\$ 49,946
ENLISTED												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	17,500	\$ 503.49	\$ 8,811	17,000	\$ 509.06	\$ 8,654	16,500	\$ 509.03	\$ 8,399	16,000	\$ 509.06	\$ 8,145
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	12,950	412.90	5,347	12,580	412.88	5,194	12,210	412.86	5,041	11,840	412.84	4,888
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	15,050	3,451.23	51,941	14,620	3,523.73	51,517	14,190	3,597.74	51,052	13,760	3,673.26	50,544
DISLOCATION ALLOWANCE.....	12,950	950.81	12,313	12,580	1,195.62	15,041	12,210	1,290.55	15,758	11,840	1,326.69	15,708
TRAILER ALLOWANCE.....	170	2,646.19	450	165	2,701.76	446	160	2,758.50	441	155	2,816.42	437
SUBTOTAL.....			\$ 78,862			\$ 80,852			\$ 80,691			\$ 79,722
TOTAL PCS												
OPERATIONAL TRAVEL.....			\$ 130,601			\$ 131,535			\$ 131,393			\$ 129,668

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999
ESTIMATE FY 1998
ESTIMATE FY 1997
ACTUAL FY 1996

\$ 569,861
\$ 548,845
\$ 537,420
\$ 549,101

Project: Rotational Travel

Part I - Purpose and Scope

Officers. Covers PCS movements of officers and warrant officers (1) from permanent duty stations in CONUS to permanent duty stations overseas; (2) from permanent duty stations overseas to permanent duty stations in CONUS; (3) from permanent duty stations in one overseas area to permanent duty stations in another overseas area, but only 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, but only when transoceanic travel is involved.

Enlisted. Covers PCS movements of enlisted personnel (1) from permanent duty stations in CONUS to permanent duty stations overseas; (2) from permanent duty stations overseas to permanent duty stations in CONUS; (3) from permanent duty stations overseas to permanent duty stations in another overseas area, but only 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, but only when transoceanic travel is involved.

Part II - Justification of Funds Requested

Rotational moves are driven by the commitment to station 25% of the force overseas in support of The National Military Strategy. The number of moves required is determined by overseas end strength and the average time actually served overseas less the number of overwater Accession, Separation, and Unit moves. Current time on station for soldiers serving in overseas locations, exceeds prescribed tour lengths by three months. While this increased average time on station due to stabilized European troop strength and management efficiencies reduces rotational move requirements, increased endstrength in Korea, tour length conversions in Saudi Arabia and Kuwait

and permanent positions in support of Traditional CINC Activities generate additional rotational moves requirements.

The Army has 121,300 soldiers stationed overseas which represents 25 percent of total Army end strength. Of these, soldiers, 89,000 are serving in a 36/24 month tour area, 4,706 are in a 24/12 month tour length location and 27,594 are servings in locations designated as hardship/dependent restricted areas with a 12 month tour length.

The Army's system of rotating soldiers to and from Europe (65,000 end strength) was examined by the General Accounting Office (GAO). In their 1993 report to Congress GAO stated there were no strong arguments to depart from the Army's current system.

The average estimated cost per rotational moves for officers and enlisted increases in FY98/99 due to the effects of inflation, pay raise, DWCF rates increases, and expanded entitlements.

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
OFFICER	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL.....	8,015	1,296.32	\$ 10,390	7,825	1,325.50	\$ 10,372	7,650	1,344.84	\$ 10,288	7,646	1,365.16	\$ 10,438
DEPENDENT TRAVEL.....	6,813	1,631.59	11,116	6,652	1,651.08	10,983	6,503	1,677.53	10,909	6,499	1,704.88	11,080
TRANSPORTATION OF HHG												
- LAND & ITGEL.....	7,551	6,153.49	46,465	7,372	6,282.69	46,316	7,205	6,414.85	46,219	7,203	6,549.63	47,177
- OVERSEAS.....	20,430	410.62	8,389	19,946	434.72	8,671	19,500	450.00	8,775	19,490	489.33	9,537
TRAILER ALLOWANCE.....	63	2,650.79	167	61	2,704.92	165	60	2,750.00	165	60	2,816.67	169
DISLOCATION ALLOWANCE...	6,813	1,260.82	8,590	6,652	1,585.39	10,546	6,503	1,711.21	11,128	6,499	1,759.19	11,433
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND	4,809	1,551.88	7,463	4,695	1,736.53	8,153	4,590	1,746.84	8,018	4,588	2,031.60	9,321
- PORT HANDLING (WTMC)	4,809	371.59	1,787	4,695	349.31	1,640	4,590	369.28	1,695	4,588	364.65	1,673
PORT HANDLING (HHG).....	70,947	56.46	4,006	69,265	53.07	3,676	67,717	56.10	3,799	67,681	55.42	3,751
SUBTOTAL.....			\$ 98,373			\$ 100,522			\$ 100,996			\$ 104,579

PCS ROTATIONAL TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED												
MEMBER TRAVEL.....	70,538	1,094.86	\$ 77,229	65,125	1,121.95	\$ 73,067	65,125	1,141.39	\$ 74,333	65,125	1,161.57	\$ 75,647
DEPENDENT TRAVEL.....	43,028	1,348.17	58,009	39,727	1,359.63	54,014	39,727	1,375.08	54,628	39,727	1,391.22	55,269
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	55,894	3,370.67	188,400	51,606	3,441.44	177,599	51,606	3,513.72	181,329	51,606	3,587.51	185,137
- OVERSEAS.....	33,647	438.23	14,745	31,065	462.74	14,375	31,065	479.61	14,899	31,065	519.81	16,148
TRAILER ALLOWANCE.....	162	2,648.15	429	150	2,700.00	405	150	2,760.00	414	150	2,813.33	422
DISLOCATION ALLOWANCE...	43,028	893.02	38,425	39,727	1,122.96	44,612	39,727	1,212.12	48,154	39,727	1,246.05	49,502
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND	35,270	1,551.83	54,733	32,563	1,736.51	56,546	32,563	1,746.92	56,885	32,563	2,031.66	66,157
- PORT HANDLING (MTWC)	35,270	371.51	13,103	32,563	349.23	11,372	32,563	369.13	12,020	32,563	364.68	11,875
PORT HANDLING (HHG).....	123,083	45.94	5,655	113,638	43.19	4,908	113,638	45.64	5,187	113,638	45.10	5,125
SUBTOTAL.....			\$ 450,728			\$ 436,898			\$ 447,849			\$ 465,282
TOTAL PCS												
ROTATIONAL TRAVEL.....			\$ 549,101			\$ 537,420			\$ 548,845			\$ 569,861

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 170,978
ESTIMATE FY 1998	\$ 167,976
ESTIMATE FY 1997	\$ 168,430
ACTUAL FY 1996	\$ 170,616

Project: Separation Travel

Part I - Purpose and Scope

Officers. Covers PCS movements of officers and warrant officers upon separation from the service from their last permanent duty station to their home of record, point of entry into service, or to their home of selection when authorized by law

Enlisted. Covers PCS movements of enlisted personnel upon separation from the service from last permanent duty station to their home of record, point of entry into service, or to their home of selection when authorized by law.

Cadets. Covers PCS movements of cadets eliminated from the academy to their 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 Capital Working Funds (DCWF) rates and inflation.

Detailed cost computations are provided in the following table:

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL.....	7,992	585.84	\$ 4,682	6,680	596.11	\$ 3,982	6,196	601.03	\$ 3,724	6,220	605.95	\$ 3,769
DEPENDENT TRAVEL.....	6,394	328.43	2,100	5,344	331.59	1,772	4,957	336.29	1,667	4,976	340.84	1,696
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	4,355	4,651.89	20,259	3,641	4,749.52	17,293	3,377	4,849.57	16,377	3,390	4,951.33	16,785
- OVERSEAS.....	1,479	491.55	727	1,236	516.18	638	1,146	536.65	615	1,151	578.63	666
TRAILER ALLOWANCE.....	38	2,646.19	101	32	2,701.76	86	30	2,758.50	83	30	2,816.42	84
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND...	1,159	1,551.82	1,799	969	1,736.49	1,683	898	1,746.91	1,569	902	2,031.66	1,833
- PORT HANDLING (MTMC)...	1,159	371.51	431	969	349.22	338	898	369.12	331	902	364.69	329
PORT HANDLING (HHG).....	21,978	45.91	1,009	18,370	43.15	793	17,039	45.61	777	17,105	45.06	771
SUBTOTAL.....			\$ 31,108			\$ 26,585			\$ 25,143			\$ 25,933
CADETS.....	228	307.20	\$ 70	255	307.20	\$ 78	255	307.20	\$ 78	255	307.20	\$ 78

PCS SEPARATION TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED												
MEMBER TRAVEL.....	87,287	535.52	\$ 46,744	86,697	545.19	\$ 47,266	85,835	550.04	\$ 47,213	85,026	555.09	\$ 47,197
DEPENDENT TRAVEL.....	18,330	365.25	6,695	18,206	369.66	6,730	18,025	375.64	6,771	17,855	381.80	6,817
TRANSPORTATION OF HHG												
- LAND & ITGBL.....	23,628	3,067.29	72,474	23,468	3,131.75	73,496	23,236	3,197.50	74,297	23,016	3,264.64	75,139
- OVERSEAS.....	6,819	524.27	3,575	6,773	549.83	3,724	6,706	571.88	3,835	6,642	614.57	4,082
TRAILER ALLOWANCE.....	262	2,646.19	693	260	2,701.76	702	258	2,758.50	712	255	2,816.42	718
PRIVATELY OWNED VEHICLE												
- MIL. SEALIFT COMMAND...	4,364	1,551.82	6,772	4,335	1,736.49	7,528	4,292	1,746.91	7,498	4,251	2,031.66	8,637
- PORT HANDLING (MTWC)...	4,364	371.51	1,621	4,335	349.22	1,514	4,292	369.12	1,584	4,251	364.69	1,550
PORT HANDLING (HHG).....	25,532	33.86	864	25,359	31.82	807	25,107	33.64	845	24,871	33.23	827
SUBTOTAL.....			\$ 139,438			\$ 141,767			\$ 142,755			\$ 144,967
TOTAL PCS												
SEPARATION TRAVEL.....			\$ 170,616			\$ 168,430			\$ 167,976			\$ 170,978

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 6,537
ESTIMATE FY 1998	\$ 8,139
ESTIMATE FY 1997	\$ 7,465
ACTUAL FY 1996	\$ 25,675

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, and to maintain unit tactical integrity. 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, and the fielding of new equipment/units.

FY98/99 Unit moves support Aviation force modernization, the Panama Implementation Treaty and Base Realignment and Closure initiatives.

Unit move rates increase due to inflation, pay raise, and expanded entitlements.

Detailed cost computations are provided by the following table:

PCS ORGANIZED UNIT TRAVEL
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999					
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE				
OFFICER												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	1,025	\$ 402.93	\$ 413	185	\$ 405.41	\$ 75	175	\$ 405.71	\$ 71	185	\$ 405.41	\$ 75
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	800	332.50	266	144	333.33	48	137	335.77	46	144	333.33	48
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	810	5,575.31	4,516	146	5,691.78	831	138	5,811.59	802	146	5,931.51	866
DISLOCATION ALLOWANCE.....	820	1,396.18	1,145	148	1,755.66	260	140	1,895.06	265	148	1,948.12	288
TRAILER ALLOWANCE.....	8	2,646.19	21	1	2,701.76	3	1	2,758.50	3	1	2,816.42	3
SUBTOTAL.....			\$ 6,361			\$ 1,217			\$ 1,187			\$ 1,280
ENLISTED												
MEMBER TRAVEL												
MILEAGE AND PER DIEM....	6,000	\$ 352.50	\$ 2,115	1,824	\$ 356.36	\$ 650	1,970	\$ 356.35	\$ 702	1,461	\$ 356.61	\$ 521
DEPENDENT TRAVEL												
MILEAGE DEPENDENTS.....	3,660	332.51	1,217	1,113	332.43	370	1,202	332.78	400	891	332.21	296
TRANSPORTATION OF HHG												
LAND SHIPMENT.....	3,720	3,262.10	12,135	1,131	3,330.68	3,767	1,231	3,400.49	4,152	906	3,472.41	3,146
DISLOCATION ALLOWANCE.....	3,780	977.31	3,694	1,149	1,228.94	1,412	1,241	1,326.52	1,646	920	1,363.66	1,255
TRAILER ALLOWANCE.....	58	2,646.19	153	18	2,701.76	49	19	2,758.50	52	14	2,816.42	39
SUBTOTAL.....			\$ 19,314			\$ 6,248			\$ 6,952			\$ 5,257
TOTAL PCS ORGANIZED UNIT TRAVEL.....			\$ 25,675			\$ 7,465			\$ 8,139			\$ 6,537

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

	ACTUAL FY 1996 AMOUNT	ESTIMATE FY 1997 AMOUNT	ESTIMATE FY 1998 AMOUNT	ESTIMATE FY 1999 AMOUNT
NON-TEMPORARY STORAGE.....	\$ 22,610	\$ 25,413	\$ 25,236	\$ 25,546
TEMPORARY LODGING EXPENSE.....	15,571	10,536	13,347	13,088
TOTAL OBLIGATIONS.....	\$ 1,074,352	\$ 1,064,245	\$ 1,072,845	\$ 1,096,609
LESS: REIMBURSABLE OBLIGATIONS.....	8,000	8,000	8,000	8,000
TOTAL DIRECT OBLIGATIONS.....	\$ 1,066,352	\$ 1,056,245	\$ 1,064,845	\$ 1,088,609

Section 4
Schedule of Increases and Decreases
(Amounts in Thousands of Dollars)

	Amount
Other Military Personnel Costs	
FY 1997 Direct Program	\$ 207,381
Increases:	
a. Death Gratuities -- Increase in the number of Active Army deaths.	24
b. Apprehension of Deserters -- Manyear increases.	119
Total Increases:	\$ 143
Decreases:	
a. Education benefits -- Trust Fund	-15,884
Decreased rates.	
No liability payment amount received for Post Vietnam era separatees.	
Decrease in non-prior service mission.	
b. Unemployment Benefits	-11,800
Reflect fewer unemployment compensation benefit recipients.	
c. Survivor Benefits	- 480
Decreased payments based on latest Veterans Administration's projection.	
Total Decreases:	\$ -28,164
FY 1998 Direct Program	\$ 179,360
Increases:	
a. Unemployment Benefits	2,959
Expected increase in separations.	
b. Education Benefits -- Trust Fund.	261
Total Increases:	\$ 3,220
Decreases:	
a. Manyear Decreases	-544
Interest on Soldier Deposit.	
Survivor Benefit	
Apprehension of Deserters -- Manyear decrease.	
Total Decreases:	\$ -544
FY 1999 Direct Program	\$ 182,036

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 821
ESTIMATE FY 1998	\$ 822
ESTIMATE FY 1997	\$ 813
ACTUAL FY 1996	\$ 904

Project: Apprehension of Deserters

Part I - Purpose and Scope

The funds requested provide for expenses in connection with the apprehension of deserters, absenteers, 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 1996

ESTIMATE FY 1997

ESTIMATE FY 1998

ESTIMATE FY 1999

TRAVEL AND OTHER EXPENSES INCIDENT TO THE
 APPREHENSION AND DELIVERY OF DESERTERS,
 PRISONERS AND SOLDIERS AWOL INCLUDING
 PAYMENT OF CONFINEMENT OF MILITARY
 PRISONERS IN NON-MILITARY FACILITIES.....

\$ 904

\$ 813

\$ 822

\$ 821

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 2,376
ESTIMATE FY 1998	\$ 2,376
ESTIMATE FY 1997	\$ 2,352
ACTUAL FY 1996	\$ 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 and the statutory gratuity payment.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	NUMBER	AMOUNT	NUMBER	RATE	NUMBER	AMOUNT
DEATH GRATUITIES								
OFFICER.....	40	\$ 6,000.00	39	\$ 6,000.00	39	\$ 6,000.00	39	\$ 6,000.00
ENLISTED.....	352	6,000.00	345	6,000.00	349	6,000.00	349	6,000.00
CADETS.....	8	6,000.00	8	6,000.00	8	6,000.00	8	6,000.00
TOTAL.....	400	\$ 2,400	392	\$ 2,352	396	\$ 2,376	396	\$ 2,376

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 115,073
ESTIMATE FY 1998	\$ 112,114
ESTIMATE FY 1997	\$ 123,914
ACTUAL FY 1996	\$ 125,399

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. The Department of Labor (DOL) is the executive agency for the program; however, program administration is accomplished by each state. Generally, eligibility is defined as active service in the Army whereupon service members were discharged under honorable conditions (and, if an officer, did not resign for the good of the service); and had completed their first full term of active service; or were discharged before completing their first term under an early release program, because of hardship, for medical reasons, 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 law 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 separations 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 \$11.8 million from FY97 to FY98. The requirement reflects an increase of \$3.0 million from FY 98 to FY99 for anticipated increase in the number of separations.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
UNEMPLOYMENT BENEFITS								
OFFICER.....								
ENLISTED.....	38,775	3,234.01	125,399	38,353	3,230.88	123,914	33,759	3,321.02
TOTAL.....	38,775	\$ 125,399	\$ 123,914	33,759	\$ 112,114	33,563	3,428.57	115,073

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 6,440
ESTIMATE FY 1998	\$ 6,920
ESTIMATE FY 1997	\$ 7,400
ACTUAL FY 1996	\$ 9,062

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.

The latest Department of Veterans Affairs cost estimates are provided in the following table:

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

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
SURVIVOR BENEFIT COSTS.....	\$ 9,062	\$ 7,400	\$ 6,920	\$ 6,440

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 380
ESTIMATE FY 1998	\$ 380
ESTIMATE FY 1997	\$ 380
ACTUAL FY 1996	\$ 382

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 of a child under the age of 18 years.

Part II - Justification of Funds Required

The average amount payable is \$2,000 per adoption. Expenses include public and private agency fees; legal fees; medical expenses associated with the child, biological mother, and adoptive parents; temporary foster care; and other expenses approved by the Department of Defense.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
ADOPTION EXPENSES....	191	2,000.00	190	2,000.00	190	2,000.00	190	2,000.00
		\$ 382		\$ 380		\$ 380		\$ 380

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 421
ESTIMATE FY 1998	\$ 484
ESTIMATE FY 1997	\$ 484
ACTUAL FY 1996	\$ 361

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 temporary duty contingency operations. Precedence from Vietnam indicates that the Department of the 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 experience in relation to the number of Army participants.

Detailed cost computations are provided by the following table:

ESTIMATE FY 1997

160

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 56,675
ESTIMATE FY 1998	\$ 56,414
ESTIMATE FY 1997	\$ 72,298
ACTUAL FY 1996	\$ 61,354

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 Department of Veteran Affairs. 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 Trust Fund, effective 1 October 92. Between FY97 and FY98, the estimate decreases by \$15.9 million due to reduced per capita rates, the absence of the liability payment amount, by the DoD Board of Actuaries, for Post-Vietnam Era Voluntary and Involuntary Separates, and a decrease in accessions. A slight increase of \$.3 million from FY98 to FY99 is due to anticipated amortization and liability payments to the Education Benefit trust fund.

Detailed cost computations are provided by the following table:

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

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
FOUR YEAR OBLIGATION.....	\$ 11,025	\$ 13,791	\$ 11,808	\$ 11,642
THREE YEAR OBLIGATION.....	11,417	14,116	13,135	13,276
TWO YEAR OBLIGATION.....	8,786	9,178	8,275	8,512
2YR ACT/2YR SEL RES/4YR IND RDY RES.....	6,862	6,770	5,796	5,845
AMORTIZATION PAYMENTS	23,264	28,443	17,400	17,400
TOTAL EDUCATIONAL BENEFITS.....	\$ 61,354	\$ 72,298	\$ 56,414	\$ 56,675
TOTAL DIRECT OMPC OBLIGATION AMOUNTS....	\$ 199,602	\$ 207,381	\$ 179,360	\$ 182,036

Section 5
Military Personnel, Army
Defense Working Capital Funds (DWCF) Reimbursements
Introduction

The Defense Management Resource Decision (DMRD) 971 established the Defense Working Capital Funds (DWCF) (formerly the Defense Business Operations Fund (DBOF)) in order to expand the use of business like financial management practices. DWCF 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 DWCF 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 Defense (Comptroller) guidance. Estimated manpower reflects the number of workyears for each DWCF business area.

Detailed cost by DWCF activity is provided by the following table:

SECTION 5
DEFENSE WORKING CAPITAL FUNDS REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICERS	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	AMOUNT		NUMBER	AMOUNT		NUMBER	AMOUNT		NUMBER	AMOUNT	
SUPPLY MGMT	21	\$ 1,423		6	\$ 683		6	\$ 467		6	\$ 477	
DEPOT MAINT-ORD	15	1,175		12	1,089		12	1,049		12	1,071	
DEPOT MAINT-OTH	65	4,586		57	3,249		41	3,070		41	3,135	
AMC	101	7,185		75	5,021		59	4,587		59	4,683	
USAISC SDC-WASHI	50	2,942		24	1,482		16	1,098		16	1,122	
USAISC SDC-LEE	0	0		30	2,165		21	1,581		18	1,387	
USAISC	50	2,942		54	3,647		37	2,679		34	2,509	
ICP's	103	8,164		103	8,336		95	8,000		95	8,134	
DRMS	3	243		2	160		3	262		3	267	
INFO SERVICES	2	155		2	188		2	167		2	171	
DEPOTS	33	2,696		38	2,955		40	3,504		40	3,945	
DLA	141	11,257		145	11,639		140	11,933		140	12,518	
DFAS	48	3,659		55	4,180		56	4,497		56	4,587	
DECA	9	769		9	619		9	492		9	502	
DECCO	3	226		3	147		0	0		0	0	
DISO	16	1,283		16	1,246		0	0		0	0	
DISA	19	1,510		19	1,393		0	0		0	0	
JLSC	2	183		2	160		2	197		2	201	
MTMC	117	8,941		108	8,829		67	5,652		65	5,607	
DEFENSE COURIER	12	754		12	777		7	465		7	475	
TRANSCOM	69	5,496		69	5,680		69	5,943		69	6,067	
TOTAL TRANSCOM	198	15,190		189	15,286		143	12,059		141	12,150	
TOTAL	568	\$ 42,694		548	\$ 41,944		446	\$ 36,444		441	\$ 37,150	

SECTION 5
DEFENSE WORKING CAPITAL FUNDS REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

ENLISTED

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
SUPPLY MGMT	31	\$ 884	9	\$ 299	9	\$ 295	9	\$ 301
DEPOT MAINT-ORD	10	302	11	324	11	367	11	374
DEPOT MAINT-OTH	160	3,970	71	2,006	48	1,455	48	1,486
AMC	201	5,157	91	2,629	68	2,117	68	2,162
USAISC SDC-WASHI	168	4,161	39	1,011	37	1,005	37	1,028
USAISC SDC-LEE	0	0	165	3,916	145	4,019	145	4,109
USAISC	168	4,161	204	4,927	182	5,024	182	5,137
ICP's	52	1,567	52	0	50	1,230	50	1,664
DRMS	22	658	23	825	24	765	24	781
INFO SERVICES	0	0	0	1,393	0	0	0	0
DEPOTS	27	812	36	1,134	35	1,113	35	1,137
DLA	101	3,037	111	3,352	109	3,109	109	3,582
DFAS	513	13,428	447	12,101	495	11,303	495	11,038
DECA	13	389	2	67	1	40	1	41
DECCO	12	345	12	262	9	274	9	280
DISO	65	1,734	64	1,749	69	2,626	69	2,720
DISA	77	2,079	76	2,011	78	2,900	78	3,000
JLSC	0	0	1	28	0	0	0	0
MTMC	147	4,102	144	4,338	72	4,225	71	4,243
DEFENSE COURIER	19	525	98	2,874	14	1,179	14	930
TRANSCOM	35	960	35	990	35	1,036	35	1,058
TOTAL TRANSCOM	201	5,586	277	8,202	121	6,440	120	6,231
TOTAL	1,274	\$ 33,837	1,209	\$ 33,317	1,054	\$ 30,933	1,053	\$ 31,191

SECTION 5
DEFENSE WORKING CAPITAL FUNDS REIMBURSABLE PROGRAM
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1996		ESTIMATE FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
TOTAL								
SUPPLY MGMT	52	\$ 2,307	15	\$ 982	15	\$ 763	15	\$ 779
DEPOT MAINT-ORD	25	1,478	23	1,413	23	1,416	23	1,445
DEPOT MAINT-OTH	225	8,557	128	5,255	89	4,526	89	4,621
AMC	302	12,342	166	7,650	127	6,704	127	6,845
USAISC SDC-WASHI	218	7,103	63	2,493	53	2,103	53	2,150
USAISC SDC-LEE	0	0	195	6,081	166	5,600	163	5,496
USAISC	218	7,103	258	8,574	219	7,703	216	7,647
ICP's	155	9,731	155	8,336	145	9,230	145	9,798
DRMS	25	900	25	985	27	1,027	27	1,048
INFO SERVICES	2	155	2	1,581	2	167	2	171
DEPOTS	60	3,508	74	4,089	75	4,617	75	5,082
DLA	242	14,294	256	14,991	249	15,041	249	16,100
DFAS	561	17,086	502	16,282	551	15,800	551	15,625
DECA	22	1,158	11	685	10	532	10	543
DECCO	15	571	15	409	9	274	9	280
DISO	81	3,017	80	2,995	69	2,626	69	2,720
DISA	96	3,588	95	3,404	78	2,900	78	3,000
JLSC	2	183	3	188	2	197	2	201
MTMC	264	13,042	252	13,167	139	9,877	136	9,850
DEFENSE COURIER	31	1,279	110	3,652	21	1,644	21	1,405
TRANSCOM	104	6,456	104	6,669	104	6,979	104	7,125
TOTAL TRANSCOM	399	20,777	466	23,488	264	18,500	261	18,381
TOTAL	1,842	\$ 76,531	1,757	\$ 75,261	1,500	\$ 67,377	1,494	\$ 68,341

SECTION 5
SCHEDULE OF MILITARY PERSONNEL ASSIGNED OUTSIDE DOD

	ACTUAL FY 1996			ESTIMATE FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
ASSIGNED TO DOD IN SUPPORT												
OF NON-DOD FUNCTIONS												
REIMBURSABLE:												
FOREIGN MILITARY SALES.....	311	230	541	302	230	532	302	230	532	298	230	528
MILITARY ASSIST PROGRAM.....	0	0	0	0	0	0	0	0	0	0	0	0
DEFENSE WORKING CAPITAL FUN	568	1,274	1,842	548	1,209	1,757	446	1,054	1,500	441	1,053	1,494
TOTAL OTHER.....	879	1,504	2,383	850	1,439	2,289	748	1,284	2,032	739	1,283	2,022
TOTAL NONREIMBURSABLE.....	89	21	110	89	21	110	97	14	111	97	6	103
TOTAL REIMBURSABLE.....	58	42	100	55	10	65	51	10	61	55	9	64
GRAND TOTAL.....	1,026	1,567	2,593	994	1,470	2,464	896	1,308	2,204	891	1,298	2,189

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

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
FOREIGN MILITARY SALES.....	\$ 19,392	\$ 21,980	\$ 24,980	\$ 25,209
TRAINING.....	6,550	9,000	11,000	11,000
PCS TRAVEL.....	7,580	7,580	7,580	7,580
ADMINISTRATIVE SURCHARGE.....	5,262	5,400	6,400	6,629
OTHER NON-STRENGTH.....	\$ 510	\$ 57,508	\$ 58,823	\$ 60,284
SUBSISTENCE IN KIND.....	0	56,998	58,423	59,884
CLOTHING.....	250	250	250	250
OTHER MILITARY COSTS.....	260	260	150	150
STRENGTH RELATED.....	\$ 141,958	\$ 127,812	\$ 123,264	\$ 128,097
OFFICER.....	86,315	80,000	76,025	79,177
ENLISTED.....	55,223	47,392	46,819	48,500
PCS TRAVEL.....	420	420	420	420
TOTAL PROGRAM.....	\$ 161,860	\$ 207,300	\$ 207,067	\$ 213,590

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

	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
STRENGTH RELATED.....	\$ 141,538	\$ 127,392	\$ 122,844	\$ 127,677
TOTAL END STRENGTH.....	2,483	2,354	2,092	2,087
ENLISTED.....	1,546	1,449	1,293	1,292
OFFICER.....	937	905	799	795
TOTAL MANYEARS.....	2,471	2,362	2,091	2,088
ENLISTED.....	1,540	1,454	1,293	1,292
OFFICER.....	931	908	798	796
FEDERAL AGENCIES				
OFFICER.....	\$ 6,547	\$ 5,708	\$ 5,622	\$ 6,393
END STRENGTH.....	58	55	51	55
MANYEARS.....	56	54	50	54
ENLISTED.....	\$ 3,531	\$ 862	\$ 598	\$ 652
END STRENGTH.....	42	10	9	9
MANYEARS.....	41	15	9	9
TOTAL.....	\$ 10,078	\$ 6,570	\$ 6,220	\$ 7,045
END STRENGTH.....	100	65	60	64
MANYEARS.....	97	69	59	63
MAAGS, MISSIONS, AND MILITARY GROUPS				
OFFICER.....	\$ 35,890	\$ 32,348	\$ 33,959	\$ 35,635
END STRENGTH.....	311	302	302	299
MANYEARS.....	307	306	302	301
ENLISTED.....	\$ 19,377	\$ 13,213	\$ 15,288	\$ 16,657
END STRENGTH.....	230	230	230	230
MANYEARS.....	225	230	230	230
TOTAL.....	\$ 55,267	\$ 45,561	\$ 49,247	\$ 52,292
END STRENGTH.....	541	532	532	529
MANYEARS.....	532	536	532	531

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

DEFENSE WORKING CAPITAL FUNDS (DWCF)	ACTUAL FY 1996	ESTIMATE FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
OFFICER.....	\$ 43,878	\$ 41,944	\$ 36,444	\$ 37,149
END STRENGTH.....	568	548	446	441
MANYEARS.....	568	548	446	441
ENLISTED.....	\$ 32,315	\$ 33,317	\$ 30,933	\$ 31,191
END STRENGTH.....	1,274	1,209	1,054	1,053
MANYEARS.....	1,274	1,209	1,054	1,053
TOTAL.....	\$ 76,193	\$ 75,261	\$ 67,377	\$ 68,340
END STRENGTH.....	1,842	1,757	1,500	1,494
MANYEARS.....	1,842	1,757	1,500	1,494

THIS BUDGET INCLUDES SUPPORT IN THE FORM OF PAY AND ALLOWANCE COSTS FOR ACTIVE MILITARY PERSONNEL ASSOCIATED WITH COUNTERTERRORISM ACTIVITIES AS FOLLOWS:

MPA FUNDING SUMMARY (\$millions)	FY96	FY97	FY98	FY99
BUDGET ACTIVITY 1: P&A, OFFICER	154.8	157.0	158.9	162.6
BUDGET ACTIVITY 2: P&A, ENLISTED	239.9	238.4	237.9	239.9
BUDGET ACTIVITY 4: ENLISTED SUBSISTENCE	15.1	15.2	15.3	15.4
BUDGET ACTIVITY 5: PCS	24.8	23.8	23.6	24.0
TOTAL	\$409.9	\$410.7	\$412.2	\$418.0
ACTIVE MILITARY END STRENGTH (Total)	10,963	10,771	10,610	10,514
Officer	2,423	2,391	2,371	2,358
Enlisted	8,540	8,380	8,239	8,156
ACTIVE MILITARY MANYEARS (Total)	10,963	10,771	10,610	10,514
Officer	2,423	2,391	2,371	2,358
Enlisted	8,540	8,380	8,239	8,156