

DEPARTMENT OF THE ARMY

*FY 1999 AMENDED BUDGET ESTIMATES
SUBMITTED TO CONGRESS FEBRUARY 1998*



OPERATION AND MAINTENANCE, ARMY
JUSTIFICATION BOOK

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VOLUME I

JUSTIFICATION BOOK

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DEPARTMENT OF THE ARMY
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE, ARMY

INTRODUCTORY STATEMENT

The Operation and Maintenance, Army appropriation provides for operation and maintenance of units, schools and power projection platforms, which in combination, support a strategically ready force -- a force of decision -- the United States Army. The OMA appropriation contributes to readiness by supporting tough, realistic training; providing for improved maintenance of equipment and facilities; and providing the highest possible quality of life for soldiers and their families. Some of the highlights that the FY 1998/99 OMA budget supports are the following:

Operating Tempo (OPTEMPO): The Army's ground OPTEMPO and flying hour program have been funded to meet Defense Planning Guidance specified readiness levels with acceptable risk. The budget supports ground OPTEMPO of 800 miles per year for the M1 Abrams Tank (934 miles for the M2 Bradley Infantry Fighting Vehicle, and 970 miles for the M3 Bradley Cavalry Fighting Vehicle) and an average of 14.5 flying hours per attack helicopter (OH58D helicopters, and a limited number AH-64/OH-58D3 helicopters) crew per month (14.0 flying hours over all average for all helicopters per month) for the Active Component (AC). In selected units, OPTEMPO miles include live as well as a small number (60) of Close Combat Tactical Trainer (simulator) miles. The Operations and Maintenance, Army (OMA) budget will support 10 brigade rotations through the National Training Center, 10 brigade rotations through the Joint Readiness Training Center, and 5 brigade rotations through the Combat Maneuver Training Center. Additionally, 5 division, 3 corps staffs, and 1 Command and General Staff College (CGSC) Prairie Warrior Exercise will train on the Battle Command Training Program.

Institutional Training: The budget funds an additional week of Basic Combat Training (BCT) and One Station Unit Training (OSUT) to strengthen "corporate pride" and emphasize Army values as we prepare our soldiers for future assignments. We will reengineer the programs by providing additional subjects to instill Army values in the new soldier. During the additional week of training the Army will add 54 hours of training by expanding human relations training; values and traditions; additional physical fitness training, and incorporate a 'warrior' field training exercise. These values of Respect, Duty, Honor, Integrity, Selfless Service, Loyalty, and Courage will receive greater emphasis in the expanded BCT and OSUT programs. We will also provide a 'Warrior' field exercise developed as a rite of passage for all new soldiers. The end result of intensified initial entry training is a trained soldier with reinforced Army values and heritage. It also provides additional funding for Flight Training to support pilot training for modernized aircraft in the Active, National Guard, and Reserve Components. The Army continues its Army Training XXI (AT XXI) efforts which provides the framework for the Army to train from individual to Joint Task Force (JTF) level. It incorporates the spectrum of Army training and education, integrating institutional, self-development and collective training initiatives. AT XXI represents the training strategy that will prepare Army forces to exploit new operational concepts, capabilities and systems on future battlefields. Through an initiative called "Future Army Schools XXI Century," the Army in FY 1997 established a Total Army School System (TASS) with fully accredited and integrated Active Army, National Guard and Army Reserve schools. Each component is expanding its efforts to reduce duplication, share information and resources, and make the tough

decisions on organizational change. Distance Learning technology will further enhance the operation of TASS and provide high quality standardized training to soldiers and civilians.

Sustainment: Supplying and maintaining equipment for our soldiers are essential to overall readiness. The budget supports sustainability by funding executable logistics support programs such as second destination transportation, supply depot operations, the Conventional Ammunition Management Program, and Army Prepositioned Stocks (APS). Additionally, while depot maintenance funding appears to significantly decline from FY 1998 to FY 1999, this is due more to the FY 1998 congressional increase to this program, the continuing realignment of requirements between this (OMA) program and the Research, Development and Acquisition Appropriations and the impact of large pricing changes. Amounts budgeted for this program are balanced to other Army programs and are fully executable.

Mobilization: The budget funds additional requirements associated with the completion of the 2 million square feet of Combat Service/Combat Service Support equipment prepositioned afloat to satisfy Mobility Requirements Study/Mobility Requirements Study Bottom Up Review and other Defense plans. We will continue to support strategic deterrence in Southwest Asia by funding the move of the Division Base and 3rd Battalion task force sent to Qatar. In addition, we will continue our deployment outload initiatives by funding infrastructure improvements to ensure efficient fort to port throughput capacity for rapid power projection. These infrastructure projects will align our Continental United States (CONUS) based support to be consistent with the strategic sealift program. The deployment outload program will be completed in FY 2001 to meet planning timelines. The FY1999 budget supports projects at power projection installations and ammunition depots.

Quality of Life: The budget further contributes to force readiness by providing a quality of life structure for our soldiers, civilians, and their families. This structure includes family programs such as Child Development Centers, the Exceptional Family Member Program, Army Community Services and youth programs. The quality of life structure also includes maintenance and repair of housing for single and married soldiers as well as renovation of substandard barracks.

Facilities: Our posts, camps and stations provide the platform needed to train and launch today's power projection Army. The budget ensures this platform will be fully operational by funding key base support components to include communications, engineering and public works, and minor repairs and maintenance.

EXHIBIT O-1

FY 1999 PRESIDENT'S BUDGET

(DOLLARS IN THOUSANDS)

<u>APPROP</u>	<u>ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
OPERATION AND MAINTENANCE, ARMY					
BUDGET ACTIVITY 1: OPERATING FORCES					
LAND FORCES					
2020A	10	DIVISIONS	<u>2,794,328</u>	<u>2,750,311</u>	<u>2,966,468</u>
2020A	20	CORPS COMBAT FORCES	998,503	949,351	1,091,232
2020A	30	CORPS SUPPORT FORCES	257,246	245,885	299,739
2020A	40	ECHELON ABOVE CORPS FORCES	310,769	327,157	316,361
2020A	50	LAND FORCES OPERATIONS SUPPORT	411,148	405,283	434,579
			816,662	822,635	824,557
LAND FORCES READINESS					
2020A	60	FORCE READINESS OPERATIONS SUPPORT	<u>1,910,159</u>	<u>2,042,622</u>	<u>1,919,575</u>
2020A	70	LAND FORCES SYSTEMS READINESS	754,534	919,382	973,814
2020A	80	LAND FORCES DEPOT MAINTENANCE	436,527	378,981	375,038
			719,098	744,259	570,723
LAND FORCES READINESS SUPPORT					
2020A	90	BASE SUPPORT	<u>5,494,342</u>	<u>3,380,682</u>	<u>3,219,888</u>
2020A	100	MAINTENANCE OF REAL PROPERTY	2,934,580	2,417,157	2,332,231
2020A	105	MANAGEMENT AND OPERATIONAL HEADQUARTERS	825,216	695,181	641,651
2020A	110	UNIFIED COMMANDS	214,921	107,047	110,538
2020A	115	MISCELLANEOUS ACTIVITIES	153,309	67,236	71,990
			1,366,316	94,061	63,478
TOTAL, BUDGET ACTIVITY 1:			10,198,829	8,173,615	8,105,931

EXHIBIT O-1

FY 1999 PRESIDENT'S BUDGET

(DOLLARS IN THOUSANDS)

<u>APPROP</u>	<u>ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
BUDGET ACTIVITY 2: MOBILIZATION					
MOBILITY OPERATIONS					
2020A	120	POMCUS	543,948	518,031	624,635
			82,816	0	0
2020A	130	STRATEGIC MOBILIZATION	316,391	300,330	314,541
2020A	140	ARMY PREPOSITIONED STOCKS	86,066	158,813	165,349
2020A	150	INDUSTRIAL PREPAREDNESS	58,675	58,888	78,645
2020A	160	MAINTENANCE OF REAL PROPERTY	0	0	66,100
TOTAL, BUDGET ACTIVITY 2:			543,948	518,031	624,635

EXHIBIT O-1

FY 1999 PRESIDENT'S BUDGET

(DOLLARS IN THOUSANDS)

<u>APPROP</u>	<u>ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
<u>ACCESSION TRAINING</u>					
2020A	170	OFFICER ACQUISITION	<u>335,283</u>	<u>305,446</u>	<u>339,001</u>
2020A	180	RECRUIT TRAINING	64,457	63,216	63,580
2020A	190	ONE STATION UNIT TRAINING	13,004	12,006	14,264
2020A	200	RESERVE OFFICER TRAINING CORPS (ROTC)	14,325	14,009	14,909
2020A	210	BASE SUPPORT (ACADEMY ONLY)	115,575	118,653	130,270
2020A	220	MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	77,146	70,358	72,999
			50,776	27,204	42,979
<u>BASIC SKILL/ ADVANCE TRAINING</u>					
2020A	230	SPECIALIZED SKILL TRAINING	<u>2,103,577</u>	<u>2,122,206</u>	<u>2,165,176</u>
2020A	240	FLIGHT TRAINING	229,294	218,687	215,964
2020A	250	PROFESSIONAL DEVELOPMENT EDUCATION	218,270	209,545	226,501
2020A	260	TRAINING SUPPORT	77,527	72,721	192,720
2020A	270	BASE SUPPORT (OTHER TRAINING)	398,081	476,637	488,799
2020A	280	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	983,647	888,424	782,265
			196,758	256,192	258,927
<u>RECRUITING/OTHER TRAINING</u>					
2020A	300	RECRUITING AND ADVERTISING	<u>748,634</u>	<u>750,840</u>	<u>731,386</u>
2020A	310	EXAMINING	249,825	257,106	234,154
2020A	320	OFF-DUTY AND VOLUNTARY EDUCATION	72,982	70,378	71,593
2020A	330	CIVILIAN EDUCATION AND TRAINING	112,799	103,739	100,203
2020A	340	JUNIOR ROTC	76,075	78,477	73,517
2020A	350	BASE SUPPORT (RECRUITING LEASES)	68,517	73,867	73,423
			168,436	167,273	178,496
TOTAL, BUDGET ACTIVITY 3:			3,187,494	3,178,492	3,235,563

EXHIBIT O-1

FY 1999 PRESIDENT'S BUDGET

(DOLLARS IN THOUSANDS)

<u>APPROP</u>	<u>ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
<u>SECURITY PROGRAMS</u>					
2020A	360	SECURITY PROGRAMS	<u>359,847</u>	<u>363,396</u>	<u>404,340</u>
			359,847	363,396	404,340
<u>LOGISTICS OPERATIONS</u>					
2020A	370	SERVICEWIDE TRANSPORTATION	<u>1,656,797</u>	<u>1,554,425</u>	<u>1,505,999</u>
2020A	380	CENTRAL SUPPLY ACTIVITIES	543,108	544,015	398,473
2020A	390	LOGISTIC SUPPORT ACTIVITIES	393,662	361,383	370,824
2020A	400	AMMUNITION MANAGEMENT	390,434	342,950	336,403
			329,593	306,077	400,299
<u>SERVICEWIDE SUPPORT</u>					
2020A	410	ADMINISTRATION	<u>3,310,454</u>	<u>2,681,789</u>	<u>3,131,374</u>
2020A	420	SERVICEWIDE COMMUNICATIONS	301,856	277,174	304,679
2020A	430	MANPOWER MANAGEMENT	640,587	609,545	606,379
2020A	440	OTHER PERSONNEL SUPPORT	153,367	147,038	142,081
2020A	450	OTHER SERVICE SUPPORT	200,783	149,101	150,483
2020A	460	ARMY CLAIMS ACTIVITIES	1,115,428	605,246	618,384
2020A	470	REAL ESTATE MANAGEMENT	112,815	140,819	118,886
2020A	480	BASE SUPPORT	88,270	62,132	68,815
2020A	490	COMMISSARY OPERATIONS	645,154	566,025	700,689
2020A	500	MAINTENANCE OF REAL PROPERTY	0	0	338,400
			52,194	124,709	82,578
<u>SUPPORT OF OTHER NATIONS</u>					
2020A	510	INTERNATIONAL MILITARY HEADQUARTERS	<u>272,498</u>	<u>263,575</u>	<u>265,221</u>
2020A	520	NATO ENLARGEMENT	234,606	229,431	227,377
2020A	530	MISC. SUPPORT OF OTHER NATIONS	0	0	0
			37,892	34,144	37,844
TOTAL, BUDGET ACTIVITY 4:					
			5,599,596	4,863,185	5,306,934
TOTAL, OPERATION AND MAINTENANCE, ARMY					
			19,529,867	16,733,323	17,273,063

DEPARTMENT OF THE ARMY
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE, ARMY

BUDGET ACTIVITY: OPERATING FORCES

I. Description of Operations Financed:

The FY 1999 Operating Forces Budget Activity finances the day-to-day operations of the active component force. This budget request includes the total cost of operating and maintaining the active Army's Operating Forces with the exception of mobilization, recruiting, institutional training, and certain Service-wide and administration costs which are justified separately in Budget Activities 2, 3 and 4.

The Army's primary mission is to conduct sustained land combat. We are reshaping our forces to (1) improve our capability for crisis response in regional contingencies, (2) assist in the preservation of world stability, (3) assume non-traditional roles such as counterdrug, nation assistance and support of democratic reform, and (4) assume a greater role in disaster and humanitarian relief.

The BAL fiscal structure is centered around the combat units' training activity levels and the related areas which provide essential support to readiness activities. The structure clearly portrays readiness resources and provides visibility of all mission resources for planning, programming, budgeting, and execution for the Operating Forces. The BAL structure encompasses three activity groups which, when taken together, present a comprehensive picture of the efforts and resources which enable Army forces to achieve desired levels of readiness.

The first activity group, Land Forces, represents the funding required to support distinct organizational groups (e.g., divisions, corps, combat forces and echelon above corps forces) and tough realistic 'boots-on-the-ground' training activities at the Army's Combat Training Centers (CTCs). Land Forces Readiness, the second activity group, supports key activities which are also essential to operational readiness. These include: depot maintenance, Army participation in Joint Chiefs of Staff (JCS) exercises, and essential combat development and simulation support functions. The last activity group, Land Forces Readiness Support, provides the resources for infrastructure maintenance and support, management headquarters, unified command support and other special activities of the operating forces.

BUDGET ACTIVITY: OPERATING FORCES

I. Description of Operations Financed (Continued):

In total, this budget activity provides funding to support: costs of unit training (e.g., fuel, supplies and repair parts, travel and transportation), operation of the CTCs and other special training activities, incremental costs of Army participation in JCS exercises, depot maintenance costs associated with equipping the Operating Forces, and the costs of operating and maintaining our 'power projection platforms' -- the bases and installations.

LAND FORCES

Land Forces are the heart of the Army. They constitute the fighting power available to the combatant Commander in Chiefs (CINCs) to fulfill the Army's mission in implementing the National Military Strategy. This activity group (AG) funds Operating Tempo (OPTEMPO) -- the cost for consumables, reparables, fuel, and other recurring operating costs required to maintain a trained and ready force. The Land Forces AG consists of the sub-activities listed on the next page.

The basic building block of all Army Organizations is the individual soldier. The following structure provides a hierarchy of Army Organizations. Each organization is generally replicated from three to five times to form the next larger element. From smallest to largest, the Army organizational building blocks are: Squad/Section (9-12 soldiers), Platoon (16-44 soldiers), Company/Battery/Troop (62-190 soldiers), Battalion/Squadron (300-1,000 soldiers), Brigade/Regiment/Group (3,000-5,000 soldiers), Division (10,000-15,000 soldiers), Corps (20,000-45,000 soldiers), Army (Theater Army, Field Army, Army Group -- 50,000 + soldiers).

BUDGET ACTIVITY: OPERATING FORCES

I. Description of Operations Financed (Continued):

DIVISIONS - Funds the training and operations of the Army's 10 fighting divisions plus all organic forces associated with these divisions. The active Army's 10 fighting divisions are composed of 6 heavy, 1 airborne, 1 air assault, and 2 light divisions. A division is a self-sustaining organization typically composed of a division headquarters, 2-5 combat brigades, a variety of combat support units (engineer, intelligence, communication) and a division support command (logistics services). This force structure provides the division the versatility to meet diverse mission requirements.

CORPS COMBAT FORCES - Funds the operation of corps level combat units (aviation, armored cavalry, field artillery, and air defense) not organic to a division. These units may be deployed in independent or semi-independent operations. Corps level assets provide the corps commander with additional combat power within a theater to achieve mission requirements.

CORPS SUPPORT FORCES - Funds the operation of corps headquarters and corps level combat support units such as, Medical, Engineering, Signal, Finance, and Intelligence units. These units provide critical support functions for divisions and corps combat forces and provide a range of capabilities necessary for a versatile force.

Echelon Above Corps (EAC) FORCES - Funds operation of EAC Units, separate from divisional and corps units, that directly support operations within a specified theater. A Theater Army is normally the Army service component command in a unified command. The Eighth U.S. Army, Korea, is an example of a current theater Army. This Sub-Activity Group (SAG) includes theater Army headquarters and theater level aviation, engineer, medical, signal, finance, personnel, Military Police (MP), Military Intelligence (MI), and logistics units.

LAND FORCES OPERATIONS SUPPORT - Supports force related training at the three Combat Training Centers (CTCs) and the Battle Command Training Program (BCTP). The CTCs provide the most comprehensive field training experience available to maneuver brigades and battalions short of actual combat; the BCTP trains corps and division commanders and their staffs in a virtual simulation environment. While this SAG also funds centralized contract logistics support for training devices and simulators and Direct Support/General Support (DS/GS) maintenance for all Land Forces tactical equipment maintenance not executed at unit level, to include the tactical equipment at the CTCs, it excludes funding for depot level maintenance.

BUDGET ACTIVITY: OPERATING FORCES

I. Description of Operations Financed (Continued):

LAND FORCES READINESS

The Land Forces Readiness activity group provides funding to support near term readiness requirements throughout the Army. These near term readiness requirements, when combined with the OPTEMPO requirements in Land Forces, constitute the majority of Operational Readiness (OPRED) requirements. OPRED requirements capture the costs of achieving desired readiness levels and ensuring our units are prepared for war. It includes funding for readiness activities such as: Operation of training ranges and facilities, incremental expenses for Joint Chiefs of Staff (JCS) exercises, active component to reserve component support, combat development and testing (the process of determining new doctrine, equipment and organizations), and depot maintenance.

FORCE READINESS OPERATIONS SUPPORT - Funds support of key activities essential to the readiness of the Land Forces. Includes operation of training ranges and associated facilities, incremental expenses of participating in JCS exercises, active component support to the reserve components including Title XI, centralized procurement and issue of OMA funded clothing and equipment and operation of key communication and Tactical Intelligence and Related Activities (TIARA) intelligence systems.

LAND FORCES SYSTEMS READINESS - Funds organizational, direct support/general support (DS/GS) for centrally managed maintenance and support of the fixed wing aircraft fleet, as well as Test, Measurement, and Diagnostic Equipment (TMDE) support. Also funds combat development tests and experimentation necessary to validate new doctrine, material and organizations. Supports the Army Global Command and Control System (AGCCS).

LAND FORCES DEPOT MAINTENANCE - Depot Maintenance supports the recovery, repair and return to combat forces of major equipment components and end items (e.g., trucks, tanks, etc.). A fully equipped operating force requires high quality, technologically superior and well maintained weapons systems to support readiness requirements and mission requirements of the National Military Strategy.

BUDGET ACTIVITY: OPERATING FORCES

I. Description of Operations Financed (Continued):

LAND FORCES READINESS SUPPORT

The funding in this Activity Group supports the Army's post, camp and station power projection infrastructure required to train, maintain, deploy, recover, and reconstitute both active component and reserve component mobilization forces. Funds Base Operations costs including environmental conservation, pollution prevention, environmental compliance, Real Property Maintenance, Base Communication, and other activities vital to maintaining an adequate quality-of-life for our soldiers and their families. Base Operations Support and Real Property Maintenance are the primary components of the power projection infrastructure. The Land Forces Readiness Support activity group consists of the sub-activities listed below.

BASE OPERATIONS SUPPORT - Provides an installation infrastructure to support Army operations and maintain a quality-of-life for our soldiers and their families. Base Operations Support includes maintaining power projection platforms (installations and other facilities) and sustaining the quality of life for our soldiers.

REAL PROPERTY MAINTENANCE - The Real Property Maintenance program in Budget Activity 1 supports major repairs and minor construction and maintenance of facilities at troop installations worldwide, whereas the Mobilization Budget Activity (BA2) supports the enhancements to deployment infrastructure that enable Army forces to mobilize, deploy, recover, and reconstitute Active Component and Mobilization forces. **MAJOR REPAIRS** - Provides for maintenance and repair of buildings, structures, roads, railroads and grounds and utility systems repair projects. **MINOR CONSTRUCTION** (under \$500,000 per project) - Finances the erection, installation or assembly of a new facility; addition, expansion, or alteration of existing facility. Cost limitation is \$1,000,000 for minor construction projects intended solely to correct a life, health, or safety deficiency.

MANAGEMENT AND OPERATIONAL HEADQUARTERS - The funding in this sub-activity provides the day-to-day resources to support the Operating Forces (BAL) headquarters organizations.

BUDGET ACTIVITY: OPERATING FORCES

I. Description of Operations Financed (Continued):

LAND FORCES READINESS SUPPORT (Continued):

UNIFIED COMMANDS - Provides for the operation of three unified command headquarters: United States European Command (USEUCOM), United States Southern Command (USSOUTHCOM), and Army Management Headquarters, U.S. Forces, Korea (USFK). The Army is the designated Department of Defense (DoD) executive agent for USSOUTHCOM and USEUCOM. Therefore, it is responsible for the day-to-day operational costs of these unified commands. For U.S. Forces, Korea, the Army is responsible for only the Army support of the headquarters.

ADDITIONAL ACTIVITIES - The funds in this sub-activity provide day-to-day operations support to special Army activities when costs are not otherwise captured elsewhere. The types of functions which are in this area include: Chemical Activity, the Joint Doctrine and Warfare Centers and selected Modified Table of Organizations and Equipment (MTOE) Bands.

BUDGET ACTIVITY: OPERATING FORCES

II. Force Structure Summary:

The National Military Strategy (NMS), coupled with the degree of risk our national leadership is willing to accept, ultimately determines the size and characteristics of the Army Force Structure. The current NMS dictates the need for an Army consisting of 10 active divisions, manned by total Army Forces of 480,000 active soldiers and supported by 236,000 civilians in FY 1999. This force can execute the current NMS and is able to respond to two nearly simultaneous major regional conflicts. Our ability to fight and win these conflicts is also dependent on maintaining a robust mobilization capability for our infrastructure, providing tough, realistic training for our troops and ensuring that our soldiers have the best maintained, technologically superior equipment available. These same factors are equally important in conducting the numerous Operations Other Than War (OOTW) which the Army now supports.

The FY 1999 Operation and Maintenance, Budget Activity 1 Program requests the resources to fund the day-to-day operations of the Army combat units -- that is to say, the divisions, corps and echelons above corps which are the basic building blocks of the Army's combat capability. This capability is frequently called "Readiness," and many assume that readiness equates to only the OPTEMPO and the Flying Hour Programs (FHP). Fully funding OPTEMPO and the FHP only assures that training goals are achieved. Army Readiness is more than this training activity. It is also dependent on the supporting resources and infrastructure that make training possible (such as ammunition, ranges, land, supply, maintenance, facilities, utilities, and training simulators). Thus, optimal readiness is achieved only when training and the day-to-day requirements are adequately resourced and balanced to meet the requirements of the NMS.

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Activity Group:</u>	FY 1998				FY 1999 Request
	FY 1997	Budget	Current		
	<u>Actuals</u>	<u>Request</u>	<u>Estimate</u>		
1. Land Forces	2,794,328	2,994,535	2,750,311		2,966,468
2. Land Forces Readiness	1,910,159	1,882,051	2,042,622		1,919,575
3. Land Forces Readiness Support	<u>5,494,342</u>	<u>3,491,536</u>	<u>3,380,682</u>		<u>3,219,888</u>
Total	10,198,829	8,368,122	8,173,615		8,105,931

B. Reconciliation Summary:

	CHANGE FY 1998/ FY 1998	CHANGE FY 1998/ FY 1999
Baseline Funding	8,368,122	8,173,615
Congressional Adjustments (Distributed)	83,100	0
Budget Amendment	-74,585	0
Congressional Adjustments (Realignment)	-18,527	0
Congressional Adjustments (Undistributed)	-171,748	0
General Provisions	-36,674	0
Reprogramming/Transfers	35,544	0
Price Change	0	115,097
Functional Transfer	11,132	-75,094
Program Changes	-22,749	-107,687
Current Estimate	8,173,615	8,105,931

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request..... \$ 8,368,122

Congressional Adjustments (Distributed):

a. Readiness Training-National Training Center Rotation Shortfall.	\$	30,000
b. Parachute Maintenance and Repair.....	\$	2,000
c. Contingency Operations Transfer.....	\$	-80,300
d. Hunter Unmanned Aerial Vehicle (UAV).....	\$	12,000
e. Flying Hour Program.....	\$	-30,000
f. Depot Maintenance - Drawdowns.....	\$	143,200
g. Organizational Clothing and Individual Equipment (Increment 1).....	\$	20,000
h. Range Safe System.....	\$	1,700
i. Fort Irwin, George Air Force Base Airhead.....	\$	1,300
j. U.S. Army, Pacific Reserve Component Integration.....	\$	1,200
k. Joint Chiefs of Staff Joint Exercises and Headquarters Reduction.....	\$	-18,000

Total Congressional Adjustments (Distributed)..... \$ 83,100

FY 1998 Appropriated Amount..... \$ 8,451,222

Budget Amendment:

Foreign Currency Reduction..... \$ -74,585

Total Budget Amendment..... \$ -74,585

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Realignment):

a. Army Conservation and Ecological System Management.....	\$	3,000
b. Federal Energy Management Program.....	\$	-19,000
c. Flying Hour Program.....	\$	6,152
d. Headquarters and Administrative Activity Reduction.....	\$	-8,679

Total Congressional Adjustments (Realignment).....	\$	-18,527

Congressional Adjustments (Undistributed):

a. Classified Undistributed.....	\$	-4,937
b. Civilian Personnel Understrength.....	\$	-49,445
c. Quadrennial Defense Review - Civilian Personnel Reduction.....	\$	-35,901
d. Foreign Currency Fluctuation.....	\$	-32,949
e. High Risk Automation System.....	\$	-12,448
f. Real Property Maintenance.....	\$	52,312
g. Revised Economic Assumptions.....	\$	-20,986
h. Travel Expenses.....	\$	-12,250
i. Non-Base Realignment and Closure Caretaker Status.....	\$	-19,600
j. General Reduction - National Defense Stockpile Fund.....	\$	-35,544

Total Congressional Adjustments (Undistributed).....	\$	-171,748

General Provisions:

a. Section 8041, Contract Assistance and Advisory Services (CAAS).....	\$	-7,679
b. Section 8105, Excess Inventory.....	\$	-28,649
c. Section 8035, Federally Funded Research and Development Centers (FFRDC) Reduction.....	\$	-346

General Provisions.....	\$	-36,674

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Reprogramming/Transfers:

Increase

National Defense Stockpile Transfer.....	\$ 35,544	
Total Increase.....		\$ 35,544

Functional Program Transfers:

Intra Appropriation Transfer In

Alignment of Army Signal Command (ASC) Resources from OMA BA3 and BA4.....	\$ 23,887	

Total Transfer In.....	\$ 23,887

Intra Appropriation Transfers Out

a. Basic Noncommissioned Officers' Course (BNOC) Training.....	\$ -996
b. Panama Canal Treaty Implementation Funding Realignment.....	\$ -11,759

Total Transfers Out.....	\$ -12,755

Total Functional Program Transfers.....	\$ 11,132

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decrease:

Execution/Fact of Life Changes..... \$ -22,749
This adjustment represents an overall funding decrease for Land
Forces and Land Forces Readiness Support.

Total Program Decrease..... \$ -22,749

FY 1998 Current Estimate..... \$ 8,173,615

Price Growth:

Total Price Growth..... \$ 115,097

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers:

Inter Appropriation Transfers In

a. United States Army Readiness Group Transfer.....	\$	942
b. Fort Devens Army Community Services to U.S. Army Forces Command,	\$	85
c. Active Component to Reserve Component Support Transfer.....	\$	3,852
d. Fort Hamilton Transfer.....	\$	10,817
e. Defense Finance and Accounting Transfer from the Defense Health		
Program.....	\$	252
f. Depot Maintenance Transfer from Research, Development, Test and		
Evaluation (RDT&E).....	\$	22,700
g. Defense Finance and Accounting Service Transfer from Defense		
Working Capital Fund.....	\$	1,000

Intra Appropriation Transfers In

a. Combat Development Mission Transfer Clean-up.....	\$	173
b. Directorate of Information Management Transfer.....	\$	500
c. Civilian Injury and Illness Compensation Realignment.....	\$	4,968
d. Civilian Personnel Regionalization Transfer.....	\$	3,382

Total Transfers In.....	\$	48,671

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out

a. Completion of Fort Indianatown Gap Enclave Transfer.....	\$	-6,222
b. Program Manager Funding Realignment.....	\$	-5,655
c. Hangar Lease at Fulton County Airport Transfer.....	\$	-125
d. California Area Support Transfer.....	\$	-71
e. Fort Dix to the U.S. Army Reserve Command Transfer.....	\$	-714
f. Fixed Wing Mission Transfer.....	\$	-269
g. Fund Army National Guard Range Operation and Maintenance.....	\$	-4,552
h. Depot Maintenance Transfer to Aircraft Procurement, Army (APA) ..	\$	-42,070
i. Depot Maintenance Transfer to Weapons and Tracked Combat Vehicle (WTCV) Procurement.....	\$	-56,440
j. Depot Maintenance Transfer to Other Procurement Army (OPA)	\$	-5,045
k. Army Reconnaissance Low Aircraft.....	\$	-2,100

Intra Appropriation Transfer Out

Civilian Injury and Illness Compensation Consolidation.....	\$	-502

Total Transfers Out.....	\$	-123,765

Total Functional Program Transfers.....	\$	-75,094

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Barracks Conversion.....	\$	18,714
b. Tactical Intelligence Support.....	\$	4,042
c. A-76 Studies.....	\$	4,500
d. Training Ranges.....	\$	38,496
e. Morale, Welfare, and Recreation (MWR).....	\$	19,054
f. Air Traffic Control Activities.....	\$	7,555
g. Army Combat Identification Systems.....	\$	11,312
h. Combat Terrorism.....	\$	31,300
i. Unified Commands.....	\$	3,468
j. Panama Canal Treaty Implementation Plan.....	\$	38,817
k. Operating Tempo (OPTEMPO).....	\$	142,636

Total Program Increases..... \$ 319,894

BUDGET ACTIVITY: OPERATING FORCES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

a. Real Property Maintenance (RPM).....	\$	-62,522
b. Utilities Modernization.....	\$	-4,015
c. Advanced Warfighting Experiment (AWE).....	\$	-3,808
d. Army Global Command and Control System (AGCCS).....	\$	-7,794
e. Depot Maintenance.....	\$	-151,710
f. Environmental Programs.....	\$	-12,139
g. Outsourcing and Privatization.....	\$	-27,473
h. Base Operations Support.....	\$	-158,120

Total Program Decreases..... \$ -427,581

FY 1999 Budget Request..... \$ 8,105,931

BUDGET ACTIVITY: OPERATING FORCES

IV. Performance Criteria and Evaluation Summary:

Performance Criteria and Evaluation Summary appear at the Activity Group level.

BUDGET ACTIVITY: OPERATING FORCES

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999	CHANGE FY 1998/FY 1999
<u>Active Military End Strength (Total)</u>				
Officer	307,081	313,111	309,508	-3,603
Enlisted	36,519	36,579	36,178	-401
	270,562	276,532	273,330	-3,202
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	53,599	48,243	46,841	-1,402
Foreign National Direct Hire	35,858	33,169	33,092	-77
Total Direct Hire	4,074	4,289	3,504	-785
Foreign National Indirect Hire	39,932	37,458	36,596	-862
	13,667	10,785	10,245	-540
<u>Military Average Strength (Total)</u>				
Officer	305,792	310,098	311,311	1,213
Enlisted	35,582	36,550	36,379	-171
	270,210	273,548	274,932	1,384
<u>Civilian Full-Time Equivalents (Total)</u>				
U.S. Direct Hire	53,263	49,291	47,625	-1,666
Foreign National Direct Hire	35,234	34,162	33,988	-174
Total Direct Hire	3,761	4,289	3,491	-798
Foreign National Indirect Hire	38,995	38,451	37,479	-972
	14,268	10,840	10,146	-694

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

I. Description of Operations Financed:

The Land Forces Activity consists of five sub-activities that represent distinct facets of the Force or special activities which support the Force. This activity group funds the operation and training of the Army's Modified Table of Organization and Equipment (MTOE) force, the warfighters. The Activity Group is primarily composed of Army military personnel, but does include some civilians providing tactical equipment maintenance support. Size is expressed in numbers of battalions or squadron units while training levels are expressed as operating tempo in terms of miles driven and hours flown. The annual miles each vehicle is driven roughly correlate to the training required to ensure that units achieve T1/T2 readiness levels. Similarly, rotary aircraft requirements to meet the T1/T2 readiness states are expressed for the Flying Hour Program (FHP) in hours per month for the overall fleet. The funding to support both the ground OPTEMPO and FHP requirements are captured in Land Forces (Activity Group 11). The other essential program which is shown in this activity group includes the costs of operating and training at the Army's Combat Training Centers (CTCs). These world class centers provide soldiers with the most realistic and demanding training, short of combat, available anywhere. The professional staffs, battlefield instrumentation, wargames and feedback available at the National Training Center (NTC), Joint Readiness Training Center (JRTC), and Combat Maneuver Training Center (CMTC) hone the war-fighting skills of our soldiers in a tough environment. The Battle Command Training Program (BCTP) is a computer driven tactical exercise that also provides valuable training to corps and division staffs - without the need to expend fuel, ammunition and other supplies. These programs represent the 'first line' of readiness. They do not account, however, for the numerous other factors which also impact the Army's overall readiness state. Many of the other supporting efforts are in Activity Groups 12 and 13.

DIVISIONS - Funds operation of all Active Army divisions (Heavy, Airborne, Air Assault, Light) and their associated organic forces. Includes peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to Modified Table of Organizations and Equipment (MTOE) divisions. These include the minimum essential active component divisions which are fully capable of deploying to the battlefield, engaging and defeating the enemy forces in the threat scenarios described in the Defense Plans.

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

I. Description of Operations Financed (Continued):

CORPS COMBAT FORCES - Operation of corps level MTOE aviation, field artillery, air defense, and separate combat units to include the Army's two deployable cavalry regiments. In addition, Corps Combat Forces consist of peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to these units.

CORPS SUPPORT FORCES - Operation of corps level MTOE engineer, medical, signal, military police, military intelligence, finance, personnel, and corps support command units. These units are active combat corps support elements ready and capable of providing command and control, combat service support functions, and other support required to establish and sustain a corps' war-fighting capability to meet the threat scenarios described in Defense Plans. These forces are utilized to deploy, sustain, and command and control the Army's combat forces.

EAC FORCES - Operation of Echelon Above Corps (EAC) Forces, separate from divisional and corps units, that directly support operations within the specified theater. Includes peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to these units. EAC Forces funding supports aviation, engineer, medical, and signal theater assets.

LAND FORCES OPERATIONS SUPPORT - Conduct of force related training at the Combat Training Centers (CTCs) which include "dirt" CTCs - the National Training Center (NTC), Joint Readiness Training Center (JRTC), the Combat Maneuver Training Center (CMTC), and "virtual" CTC - Battle Command Training Program (BCTP). Funds Direct Support/General Support (DS/GS) maintenance of tactical equipment performed by TDA installation maintenance organizations. This sub-activity does not include funding for Depot Maintenance.

II. Force Structure Summary:

This Activity Group represents the funding for the Active Army's Divisions, Corps, and Echelons Above Corps (EAC) units. These units include Airborne, Armored, Mechanized, Light Infantry, and Air Assault Divisions; Nondivisional Combat Units; Corps Field Artillery, Air Defense, Aviation, and Engineer Units; as well as Corps and EAC Intelligence Communications, Maintenance, Administrative, and Logistics units.

This Activity Group includes all of the MTOE units in: Divisions, Corps Combat Forces, Corps Support Forces, EAC Forces, and Land Forces Operations Support. The Army classifies its divisions (10) into four categories: heavy (6), airborne (1), air assault (1), and light (2).

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

III. Financial Summary (O&M: \$ in Thousands):

A. Activity Group:	FY 1998			FY 1999 Request
	FY 1997 Actuals	Budget Request	Appropriation Estimate	
1. Divisions	998,503	1,221,794	1,173,494	1,091,232
2. Corps Combat Forces	257,246	350,942	332,942	299,739
3. Corps Support Forces	310,769	323,190	323,190	316,361
4. EAC Forces	411,148	440,542	440,542	434,579
5. Land Forces Operations Support	816,662	658,067	658,067	824,557
Total	2,794,328	2,994,535	2,928,235	2,966,468

B. Reconciliation Summary:

	CHANGE	
	FY 1998/ FY 1998	FY 1998/ FY 1999
Baseline Funding	2,994,525	2,750,311
Congressional Adjustments (Distributed)	-66,300	0
Budget Amendment	-11,467	0
Congressional Adjustments (Realignment)	76,795	0
Congressional Adjustments (Undistributed)	-118,664	0
General Provisions	-15,969	0
Reprogramming/Transfer	0	0
Price Change	0	75,621
Functional Transfer	0	-2,100
Program Changes	-108,619	142,636
Current Estimate	2,750,311	2,966,468

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request..... \$ 2,994,535
 Congressional Adjustments (Distributed):

a. National Training Center Rotation Shortfalls..... \$ 30,000
 b. Parachute Maintenance and Repair..... \$ 2,000
 c. Contingency Operations Transfer..... \$ -80,300
 d. Hunter Unmanned Aerial Vehicle (UAV)..... \$ 12,000
 e. Flying Hour Program..... \$ -30,000

Total Congressional Adjustments (Distributed)..... \$ -66,300

FY 1998 Appropriated Amount..... \$ 2,928,235

Budget Amendment:

Foreign Currency Reduction..... \$ -11,467

Total Budget Amendment..... \$ -11,467

Congressional Adjustments (Realignment):

a. Flying Hour Program..... \$ 8,495
 b. Contingency Operations Transfer..... \$ 80,300
 c. Hunter Unmanned Aerial Vehicle (UAV)..... \$ -12,000

Total Congressional Adjustments (Realignment)..... \$ 76,795

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

II. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Classified Undistributed.....	\$	750
b. Civilian Personnel Understrength.....	\$	-35,944
c. Quadrennial Defense Review - Civilian Personnel Understrength	\$	-26,097
d. Foreign Currency Fluctuation.....	\$	-5,015
e. High Risk Automation System.....	\$	-9,350
f. Revised Economic Assumptions.....	\$	-15,462
g. Travel Expenses.....	\$	-8,675
h. General Reduction - National Defense Stockpile.....	\$	-18,871

Total Congressional Adjustments (Undistributed)..... \$ -118,664

General Provisions:

a. Section 8041, Contract Assistance and Advisory Services (CAAS)	\$	-660
b. Section 8105, Excess Inventory.....	\$	-15,281
c. Section 8035, Federally Funded Research and Development Centers (FFRDC) Reduction.....	\$	-28

General Provisions..... \$ -15,969

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decrease:

Execution/Fact of Life Changes..... \$ -108,619
This adjustment represents an overall decrease in funding
priorities to achieve an overall Army program balance for the
Land Forces Activity Group.

Total Program Decrease..... \$ -108,619

FY 1998 Current Estimate..... \$ 2,750,311

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 1998 Current Estimate.....	\$ 2,750,311
Price Growth:	
Total Price Growth.....	\$ 75,621

Functional Program Transfers:

Inter Appropriation Transfer Out

Army Reconnaissance Low Aircraft.....	\$ -2,100
Transfers operations funding, excluding OPTempo costs, from the	
Operation and Maintenance, Army appropriation to the centralized	
counterdrug transfer account for the Army Reconnaissance Low	
Aircraft.	

Total Transfer Out.....	\$ -2,100

Total Functional Program Transfer.....	\$ -2,100

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increase:

Operating Tempo (OPTEMPO) (FY 1998 Base: \$2,823,832)..... \$ 142,636

The increased funding for FY 1999, as compared to FY 1998, reflects increased support for training and associated maintenance areas to fully support a planned Ground OPTEMPO of 800 miles in FY 1999. This will properly restore OPTEMPO miles to 800 for FY 1999 versus 652 OPTEMPO miles in FY 1998. Due to FY 1998 resource constraints, OPTEMPO is forced to endure a greater risk as compared to FY 1999. This is in part due to MACOMs electing to take Unspecified Congressional Reductions against the Land Forces Activity Group.

Total Program Increase..... \$ 142,636

FY 1999 Budget Request.....\$ 2,966,468

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary:

Maneuver Pacing Items: Those major equipment items that are key to a unit's capability to perform its doctrinal mission. For example, a tank in a tank battalion. Quantities represent the average number of items per year.

A. Maneuver Pacing Items

Fiscal Year	Divisions	Corps Combat Support	Corps Support Forces	Echelon Above Corps Forces

Tracked Combat Vehicles

Abrams Tank System	M1A1	FY 1997	1,585	123	0	0	0
		FY 1998	1,469	123	0	0	0
		FY 1999	1,469	0	0	0	0
	M1A2	FY 1997	201	0	0	0	0
		FY 1998	317	0	0	0	0
		FY 1999	317	123	0	0	0
Sheridan	M551	FY 1997	54	0	0	0	0
		FY 1998	0	0	0	0	0
		FY 1999	0	0	0	0	0
Bradley Fighting Vehicle System	M2A2	FY 1997	1,579	0	0	0	0
		FY 1998	1,579	0	0	0	0
		FY 1999	1,535	0	0	0	0
	M2A3	FY 1997	246	125	0	0	0
		FY 1998	246	125	0	0	0
		FY 1999	246	133	0	0	0

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

A. Maneuver Pacing Items (Continued)

<u>Aircraft</u>	Fiscal Year	Divisions	Corps		Echelon Above Corps Forces
			Combat Support	Support Forces	
<u>Cobra</u>	AH-1F	FY 1997	16	0	0
		FY 1998	12	0	0
		FY 1999	0	0	0
Kiowa A/C	OH-58 A/C	FY 1997	45	0	0
		FY 1998	21	0	0
		FY 1999	0	0	0
Kiowa Warrior	OH-58D	FY 1997	32	0	0
		FY 1998	44	0	0
		FY 1999	56	0	0
Chinook	CH-47D	FY 1997	64	0	72
		FY 1998	64	0	54
		FY 1999	64	0	54
Apache	AH-64A	FY 1997	154	0	0
		FY 1998	160	0	0
		FY 1999	160	0	0
Longbow Apache	AH-64D	FY 1997	0	0	0
		FY 1998	0	0	0
		FY 1999	0	0	0

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

A. Maneuver Pacing Items (Continued)						
<u>Aircraft</u>	Fiscal Year	Divisions	Corps Combat Support	Corps Support Forces	Echelon Above Corps Forces	
Iroquois	UH-1H					
	FY 1997	4	0	30	29	
	FY 1998	9	0	15	5	
	FY 1999	0	0	0	5	
Black Hawk	UH-60A					
	FY 1997	118	37	145	100	
	FY 1998	121	39	164	72	
	FY 1999	116	47	179	72	
Black Hawk	UH-60L					
	FY 1997	279	61	0	0	
	FY 1998	277	64	0	0	
	FY 1999	282	61	0	0	
Black Hawk Quick Fix	EH-60A					
	FY 1997	30	3	0	0	
	FY 1998	37	4	0	0	
	FY 1999	40	4	0	0	

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

<u>B. Combat Support Pacing Items</u>	<u>Fiscal Year</u>	<u>Divisions</u>	<u>Corps Combat Support</u>	<u>Corps Support Forces</u>	<u>Echelon Above Corps Forces</u>
105MM Towed Howitzer	M102				
	FY 1997	144	0	0	0
	FY 1998	144	0	0	0
	FY 1999	144	0	0	0
	M119A1				
	FY 1997	54	24	0	0
	FY 1998	54	24	0	0
	FY 1999	54	18	0	0
155MM Self-Propelled (SP) Howitzer	M109A4/A5				
	FY 1997	144	0	0	0
	FY 1998	0	0	0	0
	FY 1999	0	0	0	0
	M109A6				
	FY 1997	222	75	0	0
	FY 1998	324	75	0	0
	FY 1999	324	72	0	0
155MM Towed Howitzer	M198				
	FY 1997	16	120	0	0
	FY 1998	16	120	0	0
	FY 1999	16	96	0	0

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

**B. Combat Support Pacing Items
(Continued)**

	Fiscal Year	Divisions	Corps Combat Support	Corps Support Forces	Echelon Above Corps Forces
Multiple Launch Rocket System	M270				
	FY 1997	59	324	0	0
	FY 1998	68	324	0	0
	FY 1999	72	324	0	0
Tracked Armored Recovery Vehicle	M88/M88A2				
	FY 1997	539	92	29	3
	FY 1998	566	91	29	3
	FY 1999	571	98	29	0
Patriot					
	FY 1997	0	0	0	382
	FY 1998	0	0	0	400
	FY 1999	0	200	0	192
Avenger Weapon System	F57713				
	FY 1997	360	114	0	0
	FY 1998	360	114	0	0
	FY 1999	324	38	0	0
Engineer Squad Vehicle	M113A3				
	FY 1997	1,450	80	27	0
	FY 1998	1,468	74	27	0
	FY 1999	1,581	103	0	0

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

<u>B. Combat Support Pacing Items</u> <u>(Continued)</u>	Fiscal Year	Divisions	Corps		Corps Support Forces	Echelon Above Corps Forces
			Combat Support	Support		
Armored Vehicle Launched Bridge	FY 1997	216	15	12	0	0
	FY 1998	216	15	12	0	0
	FY 1999	216	27	0	0	0
Armored Combat Earthmover	FY 1997	336	6	18	0	0
	FY 1998	336	6	18	0	0
	FY 1999	336	24	0	0	0

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

<u>C. Number of Maneuver Battalion/ Squadrons</u>	<u>Fiscal Year</u>	<u>Divisions</u>	<u>Corps Combat Support</u>	<u>Corps Support Forces</u>	<u>Echelon Above Corps Forces</u>
Armor	FY 1997	29	0	0	0
	FY 1998	28	0	0	0
	FY 1999	28	0	0	0
Mechanized Infantry	FY 1997	24	0	0	0
	FY 1998	24	0	0	0
	FY 1999	24	0	0	0
Airborne Infantry	FY 1997	9	2	0	0
	FY 1998	9	2	0	0
	FY 1999	9	2	0	0
Light Infantry	FY 1997	15	6	0	0
	FY 1998	15	6	0	0
	FY 1999	15	6	0	0
Air Assault Infantry	FY 1997	11	0	0	0
	FY 1998	11	0	0	0
	FY 1999	11	0	0	0

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

**C. Number of Maneuver Battalion/
Squadrons (Continued)**

	Fiscal Year	Divisions	Corps Combat Support	Corps Support Forces	Echelon Above Corps Forces
Armored Cavalry Squadrons	FY 1997	6	2	0	0
	FY 1998	6	2	0	0
	FY 1999	6	2	0	0
Light Cavalry Squadrons	FY 1997	2	1	0	0
	FY 1998	2	1	0	0
	FY 1999	2	1	0	0
Field Artillery Battalions	FY 1997	30	20	0	0
	FY 1998	31	20	0	0
	FY 1999	31	19	0	0
Air Defense Artillery Battalions	FY 1997	10	2	0	10
	FY 1998	10	2	0	10
	FY 1999	10	5	0	5
AVIATION					
Assault Battalions	FY 1997	7	0	0	0
	FY 1998	7	0	0	0
	FY 1999	7	0	0	0

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

<u>C. Number of Maneuver Battalion/ Squadrons (Continued)</u>	<u>Fiscal Year</u>	<u>Divisions</u>	<u>Corps Combat Support</u>	<u>Corps Support Forces</u>	<u>Echelon Above Corps Forces</u>
Heavy Battalions	CH47D				
	FY 1997	1	0	0	0
	FY 1998	1	0	0	0
	FY 1999	1	0	0	0
Attack Battalions	AH64				
	FY 1997	9	6	0	0
	FY 1998	9	6	0	0
	FY 1999	9	6	0	0
Attack Battalions	AH1				
	FY 1997	1	0	0	0
	FY 1998	1	0	0	0
	FY 1999	0	0	0	0
Attack Battalions	OH58D				
	FY 1997	4	0	0	0
	FY 1998	4	0	0	0
	FY 1999	4	0	0	0
General Support Aviation Battalions UH60					
	FY 1997	5	0	0	0
	FY 1998	5	0	0	0
	FY 1999	5	0	0	0
Regimental Aviation Squadron					
	FY 1997	0	0	0	2
	FY 1998	0	0	0	2
	FY 1999	0	0	0	2

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

**C. Number of Maneuver Battalion/
 Squadrons (Continued)**

COMBAT SUPPORT

Engineer	FY 1997	22	0	0	13	2
	FY 1998	22	0	0	13	1
	FY 1999	22	0	0	10	1
Medical	FY 1997	0	0	0	1	3
	FY 1998	0	0	0	1	3
	FY 1999	0	0	0	1	3
Military Intelligence	FY 1997	10	0	0	12	7
	FY 1998	10	0	0	12	8
	FY 1999	10	0	0	10	8
Signal	FY 1997	10	0	0	9	6
	FY 1998	10	0	0	9	5
	FY 1999	10	0	0	9	7

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary (Continued):

D. Average Operating Aircraft

Flying Hours (000)	Fiscal Year	Divisions	Corps Combat Support	Corps Support Forces	Echelon Above Corps Forces
	FY 1997	163	69	31	37
	FY 1998	165	67	30	24
	FY 1999	161	64	30	24
Costs (\$000)	FY 1997	323,626	155,935	42,783	54,276
	FY 1998	279,477	137,372	45,691	36,092
	FY 1999	291,781	141,790	52,648	38,622
\$ Per Hour	FY 1997	1,984	2,259	1,374	1,474
	FY 1998	1,691	2,039	1,532	1,483
	FY 1999	1,814	2,221	1,779	1,587

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

IV. Performance Criteria and Evaluation Summary:

Land Forces Operations Support

FY 1997 FY 1998 FY 1999

Combat Training Centers (CTC)

Throughput (Inventory Numbers*)

BCTP (Divisions/Corps**)	4/4	7/1	5/4
CMTC (Brigades)	5	5	5
JRTC (Brigades)	10	10	10
NTC (Brigades)	10	10	10

Rotations (Number of Rotations*)

BCTP (Divisions/Corps**)	8	8	9	1
CMTC (Brigades)	5	5	5	
JRTC (Brigades)	10	10	10	2
NTC (Brigades)	10	10	10	3

- 1 Includes Special Division Level BCTP.
- * Represents Active Component Units Only.
- ** Includes the Command and General Staff College (CGSC) Prairie Warrior Exercise, A Corps BCTP WFX equivalent.
- 2 10 AC Brigade size rotations in FY 1997 includes 1 PFP rotation; 9 AC and 1 RC in FY 1998 and 9 AC and 1 RC in 1999.
- 3 10 AC Brigade rotations in FY 1997, 9 AC and 1 RC in FY 1998 and 1999.

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>CHANGE</u> <u>FY 1998/FY 1999</u>
<u>Active Military End Strength (Total)</u>	293,436	293,000	290,004	-2,996
Officer	31,089	29,996	29,640	-356
Enlisted	262,347	263,004	260,364	-2,640
<u>Civilian End Strength (Total)</u>	6,339	3,222	3,412	190
U.S. Direct Hire	2,024	1,830	1,835	5
Foreign National Direct Hire	325	273	367	94
Total Direct Hire	2,349	2,103	2,202	99
Foreign National Indirect Hire	3,990	1,119	1,210	91
<u>Military Average Strength (Total)</u>	294,639	298,435	291,502	-6,933
Officer	31,464	32,361	29,818	-2,543
Enlisted	263,175	266,074	261,684	-4,390
<u>Civilian Full-Time Equivalents (Total)</u>	6,779	3,198	3,405	207
U.S. Direct Hire	2,072	1,778	1,829	51
Foreign National Direct Hire	322	284	366	82
Total Direct Hire	2,394	2,062	2,195	133
Foreign National Indirect Hire	4,385	1,136	1,210	74

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

I. Description of Operations Financed:

The second Activity Group, Land Forces Readiness captures those OMA cost elements which directly support the readiness program shown in Land Forces. The funding in this activity group reflects: the incremental costs of Army participation in Joint Chiefs of Staff (JCS) exercises, Active Component support to the Reserve Component, OMA combat development (doctrine and limited testing work), Force Readiness Communications and the Army's Depot Maintenance Program. Land Forces Readiness consists of the following three sub-activities:

FORCE READINESS OPERATIONS SUPPORT - Supports key activities essential to the readiness of the Land Forces. Includes operation of training ranges and associated facilities, incremental expenses of JCS exercise participation, active component support to the reserve components (including Title XI), centralized procurement and issue of OMA funded clothing and equipment, operation of key communication and Tactical Intelligence and Related Activities (TIARA) intelligence systems. Includes manpower authorizations, peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to these units.

LAND FORCES SYSTEMS READINESS - Provides maintenance below the depot level to include support of land forces equipment performed or managed at the National Level by either in-house or contractor activities. Includes national maintenance contracts on the fixed wing aircraft fleet, watercraft, etc., as well as below depot Test Measurement and Diagnostic Equipment (TMDE) support. Excludes direct support (DS)/general support (GS) maintenance that is funded and performed by the organizations that make up the Land Forces Activity Group. Supports development and integration of land forces doctrine, organizational concepts, and materiel requirements. Provides for support to the Army Global Command and Control System (AGCCS).

LAND FORCES DEPOT MAINTENANCE - Provides the Operating Force with quality end items (weapons, support equipment and other equipment) that are technologically superior and in the required quantities. Depot level maintenance of weapon and/or support systems, general equipment and commodity group equipment is performed at Department of the Army facilities, commercial contractor facilities, and other military services facilities through the use of Inter Service Support Agreements (ISSA). Post Production Software Support (PPSS) in support of fielded weapons systems, is managed in this sub-activity group as well. PPSS activities ensure continued mission operational readiness of fielded systems as they interface with other Army and DoD Joint systems and necessary Allied systems.

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

II. Force Structure Summary:

This activity group includes support for Army land force units participating in Joint Chiefs of Staff (JCS)-sponsored exercises. Units vary in size from company level and below to Theater level headquarters elements including Special Forces. This activity group also includes strategic command and control capabilities which support the National Command Authority. Operational Test and Evaluation Command (OPTEC) manpower and funding supports planning, conducting and reporting of independent tests, evaluations and assessments of Army systems. Funds Follow-on Operational Tests and Evaluations (FOTES) and provides support for approximately 50 percent of threat support activities. The activity group further supports experimentation, tests, projects and evaluations necessary for the development and/or validation of new doctrine, materiel, and organizations for the Army.

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands):

A. Activity Group:	FY 1998			FY 1999 Request
	FY 1997 Estimate	Budget Request	Appropriation Estimate	
1. Forces Readiness Operations Support	754,534	898,356	898,356	919,382
2. Land Forces Systems Readiness	436,527	346,651	346,651	375,038
3. Land Forces Depot Maintenance Support	719,098	637,044	780,244	570,723
Total	1,910,159	1,882,051	2,025,251	1,919,575

B. Reconciliation Summary:

	CHANGE FY 1998/ FY 1998	CHANGE FY 1998/ FY 1999
Baseline Funding	1,882,051	2,042,622
Congressional Adjustments (Distributed)	143,200	0
Budget Amendment	-20,913	0
Congressional Adjustments (Realignment)	14,688	0
Congressional Adjustments (Undistributed)	-38,867	0
General Provisions	-15,618	0
Reprogramming/Transfers	0	0
Price Change	0	50,920
Functional Transfer	23,065	-72,060
Program Changes	55,016	-101,907
Current Estimate	2,042,622	1,919,575

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request..... \$ 1,882,051

Congressional Adjustments (Distributed):

Depot Maintenance..... \$ 143,200

Total Congressional Adjustments (Distributed)..... \$ 143,200

FY 1998 Appropriated Amount..... \$ 2,025,251

Budget Amendment:

Foreign Currency Reduction..... \$ -20,913

Total Budget Amendment..... \$ -20,913

Congressional Adjustments (Realignment):

a. Flying Hour Program.....	\$ -2,212
c. Joint Chiefs of Staff Exercises and Headquarters Reduction.....	\$ -18,000
d. Hunter Unmanned Aerial Vehicle (UAV).....	\$ 12,000
e. Organizational Clothing and Individual Equipment.....	\$ 20,000
f. Range Safe System.....	\$ 1,700
g. U.S. Army, Pacific reserve Component Integration.....	\$ 1,200

Total Congressional Adjustments (Realignment)..... \$ 14,688

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Classified Undistributed.....	\$	-5,687
b. Civilian Personnel Understrength.....	\$	-4,860
c. Quadrennial Defense Review - Civilian Personnel Reduction....	\$	-3,529
d. Foreign Currency Fluctuation.....	\$	-9,341
e. High Risk Automation System.....	\$	-587
f. Revised Economic Assumptions.....	\$	-1,633
g. Travel Expenses.....	\$	-1,642
h. General Reduction - National Defense Stockpile.....	\$	-11,588

Total Congressional Adjustments (Undistributed)..... \$ -38,867

General Provisions:

a. Section 8041, Contract Assistance and Advisory Services (CAAS)	\$	-6,029
b. Section 8105, Excess Inventory.....	\$	-9,283
c. Section 8035, Federally Funded Research and Development Centers (FFRDC) Reduction.....	\$	-306

General Provisions..... \$ -15,618

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers:

Intra Appropriation Transfer In

Alignment of Army Signal Command (ASC) Resources from OMA BA3
 and BA4..... \$ 23,887

Total Transfer In..... \$ 23,887

Intra Appropriation Transfer Out

Basic Noncommissioned Officers' Course (BNCOC) Training Transfer. \$ -822

Total Transfer Out..... \$ -822

Total Functional Program Transfers..... \$ 23,065

Program Increase:

Execution/Fact of Life Changes..... \$ 55,016

This adjustment represents an increase in Force Readiness
 Support, primarily Active Component to Reserve Component Support
 and Contractor Logistic Support.

Total Program Increase..... \$ 55,016

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Current Estimate.....	\$ 2,042,622
Price Growth:	
Total Price Growth.....	\$ 50,920

Functional Program Transfers:

Inter Appropriation Transfers In

a. United States Army Readiness Group Transfer.....	\$ 942

Transfers funds from the Operation and Maintenance, Army Reserve appropriation to the Operation and Maintenance, Army appropriation for elimination of Tri-Component Funding for Active Component to Reserve Component Support Program.

b. Active Component to Reserve Component Support Transfer.....	\$ 3,852

Transfers funds from the Operation and Maintenance, Army National Guard appropriation to the Operation and Maintenance, Army appropriation to properly align funding in the Active Component support to Reserve Component Program, which is designed to improve readiness of higher priority Reserve Component forces.

c. Fort Hamilton Transfer.....	\$ 85

Transfers funds from the Operation and Maintenance, Army Reserve appropriation to the Operation and Maintenance, Army appropriation to move command and control responsibility for Fort Hamilton from the U.S. Army Reserve Command to the Military District of Washington.

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers In (Continued)

d. Depot Maintenance Transfer from Research, Development, Test and Evaluation.....	\$ 22,700
Transfers funding from the Research, Development, Test and Evaluation, Army appropriation to fund Post Production Software Support efforts associated with Depot Maintenance Programs for fielded weapons systems.	

Intra Appropriation Transfers In

a. Combat Development Mission Transfer Clean-Up.....	\$ 173

Transfers funds from the Operation and Maintenance, Army appropriation, Budget Activity 4, (Administration and Servicewide Activities) to Budget Activity 1 (Operating Forces) to correct a previous transfer from Fort Huachuca to Fort Monroe for the combat development mission.

b. Training Range Support.....	\$ 14,155

This transfer realigns Training Range Support from Activity Group 13, Land Forces Readiness Support to Activity Group 12, Land Forces Readiness. This realignment consolidates all training range funding within mission accounts.

Total Transfers In.....	\$ 41,907

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out

a. Program Manager Funding Realignment.....	\$	-5,655
Transfers funds from the Operation and Maintenance, Army appropriation to the Other Procurement, Army; Procurement of Ammunition, Army; and Procurement of Weapons and Tracked Combat Vehicles, Army appropriations to properly align Program Manager funding with the appropriate acquisition life cycle office.		
b. Fixed Wing Mission Transfer.....	\$	-205
Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army National Guard appropriation as the Operational Support Airlift Command assumes the Total Army's Operational Support Airlift fixed wing mission in the United States Army, Pacific.		
c. Army National Guard Ranges Transfer.....	\$	-4,552
Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army National Guard appropriation for the modernization of the Army National Guard ranges.		
d. Depot Maintenance Transfer to Aircraft Procurement, Army (APA).....	\$	-42,070
Transfers funds from the Operation and Maintenance, Army appropriation to the Aircraft Procurement, Army appropriation to fund direct depot maintenance support to the APA funded AH-64D equipment modification and conversion program.		

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out (Continued)

e. Depot Maintenance Transfer to Other Procurement, Army (OPA)..... \$ -5,045

Transfers funding from the Operation and Maintenance, Army appropriation to the Other Procurement, Army appropriation to fund direct depot maintenance support to OPA funded equipment and modification and conversion programs.

f. Depot Maintenance Transfer to Weapons and Tracked Combat Vehicles (WTCV), Procurement..... \$ -56,440

Transfers funding from the Operation and Maintenance, Army appropriation to the Weapons and Tracked Combat Vehicles, Army appropriation to fund direct depot maintenance support to WCTV equipment modification and conversion programs.

Total Transfers Out..... \$ -113,967

Total Functional Program Transfers..... \$ -72,060

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Tactical Intelligence Support (FY 1998 Base: \$4,580).....	\$ 4,042
Increased support for Tactical Intelligence Support (Classified Program).	
b. Training Ranges (FY 1998 Base: \$52,669).....	\$ 38,496
Provides funding to upgrade ranges to meet current training requirements and standards. Upgrades are also required to keep pace with more capable force modernization equipment such as M1A2 Tank, AH64D Helicopter (Long Bow) and M109A6 Paladin and to increase range maintenance to meet current safety requirements. Also provides additional targetry for fixed and aerial gunnery.	

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

c. Air Traffic Control Activities (FY 1998 Base: \$8,620).....	\$ 7,555
Increase reflects funding to support installation and operation of state-of-the-art Airspace Traffic Management and Air Traffic Control systems at FORSCOM Installations. This includes Approach Control Automation and Radar systems at the Joint Readiness Training Center (JRTC) at Fort Polk, LA, and approach radar systems at major force projection airfields to include Forts Bragg, Carson, Hood, Lewis, Riley, and Stewart. Increased funding enhances the Army's ability to conduct realistic high operational tempo training at the JRTC while ensuring that civil users restrictions to airspace access are minimized. Additionally, the new approach radar systems replace currently unsupportable systems and will ensure that operations at force projection airfields will not be impacted by adverse weather or increased traffic loads.	

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

- d. Army Combat Identification Systems (FY 1998 Base: \$0)..... \$ 11,312
This increase supports the fielding of Army Combat Identification (CID) Equipment to the soldier in the field. This program supports the fielding, logistics, and other functions necessary to minimize casualties caused by friendly fire.

Total Program Increases..... \$ 61,405

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

a. Advanced Warfighting Experiment (AWE) (FY 1998 Base: \$13,483)... \$ -3,808

This decrease reflects a reduction in the planned testing schedule in FY 99 for the overall Advanced Warfighting Experiment Program. This includes recurring and variable costs of agencies and support activities dedicated to the combat development test and experimentation mission.

b. Army Global Command and Control System (AGCCS)

(FY 1998 Base: \$44,019)..... \$ -7,794

This decrease in funding is caused by the consolidation of multiple Army communications systems and functions into the Army Global Command and Control System.

c. Depot Maintenance (FY 1998 Base: \$722,433)..... \$ -151,710

This program decrease is primarily driven by the FY 1998 Congressional plus-up. It also represents completion of the UH-60 Helicopter refurbishment program and the M1 Tank repair program. It includes reductions based upon changes in overall Army priorities and/or funding availability to the Rotary Wing Aircraft Program, the Bradley Fighting Vehicle System (BFVS), the M113 A1/A2 Armored Personnel Carrier, the M106 Carrier, communications systems equipment, ships, construction equipment and to other miscellaneous weapon and equipment systems.

Total Program Decreases..... \$ -163,312

FY 1999 Budget Request..... \$ 1,919,575

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary:

Force Readiness Operational Support:

The primary program which provides Army forces the opportunity to participate in joint, combined and overseas training is the Chairman, Joint Chiefs of Staff (CJCS) Exercise Program. It is the Army's primary joint training vehicle and provides Army forces the opportunity to train under the operational control of the warfighting CINC's. Army participates in over 80 CJCS exercises each year, with over 90 percent being conducted OCONUS.

A. Joint Chiefs of Staff (JCS) Exercises

U.S. European Command (USEUCOM). Primary exercises are ATLANTIC RESOLVE, DYNAMIC MIX, and Partnership for Peace exercises with East European countries.

	FY 1997	FY 1998	FY 1999
		(\$ in Thousands)	
		FY 1998	FY 1999
USEUCOM TOTAL	8,904	5,935	5,568

U.S. Central Command (USCENTCOM). Primary exercises are BRIGHT STAR, INTRINSIC ACTION, EASTERN CASTLE, conducted in SWA and CPX INTERNAL LOOK conducted in CONUS.

	FY 1997	FY 1998	FY 1999
USCENTCOM TOTAL	6,255	5,117	4,623

U.S. Atlantic Command (ACOM). Primary exercises are ROVING SANDS, UNIFIED ENDEAVOR, and the JTFEX series.

	FY 1997	FY 1998	FY 1999
USACOM TOTAL	10,522	8,360	6,455

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary (Continued):

Force Readiness Operational Support (Continued):

A. Joint Chiefs of Staff (JCS) Exercises (Continued):

U.S. Pacific Command (USPACOM). Primary exercises are ULCHI-FOCUS, FOAL EAGLE AND RSOI in Korea, COBRA GOLD in Thailand, KEEN EDGE/SWORD in Japan and JTF Exercise TANDUM THRUST.

	(\$ in Thousands)	
	FY 1997	FY 1998
USPACOM TOTAL	15,681	12,228
		13,957

U.S. Southern Command (USSOUTHCOM). Primary exercises are engineer exercises NEW HORIZON, FUERZAS ALIADAS series and BLUE ADVANCE.

	FY 1997	FY 1998	FY 1999
USSOUTHCOM TOTAL	8,828	7,424	8,191

Chairman, Joint Chiefs of Staff (CJCS) SPONSORED/OTHER. Primary exercise is the CJCS sponsored exercise POSITIVE FORCE.

	FY 1997	FY 1998	FY 1999
CJCS TOTAL	1,441	1,320	1,220
TOTAL	51,631	40,384	40,014

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary (Continued):

Force Readiness Operational Support (Continued):

B. Number of Active Component Military and Civilian Personnel in support of Reserve Component (AC/RC Support)

	FY 1997	FY 1998	FY 1999
Active Component to Reserve Component Support	5,271	5,654	6,007

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary:

Land Forces Systems Readiness:

		<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
A.	Number of Facilities and Personnel Supporting Army-wide Combat Developments Efforts			
	U.S. Army Training and Doctrine Command (TRADOC)			
	Directorates of Combat Developments	14	14	14
	Battle Labs	10	9	9
	TRADOC System Managers/Program Integration Offices	26	27	26
	TRADOC Analysis Center (5 sites)	1	1	1

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary (Continued):

Land Forces Systems Readiness (Continued):

B. OPTEC manpower and funding supports planning, conducting and reporting of independent tests, evaluations and assessments of Army systems. Funds Follow-on Operational Tests and Evaluations (FOTEs) and Advanced Warfighter Experiments (AWE)/Battle Labs.

Number of Tests Planned, Conducted or Evaluated:

	FY 1997	FY 1998	FY 1999
Operational Test and Evaluation Command (OPTEC)			
Advanced Warfighter Experiments	5	4	4 (1)
Force Development Tests and Experimentations	14	0	0
Information Mission Area (IMA), Follow-on Operational Tests and Joint Tests (2)	20	12	9
Initial Operational T&E, includes early and limited user tests (3)			
ACAT I	17	0	0
ACAT II-IV	48	0	0

- (1) Requirements for Beyond Division AWE Initiatives will be finalized at the conclusion of FY 1998.
- (2) IMA and Joint Test workload was transferred from OMA to RDTE beginning in FY 1998.
- (3) Workload associated with IOTE was transferred from OMA to RDTE beginning in FY 1998.

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary (Continued):

Land Forces Systems Readiness (Continued):

C. Funding supports the operation, maintenance, fielding and integration of Global Command and Control System (GCCS) - Army and GCCS - Joint. The dollars also support software licensing, communication costs, and civilian pay at Army's Command and Control sites (FORSCOM, EUCOM, SOUTHCOM, USAREUR, the Army War College, Military Traffic Management Command (MTMC), Army Operations Center, and USARPAC). Remote sites include Forts Bragg, Sill, Hood and multiple Army National Guard and Army Reserve Component sites.

Number of worldwide hardware servers and workstations

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
FORSCOM	475	511	564
EUSA	65	65	65
ARCENT	450	523	602
USAREUR	805	978	1,049
Army Operations Center	396	425	479
EUCOM	262	291	342
SOUTHCOM	88	128	189
USFK	230	240	352
MTMC	47	76	83
Army War College	245	248	338
USARPAC	87	121	147
TOTAL	3,150	3,636	4,210

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary:

Land Forces Depot Maintenance:

F. Number of items (by general category) financed and deferred

	FY 1997			FY 1998		
	FINANCED		DEFERRED	FINANCED		DEFERRED
	UNITS	\$ MILLION	UNITS	UNITS	\$ MILLION	UNITS
AIRCRAFT MAINTENANCE	1,994	177.0	3,575	2,529	182.9	2,542
Airframes Maintenance	136	143.6	39	158	167.7	19
Other Maintenance	1,858	33.4	3,536	2,371	15.2	2,523
COMBAT VEHICLE MAINTENANCE	1,915	168.3	121	1,691	161.8	203
Vehicle Overhaul	1,541	112.1	77	1,363	130.1	189
Other Maintenance	374	56.2	44	328	31.7	14
MISSILE MAINTENANCE	3,286	69.1	1,575	1,989	89.4	1,932
Missiles	371	36.5	17	569	57.1	20
Other Maintenance	2,915	32.6	1,558	1,420	32.3	1,912
SOFTWARE MAINTENANCE	0	144.9	0	0	129.9	0
Software	0	144.9	0	0	129.9	0
Other Maintenance	0	0.0	0	0	0.0	0
OTHER DEPOT MAINTENANCE	34,301	159.8	19,391	32,162	180.3	5,808
Other End Items	34,259	157.6	19,264	32,094	173.9	5,752
Other	42	2.2	127	68	6.4	56
TOTAL		719.1			744.3	245.1

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

IV. Performance Criteria and Evaluation Summary (Continued):

Land Forces Depot Maintenance (Continued):

F. Number of items (by general category) financed and deferred (Continued)

	FY 1999		DEFERRED	
	FINANCED UNITS	\$ MILLION	UNITS	\$ MILLION
AIRCRAFT MAINTENANCE	2,575	145.8	1,342	36.0
Airframes	95	122.6	21	27.1
Other	2,480	23.2	1,321	8.9
COMBAT VEHICLE MAINTENANCE	137	33.5	76	48.1
Vehicle Overhaul	110	24.6	73	41.6
Other	27	8.9	3	6.5
MISSILE MAINTENANCE	2,133	98.5	779	55.3
Missiles	624	60.9	16	7.0
Other	1,509	37.6	763	48.3
SOFTWARE MAINTENANCE	0	126.3	0	67.6
Software	0	126.3	0	67.6
Other Maintenance	0	0.0	0	0.0
OTHER DEPOT MAINTENANCE	31,018	166.6	4,462	61.9
Other End Items	30,951	163.2	4,405	46.4
Other	67	3.4	57	15.5
TOTAL		570.7		268.9

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>CHANGE</u> <u>FY 1998/FY 1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	9,811	10,479	10,097	-382
Enlisted	4,374	3,977	3,932	-45
	5,437	6,502	6,165	-337
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	13,644	13,698	14,148	450
Foreign National Direct Hire	8,686	8,615	9,604	989
Total Direct Hire	1,033	1,144	775	-369
Foreign National Indirect Hire	9,719	9,759	10,379	620
	3,925	3,939	3,769	-170
<u>Military Average Strength (Total)</u>				
Officer	6,529	6,847	10,289	3,442
Enlisted	2,841	2,886	3,955	1,069
	3,688	3,961	6,334	2,373
<u>Civilian Full-Time Equivalents (Total)</u>				
U.S. Direct Hire	13,298	13,716	14,115	399
Foreign National Direct Hire	8,534	8,674	9,606	932
Total Direct Hire	831	1,125	745	-380
Foreign National Indirect Hire	9,365	9,799	10,351	552
	3,933	3,917	3,764	-153

BUDGET ACTIVITY: OPERATING FORCES
Activity Group: Land Forces Readiness Support

I. Description of Operations Financed:

LAND FORCES READINESS SUPPORT

This activity group funds the Army 'infrastructure' needed to support operations and training while providing the essential power projection platforms necessary to ultimately mobilize, deploy, supply and reconstitute the force. The programs in this area provide vital support to all aspects of training and readiness, as well as quality of life support to our soldiers and their families. The Base Operations Support, Real Property Maintenance, Management and Operational Headquarters, Unified Commands and Additional Special Activities functions shown in this activity group constitute the infrastructure necessary to execute the Army's missions and achieve desired readiness levels.

BASE OPERATIONS - Specific resource accounts designate functions of an installation support nature such as administration; automation support; morale, welfare and recreation services; base services support, including supply, resource management, contracting, personnel, preservation of order, transportation, and utilities; real estate leases; community and morale support activities; facility support services; and maintenance of equipment. Base Operations also include: (a) Base communications operation and maintenance of Army nontactical, base (post, camp, and station) communications facilities and equipment systems which provide local communications for installations/activities worldwide; (b) Audiovisual and Visual Information Management, administration, and operation of installation, MACOM, Headquarters, and Joint Visual Information Service and activities; (c) Child Development Services (CDS) - Direct costs required for management, administrative, and caregiving staff to provide developmental care and to minimize the risk of child abuse in Army child care settings; (d) Family Centers (Army Community Services) - direct manpower costs, support equipment and supplies, facilities, and the associated costs specifically identifiable and measurable to the following programs and services: Army Community Services, Exceptional Family Member Program, Family Advocacy; Family Member Employment Program; Foster Care, Financial Planning Consumer Affairs; Information, Referral, and Followup, Outreach; and Relocation, and (e) Environmental Programs - Costs required to comply with applicable environmental laws, regulations, criteria and standards. Includes manpower, training, travel, supplies, permits, fees, support equipment, service, and construction contracts and the associated costs specifically identified and measurable to environmental compliance.

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

I. Description of Operations Financed (Continued):

REAL PROPERTY MAINTENANCE - The Real Property Maintenance program is divided into two categories, Maintenance and Repair and Minor Construction. Maintenance and Repair funding covers buildings, structures, roads, railroads, grounds and utility systems. Minor Construction provides for the erection, installation or assembly of a new real property facility, or the addition/conversion of an existing real property facility when project costs are between \$15,000 and \$500,000. A one million dollar limitation applies to minor construction solely intended to correct a deficiency that threatens life, health, or safety.

MANAGEMENT AND OPERATIONAL HEADQUARTERS - This funding provides for the day-to-day operation of Army Management Headquarters Activities, excluding the Unified Commands. The cost driver for this sub-activity is the number of civilian personnel supported.

UNIFIED COMMANDS - Provides for the operation of three unified command headquarters, United States European Command (USEUCOM), United States Southern Command (USSOUTHCOM), and Army Management Headquarters, Pacific Command (PACOM). The Army is the designated Department of Defense (DoD) executive agent for USSOUTHCOM and USEUCOM and is responsible for the unified command's day-to-day operational costs. For PACOM, the Army is responsible for only the active Army support of the headquarters. The cost driver for this sub-activity is the number of military and civilian personnel supported.

ADDITIONAL ACTIVITIES - The funds in this sub-activity provide support to special Army activities not captured elsewhere in the Land Forces budget. The type of functions included are: U.S. Army Chemical Activity, Pacific (USACAP) support, Army Marksmanship Unit, the Joint doctrine and Warfare Centers, selected MTOE Bands and miscellaneous ongoing operations. During the year of execution, this activity group also supports the OSD Counterdrug Program (except for the flying hour support captured in AG 11).

II. Force Structure Summary:

This activity group includes base operations support and the maintenance and repair of buildings, structures, grounds, and roads for the Army's installations as well as resources for the Army's environmental and family programs. This activity also includes support for Army Management Headquarters, Unified Commands (United States European Command (USEUCOM), United States Southern Command (USSOUTHCOM), and the Army element of Pacific Command (PACOM) headquarters) and Additional Activities.

The Force Structure associated with the Land Forces Readiness Support activity group is detailed in the Performance Criteria and Evaluation Summary shown at the end of the sub-activity data. Military and civilian strength figures represent the Base Support and Real Property Maintenance populations served by the funding in these areas.

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands):

A. Activity Group:	FY 1998			FY 1999 Request
	FY 1997 Estimate	Budget Request	Current Estimate	
1. Base Operations Support	2,934,580	2,417,712	2,417,157	2,332,231
2. Real Property Maintenance	825,216	693,328	695,181	641,651
3. Management & Operational Headquarters	214,921	130,012	131,212	110,538
4. Unified Commands	153,309	70,620	52,620	71,990
5. Additional Activities	1,366,316	179,864	179,864	63,478
Total	5,494,342	3,491,536	3,497,736	3,219,888

B. Reconciliation Summary:

	CHANGE	
	FY 1998/ FY 1998	FY 1998/ FY 1999
Baseline Funding	3,491,536	3,380,682
Congressional Adjustments (Distributed)	6,200	0
Budget Amendment	-42,205	0
Congressional Adjustments (Realignment)	-110,010	0
Congressional Adjustments (Undistributed)	-14,217	0
General Provisions	-5,087	0
Reprogramming/Transfers	35,544	0
Price Change	0	-11,444
Functional Transfer	-11,933	-934
Program Changes	30,854	-148,416
Current Estimate	3,380,682	3,219,888

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request..... \$ 3,491,536

Congressional Adjustments (Distributed):

a. Organizational Clothing and Individual Equipment.....	\$ 20,000
b. Range Safe System.....	\$ 1,700
c. Fort Irwin, George Air Force Base Airhead.....	\$ 1,300
d. U.S. Army, Pacific Reserve Component Integration.....	\$ 1,200
e. Joint Chiefs of Staff Joint Exercises and Headquarters Reductions.....	\$ -18,000

Total Congressional Adjustments (Distributed)..... \$ 6,200

FY 1998 Appropriated Amount..... \$ 3,497,736

Budget Amendment:

Foreign Currency Reduction..... \$ -42,205

Total Budget Amendment..... \$ -42,205

Congressional Adjustments (Realignment):

a. Conservation and Ecological System Management.....	\$ 3,000
b. Federal Energy Management.....	\$ -19,000
c. Flying Hour Program.....	\$ -131
d. Headquarters and Administrative Activity.....	\$ -8,679
e. Joint Chiefs of Staff Exercises and Headquarters Reduction.....	\$ 18,000
f. Contingency Operations.....	\$ -80,300
g. Organizational Clothing and Individual Equipment.....	\$ -20,000
h. Range Safe System.....	\$ -1,700
i. U.S. Army, Pacific Reserve Component Integration.....	\$ -1,200

Total Congressional Adjustments (Realignment)..... \$ -110,010

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Civilian Personnel Understrength.....	\$	-8,641
b. Quadrennial Defense Review - Civilian Personnel Reduction....	\$	-6,275
c. Foreign Currency Fluctuation.....	\$	-18,593
d. High Risk Automation System.....	\$	-2,511
e. Real Property Maintenance.....	\$	52,312
f. Revised Economic Assumptions.....	\$	-3,891
g. Travel Expenses.....	\$	-1,933
h. Non-Base Realignment and Closure (BRAC) Caretaker Status.....	\$	-19,600
i. General Reduction - National Defense Stockpile Fund.....	\$	-5,085

Total Congressional Adjustments (Undistributed)..... \$ -14,217

General Provisions:

a. Section 8041, Contract Assistance and Advisory Services (CAAS) \$	-990
b. Section 8105, Excess Inventory.....	\$ -4,085
c. Section 8035, Federally Funded Research and Development Centers (FFRDC) Reduction.....	\$ -12

General Provisions..... \$ -5,087

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Reprogramming/Transfers:

Increase

National Defense Stockpile Transfer..... \$ 35,544

Total Increase..... \$ 35,544

Functional Program Transfers:

Intra Appropriation Transfers Out

a. Basic Noncommissioned Officers' Course (BNOC) Training..... \$ -174
b. Panama Canal Treaty Implementation Funding Realignment..... \$ -11,759

Total Transfers Out..... \$ -11,933

Total Functional Program Transfers..... \$ -11,933

Program Increase:

Execution/Fact of Life Changes..... \$ 30,854

This adjustment provides command with essential base operations support; including realigning funds previously budgeted in support of the Flying Hour Program, increasing command support to information services and adequately funding the Real Property Maintenance facilities reduction program.

Total Program Increase..... \$ 30,854

FY 1998 Current Estimate..... \$ 3,380,682

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands):

C. Reconciliation: Increases and Decreases:

FY 1998 Current Estimate.....	\$ 3,380,682
Price Growth:	
Total Price Growth.....	\$ -11,444

Functional Program Transfers:

Inter Appropriation Transfers In

a. Fort Devens Army Community Services to U.S. Army Forces Command.	85
Transfers funds from the Operation and Maintenance, Army Reserve appropriation to the Operation and Maintenance, Army appropriation for the support of the Army Community Services program for Active Component soldiers remaining as part of the enclave. These funds were inadvertently transferred to the Army Reserve Command.	
b. Fort Hamilton Transfer.....	\$ 10,732
Transfers funds from the Operation and Maintenance, Army Reserve appropriation to the Operation and Maintenance, Army appropriation to move command and control responsibility for Fort Hamilton from the United States Army Reserve Command to the Military District of Washington.	
c. Defense Finance and Accounting Service Transfer from the Defense Health Program.....	\$ 252
Transfers funds from the Defense Health Program appropriation to the Operation and Maintenance, Army appropriation to properly align funding between U.S. Army, Pacific and U.S. Army Medical Command for finance and accounting support.	

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands):

C. Reconciliation: Increases and Decreases:

Functional Program Transfers (Continued):

Inter Appropriation Transfers In (Continued)

- d. Defense Finance Accounting Service Transfer (DFAS)..... \$ 1,000
 This represents a functional transfer of workload, manpower (22 spaces) and resources (\$900,000) from the DFAS to the Army to perform military pay for active duty Service members separating from the Army in Europe and South Korea. It also transfers the cadet pay functions at Forts Bragg and Lewis (2 spaces and \$100,000) from DFAS to Army.

Intra Appropriation Transfers In

- a. Directorate of Information Management Transfer..... \$ 500
 Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 4, (Administration and Servicewide Activities), to Budget Activity 1, (Operating Forces), reflecting the Base Realignment and Closure committee decision to close Fort Ritchie. The Directorate of Information Management (DOIM) functions are moving from Fort Ritchie to Fort Detrick. The U.S. Army Medical Command will assume all costs for operating DOIM functions at Fort Ritchie.
- b. Civilian Injury and Illness Compensation Realignment..... \$ 4,968
 Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 4 (Administrative and Servicewide Activities) to Budget Activity 1 (Operating Forces). This realignment consolidates all funding for Civilian Injury and Illness Compensation at U.S. Army, Pacific.

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Intra Appropriation Transfers In (Continued)

c. Civilian Personnel Regionalization Transfer..... \$ 3,382

Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 4 (Administration and Service-wide Activities) to Budget Activity 1 (Operating Forces). This realignment supports the centralization of those civilian personnel functions that do not require face-to-face interaction between the personnel specialist and the employee. This initiative began as the Civilian Personnel Regionalization Transfer in FY 1995 and calls for the phased establishment of 10 personnel centers through FY 1999. Seven centers will be located within the Continental United States (CONUS), one in Europe, one in Korea, and one in Alaska. While the local major Army commanders will retain responsibility for the overseas centers, the seven CONUS centers will be placed under the operational control of the Assistant Secretary of the Army for Manpower and Reserve Affairs.

Total Transfers In..... \$ 20,919

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out

a. Completion of Fort Indiantown Gap Enclave Transfer..... \$ -6,222

Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army National Guard appropriation to complete full mission capability for the operation of the National Guard enclave at Fort Indiantown Gap. As directed by the Base Realignment and Closure Commission, this base will be closed, with an Army National Guard enclave remaining for management.

b. Hangar Lease at Fulton County Airport Transfer..... \$ -125

Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army National Guard appropriation as the Operational Support Airlift Command assumes the lease responsibility for the Fulton County Airport Hangar.

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out (Continued)

c. California Area Support Transfer..... \$ -71

Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army Reserve appropriation for Base Realignment and Closure (BRAC) activities. Funding supports the operation of BRAC activities in Southern California, which transfer to the Army Reserve Command.

d. Fort Dix to the U.S. Army Reserve Command Transfer..... \$ -714

Transfers resources from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army Reserve appropriation to support pay of the 18 Fort Dix residual engineer civilian manpower transferred from U.S. Army Forces Command to the U.S. Army Reserve Command.

e. Fixed Wing Mission Transfer..... \$ -64

Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army National Guard appropriation as the Operational Support Airlift Command assumes the Total Army's Operational Support Airlift fixed wing mission in the United States Army, Pacific.

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Intra Appropriation Transfers Out

a. Civilian Injury and Illness Compensation Consolidation..... \$ -502

Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 1 (Operating Forces) to Budget Activity 4 (Administrative and Service-wide Activities). This realignment consolidates all funding for Civilian Injury and Illness Compensation at U.S. Army Materiel Command.

b. Training Range Support..... \$ -14,155

This transfer realigns Training Range Support from Activity Group (AG) 13, Land Forces Readiness Support to Activity Group 12, Land Forces Readiness. This realignment consolidates all training range funding within mission accounts.

Total Transfers Out..... \$ -21,853

Total Functional Program Transfers..... \$ -934

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Barracks Conversion (FY 1998 Base: \$102,264)..... \$ 18,714

This increase provides funds to convert Volunteer Army (VOLAR) barracks to the 1+1 standard at various locations by the year 2003, except Forts Bragg and Stewart. Forts Bragg and Stewart will be completed by the year 2006. This program will improve living conditions for approximately 25,000 soldiers Army-wide.

b. A-76 Studies (FY 1998 Base: \$256,869)..... \$ 4,500

This increase provides funds and complies with the Quadrennial Defense Review (QDR) guidance to compete infrastructure functions for potential outsourcing. In FY 1999, the Army plans to conduct OMB Circular A-76 studies of approximately 10,656 civilian and 2,819 military spaces and anticipates potential savings from the studies. The precise amount of the Army civilian reductions will depend on the result of the Army's outsourcing and privatization initiative.

c. Morale, Welfare and Recreation (MWR) (FY 1998 Base: \$153,073).. \$ 19,054

These programs include a network of integrated, major support services with a direct impact on soldier readiness and responds to Department of Defense (DoD) MWR policy and congressional oversight. This increase provides funds to support mission sustaining programs such as physical fitness facilities, libraries, and unit level sports, and are considered essential in meeting the organizational objectives of the military services. It also includes automotive skill development, youth activities and child development programs and outdoor recreation. These programs satisfy the basic physiological and psychological needs of service members and their families providing the community support systems that make DoD installations temporary home towns for a mobile military population.

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

d. Combat Terrorism (FY 1998 Base: \$ 0)..... \$ 31,300
 This increase provides new funding for 700 contract security guards in Europe. The additional guards are required to combat terrorism in the European theater.

e. Unified Commands (FY 1998 Base: \$68,522)..... \$ 3,468
 This increase provides additional resources for Commander-in-Chief (CINC) initiatives in the U.S. Southern Command area of operations, including automation upgrades to support the Central American Regional Communications Network.

f. Panama Canal Treaty Implementation Plan..... \$ 38,817
 This increase provides funding to execute the Panama Canal Treaty Implementation Plan. This is based on the assumption that a post-1999 Army presence in Panama is successfully negotiated and the Army continues operations in Panama under a reduced presence after 1999. This supports the facility turnover and troop relocation necessary to implement the provisions of the Panama Canal Treaty Implementation Plan.

Total Program Increases..... \$ 115,853

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

a. Real Property Maintenance (RPM) (FY 1998 Base: \$684,374).....	\$ -62,522
FY 1999 funding decreases in real property maintenance activities reflects reductions occurring across the entire program to balance overall Army priorities and maintain critical infrastructure at acceptable maintenance and repair standards.	
b. Utilities Modernization (FY 1998 Base: \$29,000).....	\$ -4,015
This decrease represents the FY 1998 completion of utility systems modernization that cannot be privatized, particularly central heating plants and associated energy distribution systems.	
c. Environmental Programs (FY 1998 Base: \$243,360).....	\$ -12,139
Funding for water projects decreases in anticipation of transition to utility privatization. As the Underground Storage Tank (UST) Improvement program nears completion, funding in this area decreases to reflect reduced operational maintenance requirements. The UST program inspects, repairs, and upgrades tanks to standards set by the Environmental Protection Agency and state regulatory agencies, including clean-up of contamination from leaking USTs.	

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

d. Outsourcing and Privatization (FY 1998 Base: \$1,248,568)..... \$ -27,473

This decrease in FY 1999 reflects the first year in which savings begin to be realized as a result of outsourcing and privatization initiatives within the Army. Savings in FY 1999 begin to accrue due to the completion of a total of approximately 12,000 studies initiated in FY 1997. These studies will produce savings through end strength and work year reductions as well as through efforts to establish more efficient organizations on installations and reduce resource requirements for Base Operations programs.

e. Base Operations Support (FY 1998 Base: \$2,384,956)..... \$ -158,120

This decrease represents affordability reductions to Base Operations support functional areas due to constrained Army resources. The reduced funding level is adequate to stabilize soldier, family and infrastructure programs.

Total Program Decreases..... \$ -264,269

FY 1999 Budget Request..... \$ 3,219,888

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

IV. Performance Criteria and Evaluation Summary:

<u>Base Operation Support:</u>	<u>FY 1997</u> <u>Actuals</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Estimate</u>
A. Administration (\$000)	608,774	397,777	395,617
Military Average Strength	2,409	1,911	1,756
Civilian Personnel Full-Time Equivalents	4,456	4,353	3,950
Total Personnel	6,865	6,264	5,706
Number of Bases, Total	160	160	160
(CONUS)	40	40	40
(OCONUS)	120	120	120
Population Served, Total	1,158,840	1,157,760	1,156,420
(Military)	72,291	71,921	71,489
(Civilian)	1,086,549	1,085,839	1,084,931
 B. Retail Supply Operations (\$000)	 225,708	 224,329	 202,105
Military Average Strength	308	274	257
Civilian Personnel Full-Time Equivalents	4,181	3,807	3,608
Total Personnel	4,489	4,081	3,865
 C. Bachelor Housing Ops./Furn (\$000)	 61,013	 51,175	 49,377
Military Average Strength	14	4	3
Civilian Full-Time Equivalents	467	452	432
Total Personnel	481	456	435
Number of Officer Quarters	25,251	25,251	25,251
Number of Enlisted Quarters	297,556	297,556	297,556

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Base Operation Support (Continued):</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
D. Other Morale, Welfare & Recreation (\$000)	147,509	149,266	168,320
Military Average Strength	32	27	23
Civillian Personnel Full-Time Equivalents	2,458	2,427	2,302
Total Personnel	2,490	2,454	2,325
Population Served, Total	1,158,840	1,157,760	1,156,420
(Military)	72,291	71,921	71,489
(Civillian)	1,086,549	1,085,839	1,084,931
E. Maintenance of Installation Equipment (\$000)	80,286	79,625	64,583
Military Average Strength	172	258	260
Civillian Personnel Full-Time Equivalents	1,371	859	673
Total Personnel	1,543	1,117	933
F. Other Base Services (\$000)	275,384	224,115	237,855
Military Average Strength	3,165	1,648	1,583
Civillian Personnel Full-Time Equivalents	3,294	3,023	2,649
Total Personnel	6,459	4,671	4,232
Number of Motor Vehicles, Total	21,241	21,550	22,117
(Owned)	8,906	6,382	4,449
(Leased)	12,335	15,168	17,668

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Base Operation Support (Continued):</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
G. Other Personnel Support (\$000)	190,842	193,932	209,310
Military Average Strength	2,099	1,331	1,380
Civilian Personnel Full-Time Equivalents	2,216	2,377	2,569
Total Personnel	4,315	3,708	3,949
Population Served, Total	1,158,840	1,157,760	1,156,420
(Military)	72,291	71,921	71,489
(Civilian)	1,086,549	1,085,839	1,084,931
 H. Payments to GSA (\$000)			
Standard Level User charges	405	426	405
Leased Space (000 sq ft)	405	426	405
Recurring Reimbursements	38	38	38
One-Time Reimbursements	0	0	0
One-Time Reimbursements	0	0	0
 I. Non-GSA Lease Payments			
Leased Space (000 sq ft)	348	782	2,275
Recurring Reimbursements	326	326	326
One-time Reimbursements	0	0	0
One-time Reimbursements	0	0	0
 J. Engineering Support (\$000)			
Military Average Strength	471,636	268,825	231,955
Civilian Personnel Full-Time Equivalents	147	123	122
Total Personnel E/S	5,325	4,579	4,512
Facilities Supported (000 sq ft)	5,472	4,702	4,634

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Base Operation Support (Continued):</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
K. Operation of Utilities (\$000)	391,653	413,396	405,764
Military Personnel Average Strength	5	5	5
Civilian Personnel Full-Time Equivalents	540	493	454
Total Personnel	545	498	459
Electricity (MWH)	3,278,922	3,244,452	3,209,983
Heating (MBTU)	25,540,965	25,282,972	25,024,980
Water, Plants & Systems (\$gals)	26,822,129	26,822,129	26,820,129
Sewage & Waste Systems (000 gals)	20,509,966	20,509,966	20,508,766
Air Conditioning and Refrigeration (Ton)	211,121	211,121	211,020
L Child and Youth Development Programs			
Number of Child Development Centers (CDC)	104	104	104
Number of Family Child Care (FCC) Homes	1,378	1,378	1,378
Total Military Child Population			
(Infant to 12 years)	264,193	261,023	265,927
Total Required Child Care Spaces	75,738	75,738	75,738
Total Spaces CDC, FCC and School Age	47,954	47,954	47,954
Percent Spaces in Relation to Required Spaces	63%	63%	63%
Number of Youth Facilities	115	115	115
Total Military Youth Population			
(Grades 1 to 12)	175,571	173,466	176,724
Number of Youth Served	56,945	56,945	56,945

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1997</u> <u>Actuals</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Estimate</u>
Real Property Maintenance & Minor Construction			
A. Administration (RPM) (\$000) *			
Administration & Support	133,889	138,385	85,190
Number of A&E Contracts	2,841	2,727	1,707
Planning and Design Funds	24,507	22,750	20,963
Military End Strength	45	42	32
Civilian End Strength	4,074	3,694	3,317
 B. Maintenance and Repair (\$000)			
Buildings (KSF)	719,316	673,879	608,640
Pavements (KSY)	301,294	301,294	301,294
Land (AC)	228,979	228,979	228,979
Other Facilities (KSF)	4,456,769	4,455,769	4,456,769
Railroad Trackage (KLF)	3,704	3,704	3,704
Recurring Maintenance	2,376	2,376	2,376
	442,000	490,694	403,482
 C. Minor Construction (\$000)			
	105,900	21,302	33,011

* MEMO ENTRY -- Dollars included in Maintenance and Repair

BUDGET ACTIVITY/ACTIVITY GROUP: OPERATING FORCES/LAND FORCES
Sub-Activity Group: Land Forces Readiness Support

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>CHANGE</u> <u>FY 1998/FY 1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	3,834	9,632	9,407	-225
Enlisted	1,056	2,606	2,606	0
	2,778	7,026	6,801	-225
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	33,616	31,323	29,281	-2,042
Foreign National Direct Hire	25,148	22,724	21,653	-1,071
Total Direct Hire	2,716	2,872	2,362	-510
Foreign National Indirect Hire	27,864	25,596	24,015	-1,581
	5,752	5,727	5,266	-461
<u>Military Average Strength (Total)</u>				
Officer	4,624	4,816	9,520	4,704
Enlisted	1,277	1,303	2,606	1,303
	3,347	3,513	6,914	3,401
<u>Civilian Full-Time Equivalents (Total)</u>				
U.S. Direct Hire	33,186	32,377	30,105	-2,272
Foreign National Direct Hire	24,628	23,710	22,553	-1,157
Total Direct Hire	2,608	2,880	2,380	-500
Foreign National Indirect Hire	27,236	26,590	24,933	-1,657
	5,950	5,787	5,172	-615

DEPARTMENT OF THE ARMY
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE, ARMY

BUDGET ACTIVITY: MOBILIZATION

I. Description of Operations Financed:

The Mobilization Budget Activity affords the United States Army the ability to maintain a viable deterrence and an adequate defense of the nation's vital interests. As defined in the National Military Strategy, the foundation of the new, regionally oriented, defense strategy includes forward presence, crisis response and force reconstitution. As the Army transitions to a more regionally focused, Continental United States (CONUS) based force, the Mobilization Budget Activity resources form an important component of the nation's defense strategy. With less reliance on forward deployed forces and more on a visible forward presence, the prepositioning of equipment required for wartime operations and the rapid deployment of CONUS based forces are major components of the Army's crisis response capability. Also, as the active force is reduced in size to retain only the capabilities required to meet the immediate and most probable threats, the cost of maintaining a support base for mobilization purposes rises. This budget activity displays those costs as mobilization requirements as opposed to operating forces costs. It is important to note that these are costs that provide for deployment enablers which will ensure deployment infrastructure is sufficient to move a CONUS based contingency force from installations and depots through ports of embarkation to support power projection requirements.

This funding will allow the Army to protect the nation's security interests by demonstrating forward presence in the form of prepositioned equipment, maintaining a rapid crisis response capability to the immediate and most probable regional threats, and retaining a force reconstitution and sustainment capability to provide the National Command Authorities an option to expand and mobilize to meet wartime requirements. This will be accomplished by the following sub-activities:

STRATEGIC MOBILITY - The Army must be capable of deploying three divisions (one light, air assault, or airborne division by air and two armored divisions by sea) into a theater of operations within 30 days after notification. The remainder of the five and one third division contingency force, with its associated support equipment, must be operational in the theater of operations within 75 days after notification. The Army Strategic Mobility Program (ASMP) fully supports the recommendations of the Mobility Requirements Study (MRS) and MRS Bottom Up Review Update (MRS BURU). The Army's ASMP program complements the Navy's Sealift Acquisition Program and the Air Force's C-17 Program, enabling the U.S. military to rapidly project power anywhere in the world. The MRS identified a requirement for 19 Large, Medium Speed Roll-On/Roll-Off (LMSR) ships, (8 for afloat prepositioning, 11 for surge sealift) capable of deploying heavy forces 8,700 nautical miles, in the delivery timelines established to support the warfight. To complement the LMSRs, the MRS recommended the number of Roll-On/Roll-Off ships in the Ready Reserve Fleet (RRF) to increase to the capacity of 36. The Army also fully supports the MRS recommendation for the continued acquisition of 120 C-17 aircraft. ASMP funding, to date, provides for the activation and upload of RRF ships for the prepositioned afloat set, an aggressive Sea Emergency Deployment Readiness Exercise program, container and rail procurements, automation initiatives, and numerous strategic infrastructure upgrades. The ASMP is synchronized to ensure a total fort-to-foxfhole deployment system that enables the Army to rapidly deploy a versatile, lethal, expandable, and sustainable CONUS-based military force capable of achieving decisive victory.

DEPARTMENT OF THE ARMY
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE, ARMY

BUDGET ACTIVITY: MOBILIZATION

I. Description of Operations Financed (continued):

ARMY PREPOSITIONED STOCKS (Formerly Army War Reserves) - An adequate inventory of immediately available supplies and equipment, stationed both afloat and on land, to equip and sustain the operating forces for lengths of time and levels of conflict outlined in the National Military Strategy and The Army Plan. Army Prepositioned Stocks (APS) represents Army capability to project power from Continental United States (CONUS), Alaska, and Hawaii to trouble spots anywhere in the world. Seven armor-heavy brigade equipment sets form the centerpiece of the program enabling United States based unit soldiers to fly, in only 20 aircraft accompanied by minimal amounts of personal and small equipment, draw a brigade set and deploy to battle positions in just days instead of weeks. This strategic mobility concept leverages joint capabilities of airlift, sealift, and strategic positioning, through forward basing and provides a United States presence for regional stability. Six sets are on land with a seventh aboard ships. A set of division base support units is planned for prepositioning with the last land based set being completed in Qatar. Other support unit sets are prepositioned aboard ships, with sustainment supplies, port opening equipment, and watercraft. Also prepositioned in forward bases, afloat, or CONUS depots are Operational Projects and sustainment supplies. Operational Projects are tailored sets of equipment and supplies configured for specific missions, such as airdrop resupply, base camps, mortuary affairs, pipeline operations, bridging, and hot and cold weather clothing. Sustainment supplies enable unit and brigade sets, plus reinforcing units to operate in theater for the first 30-45 days of each Major Regional Contingency, until the supply train can reach them from CONUS. Sets are periodically exercised to practice issue procedures by using units and the Army Materiel Command Army War Reserve Support Command staff that maintains the equipment and supplies.

INDUSTRIAL PREPAREDNESS - An industrial and installation support base capable of mobilizing on short notice to meet the nation's defense requirements in high intensity and/or long duration conflicts.

REAL PROPERTY MAINTENANCE (MOBILIZATION) - Provides funding formerly under the Strategic Mobility Sub-activity group to support deployment infrastructure improvement projects. Resources used to maintain and repair buildings, structure, roads, railroads, air strips, grounds, and utility systems projects in support of strategic mobilization objectives. Funds also provide for the erection, installation, or assembly of a new real property facility; the addition, expansion, alteration, conversion, or replacement of an existing real property facility; or the relocation of a real property facility from one installation to another. Minor construction projects are funded for life, health, and safety with a maximum cost of \$1,000,000. All other minor construction projects are funded with a maximum cost of \$500,000. The cost driver is the number and complexity of projects.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

II. Force Structure Summary:

This budget activity supports the National Military Strategy for the deployment and sustainment of a five and one third division Contingency Corps anywhere in the world. Strategy calls for building and maintaining the capability to deploy and sustain a tailorable force of up to five and one third divisions. The lead brigade is required to be on the ground in theater within 4 days of deployment notification, lead division within 12 days, two armored/mechanized divisions within 30 days, and the full corps support within 75 days. In addition, the Army must maintain the capability to deploy a second corps to a second regional conflict during deployment of the initial corps.

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998			FY 1999 <u>Request</u>
	FY 1997 <u>Actuals</u>	Budget <u>Request</u>	Appropriation <u>Estimate</u>	
A. <u>Activity Group:</u>				
Mobility Operations	<u>543,948</u>	<u>566,444</u>	<u>547,440</u>	<u>624,635</u>
Total	543,948	566,444	547,440	624,635

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	566,444	518,031
Congressional Adjustments (Distributed)	-19,004	0
Budget Amendment	-10,244	0
Congressional Adjustments (Undistributed)	-17,096	0
General Provisions	-1,264	0
Price Change	0	7,400
Reprogramming/Transfer	693	0
Program Changes	-1,498	99,204
Current Estimate	518,031	624,635

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget.....\$ 566,444

Congressional Adjustment (Distributed):

Industrial Preparedness - Nominal Growth.....\$ -19,004
Total Congressional Adjustment (Distributed).....\$ -19,004

FY 1998 Appropriated Amount (Distributed).....\$ 547,440

Budget Amendment:

Foreign Currency Reduction.....\$ -10,244
Total Budget Amendment.....\$ -10,244

Congressional Adjustments (Undistributed):

a. Civilian Personnel Underexecution.....	\$ -3,328
b. Quadrennial Defense Review - Civilian Personnel Reductions.....	\$ -2,417
c. High Risk Automation Systems	\$ -347
d. Revised Economic Assumptions	\$ -5,088
e. Temporary Duty (TDY) Expenses	\$ -1,102
f. General Reduction, National Defense Stockpile Fund.....	\$ -693
g. Foreign Currency Fluctuation.....	\$ -4,121

Total Congressional Adjustments (Undistributed).....\$ -17,096

General Provisions:

a. Section 8041 - Contract Advisory and Assistance	\$ -350
b. Section 8105 - Excess Inventory Savings.....	\$ -727
c. Federally Funded Research and Development Centers Reduction.....	\$ -187

Total General Provisions

\$ -1,264

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Reprogramming/Transfers:

National Defense Stockpile Fund Transfer.....\$	693
Total Reprogramming/Transfers.....\$	693

Program Decrease:

Execution/Fact of Life Changes.....\$	-1,498
Total Program Decrease.....\$	-1,498

FY 1998 Current Estimate.....\$ 518,031

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Price Growth:

Total Price Growth.....\$ 7,400

Program Increases:

a. Army Prepositioned Stocks Afloat.....	\$ 11,071
b. Army Prepositioned Stocks (Non - Ammunition) for South West Asia.....	9,974
c. Army Prepositioned Stocks (Non - Ammunition) for Pacific.....	2,483
d. Unutilized Plant Capacity.....	18,768
e. Deployment Outload Infrastructure Projects.....	66,100

Total Program Increases.....\$ 108,396

Program Decreases:

a. Logistics Over the Shore.....	\$ -4,619
b. Army Prepositioned Stocks (Non-Ammunition) for Europe.....	-4,573

Total Program Decreases.....\$ -9,192

1999 Budget Request.....\$ 624,635

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary:

Performance Criteria and Evaluation Summary appears at the Activity Group level.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

V. Personnel Summary:

Personnel Summary appears at the Activity Group level.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

I. Description of Operations Financed:

The Mobility Operations Activity Group consists of the following sub-activity groups that represent distinct and important facets of Mobility Operations and Mobilization.

STRATEGIC MOBILITY - Provides funding for Strategic Mobility improvements to enhance the movement of equipment and supplies in the Continental United States and expand the afloat prepositioning program. Also provides for deployment training initiatives, container procurement, and maintenance of prepositioned equipment. Cost drivers are the number of vehicles and short tons of ammunition maintained, number of deployment exercises and the number of prepositioned ships maintained to support war plans.

ARMY PREPOSITIONED STOCKS (Formerly Army War Reserves) - Provides funding for manpower, materiel handling and other supply support equipment, necessary facilities and associated costs specifically required to store and handle prepositioned stock materials. Funds costs associated with the inspection, start-up or exercising equipment associated with the care of supplies in storage. The cost driver for this sub-activity group is measured in terms of the number of brigade and unit sets, operational projects and activities, and quantities of sustainment supplies stored and maintained.

INDUSTRIAL PREPAREDNESS - The industrial base which supports the Army is undergoing serious and protracted downsizing. The FY 1998 and FY 1999 industrial preparedness operations program supports industrial base/acquisition reform. The program consists of industrial preparedness and item support (excludes ammunition) and provides for planning with private industry and government owned plants, program administration, project management, and industrial base management. An integral part of this program is the evaluation of industrial base sectors and development of recommendations to remedy sector deficiencies. In FY 1996, program funding also included resources for underutilized and unused (reserve) plant and equipment capacity which includes plant and equipment that is held in standby, idle, or lay-away status or for war reserve storage. These resources included direct and general support maintenance of non-tactical equipment; transportation services; utility systems; and maintenance and repair of real property, roads, and railway systems. Funds are used to maintain infrastructure and are above/beyond peacetime requirements. In FY 1997, the program no longer funds the underutilized plant and equipment capacity and only supports unused capacity. Cost drivers are the amount of unused plant capacity supported and management planning actions.

REAL PROPERTY MAINTENANCE (MOBILIZATION) - Provides funding for Strategic Mobility improvements to upgrade deployment outload facilities. The Real Property Maintenance program consists of two categories that support strategic mobility objectives. These two categories can be related to costs drivers that correlate to the budget request and are displayed in Section IV, Performance Criteria and Evaluation Summary. **MAINTENANCE AND REPAIR** - Provides for maintenance and repair of buildings, structures, roads, railroads, grounds, air strips, and utility systems. Costs drivers are buildings, pavements, land, and other facilities. **MINOR CONSTRUCTION** - Finances the erection, installation or assembly of a new real property facility or the addition or conversion of an existing real property facility. Minor construction projects for life, health, and safety costs are funded at a maximum cost of \$1,000,000. All other minor construction projects costs are funded at a maximum cost of \$500,000. The cost driver is the number of projects.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

II. Force Structure Summary:

This activity group supports the National Military Strategy for the deployment and sustainment of a five and one third division Contingency Corps anywhere in the world. Strategy calls for building and maintaining the capability to deploy and sustain a tailorable force of up to five and one third divisions. The lead brigade is required to be on the ground in theater within 4 days of deployment notification, lead division within 12 days, two armored/mechanized divisions within 30 days, and the full corps support within 75 days. In addition, the Army must maintain the capability to deploy a second corps to a second regional conflict during deployment of the initial corps.

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998			
	FY 1997		FY 1998	
	<u>Actuals</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>
A. <u>Sub-Activity Groups:</u>				
1. Strategic Mobilization	316,391	317,241	317,241	300,330
2. Army Prepositioned Stocks	86,066	171,100	171,100	158,813
3. Industrial Preparedness	58,675	78,103	59,099	58,888
4. POMCUS	82,816*	*	*	*
5. Real Property Maintenance	**	**	**	**
Total	543,948	566,444	547,440	518,031
				624,635

* The Prepositioning of Materiel Configured to Unit Sets (POMCUS) program is combined with the Army Prepositioned Stocks program based on the Army's transition of the Army Prepositioned Stocks program from component Commander In Chief (CINCPAC) support into strategic common user stockpiles oriented towards supporting multiple CINCPACs. Assets in Central Europe, previously known as POMCUS, were consolidated at the Army level into Europe and relocated both ashore and afloat to provide better and more timely support to a Continental United States based power projection Army. Accordingly, the requirement to separately track POMCUS assets from other prepositioned stocks no longer exists.

** Real Property Maintenance funding supports deployment outload projects in support of Strategic Mobility objectives. Funding for these projects was previously captured under the strategic mobilization sub-activity. To better categorize this funding and comply with the Department of Defense Financial Management Regulation, the Army created a separate sub-activity group for these costs.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	566,444	518,031
Congressional Adjustments (Distributed)	-19,004	0
Budget Amendment	-10,244	0
Congressional Adjustments (Undistributed)	-17,096	0
General Provisions	-1,264	0
Price Change	0	7,400
Reprogramming/Transfer	693	0
Program Changes	-1,498	99,204
Current Estimate	518,031	624,635

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget.....	\$ 566,444
Congressional Adjustment (Distributed):	
Industrial Preparedness - Nominal Growth.....	\$ -19,004
Total Congressional Adjustment (Distributed).....	\$ -19,004
FY 1998 Appropriated Amount (Distributed).....	\$ 547,440
Budget Amendment:	

Foreign Currency Reduction.....	\$ -10,244
Total Budget Amendment.....	\$ -10,244

Congressional Adjustments (Undistributed):

a. Civilian Personnel Underexecution.....	\$ -3,328
b. Quadrennial Defense Review - Civilian Personnel Reductions.....	\$ -2,417
c. High Risk Automation Systems	\$ -347
d. Revised Economic Assumptions	\$ -5,088
e. Temporary Duty (TDY) Expenses	\$ -1,102
f. General Reduction, National Defense Stockpile Fund.....	\$ -693
g. Foreign Currency Fluctuation.....	\$ -4,121

Total Congressional Adjustments (Undistributed).....	\$ -17,096

General Provisions:

a. Section 8041 - Contract Advisory and Assistance	\$ -350
b. Section 8105 - Excess Inventory Savings.....	\$ -727
c. Federally Funded Research and Development Centers Reduction.....	\$ -187

Total General Provisions	\$ -1,264

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Reprogramming/Transfers:

National Defense Stockpile Fund Transfer.....\$ 693

Total Reprogramming/Transfers.....\$ 693

Program Decrease:

Execution/Fact of Life Changes.....\$ -1,498

This adjustment reflects a decrease in maintenance
for Army Prepositioned Stocks.

Total Program Decrease.....\$ -1,498

FY 1998 Current Estimate.....\$ 518,031

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Price Growth:

Total Price Growth.....\$ 7,400

Program Increases:

a. Army Prepositioned Stocks Afloat (FY 1998 Base: \$240,820).....\$ 11,071

These resources support the Army's participation in the national military strategy that builds and maintains the capability to deploy a five and one third division contingency corps with its associated support structure anywhere in the world within 75 days.

This portion of the program funds the lease, operation of ships and maintenance of prepositioned stocks for use in a national emergency. Because the Army Afloat Prepositioned Ships Program is in transition and includes a three-phased transload of the prepositioned equipment, the number of ships supported annually will fluctuate. The FY 1998 budget supports 17 ships (2 Heavy Lift Prepositioned Ships, 4 converted Large Medium Speed Roll-On/Roll-Off ships (LMSRs), 3 new construction LMSRs, 2 interim Roll-On/Roll-Off ships, 2 container ships, 3 munitions ships, and 1 crane ship). The FY 1999 program increase supports 18 ships in the fleet (2 Heavy Lift Prepositioned Ships (HLPS), 4 converted LMSRs, 6 new construction LMSRs, 2 container ships, 3 munitions ships, and 1 crane ship).

The Army Strategic Mobility Program requirement is 2 million square feet of Combat Service/Combat Service Support equipment prepositioned afloat to satisfy Mobility Requirements Study/Mobility Requirements Study Bottom Up Review and Defense Plans. Phase I of this effort, scheduled to be completed in FY 1998 with the upload of the 4 converted LMSRs and 1 new construction LMSR, will yield 1 million square feet of equipment afloat. Another 1 million square feet will be uploaded on the first three new construction LMSRs during FY 1999. After FY 1999, the final Phase III will involve the transload of equipment from the 4 converted LMSRs to the second 4 new construction LMSRs.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

b. Army Prepositioned Stocks (Non-Ammunition) for South West Asia (FY 1998 Base: \$36,803)	\$ 9,974

This program fully support the Accelerated Battalion Task Force fielded in FY 1996 in Qatar and the fielding of the full-up armored brigade unit equipment set. These funds cover the cost of moving materiel into and between theaters, providing care of supplies in storage (COSIS) within the facilities, personnel costs, and management oversight and operation of the entire mission in South West Asia. The brigade set consists of two armor battalions (120 M1A1 tanks), one mechanized infantry battalion (60 Bradley Fighting Vehicles), one self propelled field artillery battalion, and associated brigade combat support and combat service support battalion sized unit sets of equipment. The Army's redistribution plan to preposition a brigade and a division base in South West Asia by FY 1999-2000 satisfies the Global Prepositioning Strategy to logistically support two near simultaneous Major Theater Wars.

The Army fielded the first battalion task force to Qatar in FY 1996 and is completing the accelerated fielding of the second battalion task force in FY 1997. The next increment of the brigade set stationing is the Forward Support Battalion that is being prepared in Europe for movement during FY 1998. The program increase from FY 1998 to FY 1999 supports the Division base and 3rd battalion task force to move in FY 1999. Program funding is imperative to the successful completion of this brigade set as the key to providing Army force projection capability and strategic deterrence in Southwest Asia for the 21st century.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

c. Army Prepositioned Stocks (Non-Ammunition) for Pacific
(FY 1998 Base: \$11,606).....\$ 2,483

This increase funds previously deferred cyclical maintenance on the brigade set and sustainment stocks. Maintenance of the stocks, some of which were redistributed from Europe, is imperative to maintain high readiness rates in the Pacific Region. If the Army continues to defer the maintenance on these stocks, it will increase the future cost of performing the maintenance and render some brigade equipment inoperable impacting the Army's first line of defense in the Pacific Area Of Operation (AOR).

d. Unutilized Plant Capacity (FY 1998 Base: \$50,442).....\$ 18,768

This increase supports critical Army production capabilities and maintains essential infrastructure to meet mobilization surge requirements for ammunition processing, ordnance, and depot maintenance activities during national emergencies. Unutilized plant capacity (UPC) pays for the idle workstations at ordnance installations and depot maintenance facilities. As the organic workload in these activities decreases, the amount of idle capacity increases proportionately. An example of UPC would be the Army's Bradley Fighting Vehicle or M1A2 Abrams tank. In these cases, the depot maintenance repair lines contain one line that must be capable of supporting the mobilization workload for an entire type of equipment. During peacetime, this line is operating at a less than full capacity while incurring costs of full capacity. Therefore, the Army funds the workstations, the diagnostic equipment, and the repair facility with its associated direct and indirect overhead costs to maintain the capability to immediately mobilize to meet wartime requirements.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increase:

e. Deployment Outload (FY 1998 Base: \$0).....\$ 66,100

The Army's Deployment Outload Program funds infrastructure improvements within a newly established real property maintenance sub-activity. These improvements are necessary to ensure efficient fort to port throughput capability for rapid power projection of Combat Support/Combat Service Support units to meet established Mobility Requirements Study Bottom Up Review and Defense Plans for FY 2001 timelines. The FY 1998 budget only supported a minimum level of infrastructure repairs and upgrades at 6 Power Projection Platforms (Letterkenny Army Depot 1; Red River Army Depot 3; McAlester Army Ammo Plant 1; Fort Benning 2; Fort Bliss 1; and Fort Stewart 2). The FY 1999 program increase supports 36 projects at 13 power projection installations and ammunition depots (Fort Stewart 3; Fort Campbell 7; Fort Benning 5; Red River Army Depot 4; Letterkenny 1; Fort Riley 3; Fort McCoy 3; Fort Bliss 3; Hawthorne 3; McAlester Army Ammunition Plant 1; Blue Grass Army Depot 1; Military Ocean Terminal Sunnypoint 1; Fort Lewis 1). These projects are critical to the Army's ability to meet the FY 2001 Defense deployment timelines. Completion of these projects is also consistent with the strategic sealift program completion.

Total Program Increases.....\$ 108,396

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

a. Logistics Over the Shore (FY 1998 Base: \$21,571).....\$ -4,619

This reduction is the result of a decreased requirement for deployment analysis studies. This reduction defers work on studies which review current Army deployment processes and recommend improvements as the Army transitions to Force XXI and the Army After Next.

b. Army Prepositioned Stocks (Non-Ammunition) for Europe
(FY 1998 Base: \$62,087).....\$ -4,573

This reduction is consistent with the consolidation of Army Prepositioned Stocks in Europe. Assets in Central Europe, previously known as Prepositioned Materiel Configured to Unit Sets (POMCUS), have been consolidated at the Army level into Army Prepositioned Stocks (APS) (Europe). These stocks are being redistributed world wide to satisfy the Global Prepositioning Strategy to logistically support two near simultaneous Major Theater Wars. As a result of the accelerated movement of equipment to Korea and South West Asia, maintenance was deferred on the remaining Army Prepositioned Stocks in Europe in order to accomplish these accelerations. The program decrease reflects the deferred maintenance on the remaining Army Prepositioned Stocks in Europe.

Total Program Decreases.....\$ -9,192

FY 1999 Budget Request.....\$ 624,635

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary:

Strategic Mobilization

	Measure	FY 1997	FY 1998	FY 1999
Total Number/Type of Prepositioned Ships in Army Strategic Mobility Program (Army Prepositioned Stocks (APS-3))	Qty	18	17	18
Roll-On/Roll-Off (RO/RO) (Interim)	Qty	7	2	0
Large Medium Speed Roll-On/Roll-Off (LMSR) (Converted)	Qty	4	4	4
Large Medium Speed Roll-On/Roll-Off (LMSR) (New Build)	Qty	0	3	6
"T" Class Auxiliary Crane Ship (T-ACS)	Qty	1	1	1
Lighter Aboard Ship (LASH)	Qty	3	3	3
Heavy Lift Prepositioned Ship (HLPs)	Qty	1	2	2
Container	Qty	2	2	2
Storage Capacity	SqFt (M)	0.8	1	2
Total Deployment Readiness Exercises (Annual)	Qty	2	3	3
Sea Emergency Deployment Readiness Exercise (SEDRE)	Qty	2	2	2
Afloat Prepo Exercise (APS-3)	Qty	0	1	1

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

**Army
Prepositioned
Stocks**

	Location	Brigade Set/ Project	Measure/ Description of Equipment and Supplies	FY 1998 Significant Activities	FY 1999 Significant Activities
Afloat Army Prepositioned Stock-3 (APS-3)	5 Ships in Pacific & Indian Oceans	2x2 Brigade (Contains 2 armored battalions and 2 mechanized infantry battalions)	123 Tanks, 500 armored vehicles, 2K other vehicles, ammunition and supplies for 15 days for 4,500 soldiers	Transload to 3 Large Medium Speed Roll-on/Roll-Off Ships (LMSRs). Returns all RO-ROs to Ready Reserve Fleet	
APS -3 End state will be 15 ships by FY 00. Fleet will consist of 8 LMSRs, 4 container Ships, 2 Heavy Load Prepo Ships (HLPS), and 1 auxiliary crane ship	4 Ships in Pacific & Indian Oceans effective FY 1999	75 Combat Service Support Unit Sets enter in FY 1999	Corps and Theater support units for 5300 soldiers.		Upload Combat Service Support units onto 3 new LMSRs
	3 Ships in Pacific & Indian Oceans	Port Opening Equipment and Watercraft	Float-on/off ship American Cormorant & Auxiliary crane ship Gopher State. Lift-on/off ship enters FY 1998.	2 nd Heavy Lift Prepo Ship (HLPS), Strong Virginian loads with watercraft in England	Strong Virginian participates in Logistics Over The Shore (LOTS) exercise in Korea
	2 Container Ships in Pacific Ocean	Sustain Supplies	30 Days for Corps - - 2800 containers	Maintenance cycle for Gibson -- ship and cargo of 1400 containers	Recontract the 2 container ships. Maintenance cycle for Titus - ship and cargo of 1400 containers
	3 Ships in Indian Ocean - will be 2	Ammunition on lighter aboard ship (LASH)	30 Days for Corps	Delay maintenance cycle for Green Harbor & Green Valley	Transload 3 LASH ships to 2 con- tainer ships of 2500 containers each.

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Army Prepositioned Stocks (In Priority Sequence)</u>	<u>Location</u>	<u>Brigade Set/Project</u>	<u>Measure/Description of Equipment and Supplies</u>	<u>FY 1998 Significant Activities</u>	<u>FY 1999 Significant Activities</u>
South West Asia Army Prepositioned Stocks-5 (APS-5)	Kuwait	2x1 Brigade (Contains 2 armored battallions and 1 mechanized infantry battalion)	116 tanks, 172 track vehicles, 1000 other vehicles 15 days ammunition and sustainment	Exercises	Exercises
		Operational Project	Inland Pipeline Distribute System (IPDS)		
	Qatar	2x1 Brigade & Division Base	116 tanks, 172 track vehicles, 1000 other vehicles 15 days ammunition and sustainment 1 Battalion Task Force in FY 1997	Add Forward Support Battalion. Qatar has 2 Combat Battalion + Forward Support Battalions at end FY.	Issue last Combat Battalion and initial portion of Division Base units.
	Bahrain	Operational Projects	Medical stocks		

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Army Prepositioned Stocks (In Priority Sequence)</u>	<u>Location</u>	<u>Brigade Set/ Project</u>	<u>Measure/ Description of Equipment and Supplies</u>	<u>FY 1998 Significant Activities</u>	<u>FY 1999 Significant Activities</u>
North East Asia APS-4	Korea	2x1 Brigade	116 tanks, 172 track vehicles, 1000 other vehicles 15 days ammunition and sustainment	Upgrade combat power with M1A1HA tanks. Issue Heavy Equipment Mobil Transport Truck (HEMTT) fuel trucks.	
		Operational Projects	Bridges/ airfields, air drop, reception of forces staging onward move & integration (RSOI).		
		Sustainment	45 days		
	Japan	Operational Project and Sustainment	400 vehicles, medical Inland Pipeline Distribution Set (IPDS)	Start to receive air drop operational project	Complete receive air drop operational project

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepo Stocks (In Priority Sequence)	Location	Brigade Set/ Project	Measure/ Description of Equipment and Supplies	FY 1998 Significant Activities	FY 1999 Significant Activities
Europe APS-2	Netherlands	2x1 Brigade Operational Project	116 tanks, 172 track vehicles, 1,000 other vehicles	Prepare excess for issue to APS-3 and APS-5. Bosnia support	Prepare excess for issue to APS-3 and APS-5. Bosnia support
	Belgium/ Luxembourg	2x1 Brigade	116 tanks, 172 track vehicles, 1,000 other vehicles	Prepare excess for issue to APS-3 and APS-5. Bosnia support	Prepare excess for issue to APS-3 and APS-5. Bosnia support
	Italy	2x2 Brigade Operational Project Sustainment	116 tanks, 200 track vehicles, 1,000 other vehicles 15 days ammunition and sustainment	Bosnia support	Bosnia support
	Norway	Artillery Battalion	155 Self Propelled Field Artillery Battalion Sets 15 days ammunition and sustainment	Exercise with Small amount of equipment	Exercise Battalion set in winter
	Germany	Ammunition and Operational Project	Ammunition and Medical Operational Project and sustainment	Care Of Supplies In Storage	Care Of Supplies In Storage

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

**Army Prepo Stocks
(In Priority
Sequence)**

<u>Location</u>	<u>Brigade Set/ Project</u>	<u>Measure/ Description of Equipment and Supplies</u>	<u>FY 1998 Significant Activities</u>	<u>FY 1999 Significant Activities</u>
Continental United States APS-1	Operational Project Sustainment	Base support/ shelters, mortuary, airdrop, medical materiel, etc.	Maintenance of Refrigerator Vans and mortuary project. Start relocate Air drop to Japan	Complete relocate air drop to Japan
Posts, Camps & Stations	Operational Project	Hot and cold weather clothing and CONUS Replacement Centers		

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

**Industrial Preparedness
Unutilized Plant Capacity**

<u>Location</u>	<u>Workstation Classification</u>	<u>Measure</u>	<u>FY 1997 Actual</u>	<u>FY 1998 Estimate</u>	<u>FY 1999 Estimate</u>
1. Toole Army Depot	Conventional Ammo	Total Workstations	155	155	155
		Unutilized (Direct Labor Hours (DLH))	271	238	238
		Funded Workload (DLH)	341	341	341
		Total Capacity (DLH)	612	579	579
		Unutilized Percent (Unutilized divided by Total Capacity)	44	41	41
2. Tobyhanna Army Depot	Depot Maint	Total Workstations	1,764	1,802	1,803
		Unutilized (Direct Labor Hours (DLH))	2,707	2,764	2,766
		Funded Workload (DLH)	2,384	2,449	2,199
		Total Capacity (DLH)	5,091	5,213	4,965
		Unutilized Percent (Unutilized divided by Total Capacity)	53	53	56

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

**Industrial Preparedness
Unutilized Plant Capacity**

<u>Location</u>	<u>Workstation Classification</u>	Measure	FY 1997 <u>Actual</u>	FY 1998 <u>Estimate</u>	FY 1999 <u>Estimate</u>
3. Letterkenny Army Depot	Depot Maint	Total Workstations	Qty 300	497	497
		Unutilized (Direct Labor Hours (DLH))	484	762	762
		Funded Workload (DLH)	1,713	1,713	1,394
		Total Capacity (DLH)	2,197	2,475	2,156
		Unutilized Percent (Unutilized divided by Total Capacity)	22	31	35
4. Bluegrass Army Depot	Conventional Ammo	Total Workstations	Qty 50	52	52
		Unutilized (Direct Labor Hours (DLH))	77	80	80
		Funded Workload (DLH)	452	464	494
		Total Capacity (DLH)	529	544	574
		Unutilized Percent (Unutilized divided by Total Capacity)	15	15	14

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

**Industrial Preparedness
Unutilized Plant Capacity**

<u>Location</u>	<u>Workstation Classification</u>	Measure	FY 1997 <u>Actual</u>	FY 1998 <u>Estimate</u>	FY 1999 <u>Estimate</u>
5. Anniston Army Depot	Depot Maint	Qty	87	87	87
	Total Workstations				
	Unutilized (Direct Labor Hours (DLH))	(\$000)	178	133	133
	Funded Workload (DLH)	(\$000)	2,858	2,235	2,235
	Total Capacity (DLH)	(\$000)	3,036	2,368	2,368
	Unutilized Percent (Unutilized divided by Total Capacity)		6	6	6
6. McAlester Ammo Plant	Conventional Ammo	Qty	1,225	1,102	1,102
	Total Workstations				
	Unutilized (Direct Labor Hours (DLH))	(\$000)	1,879	1,691	1,691
	Funded Workload (DLH)	(\$000)	223	223	223
	Total Capacity (DLH)	(\$000)	2,102	1,914	1,914
	Unutilized Percent (Unutilized divided by Total Capacity)		89	88	88

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

**Industrial Preparedness
Unutilized Plant Capacity**

<u>Location</u>	<u>Workstation Classification</u>	<u>Measure</u>	<u>FY 1997 Actual</u>	<u>FY 1998 Estimate</u>	<u>FY 1999 Estimate</u>
7. Watervliet Arsenal	Conventional Ammo	Total Workstations	280	280	280
		Unutilized (Direct Labor Hours (DLH))	432	429	429
		Funded Workload (DLH)	500	500	500
		Total Capacity (DLH)	932	929	929
		Unutilized Percent (Unutilized divided by Total Capacity)	46	46	46

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

IV. Performance Criteria and Evaluation Summary (Continued):

<u>REAL PROPERTY MAINTENANCE</u>		<u>Measure</u>	<u>FY 1997 Actual</u>	<u>FY 1998 Estimate</u>	<u>FY 1999 Estimate</u>
A.	Maintenance and Repair				
	Total Number of Projects	(\$000)	0	0	57,282
	Buildings	Qty	0	0	15
	Pavements	(\$000)	0	0	0
		(\$000)	0	0	40,922
	Locations:				
	Fort Bliss	Qty	0	0	3
	Fort Benning	Qty	0	0	2
	Red River Army Depot	Qty	0	0	3
	Hawthorne	Qty	0	0	3
	Land	(\$000)	0	0	0
	Other Facilities	(\$000)	0	0	0
	Railroad Trackage	(\$000)	0	0	16,360
	Locations:				
	McAlester Army Ammunition Plant	Qty	0	0	1
	Blue Grass Army Depot	Qty	0	0	1
	Military Ocean Terminal Sunnypoint	Qty	0	0	1
	Fort Lewis	Qty	0	0	1
	Recurring Maintenance	(\$000)	0	0	0
	Major Repair	(\$000)	0	0	0
B.	Minor Construction				
	Total Number of Projects	(\$000)	0	0	8,818
		Qty	0	0	21
	Locations:				
	Fort Stewart	Qty	0	0	3
	Fort Campbell	Qty	0	0	7
	Fort Benning	Qty	0	0	3
	Red River Army Depot	Qty	0	0	1
	Letterkenny	Qty	0	0	1
	Fort Riley	Qty	0	0	3
	Fort McCoy	Qty	0	0	3

BUDGET ACTIVITY: MOBILIZATION
Activity Group: Mobility Operations

V. Personnel Summary:	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	Change <u>FY 1998/1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	462	313	322	9
Enlisted	123	101	117	16
	339	212	205	-7
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	989	957	943	-14
Foreign National Direct Hire	273	383	389	6
Total Direct Hire	490	359	339	-20
Foreign National Indirect Hire	763	742	728	-14
	226	215	215	0
<u>Military Average Strength (Total)</u>				
Officer	232	388	318	-70
Enlisted	62	112	109	-3
	170	276	209	-67
<u>Civilian Full-Time Equivalents (Total)</u>				
U.S. Direct Hire	917	990	937	-53
Foreign National Direct Hire	271	408	388	-20
Total Direct Hire	467	367	334	-33
Foreign National Indirect Hire	738	775	722	-53
	179	215	215	0

DEPARTMENT OF THE ARMY
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE, ARMY

BUDGET ACTIVITY: TRAINING AND RECRUITING

I. Description of Operations Financed

The Training and Recruiting Budget Activity of the Operation and Maintenance, Army Budget attracts, recruits and produces a force trained to mobilize, deploy, fight, and win anywhere in the world. Funds requested in this Budget Activity finance the day-to-day operations of institutional training, other selected training, and training support activities. This budget request includes the total cost of operating and maintaining Accession Training; Basic Skill and Advanced Training; and Recruiting and Other Training and Education.

Training and Recruiting expenses financed in this Budget Activity include the cost of running the United States Military Academy; the United States Military Academy Preparatory School; Army Training Centers; schoolhouses on Army installations; the Senior Reserve Officers' Training Corps (SROTC) program; enlisted recruiting, advertising, and recruit examining activities at the U.S. Military Entrance Processing Command (USMEPCOM) for which the Army is Executive Agent; civilian and off-duty military education; Junior ROTC operations; and the cost of operating and maintaining training installations.

The Training and Recruiting Budget Activity consists of 3 Activity Groups and 18 sub-activities that represent different facets of training and recruiting within the Army. Each sub-activity is characterized by specific cost drivers that correlate the budget request to performance measures, workload, and output that relate to specific outcomes for each sub-activity. Cost drivers and specific performance criteria are detailed in Section IV of the individual Budget Sub-Activity Group justification material. The Budget Activity Groups and sub-activities are summarized as follows.

BUDGET ACTIVITY: TRAINING AND RECRUITING

I. Description of Operations Financed (Continued):

ACCESSION TRAINING - This funding will allow the Army to produce trained soldiers and officers to meet the force structure requirements of the National Military Strategy. Expected outcomes by sub-activity are:

OFFICER ACQUISITION - Professionally trained officers capable of providing effective leadership to combat units and support units.

RECRUIT TRAINING - Soldiers trained in basic combat skills, disciplined, motivated, and prepared for Military Occupational Speciality (MOS) training.

ONE STATION UNIT TRAINING - Soldiers that are fully MOS qualified and immediately available for assignment to combat units around the world.

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC) - Professionally trained officers capable of providing effective leadership to combat units and support units in the active or reserve component.

BASE OPERATIONS SUPPORT - Installation operations at the U.S. Military Academy. Provides a quality environment for a professional academic education. Base Operations Support includes Base Operations, Base Communications, Audiovisual, Environmental Programs, Child Development, and Family Centers.

REAL PROPERTY MAINTENANCE - Installation infrastructure maintenance at the U.S. Military Academy. Real Property Maintenance includes Maintenance and Repair and Minor Construction.

BUDGET ACTIVITY: TRAINING AND RECRUITING

I. Description of Operations Financed (Continued):

BASIC SKILL AND ADVANCED TRAINING - This funding allows the Army to conduct a continuing education system beyond the initial entry level throughout the career development life cycle of its officers, noncommissioned officers, and civilians in order to produce leaders and supervisors who are tactically and technically proficient in state-of-the-art techniques. The sub-activities are summarized below:

SPECIALIZED SKILL TRAINING - Soldiers trained in specific skills that match the skill requirements of positions in the field Army in the quantity required by the National Military Strategy. The Army also trains other Services from within the resources budgeted for Specialized Skill Training. Of the training conducted for other Services, the Army funds approximately 70 percent of the training and 30 percent is reimbursed. The training for other Services spans the training spectrum from field artillery training to language training.

FLIGHT TRAINING - Professionally trained aviators in the quantities and skills required by Army force structure needed for the air component of the combined arms warfighting doctrine.

PROFESSIONAL DEVELOPMENT EDUCATION - Officers, noncommissioned officers, and civilian leaders who maintain up-to-date proficiency in their profession in order to defeat any enemy in battle and provide quality stewardship of a peacetime Army. The Army must maintain adequate numbers of trained, tough, competent leaders capable of quick deployment against future threats requiring rapid expansion of forces.

TRAINING SUPPORT - A quality Army-wide administrative and logistic infrastructure that fully supports a professional training and education system.

BASE OPERATIONS SUPPORT - Installation operations at the U.S. Army Training and Doctrine Command (TRADOC). Provides a quality environment for professional training/education and serves as force projection platforms for deployable units located at the installations (e.g., III Corps Artillery at Fort Sill, OK; 513th Military Intelligence Brigade at Fort Gordon, GA; 7th Transportation Group at Fort Eustis, VA; 75th Ranger Regiment and Battalion at Fort Benning, GA; III Corps and I Corps Air Defense Artillery at Fort Bliss, TX; 3rd Brigade of 3rd Infantry Division at Fort Benning, GA; and a Combat Engineer Battalion at Fort Leonard Wood, MO). Base Operations Support includes Base Operations, Base Communications, Audiovisual, Environmental Programs, Child Development, and Family Centers.

REAL PROPERTY MAINTENANCE - Installation infrastructure maintenance at the U.S. Army Training and Doctrine Command (TRADOC) to support institutional training and serve as force projection platforms. Real Property Maintenance includes Maintenance and Repair and Minor Construction.

BUDGET ACTIVITY: TRAINING AND RECRUITING

I. Description of Operations Financed (Continued):

RECRUITING AND OTHER TRAINING AND EDUCATION - This funding allows the Army to attract and recruit quality citizens into the Army in the quantity necessary to support the National Military Strategy. Also included are funds to allow for the continuing education of our soldiers and civilians in civilian institutions and the introduction of leadership instruction and values into secondary schools. The sub-activities are summarized below:

RECRUITING AND ADVERTISING - Citizens, interested in the tradition and values of the Army, and qualified to be inducted into the Army in the quantity dictated by the National Military Strategy.

EXAMINING - Recruited candidates for the Armed Forces that meet the mental and physical demands of military service in the quantities dictated by the National Military Strategy.

OFF DUTY AND VOLUNTARY EDUCATION - Highly educated military leaders who enhance their personal and professional skills through job related civilian education and thereby increase their job performance and leadership skills.

CIVILIAN EDUCATION AND TRAINING - Highly trained civilian leaders in the quantity and skills needed to provide professional stewardship of the Army.

JUNIOR RESERVE OFFICERS' TRAINING CORPS (JROTC) - Well-rounded, well educated secondary school students, inculcated with leadership and patriotism, and trained to become responsible citizens.

BASE OPERATIONS SUPPORT - Leased facilities for a professional environment to meet American citizens who are interested in joining the Armed Forces, and that provide adequate facilities for entrance processing. Base Operations Support includes leased facilities and the real property maintenance required to maintain the facilities, Base Communications, and Audiovisual.

BUDGET ACTIVITY: TRAINING AND RECRUITING

II. Force Structure Summary:

TRAINING - Provides resources for the operation and maintenance of 6 Army Training Centers, 30 Army schools and colleges, and 4 Department of Defense (DoD) and Joint Service schools and colleges in Army's role as Executive Agent. This budget activity also supports 3 Senior Reserve Officers' Training Corps (ROTC) regional headquarters serving Senior ROTC detachments located on college and university campuses throughout the United States, Puerto Rico, Guam, and the Virgin Islands. The Training program also supports Army unique training provided to members of other Services; Department of Defense (DoD) and other Federal Agencies; selected local, state and national governments; and members of the armed forces of other nations.

RECRUITING AND OTHER TRAINING AND EDUCATION - Supports recruiting stations. The Army, as DoD Executive Agent for examining, supports company-sized Military Entrance Processing Stations (MEPS). The recruiting stations and MEPS are geographically dispersed throughout the Continental United States, Hawaii, Alaska and Puerto Rico. Junior Reserve Officers' Training Corps (JROTC) supports units at high schools located in every state in the nation and in 17 overseas locations.

The training institutions for which this budget program provides operation and maintenance funds are:

U.S. Army Training Centers

Fort Jackson, SC
Fort Knox, KY
Fort McClellan, AL
Fort Sill, OK
Fort Benning, GA
Fort Leonard Wood, MO

BUDGET ACTIVITY: TRAINING AND RECRUITING

II. Force Structure Summary (Continued):

U.S. Army Schools and Colleges

Adjutant General School.....	Fort Jackson, SC
Air Defense Center and School.....	Fort Bliss, TX
Armor Center and School.....	Fort Knox, KY
Army Logistics Management College.....	Fort Lee, VA
Army Management Engineering College.....	Rock Island, IL
Army Management Staff College.....	Fort Belvoir, VA
Army War College.....	Carlisle Barracks, PA
Aviation Center and School.....	Fort Rucker, AL
Chaplain Center and School.....	Fort Jackson, SC
Chemical School.....	Fort McClellan, AL
Command and General Staff College.....	Fort Leavenworth, KS
Engineer Center and School.....	Fort Leonard Wood, MO
Engineering and Housing Support Center.....	Fort Belvoir, VA
Field Artillery Center and School.....	Fort Sill, OK
Finance School.....	Fort Jackson, SC
Infantry Center and School.....	Fort Benning, GA
Intelligence Center and School.....	Fort Huachuca, AZ
Intern Training Center (School of Engineering and Logistics).....	Texarkana, TX
Judge Advocate General School.....	Charlottesville, VA
Military Police School.....	Fort McClellan, AL
Missile and Munitions Center and School.....	Redstone Arsenal, AL
Ordnance Center and School.....	Aberdeen Proving Ground, MD

BUDGET ACTIVITY: TRAINING AND RECRUITING

II. Force Structure Summary (Continued):

Quartermaster School.....	Fort Lee, VA
School of the Americas.....	Fort Benning, GA
Sergeants Major Academy.....	Fort Bliss, TX
Signal School.....	Fort Gordon, GA
Soldier Support Institute.....	Fort Jackson, SC
U.S. Army Transportation and Aviation Logistics Schools.....	Fort Eustis, VA
U.S. Military Academy.....	West Point, NY
U.S. Military Academy Preparatory School.....	Fort Monmouth, NJ

Department of Defense/Joint Services Schools and Colleges

Army Defense Ammunition Center and School.....	Savannah, IL
Defense Language Institute/Foreign Language Center.....	Presidio of Monterey, CA
School of Military Packaging Technology.....	Aberdeen Proving Ground, MD
National Defense University.....	Fort McNair, Washington, DC
National War College.....	Fort McNair, Washington, DC
Industrial College of the Armed Forces.....	Fort McNair, Washington, DC
Information Resources Management College.....	Fort McNair, Washington, DC
Institute for National Strategic Studies.....	Fort McNair, Washington, DC
Center for Hemispheric Defense Studies.....	Fort McNair, Washington, DC
Defense Acquisition University.....	Alexandria, Virginia

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Activity Group:</u>	FY 1998			FY 1999 Request
	FY 1997 Actuals	Budget Request	Current Estimate	
1. Accession Training	335,283	305,056	304,106	339,001
2. Basic Skill & Advanced Training	2,103,577	2,203,708	2,209,708	2,165,176
3. Recruiting & Other Training & Education	748,634	710,934	724,684	731,386
Total	3,187,494	3,219,698	3,238,498	3,235,563

B. Reconciliation Summary:

	CHANGE FY 1998/ FY 1998	CHANGE FY 1998/ FY 1999
Baseline Funding	3,219,698	3,178,492
Congressional Adjustments (Distributed)	18,800	0
Budget Amendment	-157	0
Congressional Adjustments (Realignment)	-26,171	0
Congressional Adjustments (Undistributed)	-34,541	0
General Provisions	-6,932	0
Reprogramming/Transfers	6,251	0
Price Change	0	70,290
Functional Transfer	-10,615	113,224
Program Changes	12,159	-126,443
Current Estimate	3,178,492	3,235,563

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request..... \$ 3,219,698

Congressional Adjustments (Distributed):

a. Service Academy - Foreign Students.....	\$ -1,400
b. Army Air Battle Captain Program.....	\$ 450
c. Army Pilot Modernization Program.....	\$ 11,000
d. Training Infrastructure Reduction.....	\$ -5,000
e. Recruiting-Enlisted Advertising.....	\$ 7,000
f. Recruiter Support.....	\$ 3,500
g. Recruiting-College Loan Repayment Program.....	\$ 2,500
h. Indiana University Northwest Junior Reserve Officers' Training Corps Mentoring Program.....	\$ 750

Total Congressional Adjustments (Distributed)..... \$ 18,800

FY 1998 Appropriated Amount (Distributed)..... \$ 3,238,498

Budget Amendment:

Foreign Currency Reduction..... \$ -157

Total Budget Amendment..... \$ -157

Congressional Adjustments (Realignment):

a. Flying Hour Program.....	\$ -6,047
b. Headquarters and Administrative Activity Reduction.....	\$ -4,624
c. Federal Energy Management Program.....	\$ -15,500

Total Congressional Adjustments (Realignment)..... \$ -26,171

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Civilian Personnel Understrength.....	\$	-15,646
b. Quadrennial Defense Review (QDR)-Civilian Personnel Reductions.	\$	-11,362
c. High Risk Automation Systems.....	\$	-4,148
d. Revised Economic Assumptions.....	\$	-6,763
e. Temporary Duty (TDY) Expenses.....	\$	-3,782
f. General Reduction, National Defense Stockpile Fund.....	\$	-8,251
g. Real Property Maintenance.....	\$	26,600
h. Non-Base Realignment and Closure (BRAC) Caretaker Status.....	\$	-11,121
i. Foreign Currency Fluctuation.....	\$	-68

Total Congressional Adjustments (Undistributed)..... \$ -34,541

General Provisions:

a. Section 8041, Contract Advisory and Assistance Services Savings	\$	-328
b. Section 8105, Excess Inventory Savings.....	\$	-6,602
c. Federally Funded Research and Development Centers.....	\$	-2

Total General Provisions..... \$ -6,932

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Reprogramming/Transfers:

Increase

National Defense Stockpile Fund Transfer..... \$ 8,251

Total Increase..... \$ 8,251

Decrease

Joint Department of Defense Manpower Surveys, Studies, and
Reports..... \$ -2,000

Total Decrease..... \$ -2,000

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers:

Intra Appropriation Transfer In

Basic Noncommissioned Officers' Course..... \$ 996

Total Transfer In..... \$ 996

Intra Appropriation Transfer Out

a. Army Distance Learning Program Management..... \$ -11,600

b. Alignment of Army Signal Command (ASC) Resources..... \$ -11

Total Transfers Out..... \$ -11,611

Total Functional Program Transfers..... \$ -10,615

Program Increase:

Execution/Fact of Life Changes..... \$ 12,459

Total Program Increase..... \$ 12,459

Program Decrease:

Executive Level Combating Terrorism Seminar..... \$ -300

Total Program Decrease..... \$ -300

FY 1998 Current Estimate..... \$ 3,178,492

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 1998 Current Estimate.....				\$ 3,178,492
Price Growth:				
Total Price Growth.....				\$ 70,290
Functional Program Transfers:				
Inter Appropriation Transfer In				
a. National Defense University.....	\$ 110,956			
b. Interservice Training Review Organization Transfer.....	\$ 2,888			
c. Defense Finance and Accounting Service (DFAS) Transfer.....	\$ 50			
Intra Appropriation Transfer In				
Army Signal Activity - West Point Information Management.Transfer.	\$ 894			
Total Transfers In.....	\$	\$ 114,788		
Inter Appropriation Transfers Out				
a. Initial Fort McClellan Enclave Transfer.....	\$ -1,484			
b. Fixed Wing Mission Transfer.....	\$ -80			
Total Transfers Out.....	\$	\$ -1,564		
Total Functional Program Transfers.....			\$	113,224

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Recruit Training.....	\$	1,947
b. One Station Unit Training (OSUT).....	\$	606
c. Senior Reserve Officers' Training Corps (SROTC).....	\$	9,342
d. Flight Training.....	\$	12,769
e. Army War College.....	\$	4,206
f. National Defense University.....	\$	3,217
g. A-76 Studies (USMA Base Operations Support).....	\$	550
h. Real Property Maintenance (USMA).....	\$	15,234
i. A-76 Studies (TRADOC Base Operations Support).....	\$	1,770
j. Utilities Modernization (TRADOC RPM).....	\$	14,000
k. Advertising.....	\$	9,618
l. Base Operations Support (Recruiting and Other Training and Education).....	\$	9,266
Total Program Increases.....	\$	82,525

BUDGET ACTIVITY: TRAINING AND RECRUITING

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

a. United States Military Academy (USMA).....	\$	-1,396
b. Base Operations Support (USMA).....	\$	-441
c. Specialized Skill Training.....	\$	-9,455
d. Training Support.....	\$	-8,365
e. Outsourcing and Privatization (TRADOC BASOPS).....	\$	-14,680
f. Base Operations Support (TRADOC).....	\$	-79,424
g. Barracks Conversion (TRADOC RPM).....	\$	-12,066
h. Real Property Maintenance (TRADOC).....	\$	-4,142
i. Environmental Programs (TRADOC).....	\$	-25,930
j. Recruiter Support.....	\$	-38,045
k. Examining.....	\$	-838
l. Army Continuing Education System (ACES).....	\$	-745
m. Veterans Education Assistance Program (VEAP).....	\$	-2,702
n. Loan Repayment Program (LRP).....	\$	-2,066
o. Army Civilian Training, Education, and Development System (ACTEDS).....	\$	-4,830
p. Army Acquisition Civilian Training Program.....	\$	-2,184
q. Junior Reserve Officers' Training Corps (JROTC).....	\$	-1,659

Total Program Decreases..... \$ -208,968

FY 1999 Budget Request..... \$ 3,235,563

BUDGET ACTIVITY: TRAINING AND RECRUITING

IV. Performance Criteria and Evaluation Summary:

Performance Criteria and Evaluation Summary appears at the Activity Group level.

BUDGET ACTIVITY: TRAINING AND RECRUITING

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999	CHANGE FY 1998/FY 1999
<u>Active Military End Strength (Total)</u>				
Officer	44,216	41,919	41,530	-389
Enlisted	7,404	7,472	7,478	6
	36,812	34,447	34,052	-395
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	25,411	23,434	23,035	-399
Foreign National Direct Hire	25,362	23,394	23,019	-375
Total Direct Hire	16	16	4	-12
Foreign National Indirect Hire	25,378	23,410	23,023	-387
	33	24	12	-12
<u>Military Average Strength (Total)</u>				
Officer	42,226	43,069	41,726	-1,343
Enlisted	7,165	7,439	7,475	36
	35,061	35,630	34,251	-1,379
<u>Civilian Full-Time Equivalents (Total)</u>				
U.S. Direct Hire	25,445	24,280	23,416	-864
Foreign National Direct Hire	25,414	24,240	23,400	-840
Total Direct Hire	5	16	4	-12
Foreign National Indirect Hire	25,419	24,256	23,404	-852
	26	24	12	-12

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

I. Description of Operations Financed:

The Accession Training Activity Group consists of six sub-activities that represent initial training to provide the Army with qualified officer and enlisted personnel. Each sub-activity can be related to cost drivers that correlate to the budget request and are displayed in Section IV, Performance Criteria and Evaluation Summary.

OFFICER ACQUISITION - The funds provide support to the U.S. Military Academy's resident instruction programs, administration, civilian personnel pay and allowances, cadet support, school preparation of training aids, and training literature. Other costs included are temporary duty (travel and per diem), cadet field trips, general supplies and equipment, contractual services, Army research and the library. Cost drivers are the number of students enrolled.

The funds provide support to the U.S. Military Academy Preparatory School for civilian personnel pay and allowances, supplies and equipment, resident instruction programs, transportation (TDY), and contractual services. Cost drivers are the number of students enrolled.

The funds for the Officer Candidate School support the general supplies and equipment, contractual services, and organizational clothing issued to each candidate, whether on active or reserve duty. Cost drivers are the number of students enrolled.

RECRUIT TRAINING - The funds support the civilian pay and benefits, trainee processing at reception stations, trainee support, resident instruction, local preparation of training aids and training literature, procurement of supplies and equipment, and contractual services. Also included are temporary duty (travel and per diem) for staff and faculty, and organizational clothing and equipment issued for use during the training period. Cost drivers are the number of recruits trained.

ONE STATION UNIT TRAINING - The funds support the civilian pay and benefits, trainee support, resident instruction, local preparation of training aids and training literature, procurement of supplies and equipment, and contractual services. Also included are temporary duty (travel and per diem) for staff and faculty, and organizational clothing and equipment issued for use during the training period. Cost drivers are the number of enrolled trainees obtaining their Military Occupational Specialty (MOS).

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

I. Description of Operations Financed (Continued):

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC) - The funds provide for support of on-campus operations and training, scholarships for selected students, summer camp operations, and the operation of Senior ROTC regional headquarters and Headquarters, Cadet Command. On-campus support requires funds for civilian pay and allowances; temporary duty (travel and per diem); miscellaneous contractual support; transportation; and the purchase of organizational clothing and equipment, textbooks, reference publication, and supplies. Scholarship funds provide for tuition costs, academic texts, laboratory fees, and other related academic expenses for the students who are awarded or continue on scholarship each year. Cost drivers are number of Senior ROTC students enrolled, and number and type of scholarships awarded.

BASE OPERATIONS SUPPORT PROGRAM - Consists of the following two programs at the U.S. Military Academy and U.S. Military Academy Preparation School.

(1) **BASE OPERATIONS** - Provides funding support for installation supply, maintenance of installation equipment, transportation services, laundry and dry cleaning services, dining facilities, personnel support, unaccompanied personnel housing furnishings, automated data processing, community and morale support, preservation of order, resource management, training and mobilization, contracting support, security and counter-intelligence operation, records management and publications, operation of utilities systems, engineering support, management of the Army's Environmental Programs, Army Community Services, Child Development Services, Youth Services, Base Communications and Visual Information Services at the U.S. Military Academy (West Point) and Stewart Army Subpost. Cost drivers are the size of the installations in terms of military and civilian population, number of Officer and Enlisted quarters, leased space, facilities supported, and utilities used.

(2) **ENVIRONMENTAL PROGRAMS** - Provides funding support at U.S. Military Academy for management of the Army's Environmental programs, applicable environmental laws, regulations, criteria, and standards. Environmental assessments, planning, mitigation, and compliance evaluation actions are performed to ensure compliance with State and Federal laws.

REAL PROPERTY MAINTENANCE - Resources at U.S. Military Academy to maintain and repair buildings, structures, roads, railroads, and grounds and utility systems projects. They also provide for the erection, installation, or assembly of a new real property facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing real property facility; or the relocation of a real property facility from one installation to another. Minor construction projects are funded for life, health, and safety with a maximum cost of \$1,000,000. All other minor construction projects are funded with a maximum cost of \$500,000. Cost drivers are the number of projects.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

II. Force Structure Summary:

OFFICER ACQUISITION - Provides for the operation and support of the United States Military Academy (USMA) located at West Point, NY; the United States Military Academy Preparatory School (USMAPS) located at Fort Monmouth, NJ; and the Officer Candidate School (OCS) located at Fort Benning, GA.

RECRUIT TRAINING - An 9-week introductory and combat survival skill training course given to enlisted personnel at Army Training Centers located at Fort Jackson, SC; Fort Knox, KY; Fort Sill, OK; and Fort Leonard Wood, MO.

ONE STATION UNIT TRAINING - A 13-18 week combined Recruit Training/Initial Skill Training given to enlisted personnel located at Fort Benning, GA; Fort McClellan, AL; Fort Knox, KY; Fort Sill, OK; and Fort Leonard Wood, MO.

SENIOR RESERVE OFFICERS' TRAINING CORPS - Cadet Command accomplishes its mission through the Cadet Command Headquarters, 3 ROTC regional headquarters, 255 ROTC Battalions, 15 extension centers and 1,093 cross-enrolled college campuses.

THE BASE OPERATIONS SUPPORT PROGRAM - Supports installation operations at the U.S. Military Academy (West Point) and Stewart Army Subpost.

THE REAL PROPERTY MAINTENANCE PROGRAM - Supports minor construction and maintenance of facilities at the U.S. Military Academy (West Point) and Stewart Army Subpost.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands):

A. Activity Group:	FY 1998				FY 1999 Request
	FY 1997 Actuals	Budget Request	Appropriation	Current Estimate	
1. Officer Acquisition	64,457	63,992	62,592	63,216	63,580
2. Recruit Training	13,004	12,620	12,620	12,006	14,264
3. One Station Unit Training	14,325	14,723	14,723	14,009	14,909
4. Senior Reserve Officers' Training Corps	115,575	113,128	113,578	118,653	130,270
5. Base Operations Support	77,146	72,470	72,470	70,358	72,999
6. Real Property Maintenance	50,776	28,123	28,123	27,204	42,979
Total	335,283	305,056	304,106	305,446	339,001

B. Reconciliation Summary:

	CHANGE	
	FY 1998/ FY 1998	FY 1998/ FY 1999
Baseline Funding	305,056	305,446
Congressional Adjustments (Distributed)	-950	0
Budget Amendment	0	0
Congressional Adjustments (Realignment)	-1,750	0
Congressional Adjustments (Undistributed)	-2,397	0
General Provisions	-643	0
Reprogramming/Transfers	804	0
Price Change	0	6,819
Functional Transfer	0	894
Program Changes	5,326	25,842
Current Estimate	305,446	339,001

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request..... \$ 305,056

Congressional Adjustments (Distributed):

a. Service Academy - Foreign Students..... \$ -1,400
b. Army Air Battle Captain Program..... \$ 450

Total Congressional Adjustments (Distributed)..... \$ -950

FY 1998 Appropriated Amount (Distributed)..... \$ 304,106

Congressional Adjustments (Realignment):

a. Indiana University Northwest Junior Reserve Officers' Training
Corps Mentoring Program..... \$ 750
b. Federal Energy Management Program..... \$ -2,500

Total Congressional Adjustments (Realignment)..... \$ -1,750

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Civilian Personnel Understrength.....	\$	-1,542
b. Quadrennial Defense Review (QDR)-Civilian Personnel Reductions.....	\$	-1,120
c. High Risk Automation Systems.....	\$	-403
d. Revised Economic Assumptions.....	\$	-658
e. Temporary Duty (TDY) Expenses.....	\$	-370
f. General Reduction, National Defense Stockpile Fund.....	\$	-804
g. Real Property Maintenance.....	\$	2,700
h. Non-Base Realignment and Closure (BRAC) Caretaker Status.....	\$	-200
Total Congressional Adjustments (Undistributed).....	\$	-2,397

General Provisions:

Section 8105, Excess Inventory Savings.....	\$	-643
Total General Provisions.....	\$	-643

Reprogramming/Transfers:

Increase

National Defense Stockpile Transfer.....	\$	804
Total Increase.....	\$	804

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increase:

Execution/Fact of Life Changes..... \$ 5,326
 This adjustment represents the net impact of increases to Senior Reserve Officers' Training Corps and Officer Acquisition partially offset by decreases in Recruit Training, One Station Unit Training, Base Operations Support, and Real Property Maintenance.

Total Program Increase.....	\$ 5,326
FY 1998 Current Estimate.....	\$ 305,446

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 1998 Current Estimate.....	\$	305,446
Price Growth:		
Total Price Growth.....	\$	6,819

Functional Program Transfer:

Intra Appropriation Transfer In

Army Signal Activity - West Point Information Management..... \$ 894

Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 4 (Administration and Servicewide Activities) to Budget Activity 3 (Training and Recruiting) to realign information management resources. This transfer realigns the information management function from the Army Signal Command at Forces Command to the United States Military Academy (USMA) to promote more efficient and effective operation of the information management required for USMA.

Total Transfer In.....	\$	894
Total Functional Program Transfer.....	\$	894

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Recruit Training (FY 1998 Base: \$12,006) \$ 1,947

In FY 1999, Recruit Training workload requirement increases from the FY 1998 level of 11,841 to 13,353, an increase of 1,512 direct loads. The Active Component workload increases 531, the Reserve and National Guard increases 422 and 559, respectively. The load and funding increase will extend recruit training by one week. During the additional week of training the Army will add 54 hours of training by expanding human relations training from 8 to 24 hours; values and traditions from 1 to 12 hours; additional 6 hours of physical fitness training, and incorporate a 72 hour 'warrior' field training exercise. Additional training will strengthen trainees "corporate pride" and reinforce traditional Army values. The end result is trained soldier with reinforced Army values and heritage.

b. One Station Unit Training (OSUT) (FY 1998 Base: \$14,009) \$ 606

In FY 1999, One Station Unit Training workload requirement increases from the FY 1998 level of 9,472 to 9,990, an increase of 518 direct loads. The Active Component and National Guard workload increases 312 and 162, respectively. The Reserve workload decreases 1. Additionally, the other services workload increase 45 direct loads. The load and funding increase will extend OSUT by one week. During the additional week of training the Army will add 54 hours of training by expanding human relations training from 8 to 24 hours; values and traditions from 1 to 12 hours; additional 6 hours of physical fitness training, and incorporate a 72 hour 'warrior' field training exercise. Additional training will strengthen trainees "corporate pride" and reinforce traditional Army values. The end result is trained soldier with reinforced Army values and heritage.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

c. Senior Reserve Officers' Training Corps (FY 1998 Base: \$118,653) \$ 9,342

The Army's Senior Reserve Officers' Training Corps (SROTC) program is a primary source for training and accessing quality officers. The lieutenant goal is 3,800 for FY 1999. The SROTC increases for three reasons: (1) increased resources are essential to conduct a Proof of Principle Test for Senior ROTC Staffing Alternatives. Under the Army Institutional Redesign Study, the Army has an initiative being studied to staff SROTC with a combination of Active Component (AC), Reserve Component, and contractors instead of staffing SROTC with all AC personnel. The primary goal is to reduce the AC structure at Cadet Command and reinvest the AC personnel for critical force structure units across the Army; (2) increased funding is necessary to offset higher tuition costs. Cadet Command experiences tuition inflation significantly above the standard Department of Defense (DoD) inflation rate. College tuition costs have risen anywhere from 14 percent (average 6.6 percent) in the public schools to 28 percent (average 8.6 percent) and higher at private institutions; (3) funding is required for one-time projected cost of reengineering the command for greater efficiency and future cost reductions.

d. A-76 Studies (USMA Base Operations Support) (FY 1998 Base \$ 0) \$ 550

This increase provides funds to comply with the Quadrennial Defense Review (QDR) guidance to compete infrastructure functions for potential outsourcing. In FY 1999, the Army plans to conduct OMB Circular A-76 studies of approximately 10,656 civilians and 2,819 military spaces and anticipates potential savings from the studies. The precise amount of the Army civilian reductions will depend on the result of the Army's outsourcing and privatization initiative.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

e. Real Property Maintenance, United States Military Academy (USMA)
(FY 1998 Base: \$27,204)..... \$ 15,234
The FY 1999 increase funds Real Property Maintenance
projects in support of the USMA initiative to revitalize its
infrastructure by the year 2002.

Total Program Increases..... \$ 27,679

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

- a. United States Military Academy (USMA) (FY 1998 Base: \$63,216). \$ -1,396
 The funding for the United States Military Academy decreases as the Academy follows suit with the rest of the Army and implements economies and efficiencies by employing several cost reduction initiatives. For example, USMA is reducing visiting professors by 50% and reengineering information management.
- b. Base Operations Support (USMA) (FY 1998 Base: \$70,358)..... \$ -441
 This decrease represents affordability reductions to Base Operations Support functional areas due to constrained Army resources. The reduced funding level is adequate to stabilize soldier, family, and infrastructure programs.

Total Program Decreases..... \$ -1,837

FY 1999 Budget Request..... \$ 339,001

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary:

OFFICER ACQUISITION

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
U.S. Military Academy	1,192	927	3,908	1,190	894	3,964
USMA Preparatory School	226	172	166	232	186	174
Officer Candidate School	500	455	135	467	424	124
Total Direct	1,918	1,554	4,209	1,889	1,504	4,263

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
U.S. Military Academy	1,190	957	3,948
Preparatory School	220	176	165
Officer Candidate School	413	377	111
Total Direct	1,823	1,510	4,224

Input is number of entering first year students. Output is number of fourth year graduating students.
Workload is the equivalent of student workyears for four class years for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary:

RECRUIT TRAINING

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	49,277	44,219	7,346	42,290	40,555	6,573
Army Reserve	12,462	11,208	1,887	17,758	15,544	2,664
Army National Guard	15,445	13,395	2,293	17,197	15,360	2,604
Total Direct	77,184	68,822	11,526	77,245	71,459	11,841

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Active Army	41,221	39,264	7,104
Army Reserve	17,474	17,152	3,086
Army National Guard	18,327	17,102	3,163
Total Direct	77,022	73,518	13,353

Workload is the equivalent of trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary:

ONE STATION UNIT TRAINING

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	21,941	17,482	5,401	26,003	22,779	6,697
Army Reserve	1,806	1,858	481	2,389	2,025	593
Army National Guard	9,065	8,454	1,978	9,548	8,892	2,056
Other Services/DOD	785	744	137	747	662	126
Total Direct	33,597	28,538	7,997	38,687	34,358	9,472
Other (Non-US)	2	2	0	17	17	2
Total	33,599	28,540	7,997	38,704	34,375	9,474

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Active Army	25,586	23,168	7,009
Army Reserve	2,357	1,978	592
Army National Guard	9,819	8,804	2,218
Other Services/DOD	889	1,017	171
Total Direct	38,651	34,967	9,990
Other (Non-US)	94	86	11
Total	38,745	35,053	10,001

One Station Unit Training (OSUT) combines Initial Entry and Skill Training into one course. Workload is the equivalent of trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary:

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC)

	FY 1997			FY 1998		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Total SROTC Enrollments	38,930	36,603	34,276	36,325	34,785	33,245
MS I	19,059	18,137	17,215	17,970	17,267	16,564
MS II	8,601	8,234	7,867	8,339	8,003	7,668
Basic Course	27,660	26,371	25,082	26,309	25,270	24,232
MS III	5,891	5,513	5,134	5,317	5,062	4,808
MS IV	5,379	4,720	4,060	4,699	4,452	4,205
Adv Course	11,270	10,232	9,194	10,016	9,514	9,013

	FY 1999		
	BEGIN	AVERAGE	END
Total SROTC Enrollments	37,620	35,849	34,077
MS I	17,691	16,977	16,263
MS II	9,646	9,208	8,769
Basic Course	27,337	26,185	25,032
MS III	5,746	5,397	5,049
MS IV	4,537	4,267	3,996
Adv Course	10,283	9,664	9,045

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary (Continued):

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC)

	FY 1997			FY 1998		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Scholarship Students	8,850	8,300	7,749	8,685	8,468	8,251
MS I	791	780	768	1,051	1,025	998
MS II	1,884	1,870	1,855	1,986	1,936	1,887
Basic Course	2,675	2,649	2,623	3,037	2,961	2,885
MS III	3,079	2,960	2,841	3,104	3,026	2,949
MS IV	3,096	2,691	2,285	2,544	2,480	2,417
Adv Course	6,175	5,651	5,126	5,648	5,507	5,366

	FY 1999		
	BEGIN	AVERAGE	END
Scholarship Students	9,203	8,765	8,327
MS I	819	780	741
MS II	1,864	1,775	1,686
Basic Course	2,683	2,555	2,427
MS III	3,434	3,270	3,107
MS IV	3,087	2,940	2,793
Adv Course	6,521	6,210	5,900

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary (Continued):

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC)

	FY 1997			FY 1998		
	Begin	Average	End	Begin	Average	End
Non-Scholarship Students	30,080	28,305	26,527	27,640	26,317	24,994
MS I	18,268	17,358	16,447	16,919	16,242	15,565
MS II	6,717	6,365	6,012	6,353	6,067	5,781
Basic Course	24,985	23,723	22,459	23,272	22,309	21,347
MS III	2,812	2,553	2,293	2,213	2,036	1,859
MS IV	2,283	2,029	1,775	2,155	1,971	1,788
Adv Course	5,095	4,582	4,068	4,368	4,007	3,647

	FY 1999		
	Begin	Average	End
Non-Scholarship Students	28,417	27,084	25,750
MS I	16,872	16,197	15,522
MS II	7,783	7,433	7,082
Basic Course	24,655	23,630	22,605
MS III	2,312	2,127	1,942
MS IV	1,450	1,327	1,203
Adv Course	3,762	3,454	3,146

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 1997</u> <u>Actuals</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Estimate</u>
<u>BASE OPERATIONS</u>			
A. Administration (\$000)	16,988	14,701	14,159
Military Average Strength	83	72	73
Civilian Personnel Full-Time Equivalents	181	190	203
Total Personnel	264	262	276
Number of Bases, Total	2	2	2
(CONUS)	2	2	2
Population Served, Total	23,498	23,490	23,481
(Military Average Strength)	18,719	18,707	18,695
(Civilian Personnel Full-Time Equivalents)	4,779	4,783	4,786
B. Retail Supply Operations (\$000)	4,441	3,751	4,505
Military Average Strength	2	2	2
Civilian Personnel Full-Time Equivalents	91	102	96
Total Personnel	93	104	98
C. Bachelor Housing Ops/Furn. (\$000)	42	172	246
Military Average Strength	0	0	0
Civilian Personnel Full-Time Equivalents	1	1	1
Total Personnel	1	1	1
Number of Officers Quarters	4,431	4,431	4,431
Number of Enlisted Quarters	2,508	2,508	2,508

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary (Continued):

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Estimate
BASE OPERATIONS (CONTINUED)			
D. Other Morale, Welfare and Recreation (\$000)	3,035	2,898	3,194
Military Average Strength	0	0	0
Civilian Personnel Full-Time Equivalents	68	66	66
Total Personnel	68	66	66
Population Served, Total	23,498	23,490	23,481
(Military Average Strength)	18,719	18,707	18,695
(Civilian/Dependents, Full-Time Equivalents)	4,779	4,783	4,786
E. Maintenance of Installation Equipment (\$000)	1,173	1,041	1,079
Military Average Strength	0	0	0
Civilian Personnel Full-Time Equivalents	10	10	10
Total Personnel	10	10	10
F. Other Base Services (\$000)	9,112	7,090	6,736
Military Average Strength	124	124	124
Civilian Personnel Full-Time Equivalents	44	49	49
Total Personnel	168	173	173
Number of Motor Vehicles, Total	404	404	404
(Owned)	12	12	12
(Leased)	392	392	392

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary (Continued):

BASE OPERATIONS (CONTINUED)

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Estimate
G. Other Personnel Support (\$000)			
Military Average Strength	4,129	3,145	3,199
Civilian Personnel Full-Time Equivalents	99	91	88
Total Personnel	61	56	45
Population Served, Total	160	147	133
(Military Average Strength)	23,498	23,490	23,481
(Civilian Personnel Full-Time Equivalents)	18,719	18,707	18,695
	4,779	4,783	4,786
H. Other Engineering Support (\$000)			
Military Average Strength	17,365	18,246	19,348
Civilian Personnel Full-Time Equivalents	3	3	3
Total Personnel	330	229	229
Facilities Supported (000 sq ft)	333	232	232
	7,073	7,073	7,073

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 1997</u> <u>Actuals</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Estimate</u>
BASE OPERATIONS (CONTINUED)			
I. Operation of Utilities (\$000)	9,442	9,826	9,560
Military Average Strength	0	0	0
Civilian Personnel Full-Time Equivalents	59	54	56
Total Personnel	59	54	56
Electricity (MWH)	84,067	83,226	82,394
Heating (MBTU)	611,232	605,120	599,068
Water, Plants, Systems (000 gals)	1,015,933	1,014,917	1,014,917
Sewage & Waste Systems (000 gals)	714,720	715,077	715,077
Air Conditioning and Refrigeration (000 gals)	6,226	6,226	6,221
J. Child and Youth Development Programs	2	2	2
Number of Child Development Centers	18	18	18
Number of Family Child Care (FCC) Homes			
Total Military Child Population	1,826	1,756	1,756
(Infant to 12 years)			
Total Required Child Care Spaces	557	557	557
Total Spaces CDC, FCC, and School Age	541	541	541
Percent Spaces in Relation to Required Spaces	97	97	97
Number of Youth Facilities	3	3	3
Total Military Youth Population (Grades 1-12 Years)	1,477	1,459	1,486
Number of Youth Served	546	546	546

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1997 Actual</u>	<u>FY 1998 Estimate</u>	<u>FY 1999 Estimate</u>
<u>REAL PROPERTY MAINTENANCE</u>			
A. Maintenance and Repair (\$000)	49,323	25,224	40,829
Buildings (KSF)	7,000	7,002	7,002
Pavements (KSY)	3,836	3,836	3,836
Land (AC)	16,484	16,484	16,484
Other Facilities (KSY)	73	71	71
Railroad Trackage (KLF)	0	0	0
Recurring Maintenance	24,763	17,153	25,073
B. Minor Construction (\$000)	1,453	1,980	2,150
C. Administration and Support (\$000) *	1,030	1,060	1,090
Number of A&E Contracts	7	5	7
Planning and Design Funds (\$000) *	1,030	1,060	1,090
Military Average Strength	40	40	40
Civilian Personnel Full-Time Equivalents	246	191	188
Total Personnel	286	231	228
Number of Installations	2	2	2

* Memo entry - Dollars included in Maintenance & Repair.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Accession Training

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>CHANGE</u> <u>FY 1998/FY 1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	9,921	8,983	9,082	99
Enlisted	2,660	2,347	2,359	12
	7,261	6,636	6,723	87
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	2,979	2,859	2,862	3
Foreign National Direct Hire	2,979	2,859	2,862	3
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	2,979	2,859	2,862	3
	0	0	0	0
<u>Military Average Strength (Total)</u>				
Officer	9,243	9,453	9,033	-420
Enlisted	2,481	2,504	2,353	-151
	6,762	6,949	6,680	-269
<u>Civilian Full-Time Equivalents (Total)</u>				
U.S. Direct Hire	2,959	2,863	2,856	-7
Foreign National Direct Hire	2,959	2,863	2,856	-7
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	2,959	2,863	2,856	-7
	0	0	0	0

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

I. Description of Operations Financed:

The Basic Skill and Advanced Training Group consists of six sub-activities that provide for the operation of the Army's training centers and schools that conduct training above the entry level and advanced level training. These sub-activities can be related to cost drivers that correlate to the budget request and are displayed in Section IV, Performance Criteria and Evaluation Summary.

SPECIALIZED SKILL TRAINING - The funds provide for the Military Occupational Speciality (MOS) and mid-level promotion qualifying courses for officer and enlisted personnel. Costs include civilian pay and benefits, student support, resident instruction, local preparation of training aids and training literature, procurement of supplies and equipment, and contractual service. Also included are temporary duty (travel and per diem) for staff and faculty trips, and organizational clothing and equipment issued for use during the training period. Cost drivers are the number of students enrolled in a qualifying Military Occupational Speciality (MOS) courses.

FLIGHT TRAINING - Costs include those identified in Specialized Skill Training, as well as costs for aircraft Petroleum, Oil and Lubricants (POL), aircraft repair parts, depot level repairable parts, and the operation of the aviation school airfields and airfield equipment. Fixed, semi-fixed, and variable costs are charged to this activity group. Fixed costs related to minimum staffing levels, equipment and communications support, and contract maintenance will be incurred as long as the U.S. Army Aviation Center (USAAVNC) remains in operation. Semi-fixed costs within certain predetermined ranges are not directly influenced by changes in instructor and support staffing, equipment, spare parts, and communication levels. The variable costs in Flight Training are determined by annual increases and decreases in aviator training workload requirements. Cost drivers are the number of students enrolled in flight training.

PROFESSIONAL DEVELOPMENT EDUCATION - The funds provide for the operation and support of the Army War College, Command and General Staff College, the Army Sergeants Major Academy, and Department of Defense sponsored schools for which the Army has Executive Agent responsibility. Also provided are the tuition and fees for the Advanced Civil Schooling program and tuition, fees, and temporary duty (travel and per diem) for Army officers attending foreign military schools (Schools of Other Nations). The DoD schools include National Defense University colleges and institutions located at Fort McNair, Washington, DC (National War College, Industrial College of the Armed Forces, Information Resources Management College, Institute for National Strategic Studies), Center for Hemispheric Defense Studies, and Defense Acquisition University. Cost drivers are the number of students enrolled.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

I. Description of Operations Financed (Continued):

TRAINING SUPPORT - The funds provide for Army-wide support costs of the training establishment and development of training programs and materials and funds the following programs:

- a. Ground OPTEMPO for institutional training equipment.
- b. Operations of Headquarters, U.S. Army Training and Doctrine Command (TRADOC) at Fort Monroe, Virginia.
- c. Automation training support efforts throughout the various Army and joint schools, including courseware development, courseware conversion, managing course and student schedules, and the equipment and software for computer based instruction.
- d. Air Traffic Control Management Army-wide for Army Aviation, control of aircraft on the ground and in airspace adjacent to the installation, and operation of navigational facilities.
- e. Temporary (travel and per diem) expenses for soldiers attending schooling at the Army's training centers and schools and individual training conducted at Active and Reserve Component units.
- f. Control and supervision over utilization of ranges and training facilities. This includes scheduling use of facilities, training areas and supporting weapons, and actual operation of ranges.
- g. Investments in training modernization to transition institutional training from a predominantly paper-based, residential classroom mode to a more efficient and effective Total Army School System that leverages technological advances of the Information Age through distance learning for active and reserve component soldiers. The primary cost drivers for training support are the number of student loads, number of courses, and courseware (Program of Instructions, text, and doctrine).

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

I. Description of Operations Financed (Continued):

BASE OPERATIONS SUPPORT PROGRAM - Consists of the following two programs at the U.S. Army Training and Doctrine Command (TRADOC).

(1) BASE OPERATIONS SUPPORT- Provides funding support for installation post supply, maintenance of installation equipment, transportation services, laundry and dry cleaning services, dining facilities, personnel support, unaccompanied personnel housing furnishings, automated data processing, community and morale support, preservation of order, resource management, training and mobilization, contracting support, security and counter-intelligence operation, records management and publications operation of utilities systems, engineering support, management of the Army's Environmental Programs, Army Community Services, Child Development Services, Youth Services, Base Communications and Visual Information Services, Reserve Component Support, and Special Staff Activities (Chaplain, Staff Judge Advocate, Equal Employment Opportunity, etc.) at the Training and Doctrine Command (TRADOC) installations to support institutional training and serve as force projection platforms. Cost drivers are the size of the installations in terms of military and civilian population, student training loads, environmental projects, number of Officer and Enlisted quarters, leased space, facilities supported, and utilities used.

(2) ENVIRONMENTAL PROGRAMS - Provides funding support for management of the Army's Environmental programs applicable environmental laws, regulations, criteria, and standards. Environmental assessments, planning, mitigation, and compliance evaluation actions are performed to ensure compliance with State and Federal laws.

REAL PROPERTY MAINTENANCE - Resources at the U.S. Army Training and Doctrine Command (TRADOC) to maintain and repair buildings, structures, roads, railroads, and grounds and utility systems projects. They also provide for the erection, installation, or assembly of a new real property facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing real property facility; or the relocation of a real property facility from one installation to another. Minor construction projects are funded for life, health, and safety with a maximum cost of \$1,000,000. All other minor construction projects are funded with a maximum cost of \$500,000. Cost drivers are the number of projects.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

II. Force Structure Summary:

SPECIALIZED SKILL TRAINING - Provides for the Officer Basic Course, Officer Advanced Course, Combined Arms and Services Staff School (consolidated into Officer Advanced Course in FY 1998), Advanced Individual Training for soldiers after completion of Basic Combat Training, as well as Noncommissioned Officer Education System training that includes Basic Level and Advanced Level skills and knowledge. This training is conducted at Army training centers and schools identified at the Budget Activity level.

FLIGHT TRAINING - Provides operation and support of the Aviation Center (USAAVNC) at Fort Rucker, AL where the Army trains pilots on rotary and fixed wing aircraft.

PROFESSIONAL DEVELOPMENT EDUCATION - Provides for leader development institutional training at Army War College, Carlisle Barracks, PA; Command and General Staff College, Fort Leavenworth, KS; National Defense University's offerings at Fort McNair, Washington DC; and the Army Sergeants Major Academy at Fort Bliss, Texas.

TRAINING SUPPORT - Funds the training resources and temporary duty (travel and per diem) expenses for soldiers attending schooling at the Army's training centers and schools and individual training conducted at Active and Reserve Component units. The Army is investing substantial resources in training modernization to transition institutional training from a predominantly paper-based, residential classroom mode to a more efficient and effective Total Army School System that leverages technological advances of the Information Age through distance learning for active and reserve component soldiers.

THE BASE OPERATIONS SUPPORT PROGRAM - Supports installation operations at TRADOC installations.

THE REAL PROPERTY MAINTENANCE PROGRAM - Supports minor construction and maintenance and repair of facilities at the TRADOC installations.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998			FY 1999 Request
	FY 1997 Actuals	Budget Request	Current Estimate	
A. Sub-Activity Group:				
1. Specialized Skill Training	229,294	217,202	217,202	215,964
2. Flight Training	218,270	213,906	224,906	226,501
3. Professional Development Education	77,527	69,594	69,594	192,720
4. Training Support	398,081	484,484	479,484	488,799
5. Base Operations Support	983,647	897,433	897,433	782,265
6. Real Property Maintenance	196,758	321,089	321,089	258,927
Total	2,103,577	2,203,708	2,209,708	2,165,176
MEMO Entries:				
1. Center for Hemispheric Defense Studies	800	3,200	3,200	3,300
2. Defense Acquisition University				108,789

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands):

B. Reconciliation Summary:

Baseline Funding			
Congressional Adjustments	(Distributed)		
Budget Amendment			
Congressional Adjustments	(Realignment)		
Congressional Adjustments	(Undistributed)		
General Provisions			
Reprogramming/Transfers			
Price Change			
Functional Transfer			
Program Changes			
Current Estimate			
		CHANGE	CHANGE
		FY 1998/ FY 1998	FY 1998/ FY 1999
		<u>2,203,708</u>	<u>2,122,206</u>
		6,000	0
		-97	0
		-23,671	0
		-28,165	0
		-5,604	0
		6,776	0
		0	48,740
		-9,115	112,330
		-27,626	-118,100
		<u>2,122,206</u>	<u>2,165,176</u>

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request..... \$ 2,203,708

Congressional Adjustments (Distributed):

 a. Army Pilot Modernization Program..... \$ 11,000
 b. Training Infrastructure Reduction..... \$ -5,000

 Total Congressional Adjustments (Distributed)..... \$ 6,000

FY 1998 Appropriated Amount (Distributed)..... \$ 2,209,708

Budget Amendment:

 Foreign Currency Reduction..... \$ -97

 Total Budget Amendment..... \$ -97

Congressional Adjustments (Realignment):

 a. Flying Hour Program..... \$ -6,047
 b. Headquarters and Administrative Activity Reduction..... \$ -4,624
 c. Federal Energy Management Program..... \$ -13,000

 Total Congressional Adjustments (Realignment)..... \$ -23,671

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Civilian Personnel Understrength.....	\$	-12,903
b. Quadrennial Defense Review (QDR)-Civilian Personnel Reductions.....	\$	-9,372
c. High Risk Automation Systems.....	\$	-3,387
d. Revised Economic Assumptions.....	\$	-5,556
e. Temporary Duty (TDY) Expenses.....	\$	-3,107
f. General Reduction, National Defense Stockpile Fund.....	\$	-6,776
g. Real Property Maintenance.....	\$	23,900
h. Non-Base Realignment and Closure (BRAC) Caretaker Status.....	\$	-10,921
i. Foreign Currency Fluctuation.....	\$	-43
Total Congressional Adjustments (Undistributed).....	\$	-28,165

General Provisions:

a. Section 8041, Contract Advisory and Assistance Services Savings \$	-179
b. Section 8105, Excess Inventory Savings.....	-5,423
c. Federally Funded Research and Development Centers.....	-2

Total General Provisions.....	\$	-5,604

Reprogramming/Transfers:

Increase

National Defense Stockpile Transfer.....	\$	6,776

Total Increase.....	\$	6,776

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers:

Intra Appropriation Transfer In

a. Defense Leadership and Management Program (DLAMP)..... \$ 1,500

Realigns funds for DLAMP within Budget Activity 3, Training and Recruiting, from Civilian Education and Training Sub-Activity to Professional Development Education Sub-Activity to properly align the funding to National Defense University and the Army War College for execution. The DLAMP program establishes a Department-wide systematic program for education and development in defense leadership skills for DoD civilian employees. The DLAMP program focuses on preparing program participants for key leadership positions in strategy, policy, plans, and operational management in joint warfighting areas.

b. Basic Noncommissioned Officer Training Transfer..... \$ 996

Realigns funds within the Operation and Maintenance, Army appropriation from Budget Activity 1 (Operating Forces) to Budget Activity 3 (Training and Recruiting) for Basic Noncommissioned Officers' Course (BNCOC). Due to force structure reductions at Forts Carson and Riley, funding for the Artillery, Armor, and Engineering BNCOCs are transferred to the appropriate Training and Doctrine Command installations.

Total Transfers In..... \$ 2,496

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers:

Intra Appropriation Transfers Out

a. Army Distance Learning Program Management..... \$ -11,600

Realigns funds within the Operation and Maintenance, Army appropriation from Budget Activity 3 (Training and Recruiting) to Budget Activity 4 (Administrative and Servicewide Activities). The Army Distance Learning Program (ADLP) is reviewed by the Office of the Secretary of Defense (OSD) Major Automated Information System Review Council (MAISRC) and is managed by the Program Manager Army Distance Learning Program (PM ADLP). The PM ADLP will centrally manage the acquisition of Automated Data Processing Equipment (ADPE) and associated telecommunications infrastructure needed to implement Distance Learning related training business process improvements. The Budget Activity 4 funds supporting this effort provide for ADLP telecommunications support, design, engineering, and deployment of the ADLP ADPE/telecommunications infrastructure, and overall ADLP program management.

b. Alignment of Army Signal Command (ASC) Resources..... \$ -11

Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 3, Training and Recruiting, and Budget Activity 4, Administration and Servicewide Activities, to Budget Activity 1, Operating Forces. This reprogramming properly aligns resources with the predominant Army Signal Command and U.S. Army Forces Command missions.

Total Transfers Out..... \$ -11,611

Total Functional Program Transfers..... \$ -9,115

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

- a. Execution/Fact of Life Changes..... \$ -27,326
 This adjustment represents the net impact of decreases to
 Flight Training, Base Operations Support, and Real Property
 Maintenance partially offset by increases in Specialized Skill
 Training, Professional Development, and Training Support.
- b. Executive Level Combating Terrorism Seminar..... \$ -300
 Realigns funding from the Army to the Joint Staff to
 coordinate Level IV training seminars for combating terrorism.

Total Program Decrease..... \$ -27,626

FY 1998 Current Estimate..... \$ 2,122,206

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 1998 Current Estimate..... \$ 2,122,206

Price Growth:

Total Price Growth..... \$ 48,740

Functional Program Transfers:

Inter Appropriation Transfers In

a. National Defense University..... \$ 110,956

In FY 1999, under the Defense Reform Initiative (DRI) for reorganizing the Office of the Secretary of Defense, the following organizations and associated resources are transferred from Operation and Maintenance Defense-Wide to National Defense University funded with Operation and Maintenance, Army: Defense Acquisition University, Defense Systems Management College, Director for Acquisition Education and Training and Career Development (AET&CD) (\$108,100), Net Assessment Directorate of Office of the Under Secretary of Defense (Policy) (\$1,856), National Security Education Program (NSEP) Directorate of Office of the Under Secretary of Defense (Policy) (\$100), and Secretary of Defense Strategic Studies Group (SDSSG) and the Secretary of Defense Fellows Program (SDFP) Support Staff of Office of the Under Secretary of Defense (Policy) (\$900).

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers In (Continued)

b. Interservice Training Review Organization (ITRO) Marine Corps Training to Army Schools..... \$ 2,888

Transfers funds from the Operation and Maintenance, Marine Corps appropriation to the Operation and Maintenance, Army appropriation. The increase realigns resources based on military structure reviews conducted by the ITRO. ITRO findings resulted in the transfer of school courses from the Marine Corps to the Air Force and Army training installations. Specific courses transferred from the Marine Corps include: motor vehicle, combat engineer, food service, calibrations, fire protection, welding and heating, ventilation, and air conditioning (HVAC)/refrigeration. Funding also supports the transfer of 32 civilian end strengths/full-time equivalents (FTEs).

c. Defense Finance and Accounting Service Transfer (DFAS)..... \$ 50

This represents a functional transfer of workload, manpower (1 space) and resources (\$50,000) from the Defense Finance and Accounting Service (DFAS) to the Army to perform cadet pay accounting functions at Fort Knox, Kentucky.

Total Transfers In..... \$ 113,894

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out

a. Initial Fort McClellan Enclave Transfer..... \$ -1,484
 Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army National Guard appropriation for initial start-up operations of the National Guard enclave at Fort McClellan. As directed by the Base Realignment and Closure Commission, this base will be closed with an Army National Guard enclave remaining for management.

b. Fixed Wing Mission Transfer..... \$ -80
 Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Army National Guard appropriation as Operational Support Airlift Command assumes the Total Army's Operational Support Airlift (OSA) fixed wing mission in the United States Army, Pacific.

Total Transfers Out..... \$ -1,564

Total Functional Program Transfers..... \$ 112,330

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Flight Training (FY 1998 Base: \$209,545) \$ 12,769

The Army continues fielding the OH-58, Kiowa Warrior, to the National Guard and the AH-64D, Apache Longbow, to the Active Component. An increase of warrant officer accessions for flight training in FY 1999 is required to offset the under accession in FY 1996 and FY 1997 and to bolster the pool of pilots available for aircraft transitions to sustain the current force and support modernization and fielding efforts in the Active, National Guard, and Reserve Components. Additionally, the Army is experiencing severe losses of AH-64A, Apache helicopter, warrant officer pilots because there are more requirements for Apache battalions OCONUS than CONUS. This results in less than 24 months time on station in CONUS for personnel and families in Apache Battalions. This structure imbalance combined with high Personnel Tempo (PERSTEMPO) has resulted in a pilot attrition problem that requires more trained AH-64A pilots. This increased pilot attrition requires an increase in AH-64A, Apache helicopter, qualification training in FY 1999 to sustain the force and set the conditions for a surge of three Apache Longbow battalions scheduled to be fielded in FY 2000. The Army has implemented all personnel actions available to reduce the training requirement and the projected funding increase for training has been minimized through a series of Aviation Training Conferences designed to maximize current resources and identify the critical shortfalls in time to program resources to resolve potential issues.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

b. Army War College (FY 1998 Base: \$17,235)..... \$ 4,206

This increase supports critical missions at the Army War College to meet the Army's objective for the College to be the Army's premier center for experiential development of strategic leaders by 2001. The Army War College funding has been stable over the past three years and requires an increase in FY 1999 for three areas of funding that are critical for the Army War College mission.

First, The Army's Center for Strategic Leadership (CSL) serves as an education center and high technology laboratory focused on the decision making process at the interagency, strategic, and operational levels in support of the Army War College, Combatant Commanders, and the senior Army leadership. The CSL expands and refines the study of the strategic use of land power and its application in joint and combined operations and unites leading edge information technology and educational concepts. It accomplishes this through the use of simulations, exercises, war games, studies, and analysis (e.g., Strategic Crisis Exercise, Revolution in Military Affairs, Army After Next Exercises, Commander in Chiefs (CINC)/Joint Exercises, Chairman Joint Chief of Staff (CJCS) Peace Operations Game/Seminars). The Army's Center for Strategic Leadership (CSL) requires additional resources to sustain 'leading edge' technology that will be 5 years old and outdated in the fast paced "information age" world.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

Second, the Army's Peacekeeping Institute (PKI) is the Army's representative in peace operations. Resources to maintain and support directed expansion of the PKI are critical to ensuring the Army and nation capture the lessons learned to minimize the complex challenges of command and control relationship and maximize protection of the force.

Third, resources are required for the sustainment of information technology associated with Continuing Education and Corresponding Studies Modernization and the Senior Leader Development System. These support the Army's initiatives for educating and training a smaller more efficient and effective "information age" Army.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

c. National Defense University (NDU) (FY 1998 Base: \$30,177)..... \$ 3,217

National Defense University is the senior joint professional military educational and research institution operating under the direction of the Chairman, Joint Chiefs of Staff, with the Army as executive agent for the University's components. NDU is chartered to ensure excellence in professional military education and research in the essential elements of national security. NDU prepares selected commissioned officers and civilian officials from the Department of Defense, Department of State, and other agencies of the government for high level command, management, and staff responsibilities in multinational, intergovernmental, or joint national security settings. The increase in funding for FY 1999 is required to teach an increased student load. Critical elements to support this mission increase include funding for the following: faculty and staff members, student services and training, information technology upgrades, and refurbished library services.

d. A-76 Studies (TRADOC Base Operations Support

(FY 1998 Base: \$ 0)..... \$ 1,770

This increase provides funds to comply with the Quadrennial Defense Review (QDR) guidance to compete infrastructure functions for potential outsourcing. In FY 1999, the Army plans to conduct OMB Circular A-76 studies of approximately 10,656 civilians and 2,819 military spaces and anticipates potential savings from the studies. The precise amount of the Army civilian reductions will depend on the result of the Army's outsourcing and privatization initiative.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

- e. Utilities Modernization (TRADOC) (FY 1998 Base: \$21,000) \$ 14,000
 This increase supports the utility systems modernization that cannot be privatized, particularly central heating plants and associated energy distribution systems. This initiative also includes upgrading of boilers and heat distribution systems.

Total Program Increases..... \$ 35,962

Program Decreases:

- a. Specialized Skill Training (FY 1998 Base: \$218,687) \$ -9,455
 Funding is reduced to reflect both the load decrease and Army Distance Learning Plan (ADLP) savings that will be achieved through the Army's investment in the ADLP. These savings will accrue as Military Occupational Specialty (MOS) classroom training time is shortened through use of distance learning technology.

Classroom training workloads decrease from the 1998 level of 30,053 to 29,124, a decrease of 929 direct loads. The Active Component, Reserve, and National Guard workload decreases by 635, 161, and 223 loads, respectively. Additionally, the direct workload from other Services increases 90. The major load decrease is in enlisted initial skill training, more commonly referred to as Advanced Individual Training (AIT), that provides soldier skills in their respective Military Occupational Specialty (MOS) that will prepare them for their first assignment in the Army's operating units.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

b. Training Support (FY 1998 Base: \$476,637)..... \$ -8,365

This decrease reflects reductions for two reasons as follows:

(1) Army Distance Learning Plan (ADLP) savings (ADLP) that will be achieved through the Army's investment in the ADLP. These savings will accrue in student travel and per diem costs as traditional resident instruction is reduced. (2) Reduced investment in training information management systems and other new technology enhancements. Funding for the further development and fielding of a family of software applications continues but at significantly reduced levels from FY 1998 due to affordability considerations. Included are information systems that streamline the management of both collective and institutional training at unit/schoolhouse level of operations. Also included are initiatives to create a globally accessible digital training library and to convert a manual paper-based correspondence course program to a modern internet-based "Soldier-on-Line" system. These initiatives are productivity enhancing investments that bring antiquated manual processes and documents into today's fast-paced, internetted, digital world. It is imperative to continue this technology infusion and training modernization, albeit at reduced funding levels, in order to generate downstream savings from more efficient training management.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

c. Outsourcing and Privatization (TRADOC) (FY 1998 Base: \$ 0)..... \$ -14,680

This decrease in FY 1999 reflects the first year in which savings are realized as a result of outsourcing and privatization initiatives within the Army. Savings in FY 1999 begin to accrue due to the completion of a total of approximately 12,000 studies initiated in FY 1997. These studies will produce savings through end strength and work year reductions as well as through efforts to establish more efficient organizations on installations and reduce resource requirements for Base Operations programs.

d. Base Operations Support (TRADOC) (FY 1998 Base: \$782,443)..... \$ -79,424

This decrease represents affordability reductions to Base Operations Support functional areas due to constrained Army resources. The reduced funding level is adequate to stabilize soldier, family and infrastructure programs.

e. Barracks Conversion (TRADOC) (FY 1998 Base: \$31,970)..... \$ -12,066

This decrease reflects a reduction in the Volunteer Army (VOLAR) barracks conversion program as the program is funded at a lower level in FY 1999. As these projects are being completed, the living conditions will improve the quality of life for our soldiers Army-wide.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

- f. Environmental Programs (TRADOC) (FY 1998 Base: \$105,981)..... \$ -25,930
 Environmental programs are reduced due to the completion of the following projects: (1) water projects and anticipation of transition to utility privatization; (2) Solid Waste Management landfill closure project; and (3) Underground Storage Tank (UST) Improvement program.
- g. Real Property Maintenance (TRADOC) (FY 1998 Base: \$256,192).... \$ -4,142
 FY 1999 funding decrease in real property maintenance activities reflects reductions occurring across the entire program to balance overall Army priorities and maintain critical infrastructure at acceptable maintenance and repair standards.

Total Program Decreases.....	\$ -154,062
FY 1999 Budget Request.....	\$ 2,165,176

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary:

SPECIALIZED SKILL TRAINING

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Specialized Training						
Active Army	109,173	98,730	18,229	108,234	101,017	18,975
Army Reserve	14,168	13,792	1,968	16,161	15,731	2,505
Army National Guard	17,494	16,506	2,956	19,975	19,672	3,598
Other	56,037	53,565	4,424	54,930	51,793	4,975
Total Direct	196,872	182,593	27,577	199,300	188,213	30,053
Other (Non-US)	3,551	3,143	651	4,780	4,772	944
Total	200,423	185,736	28,228	204,080	192,985	30,997
* Warrant Officer Candidate School	1,726	1,613	138	2,249	2,093	197

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Specialized Training			
Active Army	105,333	99,570	18,340
Army Reserve	14,842	14,875	2,344
Army National Guard	18,796	18,724	3,375
Other	57,198	55,645	5,065
Total Direct	196,169	188,814	29,124
Other (Non-US)	4,273	4,320	880
Total	200,442	193,134	30,004
* Warrant Officer Candidate School	2,288	2,038	203

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

* WOCS is a subset of above numbers

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

SPECIALIZED SKILL TRAINING

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Initial Skill (Officer)						
Specialized Training						
Active Army	4,616	4,327	1,319	4,483	4,973	1,389
Army Reserve	764	747	142	838	777	162
Army National Guard	1,283	1,233	376	979	880	286
Other	233	251	86	261	224	85
Total Direct	6,896	6,558	1,923	6,561	6,854	1,922
Other (Non-US)	318	304	98	490	430	142
Initial Skill (Officer) Total	7,214	6,862	2,021	7,051	7,284	2,064

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Specialized Training			
Active Army	4,374	4,317	1,293
Army Reserve	620	676	134
Army National Guard	935	924	286
Other	257	257	92
Total Direct	6,186	6,174	1,805
Other (Non-US)	424	452	135
Initial Skill (Officer) Total	6,610	6,626	1,940

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

SPECIALIZED SKILL TRAINING

Initial Skill (Enlisted)

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Specialized Training						
Active Army	41,115	36,659	8,655	40,688	38,081	8,968
Army Reserve	8,189	8,193	1,417	11,246	10,971	2,025
Army National Guard	10,626	10,020	2,029	13,803	13,698	2,773
Other	2,978	2,851	543	3,196	2,855	541
Total Direct	62,908	57,723	12,644	68,933	65,605	14,307
Other (Non-US)	262	258	74	691	693	202
Initial Skill (Enlisted) Total	63,170	57,981	12,718	69,624	66,298	14,509

FY 1999

	INPUT	OUTPUT	WORKLOAD
Specialized Training			
Active Army	35,455	34,444	7,883
Army Reserve	10,503	10,637	1,919
Army National Guard	12,872	12,929	2,625
Other	2,749	2,680	548
Total Direct	61,579	60,690	12,975
Other (Non-US)	631	612	193
Initial Skill (Enlisted) Total	62,210	61,302	13,168

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

SPECIALIZED SKILL TRAINING

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Functional						
Active Army	41,859	36,252	4,237	39,379	35,048	4,390
Army Reserve	3,383	3,088	238	2,456	2,409	165
Army National Guard	2,905	2,632	253	2,479	2,445	231
Other	44,917	43,030	2,463	42,766	40,745	2,874
Total Direct	93,064	85,002	7,191	87,080	80,647	7,660
Other (Non-US)	1,789	1,455	143	2,304	2,319	215
Functional Total	94,853	86,457	7,334	89,384	82,966	7,875

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Active Army	39,413	35,486	4,383
Army Reserve	2,157	2,025	139
Army National Guard	2,484	2,362	198
Other	45,028	43,952	2,877
Total Direct	89,082	83,825	7,597
Other (Non-US)	1,998	2,016	184
Functional Total	91,080	85,841	7,781

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

SPECIALIZED SKILL TRAINING

Skill Progression (Officer)

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	8,843	8,721	1,787	9,738	9,496	1,912
Army Reserve	1,226	1,206	86	1,147	1,142	80
Army National Guard	1,701	1,675	137	1,687	1,655	126
Other	225	226	60	237	226	70
Total Direct	11,995	11,828	2,070	12,809	12,519	2,188
Other (Non-US)	1,013	956	281	982	1,024	299
Skill Progression(Officer) Total	13,008	12,784	2,351	13,791	13,543	2,487

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Active Army	9,827	9,709	1,974
Army Reserve	1,162	1,125	81
Army National Guard	1,728	1,708	125
Other	245	245	72
Total Direct	12,962	12,787	2,252
Other (Non-US)	889	907	271
Skill Progression(Officer) Total	13,851	13,694	2,523

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

SPECIALIZED SKILL TRAINING

Skill Progression (Enlisted)

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	12,740	12,771	2,231	13,946	13,419	2,316
Army Reserve	606	558	85	474	432	73
Army National Guard	979	946	161	1,027	994	182
Other	7,684	7,207	1,272	8,470	7,743	1,405
Total Direct	22,009	21,482	3,749	23,917	22,588	3,976
Other (Non-US)	169	170	55	313	306	86
Skill Progression (Enlisted) Total	22,178	21,652	3,804	24,230	22,894	4,062

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Active Army	16,264	15,614	2,807
Army Reserve	400	412	71
Army National Guard	777	801	141
Other	8,919	8,511	1,476
Total Direct	26,360	25,338	4,495
Other (Non-US)	331	333	97
Skill Progression (Enlisted) Total	26,691	25,671	4,592

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

FLIGHT TRAINING

Undergraduate Pilot

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	1,534	1,574	348	2,041	1,873	451
Army Reserve	5	9	1	0	0	0
Army National Guard	393	426	101	471	440	106
Other	80	84	16	52	51	12
Total Direct	2,012	2,093	466	2,564	2,364	569
Other (Non-US)	87	84	27	207	162	60
Undergraduate Pilot Total	2,099	2,177	493	2,771	2,526	629

FY 1999

	INPUT	OUTPUT	WORKLOAD
Active Army	1,874	1,851	424
Army Reserve	30	28	6
Army National Guard	441	440	104
Other	54	50	12
Total Direct	2,399	2,369	546
Other (Non-US)	202	207	66
Undergraduate Pilot Total	2,601	2,576	612

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year - Active Army.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

FLIGHT TRAINING

Advance Flight Training-Fixed Wing

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	205	208	29	166	177	27
Army Reserve	21	21	4	16	21	3
Army National Guard	106	110	9	109	107	12
Other	13	13	0	1	2	0
Total Direct	345	352	42	292	307	42
Other (Non-US)	0	0	0	0	0	0
Advance Flight Training-FW Total	345	352	42	292	307	42

FY 1999

	INPUT	OUTPUT	WORKLOAD
Active Army	166	166	25
Army Reserve	13	13	2
Army National Guard	113	114	13
Other	0	0	0
Total Direct	292	293	40
Other (Non-US)	0	0	0
Advance Flight Training-FW Total	292	293	40

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year - Active Army.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

FLIGHT TRAINING

Advance Flight Training-Rotary Wing

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	1,742	1,630	275	1,600	1,704	274
Army Reserve	38	43	8	42	45	8
Army National Guard	235	248	33	433	406	59
Other	166	154	24	85	94	17
Total Direct	2,181	2,075	340	2,160	2,249	358
Other (Non-US)	211	210	30	410	416	52
Advance Flight Training-RW Total	2,392	2,285	370	2,570	2,665	410

FY 1999

	INPUT	OUTPUT	WORKLOAD
Active Army	1,777	1,782	288
Army Reserve	43	43	8
Army National Guard	351	363	52
Other	28	42	4
Total Direct	2,199	2,230	352
Other (Non-US)	471	454	58
Advance Flight Training-RW Total	2,670	2,684	410

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

<u>FLIGHT TRAINING</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>CHANGE</u> <u>FY 1998 TO FY 1999</u>
Flight Training				
Flying Hours (Hours in 000s)				
Undergrad Pilot Training	107.3	122.6	132.6	10.0
Other Flying Hours	78.5	72.2	73.1	0.9
Total	185.8	194.8	205.7	10.9

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary:

PROFESSIONAL DEVELOPMENT EDUCATION

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Army War College						
Active Army	318	294	158	592	599	164
Army Reserve	238	232	21	246	249	20
Army National Guard	202	183	23	266	269	26
Other	125	113	47	151	142	56
Total Direct	883	822	249	1,255	1,259	266
Other (Non-US)	40	40	32	38	40	31
Army War College Total	923	862	281	1,293	1,299	297

	FY 1999		
	INPUT	OUTPUT	WORKLOAD
Active Army	596	593	159
Army Reserve	252	250	21
Army National Guard	296	296	26
Other	197	187	66
Total Direct	1,341	1,326	272
Other (Non-US)	40	38	31
Army War College Total	1,381	1,364	303

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

PROFESSIONAL DEVELOPMENT EDUCATION

National Defense University

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	268	255	86	259	270	81
Army Reserve	48	47	4	25	25	3
Army National Guard	42	42	2	20	19	1
Other	2,032	1,834	286	1,968	1,924	331
Total Direct	2,390	2,178	378	2,272	2,238	416
Other (Non-US)	208	209	37	204	207	35
National Defense University Total	2,598	2,387	415	2,476	2,445	451

FY 1999

	INPUT	OUTPUT	WORKLOAD
Active Army	259	259	77
Army Reserve	34	34	3
Army National Guard	29	29	2
Other	2,132	2,132	372
Total Direct	2,454	2,454	454
Other (Non-US)	205	205	34
National Defense University Total	2,659	2,659	488

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

PROFESSIONAL DEVELOPMENT EDUCATION

Defense Acquisition University 1/

	FY 1997 2/			FY 1998 2/		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Army	7,604	7,518	372	7,640	7,640	382
Air Force	10,078	9,969	495	9,102	9,102	455
Navy	9,361	9,266	492	11,911	11,911	594
Department of Defense	6,186	6,049	297	6,585	6,585	329
Industry	311	308	18	237	237	12
Defense Acquisition University Total	33,540	33,110	1,674	35,475	35,475	1,772

FY 1999

	INPUT	OUTPUT	WORKLOAD
Army	7,640	7,640	382
Air Force	9,102	9,102	455
Navy	11,911	11,911	594
Department of Defense	6,585	6,585	329
Industry	237	237	12
Defense Acquisition University Total	35,475	35,475	1,772

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

1/ In FY 1999, under the Defense Reform Initiative (DRI) for reorganizing the Office of the Secretary of Defense, resources are transferred from Defense Acquisition University funded by Operation and Maintenance Defense-Wide to National Defense University funded with Operation and Maintenance, Army.

2/ Although funding is not transferred to the Army in FY 1997 and 1998, the load information is included in this exhibit to provide the historical view of the workload attributed to DAU.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

PROFESSIONAL DEVELOPMENT EDUCATION

Command & General Staff

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	778	777	628	768	777	624
Army Reserve	32	32	14	32	32	14
Army National Guard	32	32	14	32	32	14
Other	129	128	103	128	129	103
Total Direct	971	969	759	960	970	755
Other (Non-US)	90	90	72	90	90	72
Command & General Staff Total	1,061	1,059	831	1,050	1,060	827

FY 1999

	INPUT	OUTPUT	WORKLOAD
Active Army	768	767	620
Army Reserve	32	32	14
Army National Guard	32	32	14
Other	128	128	103
Total Direct	960	959	751
Other (Non-US)	90	90	72
Command & General Staff Total	1,050	1,049	823

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

* Includes Command and General Staff College and does not include any other Professional Development courses at Fort Leavenworth.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

PROFESSIONAL DEVELOPMENT EDUCATION

Sergeants Major Academy*

	FY 1997			FY 1998		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	310	370	261	450	298	287
Army Reserve	23	30	20	30	22	19
Army National Guard	23	36	22	25	23	18
Other	4	7	4	20	4	9
Total Direct	360	443	307	525	347	333
Other (Non-US)	21	18	14	15	20	13
Sergeants Major Academy Total	381	461	321	540	367	346

FY 1999

	INPUT	OUTPUT	WORKLOAD
Active Army	600	433	396
Army Reserve	10	29	14
Army National Guard	29	24	20
Other	18	20	14
Total Direct	657	506	444
Other (Non-US)	20	14	13
Sergeants Major Academy Total	677	520	457

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

* Includes Sergeants Major course only, not all courses at the Academy which fall into this account.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 1997</u> <u>Actuals</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Estimate</u>
<u>BASE OPERATIONS</u>			
A. Administration (\$000)	252,649	206,190	185,840
Military Average Strength	1,943	1,688	1,690
Civilian Personnel Full-Time Equivalents	2,232	2,182	2,018
Total Personnel	4,175	3,870	3,708
Number of Bases, Total	16	15	15
(CONUS)	16	15	15
Population Served, Total	742,525	725,575	725,612
(Military Average Strength)	663,993	656,446	656,174
(Civilian Personnel Full-Time Equivalents)	78,532	69,129	69,438
B. Retail Supply Operations (\$000)	83,795	68,637	68,053
Military Average Strength	75	64	63
Civilian Personnel Full-Time Equivalents	1,585	1,455	1,342
Total Personnel	1,660	1,519	1,405
C. Bachelor Housing Ops/Furn. (\$000)	7,842	8,239	7,861
Military Average Strength	8	7	7
Civilian Personnel Full-Time Equivalents	80	87	85
Total Personnel	88	94	92
Number of Officers Quarters	10,207	10,207	10,207
Number of Enlisted Quarters	154,571	154,571	154,571

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
BASE OPERATIONS (CONTINUED)			
D. Other Morale, Welfare and Recreation (\$000)	23,430	25,112	17,676
Military Average Strength	6	6	6
Civilian Personnel Full-Time Equivalents	500	402	352
Total Personnel	506	408	358
Population Served, Total	742,525	725,575	725,612
(Military Average Strength)	663,993	656,446	656,174
(Civilian/Dependents, Full-Time Equivalents)	78,532	69,129	69,438
E. Maintenance of Installation Equipment (\$000)	28,556	26,559	25,540
Military Average Strength	28	23	22
Civilian Personnel Full-Time Equivalents	346	367	300
Total Personnel	374	390	322
F. Other Base Services (\$000)	70,134	49,299	44,276
Military Average Strength	1,820	1,820	1,820
Civilian Personnel Full-Time Equivalents	914	956	865
Total Personnel	2,734	2,776	2,685
Number of Motor Vehicles, Total	7,800	7,725	7,586
(Owned)	390	380	350
(Leased)	7,410	7,345	7,236

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

BASE OPERATIONS (CONTINUED)

G. Other Personnel Support (\$000)			
Military Average Strength	128,802	130,282	99,456
Civilian Personnel Full-Time Equivalents	1,338	1,338	1,338
Total Personnel	1,190	1,048	939
Population Served, Total	2,528	2,386	2,277
(Military Average Strength)	742,525	725,575	725,612
(Civilian Personnel Full-Time Equivalents)	663,993	656,446	656,174
	78,532	69,129	69,438
H. Payments to GSA (\$000)	150	572	622
Standard Level User Charges (\$000)	150	572	622
Leased Space (000 sq ft)	58	55	55
Recurring Reimbursements (\$ 000)	0	0	0
One-Time Reimbursements (\$ 000)	0	0	0

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

BASE OPERATIONS (CONTINUED)

I. Non-GSA Lease Payments	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Estimate
Leased Space (000 sq ft)	0	0	0
Recurring Reimbursements (\$ 000)	0	0	0
One-Time Reimbursements (\$ 000)	0	0	0
J. Other Engineering Support (\$000)	114,800	91,361	70,753
Military Average Strength	114	90	89
Civilian Personnel Full-Time Equivalents	1,347	1,220	1,144
Total Personnel	1,461	1,310	1,233
Facilities Supported (000 sq ft)	106,617	106,196	102,761
K. Operation of Utilities (\$000)	96,829	100,683	100,282
Military Average Strength	0	0	0
Civilian Personnel Full-Time Equivalents	217	225	206
Total Personnel	217	225	206
Electricity (MWH)	1,506,111	1,430,805	1,416,496
Heating (MBTU)	9,627,696	9,146,311	9,054,839
Water, Plants, Systems (000 gals)	14,152,983	13,445,334	13,310,867
Sewage & Waste Systems (000 gals)	14,716,899	13,981,054	13,841,230
Air Conditioning and Refrigeration (TON)	237,841	225,949	223,689

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

BASE OPERATIONS (CONTINUED)

L. Child and Youth Development Programs			
Number of Child Development Centers	25	25	25
Number of Family Child Care (FCC) Homes	362	362	362
Total Military Child Population			
(Infant to 12 years)			
Total Required Child Care Spaces	89,630	88,555	90,218
Total Spaces CDC, FCC, and School Age	27,288	27,288	27,288
Percent Spaces in Relation to Required Spaces	14,128	14,128	14,128
Number of Youth Facilities	52	52	52
Total Military Youth Population (Grades 1-12 Years)	24	24	24
Number of Youth Served	65,715	64,927	66,147
	21,545	21,545	21,545

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 1997</u> <u>Actuals</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Estimate</u>
<u>REAL PROPERTY MAINTENANCE</u>			
A. Maintenance and Repair (\$000)			
Buildings (KSF)	185,681	235,703	234,300
Pavements (KSY)	105,235	104,814	101,384
Land (AC)	109,384	109,384	109,384
Other Facilities (KSY)	1,983,135	1,983,135	1,983,135
Railroad Trackage (KLF)	1,382	1,382	1,377
Recurring Maintenance	813	813	813
	143,742	161,590	127,199
B. Minor Construction (\$000)	11,077	20,489	24,627
C. Administration and Support (\$000) *	1,862	1,921	2,281
Number of A&E Contracts	53	53	53
Planning and Design Funds (\$000) *	1,862	1,921	2,281
Military Average Strength	10	3	3
Civilian Personnel Full-Time Equivalents	1,935	1,063	916
Total Personnel	1,945	1,066	919
Number of Installations	16	15	15

* Memo entry - Dollars included in Maintenance & Repair.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Basic Skill and Advanced Training

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>CHANGE</u> <u>FY 1998/FY 1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	24,091	23,840	23,367	-473
Enlisted	3,964	4,335	4,329	-6
	20,127	19,505	19,038	-467
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	18,438	16,533	16,228	-305
Foreign National Direct Hire	18,430	16,532	16,227	-305
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	18,430	16,532	16,227	-305
	8	1	1	0
<u>Military Average Strength (Total)</u>				
Officer	23,506	23,966	23,604	-362
Enlisted	3,951	4,150	4,332	182
	19,555	19,816	19,272	-544
<u>Civilian Full-Time Equivalents (Total)</u>				
U.S. Direct Hire	18,554	17,251	16,652	-599
Foreign National Direct Hire	18,554	17,250	16,651	-599
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	18,554	17,250	16,651	-599
	0	1	1	0

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

I. Description of Operations Financed:

The Recruiting and Other Training and Education Activity Group consists of six sub-activities that represent the Army's ability to recruit and educate the Army's force, both military and civilian, and provide citizenship education to America's youth. With the exception of the Veterans Education Assistance Program (VEAP), each sub-activity can be related to cost drivers that correlate to the budget request and are displayed in Section IV, Performance Criteria and Evaluation Summary.

RECRUITING AND ADVERTISING - Recruiting is a key component of the Army's imperative to maintain the highest quality force possible. This request provides funding to recruit sufficient manpower to sustain the Active Army and to manage the U.S. Army Reserve (USAR) recruiting and retention program. (USAR recruiting support costs are provided in the Operation and Maintenance, Army Reserve Appropriation.) Quality requirements in the rapidly diminishing market of eligibles necessitate innovative marketing methods to attract and access recruits with the particular qualifications needed to operate the Army's modern, technologically advanced weaponry, telecommunications systems, and equipment. By placing a special emphasis on the high school senior and graduate market, readily trainable prospects are recruited. Cost drivers are the number of recruit contracts.

Advertising finances the use of mass media advertising and publicity for persuasively communicating reasons for enlistment to young people and those adults (e.g., family members, school officials, etc.) who may influence their decisions. Opportunities for personal growth in challenging situations; help in pursuing long range occupational and educational goals through technical training; and money for college provide the strongest motivation to our best prospects. Advertising is both for enlisted and officer recruiting.

EXAMINING - The Army, as DoD Executive Agent, provides funding and personnel resources to support the operation of the United States Military Entrance Processing Command (USMEPCOM). This Joint Service Command aptitudinally and medically qualifies and administratively processes individuals for the Armed Services. USMEPCOM enlists applicants during peacetime and inducts registrants conscripted through the Selective Service System (SSS) during mobilization. Testing is conducted in the Military Entrance Processing Stations (MEPS), at approximately 645 Mobile Examining Team sites, and in both CONUS and OCONUS schools by MEPS and Office of Personnel Management personnel. Requested funding also supports the Joint Computer Center (JCC), which is shared with the SSS (and will be used by the SSS if the draft is reactivated). Cost drivers are the number of accessions and recruit contracts for all Services.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

I. Description of Operations Financed (Continued):

OFF-DUTY AND VOLUNTARY EDUCATION - These funds provide military members an opportunity to improve skills and prepare for future assignments. This program resources the Army Continuing Education System (ACES) which is an integrated system of self-development education providing programs and services that support Army readiness, recruitment and retention; maximize job proficiency; and provide personal and professional development of the soldier. ACES also provides Veterans' benefits counseling which aids the soldier in making informed career decisions by providing information regarding unemployment rates, education benefits earned, and reserve component opportunities and benefits. Also included is the Veterans Education Assistance Program (VEAP), as authorized by Public Law 94-502 and Public Law 96-342, which provides funds to support contract obligations for educational incentives from 1 January 1977 through 30 June 1985. Basic VEAP replaced the Vietnam Era GI Bill which terminated on 31 December 1976. All Service members regardless of rank, who signed contracts 1 January 1977 through 30 June 1985, are eligible to participate in Basic VEAP. Service member contributions must be matched 2:1 by the Army. Effective 1 July 1985, because of the new All Volunteer Educational Program (Montgomery GI Bill), new enrollments are no longer authorized in Basic VEAP. Also included in voluntary education is the loan repayment program which offers repayment of certain federally insured loans for individuals enlisting for this option. Repayment of federally insured loans is authorized by Public Law 99-145 and repayment of state sponsored loans is authorized by Public Law 103-335. Cost drivers for ACES are the number of active soldier students.

CIVILIAN EDUCATION AND TRAINING - These funds ensure that Army civilian employees receive the training necessary to achieve optimum performance of their mission assignments. Civilians, like military members, must be prepared to meet the challenges of their assignments as they progress into more complex and demanding positions. Training is performed at military installations, training centers, colleges and universities, and civilian contract facilities. Included are the Army Intern Program, Competitive Professional Training, Senior Service Schools, Fellowships, and Leader Development. The intern program provides placement into highly specialized occupations that are not available through normal labor market sources. Interns, normally hired at the GS 5/7 level, undergo an intensive, structured 18-36 month program. Competitive Professional Training encompasses functionally designed and developed training in universities, training-with-industry, developmental assignments, and training courses. Senior Service Schools, Fellowships, and Leader Development support training for executive and managerial leadership positions with the Army. Cost drivers are the number of interns and training loads.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

I. Description of Operations Financed (Continued):

JUNIOR RESERVE OFFICERS' TRAINING CORPS (JROTC) - JROTC is a public service program available to high school students. This program fosters good citizenship, patriotism, and leadership skills for this valuable potential pool of military applicants. This program supported 856 JROTC units in FY 1992, and grows to 1,370 units in FY 1998 and remains constant at 1,370 units in FY 1999. Cost drivers are the number of units.

BASE OPERATIONS SUPPORT - Funds the costs associated with maintaining the leased recruiting stations for all Services and leased Military Entrance Processing Stations. Resources also support communications and audiovisual equipment for the United States Army Recruiting Command and the United States Military Entrance Processing Command (USMEPCOM) including Military Entrance Processing Stations. Cost drivers are the number and square feet of leased facilities. The Army is Executive Agent for all Services' recruiting facilities and USMEPCOM.

II. Force Structure Summary:

RECRUITING AND OTHER TRAINING AND EDUCATION - Supports approximately 6,000 recruiting stations DoD-wide. The Army as Executive Agent supports 65 company-sized Military Entrance Processing Stations (MEPS). The recruiting stations and MEPS are geographically dispersed throughout the Continental United States, Hawaii, Alaska and Puerto Rico. Junior Reserve Officers' Training Corps (JROTC) will support 1,370 units in FY 1998 and remains constant at 1,370 units in FY 1999 at various high schools. The number of JROTC cadets supported is over 220,000 located in every state and in 17 overseas locations.

OTHER GENERAL PERSONNEL ACTIVITIES - Funds include the Army Civilian Training, Education and Development System (ACTEDS); Army Continuing Education System (ACES); and Veterans Education Assistance Program (VEAP).

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998				FY 1999 Request
	FY 1997 Actuals	Budget		Current Estimate	
		Request	Appropriation		
A. Sub-Activity Group:					
1. Recruiting and Advertising	249,825	222,718	235,718	257,106	234,154
2. Examining	72,982	75,922	75,922	70,378	71,593
3. Off-Duty and Voluntary Education	112,799	94,364	94,364	103,739	100,203
4. Civilian Education & Training*	76,075	81,481	81,481	78,477	73,517
5. Junior Reserve Officers' Training Corps	68,517	73,439	74,189	73,867	73,423
6. Base Operations Support	<u>168,436</u>	<u>163,010</u>	<u>163,010</u>	<u>167,273</u>	<u>178,496</u>
Total	748,634	710,934	724,624	750,840	731,386

MEMO ENTRY:

* Acquisition Corps Training	7,794	7,749	7,749	7,597	5,612

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands):

B. Reconciliation Summary:

	CHANGE FY 1998/ FY 1998	CHANGE FY 1998/ FY 1999
Baseline Funding	710,934	750,840
Congressional Adjustments (Distributed)	13,750	0
Budget Amendment	-60	0
Congressional Adjustments (Realignment)	-750	0
Congressional Adjustments (Undistributed)	-3,979	0
General Provisions	-685	0
Reprogramming/Transfers	-1,329	0
Price Change	0	14,731
Functional Transfer	-1,500	0
Program Changes	34,459	-34,185
Current Estimate	750,840	731,386

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request.....	\$ 710,934

Congressional Adjustments (Distributed):

a. Recruiting-Enlisted Advertising.....		\$ 7,000
b. Recruiter Support.....		\$ 3,500
c. Recruiting College Loan Repayment Program.....		\$ 2,500
d. Indiana University Northwest Junior Reserve Officers' Training Corps Mentoring Program.....		\$ 750
Total Congressional Adjustments (Distributed).....		\$ 13,750
FY 1998 Appropriated Amount (Distributed).....		\$ 724,684

Budget Amendment:

Foreign Currency Reduction.....		\$ -60
Total Budget Amendment.....		\$ -60

Congressional Adjustments (Realignment):

Indiana University Northwest Junior Reserve Officers' Training Corps Mentoring Program.....		\$ -750
Total Congressional Adjustments (Realignment).....		\$ -750

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Civilian Personnel Understrength.....	\$	-1,201
b. Quadrennial Defense Review (QDR)-Civilian Personnel Reductions.	\$	-870
c. High Risk Automation Systems.....	\$	-358
d. Revised Economic Assumptions.....	\$	-549
e. Temporary Duty (TDY) Expenses.....	\$	-305
f. General Reduction, National Defense Stockpile Fund.....	\$	-671
g. Foreign Currency Fluctuation.....	\$	-25

Total Congressional Adjustments (Undistributed)..... \$ -3,979

General Provisions:

a. Section 8041, Contract Advisory and Assistance Services Savings	\$	-149
b. Section 8105, Excess Inventory Savings.....	\$	-536

Total General Provisions..... \$ -685

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Reprogramming/Transfers:

Increase		
National Defense Stockpile Transfer.....	\$ 671	
Total Increase.....		\$ 671
Decrease		
Joint Department of Defense (DOD) Manpower Surveys, Studies and Reports.....	\$ -2,000	
Transfers funds from the Operation and Maintenance, Army appropriation to the Operation and Maintenance, Defense-Wide appropriation to support the recurring Joint Service Studies requirements. Human Resources Activity is the executive agent for OSD Joint Service Studies Program.		
Total Decrease.....		\$ -2,000

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfer:

Intra Appropriation Transfer Out

Defense Leadership and Management Program..... \$ -1,500

Realigns funds for DLAMP within the Budget Activity 3, Training and Recruiting, from Civilian Education and Training Sub-Activity to Professional Development Education Sub-Activity to properly align the funding to National Defense University and the Army War College for execution. The DLAMP program establishes a Department-wide systematic program for education and development in defense leadership skills for DoD civilian employees. The DLAMP program focuses on preparing program participants for key leadership positions in strategy, policy, plans, and operational management in joint warfighting areas.

Total Transfers Out..... \$ -1,500

Total Functional Program Transfers..... \$ -1,500

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increase:

Execution/Fact of Life Changes..... \$ 34,459
 This adjustment represents the net impact of increases in
 Recruiting and Advertising, Loan Repayment Program (LRP),
 Veterans' Education Assistance Program (VEAP), Junior Reserve
 Officers' Training Corps, and Base Operations Support partially
 offset by decreases in Examining and Civilian Education and
 Training.

Total Program Increase.....	\$ 34,459
FY 1998 Current Estimate.....	\$ 750,840
Price Growth:	
Total Price Growth.....	\$ 14,731

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Advertising (FY 1998 Base: \$91,630)..... \$ 9,618

The U.S. Army Recruiting Command must maintain an effective national advertising program in support of Army readiness. The Army has increased advertising in response to the challenging recruiting market experienced in FY 1997 and expected to continue in FY 1998 and FY 1999. The additional funding is required to counteract the low propensity of youth to enlist and to compensate for high media inflation. The Army used FY 1996 as a base to forecast FY 1999 enlisted advertising requirements using the market rate of inflation for media advertising. Specifically, the increase in funding results from the following: (1) a realignment of funds and requirements from Recruiter Support to Advertising and (2) high media inflation of 8.95 percent.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

b. Base Operations Support (Recruiting and Other Training and Education) (FY 1998 Base: (\$167,273).....	\$ 9,266
The increase is for two programs that fund the recruiting facilities and Military Entrance Processing Stations for all Services.	

(1) **Recruiting Stations.** This increase funds two initiatives for providing adequate space for recruiters from all Services. (a.) Relocating administrative functions from commercial space to military installations based on a study that was conducted in FY 1997 of the potential to relocate administrative functions to military installations. A plan has been developed to occupy all identified available installation space beginning in FY 1999 through FY 2003. The budget has been adjusted to reflect both investment costs and savings to implement these cost reduction initiatives. (b.) Implementing force relocations which means moving from one leased space to another. We have experienced a significant increase in forced relocation costs which is primarily the result of an improved economy. Lessors would prefer to have retail tenants because they receive a percentage of sales in addition to a per square foot rate.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

We provided a convenient tenant for unleased space in retail outlets when the economy was less stable. The improved economy has also increased our average cost of lease renewal. Our previous average budget for forced relocations was about \$350 thousand; it is presently \$1.5 million for FY 1997. These increases in lease costs will continue if the economy remains strong and will continue to adversely impact our ability to fund cost reduction initiatives.

(2) **Military Entrance Processing Stations.** This increase funds additional costs associated with moving Military Entrance Processing Stations onto military installations. Restructuring leases and moving Military Entrance Processing Stations into lower cost space on military installations will lower costs of this program in the future. Funding will be used to renovate existing space on military installations to meet the standard design requirement for effective examination, testing, and counseling for Armed Service applicants.

Total Program Increases..... \$ 18,884

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

a. Recruiter Support (FY 1998 Base: \$165,476)..... \$ -38,045

The U.S. Army Recruiting Command reflects reductions for the following reasons: (1) a realignment of funds and requirements from Recruiter Support to Advertising; (2) decreases for recruiter support for recruiter vehicles, communications, applicant meals, lodging and transportation, and recruiter expense allowance due to less on-hand production recruiters and a reduced contract mission; and (3) decreases for Army Recruiter Automation due to constrained resources.

b. Examining (FY 1998 Base: \$70,378)..... \$ -838

The U.S. Military Entrance Processing Command (MEPCOM) is responsible for processing applicants for all Armed Services. The decrease in funding occurs as a result of efficiencies achieved through the use of the Computer Adaptive Testing-Armed Services Vocational Aptitude Battery (CAT-ASVAB).

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

c. Army Continuing Education System (ACES) (FY 1998 Base: \$80,935). \$ -745

The decrease in funding occurs for the following reasons:

- (1) ACES will continue to undergo a pilot program which contracts out many of the functions currently performed by government employees reducing 72 civilian manpower equivalents;
- (2) ACES will eliminate OCONUS Language Training (Headstart); and
- (3) enrollments and testing participation will decrease.

d. Veterans' Education Assistance Program (VEAP)

(FY 1998 Base: \$8,144)..... \$ -2,702

The Veterans' Education Assistance Program (VEAP) is an entitlement which was available to Service members who enlisted between 1 January 1977 and 30 June 1985. Basic VEAP replaced the Vietnam Era GI Bill which terminated 31 December 1976. Due to the new all Volunteer Education Assistance Program (Montgomery GI Bill), effective 1 July 1985, new enrollments are no longer authorized in Basic VEAP. This reduction takes into account current usage rates that continue to decline.

e. Loan Repayment Program (FY 1998 Base: \$14,660)..... \$ -2,066

The Army increased the Loan Repayment Program (LRP) maximum ceiling from \$55 thousand to \$65 thousand per person in response to the FY 1997 challenge of meeting its accession mission, while maintaining quality marks. The LRP is reduced in FY 1999 due to constrained Army resources.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

f. Army Civilian Training, Education and Development System (ACTEDS)
(FY 1998 Base: \$70,880) \$ -4,830

This funding decrease reflects a reduction to civilian training as the civilian workforce continues to downsize. The student intern positions and competitive professional development training load decrease in consonance with the civilian drawdown across the Army.

g. Army Acquisition Civilian Training Program (FY 1998 Base: \$7,597) \$ -2,184

This funding decrease reflects a reduction to civilian training as the civilian workforce continues to downsize. There will be a reduction in acquisition workforce professional training and education at the Industrial College of the Armed Forces, Naval Postgraduate School, and Senior Service College Fellowship Programs.

h. Junior Reserve Officers' Training Corps (JROTC)
(FY 1998 Base: \$73,867) \$ -1,659

The number of JROTC units remain constant at 1370 for FY 1999; however, the number of schools that the Army provides financial assistance to decreases from FY 1998. The Army pays a certain percentage of JROTC instructors' salaries based upon the age of the individual school program. As the age of the individual program increases, the school's portion of the salary increases to a 50/50 sharing arrangement, decreasing the Army's payment. Reduction reflects maturing JROTC program.

Total Program Decreases..... \$ -53,069

FY 1999 Budget Request..... \$ 731,386

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary:

RECRUITING AND ADVERTISING

(Accessions in 000s)

	FY 1997		FY 1998	
	<u>Total</u>	<u>I-III A</u>	<u>Total</u>	<u>I-III A</u>
Recruiting Accessions				
Non-Prior Service Males	59.7	40.2	53.6	35.9
Non-Prior Service Females	15.1	11.5	14.3	9.5
Total Non-Prior Service	74.8	51.7	67.9	45.4
Prior Service	8.1	5.6	5.0	3.4
Total	82.9	57.3	72.9	48.8
				<u>HSDG</u>
				48.2
				12.8
				61.0
				4.5
				65.5

Recruiting Accessions

	FY 1999	
	<u>Total</u>	<u>I-III A</u>
Non-Prior Service Males	53.4	35.7
Non-Prior Service Females	15.1	10.1
Total Non-Prior Service	68.5	45.8
Prior Service	5.0	3.4
Total	73.5	49.2
		<u>HSDG</u>
		48.0
		13.5
		61.5
		4.5
		66.0

I-III A - High three test categories.

HSDG - High School Diploma Graduates.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary (Continued):

RECRUITING AND ADVERTISING

	(Contracts in 000s)		
	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Recruiting Contracts			
High School Senior	39.6	34.1	32.9
High School Diploma Graduates I-IIIa	<u>58.9</u>	<u>50.8</u>	<u>49.0</u>
Total High School	98.5	84.9	81.9
Prior Service and Non-Prior	<u>33.7</u>	<u>29.1</u>	<u>28.1</u>
Service CAT IIIBs and IVs			
Total	132.2	114.0	110.0

I-IIIa - High Three Test Categories.
HSDG - High School Diploma Graduates.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary:

<u>EXAMINING (# IN OOOs)</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
	<u>MEPS Accession Workload</u>		
Army (Active and RC)	136.1	119.8	122.3
Navy	49.2	56.6	48.6
Air Force	30.6	31.7	33.9
Marines	42.2	40.1	41.3
Coast Guard	3.7	6.1	5.1
Total	261.8	254.3	251.2
	<u>Production Testing</u>		
Army	296.8	262.1	267.7
Navy	91.8	110.8	91.9
Air Force	64.0	62.6	70.5
Marines	70.2	67.4	69.0
Coast Guard	8.1	13.3	11.1
Total	530.9	516.2	510.2
	<u>Medical Testing</u>		
Army	202.2	179.1	182.8
Navy	74.1	88.0	73.9
Air Force	52.0	51.9	57.8
Marines	63.1	60.3	62.2
Coast Guard	6.2	10.2	8.6
Total	397.6	389.5	385.3
Aptitude Testing (Students)	898.4	926.6	949.5

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary:

OFF DUTY AND VOLUNTARY EDUCATION: ARMY CONTINUING EDUCATION SYSTEM

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Tuition Assistance (Enrollments)	228,527	228,651	226,082
Tests Administered * (Tests)	971,779	976,779	961,848
Skills Training (Enrollments)	52,646	46,822	46,296
Language Training (Enrollments)	16,111	0	0
NCO Leader Development (Enrollments)	39,621	40,820	39,709
American/Army Registry Transcript System (AARTS)	214,036	215,380	212,960
Manuscripts			

* Types of Tests:

- (1) Diagnostics
- (2) Military
- (3) Academic
- (4) Interest Inventory

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary:

Civilian Education and Training: Civilian Training, Education, and Development

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Career Program Interns (Funded Workyears)	825	875	850
Leadership Development (Training Load)	2,856	2,740	2,802
Competitive Professional Training (Training Load)	3,200	1,941	1,841
Senior Service Schools and Fellowships (Funded Workyears)	23	14	14

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary:

Junior Reserve Officers' Training Corps (JROTC)

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Number of JROTC Units Authorized	1,400	1,400	1,400
CONUS (Cadet Command)	1,353	1,353	1,353
Overseas	17	17	17
Number of JROTC Units Funded	1,370	1,370	1,370

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary:

BASE OPERATIONS

A. Payments to GSA (\$000)			
Standard Level User Charges			
Leased Space (000 sq. ft.)			
Recurring Reimbursements (\$000)			
One Time Reimbursements (\$000)			
	48,477	48,050	49,436
	48,477	48,050	49,436
	3,079	3,042	3,037
	0	0	0
	0	0	0
B. Non-GSA Leased Payment for Space (\$000)			
Leased Space (000 sq. ft.)			
	91,067	97,369	106,858
	4,662	4,662	4,631

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

IV. Performance Criteria and Evaluation Summary (Continued):

Number of Recruiting Stations *

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Army	1,906	1,904	1,918
Navy	1,430	1,455	1,463
Air Force	1,212	1,215	1,214
Marines	1,466	1,458	1,452
Total	6,014	6,032	6,047
Total Leases	2,650	2,616	2,624
Number of Military Entrance Processing Stations	65	65	65

1/ Last year parking and storage leases, in support of office leases, were included in the count. We feel this misrepresents the actual number of locations from which we recruit. The above numbers only reflect the actual number of locations which contain office space and includes all main stations, intermediate commands, full-time recruiting offices, and a few part-time offices.

2/ Army. Although the number of Army on hand recruiters will decrease by nearly 500 between FY 1998 and FY 1999, there is an increased requirement for Army recruiting stations between FY 1998 and FY 1999, to reflect the lag effects of the approved increase of 200 Army authorized production recruiters. Currently, there is an overcrowding situation with recruiting stations. The temporary increase of Army recruiters in FY 1997 and FY 1998 was never supported by increased recruiting facilities. Recruiting facilities only support increases in authorized production recruiters.

Navy. Increases are due to a shift of personnel to new areas. They had expected to close approximately 17 offices in FY 1997 in conjunction with this shift that is not possible at this time.

Marine Corps. The reduction in Marine Corps offices are a result of a consolidation effort on their part.

Overall Leases. The reduction in leases overall has been a result of consolidation of facilities in a common market under one lease. The above numbers reflect the actual number of locations which contain office space and include all main stations, intermediate commands, full-time recruiting offices and a few part-time offices which may be located on military installations, GSA space or commercially leased space.

BUDGET ACTIVITY: TRAINING AND RECRUITING
Activity Group: Recruiting and Other Training and Education

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>CHANGE</u> <u>FY 1998/FY 1999</u>
<u>Active Military End Strength (Total)</u>	10,204	9,096	9,081	-15
Officer	780	790	790	0
Enlisted	9,424	8,306	8,291	-15
<u>Civilian End Strength (Total)</u>	3,994	4,042	3,945	-97
U.S. Direct Hire	3,953	4,003	3,930	-73
Foreign National Direct Hire	16	16	4	-12
Total Direct Hire	3,969	4,019	3,934	-85
Foreign National Indirect Hire	25	23	11	-12
<u>Military Average Strength (Total)</u>	9,477	9,650	9,089	-561
Officer	733	785	790	5
Enlisted	8,744	8,865	8,299	-566
<u>Civilian Full-Time Equivalents (Total)</u>	3,932	4,166	3,908	-258
U.S. Direct Hire	3,901	4,127	3,893	-234
Foreign National Direct Hire	5	16	4	-12
Total Direct Hire	3,906	4,143	3,897	-246
Foreign National Indirect Hire	26	23	11	-12

DEPARTMENT OF THE ARMY
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE, ARMY

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

I. Description of Operations Financed:

The ADMINISTRATION AND SERVICEWIDE ACTIVITIES Budget Activity provides funding for the administration, logistics, communications, and other service-wide support functions required to secure, equip, deploy, transport, sustain, and support Army forces worldwide. This budget activity includes the major activity groups of: SECURITY PROGRAMS, LOGISTICS OPERATIONS, SERVICEWIDE SUPPORT, and SUPPORT OF OTHER NATIONS. Administration and Servicewide Activities support the National Military Strategy by contributing to the strategic principles of Readiness, Collective Security, Arms Control, Strategic Agility, Power Projection, and Technological Superiority. These resources support the Army's transition from a Cold War posture to a leaner force, enhanced by power projection platforms in all mission areas. This budget activity also provides resources to support national and Army-wide intelligence and counterintelligence programs in support of the end-state Army, and resources to continue US commitments to international treaty agreements and cooperative agreements with our allies. Functions funded are inextricably linked to the Army's ability to field a force capable of a swift, decisive victory on the battlefield.

SECURITY PROGRAMS

This funding supports the National Foreign Intelligence Program and Security and Intelligence Activities, and allows the Army to fulfill its role in implementing the National Military Intelligence Estimate. This funding will also allow the Army to fulfill its role in securing world peace through its contributions in the implementation of, and compliance with, international treaties.

LOGISTICS OPERATIONS

This funding allows the Army to equip and sustain the programmed force structure in peacetime.

Logistics Operations funds rapid retrograde and redistribution and disposal of equipment. This program also maintains the ability to transition rapidly to execute new missions or contingency plans associated with the National Military Strategy. Logistics Sub-Activities are:

SERVICEWIDE TRANSPORTATION - Provides for the worldwide movement of Army materiel and equipment in a manner that ensures the items are received when required at the most economical cost available.

CENTRAL SUPPLY ACTIVITIES - Procures and manages Army materiel and equipment (excluding ammunition), and insures the timely receipt and issue to and from the supply depots in the required quantities.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

I. Description of Operations Financed (Continued):

LOGISTICS SUPPORT ACTIVITIES - Supports the Army's total logistics chain, ensuring the Army can perform its missions in both peace and in war.

AMMUNITION MANAGEMENT - Supports total conventional ammunition management, from procurement and maintenance activities to supply depot operation. Ammunition management ensures conventional ammunition is available to the Army and the other Services when required.

SERVICEWIDE SUPPORT

This funding allows the Army to field a trained and ready force through the provision of administrative support, communication and information management systems, management programs, and support for the operating forces. Servicewide Support Sub-Activities are:

ADMINISTRATION - Provides a trained and professional staff capable of supporting the operational forces in peacetime and capable of assuming all necessary staff functions in wartime.

SERVICEWIDE COMMUNICATIONS - Provides a network of communication systems and information management programs that supports Army management in peacetime and provides for contingency requirements at all organizational levels worldwide.

MANPOWER MANAGEMENT - Provides the administration and professional personnel management of the Army's active service members and civilian employees.

OTHER PERSONNEL SUPPORT - Provides a system of personnel management programs to support the Army's active service members and civilian employees during all phases of their careers to include recruitment, training, assignments, and career progression.

OTHER SERVICE SUPPORT - Administers public information and community affairs programs, criminal investigation activities, disability compensation and other support programs. Also includes restoring environmentally harmed areas located on currently and previously owned Army facilities to their original condition.

ARMY CLAIMS - Supports the fair and equitable adjudication between claimants and the Army.

REAL ESTATE MANAGEMENT - Administers real estate and construction to ensure adequate facilities are available worldwide to accomplish the Army's mission in any geographical location or environment.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

I. Description of Operations Financed (Continued):

BASE OPERATIONS SUPPORT - Provides for the support and maintenance of installation operations for Administrative and Servicewide Support funded facilities, providing a quality environment for a trained and ready Army. It includes base operations, base communications, audiovisual support, environmental compliance, child development, and family centers.

REAL PROPERTY MAINTENANCE - Maintains installation infrastructure, including major repairs and minor construction, at U.S. Army Materiel Command (AMC), Military Traffic Management Command (MTMC), and U.S. Army Medical Command (MEDCOM).

COMMISSARY OPERATIONS - Finances the cost of operations of about 300 Commissaries worldwide, including its 17,000 people, overseas transportation of Commissary goods, rewarehousing, shelf stocking, janitorial services, and base support as a tenant organization.

SUPPORT OF OTHER NATIONS

This funding allows the Army to meet global commitments in support of our National Military Strategy and to pursue cooperative activities with other nations. Support of Other Nations Sub-Activities are:

SUPPORT OF NATO OPERATIONS - Supports the National Security Strategy by meeting international collective security commitments with the North Atlantic Treaty Organization

EXPANSION OF NATO - To support expansion of the North Atlantic Treaty Organization. There are no funds budgeted in FY 1998 or FY 1999 for NATO expansion.

MISCELLANEOUS SUPPORT OF OTHER NATIONS - Supports U.N. Command/ Combined Forces, Korea, the International Standardization Program, Humanitarian/Civic Assistance, and the Developing Countries Combined Exercise Program. Enhances military-to-military cooperation.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

II. Force Structure Summary:

This budget activity provides funding for the Army's management and support activities to include the Departmental Headquarters and the following major field commands:

Office, Secretary of the Army	U.S. Military District of Washington
U.S. Army Materiel Command	U.S. Army South
U.S. European Command	U.S. Army Corps of Engineers (Less Civil Works)
U.S. Army Intelligence Security Command	U.S. Army Europe and 7th Army
U.S. Army Pacific Command	U.S. Military Academy
U.S. Army Criminal Investigation Command	U.S. Military Enlistment Processing Center
U.S. Army Space and Missile Defense Command	U.S. Army Military Traffic Management Command
U.S. Army Training and Doctrine Command	Eighth U.S. Army
U.S. Army Forces Command	

Also funded is associated support for field operating agencies and subordinate commands, and the Army's Program Executive Offices (PEO). (Details are provided at the Activity Group level.)

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998			
	FY 1997 Estimate	Budget Request	Appropriation	Current Estimate
A. Activity Group:				FY 1999 Request
1. Security Programs	359,847	366,085	366,085	363,396
				404,340
2. Logistics Operations	1,656,797	1,559,242	1,595,242	1,554,425
				1,505,999
3. Servicewide Support	3,310,454	2,830,912	2,685,851	2,681,789
				3,131,374
4. Support of Other Nations	272,498	304,981	289,981	263,575
				265,221
Total	5,599,596	5,061,220	4,937,159	4,863,185
				5,306,934

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	5,061,220	4,863,185
Congressional Adjustments (Distributed)	-124,061	0
Budget Amendment	-31,014	0
Congressional Adjustments (Realignment)	44,698	0
Congressional Adjustments (Undistributed)	-80,628	0
General Provisions	-28,849	0
Reprogramming/Transfers	5,512	0
Price Change	0	24,273
Functional Transfer	-517	450,757
Program Changes	16,824	-31,281
Current Estimate	4,863,185	5,306,934

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request.....\$ 5,061,220

Congressional Adjustments (Distributed):

a. Logistics Automation.....	\$ 20,000
b. Depot Maintenance Logistics Tail.....	\$ 16,000
c. Headquarters and Administrative Activities.....	\$ -48,600
d. Sustaining Base Information Systems (SBIS).....	\$ 6,000
e. Conservation and Ecosystems Management Program.....	\$ 3,000
f. Eisenhower Center.....	\$ 2,000
g. Pentagon Reservation Maintenance Revolving Fund.....	\$ -66,961
h. Laser Leveling.....	\$ 1,000
i. Federal Energy Management Program.....	\$ -45,000
j. Rock Island Arsenal Bridge.....	\$ 3,500
k. North Atlantic Treaty Organization Headquarters.....	\$ -15,000

Total Congressional Adjustments (Distributed).....\$ -124,061

FY 1998 Appropriated Amount (Distributed).....\$ 4,937,159

Budget Amendment.....\$ -31,014

Congressional Adjustments (Realignment):

a. Headquarters and Administrative Activities.....	\$ 13,303
b. Conservation and Ecosystems Management Program.(to BAI).....	\$ -3,000
c. Federal Energy Management Program.....	\$ 34,500
d. Flying Hour Program.....	\$ -105

Total Congressional Adjustments (Realignment).....\$ 44,698

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Classified Programs.....	\$ -1,958
b. Civilian Personnel Underexecution.....	\$ -27,981
c. Quadrennial Defense Review Civilian Personnel Reductions.....	\$ -20,320
d. Foreign Currency Fluctuation Reduction.....	\$ -13,862
e. High Risk Automation Systems.....	\$ -8,057
f. Real Property Maintenance.....	\$ 19,900
g. Revised Economic Assumptions.....	\$ -8,163
h. Travel Expenses.....	\$ -5,796
i. Non-BRAC Caretaker Status.....	\$ -9,279
j. Capitol Memorial Events.....	\$ 400
k. General Reduction, National Defense Stockpile.....	\$ -5,512
Total Congressional Adjustments (Undistributed).....	\$ -80,628

General Provisions:

a. Section 8035 - Federally Funded Research and Development Centers Reduction.....	\$ -1,045
b. Section 8041 - Contract Assistance and Advisory Services Reduction.....	\$ -23,782
c. Section 8105 - Savings from Excess OMA Inventory.....	\$ -4,022
Total General Provisions.....	\$ -28,849

Reprogramming/Transfers:

Increase:

National Defense Stockpile Transfer.....	\$ 5,512
Total Increase.....	\$ 5,512

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers:

Intra Appropriation Transfers In

a. Army Distance Learning Program Management.....	\$ 11,600
b. Panama Canal Treaty Funding Realignment.....	\$ 11,759

Total Transfers In.....	\$ 23,359

Intra Appropriation Transfer Out

Alignment of Army Signal Command Resources.....	\$ -23,876

Total Transfer Out.....	\$ -23,876

Total Functional Program Transfers.....	\$ -517

Program Increases:

a. Servicewide Transportation.....	\$ 31,190
b. Logistic Support.....	\$ 77,963
c. Administration.....	\$ 19,954
d. Other Service Support.....	\$ 14,966
e. International Cooperative Administrative Support Services.....	\$ 4,285
f. American Samoa Harbor Project Carryover.....	\$ 1,584
g. International Military Headquarters.....	\$ 9,969

Total Program Increases.....	\$ 159,911

Program Decreases:

a. Central Supply Activities.....	\$ -30,365
b. Ammunition Management.....	\$ -46,635
c. Defense Integrated Military Human Resources System.....	\$ -833
d. Army Claims.....	\$ -12,825
e. Base Operations (Servicewide Support).....	\$ -27,600

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

f. Real Property Maintenance (Servicewide Support).....	\$ -12,157
g. Fact of Life Changes.....	\$ -12,672
Total Program Decreases.....	\$ -143,087

FY 1998 Current Estimate.....	\$ 4,863,185

Price Growth:

Total Price Growth.....	\$ 24,273

Functional Program Transfers:

Inter Appropriation Transfers In

a. Defense Security Service.....	\$ 33,900
b. Civilian Personnel Automation.....	\$ 400
c. Information Program Management Acquisition Program Integration Personnel (from O&M, Defense-Wide).....	\$ 1,103
d. Emergency Planning Directorate Personnel (from O&M, Defense-Wide).....	\$ 1,300
e. Acquisition and Technology Program Personnel (from O&M, Defense-Wide).....	\$ 1,600
f. Defense Finance & Accounting Service (DFAS) Transfer.....	\$ 2,750
g. Pentagon Reservation Maintenance Revolving Fund.....	\$ 96,800
h. Single Agency Manager Lease Transfer.....	\$ 6,880
i. Defense Commissary Agency (DeCA) Devolvement.....	\$ 338,400
j. Administrative Funding Consolidation (from RDTE).....	\$ 67
k. DoD Support to Special Events.....	\$ 500
l. Army Review Boards Agency Transfer (from OMAR).....	\$ 846
m. BRAC Caretaker Funds for Tank-Automotive Command.....	\$ 200
n. U.S. NATO Defense Office Support.....	\$ 2,500

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Intra Appropriation Transfer In

Civilian Injury and Illness Compensation Consolidation (from BA1)....	502
Total Transfers In.....	\$ 487,748

Inter Appropriation Transfers Out

a. Communications Consolidation.....	-14
b. Program Manager Funding Realignment (to Procurement).....	-26,572
c. Base Communications Support Transfer (to OMAR).....	-425
d. Streamlining of Combatant Command Headquarters Staffs.....	-63

Intra Appropriation Transfers Out

a. Combat Development Mission Transfer Correction (to BA1).....	-173
b. Civilian Personnel Regionalization Transfer (to BA1).....	-3,382
c. Civilian Injury and Illness Compensation Realignment (to BA1)....	-4,968
d. Directorate of Information Management Transfer (to BA1).....	-500
e. Army Signal Activity-West Point Information Management Transfer..	-894

Total Transfers Out.....	\$ -36,991

Total Functional Program Transfers.....	\$ 450,757

Program Increases:

a. Ammunition Management.....	53,862
c. Army Management Headquarters Activities.....	18,194
d. Panama Canal Treaty Implementation.....	20,000
e. Real Estate Management.....	5,273
f. Base Operations (Servicewide Support).....	21,231
g. Pentagon Reservation Maintenance Revolving Fund.....	4,211
h. A-76 Studies.....	330

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

i. Barracks Furniture.....	13,108
j. Support of NATO Operations.....	17,553
k. Miscellaneous Support to Other Nations.....	4,127
Total Program Increases.....	\$ 157,889

Program Decreases:

a. Security Programs.....	-302
b. Servicewide Transportation.....	-65,659
c. Central Supply Activities.....	-3,945
d. Logistics Support Activities.....	-30,971
e. Servicewide Communications.....	-11,433
f. Manpower Management.....	-4,076
g. Other Personnel Support.....	-917
h. Other Service Support.....	-5,399
i. Army Claims.....	-18,635
j. Environmental Programs (Servicewide Support).....	-4,544
k. Outsourcing and Privatization (Servicewide Support).....	-1,994
l. Real Property Maintenance (Servicewide Support).....	-37,711
m. American Samoa Harbor Project Carryover.....	-1,584
n. Barracks Conversion Program.....	-2,000

Total Program Decreases.....	\$ -189,170
FY 1999 Budget Request.....	\$ 5,306,934

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES

IV. Performance Criteria and Evaluation Summary: Performance Criteria and Evaluation Summary appears at the Activity Group level.

<u>V. Personnel Summary:</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY 1998/1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	18,391	18,136	16,972	-1,164
Enlisted	6,002	5,912	5,667	-245
	12,389	12,224	11,305	-919
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	28,439	24,653	24,274	-379
Foreign National Direct Hire	27,500	24,009	23,678	-331
Total Direct Hire	375	301	278	-23
Foreign National Indirect Hire	27,875	24,310	23,956	-354
	564	343	318	-25
<u>Military Average Strength (Total)</u>				
Officer	19,341	18,266	17,556	-710
Enlisted	6,170	5,958	5,791	-167
	13,171	12,308	11,765	-543
<u>Civilian Full Time Equivalents (Total)</u>				
U.S. Direct Hire	26,609	26,326	24,389	-1,937
Foreign National Direct Hire	25,711	25,684	23,795	-1,889
Total Direct Hire	334	301	278	-23
Foreign National Indirect Hire	26,045	25,985	24,073	-1,912
	564	341	316	-25

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Security Programs

I. Description of Operations Financed:

SECURITY PROGRAMS - Security programs consist of the Consolidated Cryptologic Program (CCP), the General Defense Intelligence Program (GDIP), the Foreign Counterintelligence Program (FCI), Security and Intelligence Activities (S&IA), and Arms Control treaties implementation.

The CCP, GDIP, and FCI are part of the National Foreign Intelligence Program (NFIP), regulated by Executive Order 12333. The respective program managers are: CCP - Director, National Security Agency (NSA); GDIP - Director, Defense Intelligence Agency; FCI - Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD, C3I).

The CCP, GDIP, and FCI budgets are fully documented and justified in classified submissions and are available to properly cleared individuals on request.

The S&IA supports combat readiness through counterintelligence and other intelligence support to Army installations, activities and research and development efforts; non-standard administrative and technical support of Army intelligence, counterintelligence and security countermeasure (CI/SCM) programs in support of ground forces commander. It provides resources for the operation of various intelligence and CI/SCM activities of the Headquarters, U.S. Army Intelligence and Security Command, Fort Belvoir, Virginia; Army Materiel Command, Intelligence Materiel Division at Fort George G. Meade, Maryland; U.S. Army Europe, Heidelberg, Germany; and 650th MI Group in SHAPE, Belgium.

Arms control treaty implementation funding captures all operating and development costs directly associated with implementing arms control treaties and agreements.

The cost driver for Security Programs is the National Military Intelligence Estimate. The cost driver for arms control treaties implementation is the number of inspections scheduled by each individual treaty.

II. Force Structure Summary:

See classified submission for this information.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Security Programs

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998			
	FY 1997 Estimate	Budget Request	Appropriation	Current Estimate
A. Sub-Activity Group:				FY 1999 Estimate
Security Programs	359,847	366,085	366,085	363,396
Total	<u>359,847</u>	<u>366,085</u>	<u>366,085</u>	<u>363,396</u>
				<u>404,340</u>

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	366,085	363,396
Congressional Adjustments (Distributed)	0	0
Budget Amendment	-38	0
Congressional Adjustments (Realignment)	0	0
Congressional Adjustments (Undistributed)	257	0
General Provisions	-2,754	0
Reprogramming/Transfers	638	0
Price Change	0	6,960
Functional Transfer	0	34,286
Program Changes	-792	-302
Current Estimate	<u>363,396</u>	<u>404,340</u>

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Security Programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request.....	\$	366,085
Congressional Adjustments (Distributed):		
Total Congressional Adjustments (Distributed).....	\$	0
FY 1998 Appropriated Amount (Distributed).....	\$	366,085
Budget Amendment.....	\$	-38

Congressional Adjustments (Undistributed):

a. Classified Programs.....	\$	4,700
b. Civilian Personnel Underexecution.....	\$	-1,378
c. Quadrennial Defense Review Civilian Personnel Reductions.....	\$	-1,000
d. Foreign Currency Fluctuation Reduction.....	\$	-17
e. High Risk Automation Systems.....	\$	-399
f. Revised Economic Assumptions.....	\$	-540
g. Travel Expenses.....	\$	-471
h. General Reduction, National Defense Stockpile Fund.....	\$	-638

Total Congressional Adjustments (Undistributed).....	\$	257

General Provisions:

a. Section 8035 - Federally Funded Research and Development Centers Reduction.....	\$	-146
b. Section 8041 - Contract Assistance and Advisory Services Reduction.....	\$	-2,283
c. Section 8105 - Savings from Excess OMA Inventory.....	\$	-325

Total General Provisions.....	\$	-2,754

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Security Programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases:

Reprogramming/Transfers:

Increase:

National Defense Stockpile Transfer.....	\$ 638	
Total Increase.....		\$ 638

Program Decrease:

Security Programs (FY 1997 Base: \$359,847).....	-792	
This fact-of-life adjustment represents updated estimates of FY 1998 requirements.		
Total Program Increase.....		\$ -792
FY 1998 Current Estimate.....		\$ 363,396

Price Growth:

Total Price Growth.....		\$ 6,960

Functional Program Transfers:

Inter Appropriation Transfers In

a. Defense Security Service.....	\$ 33,900
Transfers funds from Operation and Maintenance, Defense-wide appropriation to the Operation and Maintenance, Army appropriation. Customer funds are provided for reimbursement of Personnel Security Investigations because the Defense Investigative Service (DIS) is established as a revolving fund activity in the Defense Working Capital Fund.	

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Security Programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases:

Functional Program Transfers (Continued):

Inter Appropriation Transfers In (Continued)

b. Civilian Personnel Automation.....\$	400
Transfers funds from the Operation and Maintenance, Defense-wide appropriation to Operation and Maintenance, Army appropriation. Funds the migration of military intelligence organizations to the Defense Civilian Personnel Data System with Intelligence Community enhancements.	

Total Transfers In.....\$	34,300

Inter Appropriation Transfer Out

Communications Consolidation.....\$	-14
Details are contained in the Classified submission.	

Total Transfer Out.....\$	-14

Total Functional Program Transfers.....\$	34,286

Program Decrease:

Security Programs (FY 1998 Base: \$363,396).....\$	-302
(See classified submission for details.)	

Total Program Decrease.....\$	-302

FY 1999 Budget Request.....\$	404,340

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Security Programs

IV. Performance Criteria and Evaluation Summary:

Information is classified and is found in the Classified FY 1999 Congressional Budget Justification Books, Volume II, III, and XI, available to properly cleared individuals.

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY 1998/1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	4,984	5,478	5,174	-304
Enlisted	1,007	1,046	1,012	-34
	3,977	4,432	4,162	-270
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	2,027	2,236	2,230	-6
Foreign National Direct Hire	1,895	2,108	2,103	-5
Total Direct Hire	85	81	81	0
Foreign National Indirect Hire	1,980	2,189	2,184	-5
	47	47	46	-1
<u>Military Average Strength (Total)</u>				
Officer	5,233	5,232	5,326	94
Enlisted	1,062	1,027	1,029	2
	4,171	4,205	4,297	92
<u>Civilian Full Time Equivalents (Total)</u>				
U.S. Direct Hire	1,953	2,249	2,228	-21
Foreign National Direct Hire	1,843	2,121	2,101	-20
Total Direct Hire	85	81	81	0
Foreign National Indirect Hire	1,928	2,202	2,182	-20
	25	47	46	-1

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

I. Description of Operations Financed:

LOGISTICS OPERATIONS - Logistics Operations includes the areas of Transportation, Central Supply Activities, Logistics Support Activities, and Conventional Ammunition Management. These programs support the National Military Strategy by enabling logistics readiness, strategic mobility, and power projection.

SERVICEWIDE TRANSPORTATION operations include the movement of materiel between Army depots and Army customers, the movement of goods and mail to support service members worldwide and the management of ground transportation and the Defense Freight Railway Interchange Fleet (DFRIF). Funding supports Second Destination Transportation of Army supplies and equipment transported by the Air Mobility Command (AMC), Military Sealift Command (MSC), Military Traffic Management Command (MTMC), and commercial carriers. The cost drivers are short tons and measurement tons of cargo shipped.

CENTRAL SUPPLY ACTIVITIES field, redistribute, procure, modernize and sustain all Army Weapon Systems/Major End Items (EI). Programs include Supply Depot Operations (SDO) at Defense Logistics Agency (DLA) and Army residual depots and arsenals; National Inventory Control Point (NICP) operations; EI Procurement Offices in support of Program Executive Offices, U.S. Army Materiel Command and Foreign Military Sales; and Sustainment Systems Technical Support (STS). Sustainment STS encompasses the organic and contract technical and engineering design services required for safety, deficiency, environmental, and capability modifications to out-of-production, fielded weaponry. Central Supply Activities do not support conventional ammunition end items or secondary items. Cost drivers involve: SDO-EI issues, receipts, storage, and other supply services performed; NICP-number of weapon system fleets and EI densities managed, and requisitions processed; Procurement-number of EI contracts administered; STS-number of work years of effort.

LOGISTICS SUPPORT ACTIVITIES (LSA) equip, sustain and maintain Army readiness. Logistics Support Activities contain the World-wide Logistics Management Systems for Class VII End Item fieldings and redistributions, Class IX unit-level and wholesale requisitioning and distribution, and readiness and asset visibility reporting. LSAs also include World-wide Logistics Assistance Offices, providing technical supply and maintenance assistance to the field soldier; Radioactive Waste Disposal; End Item Demilitarization; the Army's Domestic Standardization Program; Logistics Information Management; Weapon Systems Lifecycle Management and cost-benefit analyses; and Troop Issue Subsistence Activities. LSA Cost drivers are the number of work years of effort.

AMMUNITION MANAGEMENT provides funding for the Army to act as the DoD Single Manager for Conventional Ammunition. This includes ammunition supply depot support, inventory control point operations, ammunition procurement, administrative activities, and national maintenance operations which relate to conventional ammunition. Conventional ammunition funding supports the redistribution and re-warehousing of equipment in support of the drawdown of forces in Europe and other theaters. Conventional ammunition management cost drivers are the size of the ammunition inventory, as well as the quantity of ammunition issued, received and stored. This activity includes funding for storage, maintenance, and surveillance of toxic chemical agents and munitions for the Army, as DoD executive agent for chemical and biological matters.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

II. Force Structure Summary:

This budget activity provides funding for the Army's logistics operations, including the U.S. Army Materiel Command (USAMC), Military Traffic Management Command (MTMC), and Army Program Executive Offices (does not include the Army Management Headquarters Activities of these commands which is included in the Servicewide Support budget activity). The following activities and installations are supported by this budget activity group:

U.S. Army Materiel Command:
Communications-Electronics Command (CECOM)
Industrial Operations Command (IOC)
Aviation and Missile Command (AMCOM)
U.S. Army Soldier Systems Command (USASSC)
U.S. Army Tank-Automotive and Armaments Command (TACOM)
Simulation, Training, and Instrumentation Command (STRICOM)
Test and Evaluation Command (TECOM)
Installation and Services Activity (ISA)
Industrial Engineering Activity (IEA)
Army Materiel Systems Analysis Activity (AMSAA)
Test, Measurement and Diagnostic Equipment Activity (USATA)
Security Support Activity (SSA)
Systems Integration and Management Activity (SIMA)
AMC Management Engineering Activity (AMCMEA)
AMC-Europe (AMCEUR)
Logistics Support Activity (LOGSA)
Personnel Support Activity (PSA)
Chemical and Biological Defense Command (CBDCOM)

Military Traffic Management Command (MTMC)
Western Area - One CONUS Military Port, Port Operations at Western U.S. Ports, 20 Western States, Alaska, Pusan (Republic of Korea), Okinawa, Japan
Eastern Area - Two CONUS Military Ports, Port Operations at Eastern/Gulf U.S. Ports, 28 Eastern States, Azores, Panama, Puerto Rico, European Ports and Terminals); Defense Freight Railway Interchange Fleet (DFRIF); and the Transportation Engineering Agency (MTMCTEA)

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998			FY 1999 Request
	FY 1997 Estimate	Budget Request	Appropriation	Current Estimate
A. Sub-Activity Group:				
1. Servicewide Transportation	543,108	531,326	531,326	544,015
2. Central Supply Activities	393,662	405,371	405,371	361,383
3. Logistics Support Activities	390,434	253,138	289,138	342,950
4. Ammunition Management	329,593	369,407	369,407	306,077
Total	1,656,797	1,559,242	1,595,242	1,554,425
				1,505,999

	Change	
	FY 1998/FY 1998	FY 1998/FY 1999
B. Reconciliation Summary:		
Baseline Funding	1,559,242	1,554,425
Congressional Adjustments (Distributed)	36,000	0
Budget Amendment	-2,007	0
Congressional Adjustments (Realignment)	-20,105	0
Congressional Adjustments (Undistributed)	-45,562	0
General Provisions	-7,927	0
Reprogramming/Transfers	531	0
Price Change	0	-20,089
Functional Transfer	2,100	18,376
Program Changes	32,153	-46,713
Current Estimate	1,554,425	1,505,999

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request.....		\$ 1,559,242
Congressional Adjustments (Distributed):		
a. Logistics Automation.....	\$ 20,000	
b. Depot Maintenance Logistics.....	\$ 16,000	
Total Congressional Adjustments (Distributed).....		\$ 36,000
FY 1998 Appropriated Amount (Distributed).....		\$ 1,595,242
Budget Amendment.....		\$ -2,007
Congressional Adjustments (Realignment):		
a. Logistics Automation.....	\$ -20,000	
b. Flying Hour Program.....	\$ -105	
Total Congressional Adjustments (Realignment).....		\$ -20,105
Congressional Adjustments (Undistributed):		
a. Classified Programs.....	\$ -6,658	
b. Civilian Personnel Underexecution.....	\$ -15,963	
c. Quadrennial Defense Review Civilian Personnel Reductions.....	\$ -11,593	
d. Foreign Currency Fluctuation Reduction.....	\$ -996	
e. High Risk Automation Systems.....	\$ -3,566	
f. Revised Economic Assumptions.....	\$ -3,620	
g. Travel Expenses.....	\$ -2,635	
h. General Reduction, National Defense Stockpile Fund.....	\$ -531	
Total Congressional Adjustments (Undistributed).....		\$ -45,562

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases (Continued):

General Provisions:

a. Section 8035 - Federally Funded Research and Development Centers Reduction.....	\$ -168
b. Section 8041 - Contract Assistance and Advisory Services Reduction.....	\$ -7,269
c. Section 8105 - Savings from Excess OMA Inventory.....	\$ -490
Total General Provisions.....	\$ -7,927

Reprogramming/Transfers:

Increase:

National Defense Stockpile Fund Transfer.....	531
Total Increase.....	\$ 531

Functional Program Transfer:

Intra Appropriation Transfer In

Panama Canal Treaty Funding Realignment.....\$ 2,100
 Adjustment realigns FY 1998 resources to the correct OMA budget activity. Amounts included in the budget request in Budget Activity 1 for Logistics Support are realigned to Budget Activity 4.

Total Transfer In.....	\$ 2,100
Total Functional Program Transfer.....	\$ 2,100

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Servicewide Transportation (FY 1997 Base: \$543,108)	\$ 31,190
This increase is in support of critical over ocean transportation of War Reserve Ammunition, War Reserve Non-Ammunition stocks, subsistence, and AAFES cargo, in addition to line haul transportation of Directed Materiel Redistribution in Korea in support of readiness.	
b. Logistics Support (FY 1997 Base: \$390,434)	77,963
This increase is a reinstatement of critical funding which realigns the budget with prior and current year execution and continues key Logistics management programs which directly support Army readiness. Analysis of LSA execution in FY 1996 and FY 1997 has revealed that implementation of the reduction in the FY 1998 budget was not feasible, as it would have impacted key world-wide Logistics Supply, Management, and Distribution programs which enable unit readiness. These programs support readiness reporting and weapon system asset management, management of distribution/redistribution of weapon systems to units, tracking of unit requisitions and fill status for spares and repair parts, and also support Power Projection and Total Asset Visibility initiatives.	

Total Program Increases.....\$ 109,153

Program Decreases:

a. Central Supply Activities (FY 1997 Base: \$393,662)	\$ -30,365
The decrease involves both Supply Depot Operations (SDO) and National Inventory Control Point (NICP) Operations. Army reimburses the Defense Logistics Agency (DLA) for SDO issue and receipt of end items, preservation and packaging, care of supplies in storage, and storage of end items. Implementation of discrete pricing and the costing for issue/receipt of high volume, small end items (e.g. communications-electronics, troop support items, gas masks) as batched lines vs. "eaches" has resulted in lower costs for the Army.	

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

Additionally Army has put emphasis on reducing the number of end items stored in DLA Depots, and is intensely managing and reducing other reimbursable workload orders. NISCP Operations have also been streamlined and the workforce downsized. Central Supply funding was reprogrammed in the Army FY99-03 POM to support other higher priority Army programs in the Logistics Support Activities arena.

b. Ammunition Management (FY 1997 Base: \$329,593.....\$ -46,635

Based on affordability, funding for the ammunition program was reduced. The Army can accept the associated risks in readiness and safety. The decrease is in the functional areas of receipt/issue of stocks for Depot Tiering, warehousing, inventory, surveillance, maintenance, and automation enhancements. Portions of the stockpile storage of toxic chemical munitions awaiting demilitarization continue to be unaffordable in FY 1998.

Total Program Decreases.....\$ -77,000

FY 1998 Current Estimate.....\$ 1,554,425

Price Growth:

Total Price Growth.....\$ -20,089

Functional Program Transfers:

Inter Appropriation Transfers In

a. Defense Finance & Accounting Service (DFAS) Transfer.....\$ 239

This represents a functional transfer of workload, manpower (10 spaces) and resources from the DFAS to the Army to perform cost accounting functions associated with the establishment of consolidated DFAS operating locations in support of the U.S. Army Materiel Command.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers In (Continued)

b. Administrative Funding Consolidation.....	67
Realigns funding from the Research, Development, Test, and Evaluation, Army appropriation to the Operation and Maintenance, Army appropriation to consolidate the travel and administrative costs for a public affairs activity into a single appropriation.	

Intra Appropriation Transfers In

a. Civilian Injury and Illness Compensation Consolidation.....	502
Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 1 (Operating Forces) to Budget Activity 4 (Administration and Servicewide Activities). This realignment consolidates all funding for Civilian and Injury Compensation at U.S. Army Materiel Command.	

b. Program Manager Funding Realignment.....	23,458
Transfers funding within the Operation and Maintenance, Army appropriation from Budget Activity Group 43, Servicewide Support to Budget Activity Group 42, Logistics Support, to properly align Program Manager funding with the appropriate acquisition life cycle office.	

Total Transfers In.....	\$ 24,266

Inter Appropriation Transfer Out

Program Manager Funding Realignment.....	-5,890
Transfers funds from the Operation and Maintenance, Army appropriation to the Other Procurement, Army; Procurement of Ammunition, Army; and Procurement of Weapons and Tracked Combat Vehicles, Army appropriations to properly align Program Manager funding with the appropriate acquisition life cycle office.	

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out (Continued)

Total Transfers Out.....	\$ -5,890	
Total Functional Program Transfers.....		\$ 18,376

Program Increase:

Ammunition Management (FY 1998 Base: \$306,077).....\$ 53,862

In FY 1998, funding for the Ammunition Management program was reduced based on affordability. This action resulted in deferring Depot Tiering (receipt/issues/SDT) and rewarehousing, and minimally funding inventory, surveillance, maintenance, and automation enhancements. The funding increase for FY 1999 is a partial recovery of the risks taken in FY 1998 in rewarehousing, inventory, surveillance and maintenance.

Total Program Increase.....		\$ 53,862

Program Decreases:

a. Servicewide Transportation (FY98 Base: \$544,015).....\$ -65,659

Funding for Servicewide Transportation was adjusted to obtain a balance within Army priorities. The program decrease primarily affects the transportation of training ammunition, directed redistribution of equipment, unit moves, and war reserve end items. The decrease also reflects FY 1998 as the final year for the Retrograde Europe program (-\$14,922). There are no second destination

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

transportation costs expected for Retrograde Europe beyond FY 1998. Also, -\$2,000 is attributed to reduced beverage sales because of Congressionally imposed quotas in Korea. The decrease also includes a funding adjustment (-\$26,800) due to reversal of a 1997 plan to provide expanded military postal support to U.S. State Department posts overseas.

b. Central Supply Activities (FY 1998 Base: \$361,383).....\$ -3,945

The funding reduction results from continued Army efforts to intensely manage and reduce the number of End Item Issues and Receipts and reimbursable workload orders, and the quantity of end items stored in DLA Depots.

c. Logistics Support Activities (FY 1998 Base: \$342,950).....\$ -30,971

The decline in Logistics Support Activities (LSA) funding from FY 1998 to FY 1999 reflects an Army affordability issue, that the LSA program cannot be sustained at the FY 1998 level. In FY 1998 the Army was able to reinstate critical funding (\$78,260) to realign the LSA budget to FY 1996 and FY 1997 execution levels for key world-wide Logistics Supply, Management, and Distribution programs. The Army has assumed an acceptable level of risk in funding this program at a lower level in FY 1999 in order to resource other high priority Army programs.

Total Program Decreases.....\$ -100,575

FY 1999 Budget Request.....\$ 1,505,999

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

IV. Performance Criteria and Evaluation Summary:

SECOND DESTINATION TRANSPORTATION BY SELECTED COMMODITY

	FY 1997		FY 1998		FY 1999	
	UNITS	\$(000)	UNITS	\$(000)	UNITS	\$(000)
Cargo(Military Supplies and Equipment) (MT)	1,324,538	119,844	1,108,987	104,938	869,000	65,335
Cargo (ST)	1,202,881	99,484	1,476,280	122,718	737,334	66,467
(Cargo)MSN	30	6,816	30	6,557	30	5,488
Base Exchanges (MT)	2,057,895	181,600	1,823,964	164,900	1,198,181	102,000
Subsistence (MT)	172,490	15,500	141,963	12,800	78,324	6,400
Overseas Mail (ST)	41,984	73,900	50,467	90,900	51,896	80,400
TOTAL		497,144		502,813		326,090

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Logistics Operations

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY 1998/1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	855	916	945	29
Enlisted	429	431	443	12
	426	485	502	17
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	8,219	7,444	7,237	-207
Foreign National Direct Hire	8,070	7,343	7,131	-212
Total Direct Hire	78	56	62	6
Foreign National Indirect Hire	8,148	7,399	7,193	-206
	71	45	44	-1
<u>Military Average Strength (Total)</u>				
Officer	896	886	931	45
Enlisted	439	430	437	7
	457	456	494	38
<u>Civilian Full Time Equivalents (Total)</u>				
U.S. Direct Hire	7,378	7,970	7,126	-844
Foreign National Direct Hire	7,235	7,870	7,021	-849
Total Direct Hire	54	56	62	6
Foreign National Indirect Hire	7,289	7,926	7,083	-843
	89	44	43	-1

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

I. Description of Operations Financed:

SERVICEWIDE SUPPORT - Servicewide Support consists of Administration, Servicewide Communications, Manpower Management, Other Personnel Support, Other Service Support, Army Claims and Administrative Support Activities, Real Estate Management, Base Support (for Service Support activities), Real Property Maintenance, and Environmental Restoration. These programs support the National Military Strategy by enabling personnel readiness of the force.

ADMINISTRATION - Consists of the operation of management headquarters for the support forces of the Army that are fully trained, professional, and capable of supporting the operational forces in peacetime and of assuming all necessary staff functions in wartime.

SERVICEWIDE COMMUNICATIONS - Consists of the Army's information management activities, information program management, central software design, Defense Communications System, Long Haul Communications, information security, satellite ground communications, and the National Science Center for Communications and Electronics.

MANPOWER MANAGEMENT - Consists of the administration and professional personnel management of the Army's active service members and civilian employees. Included are resources required to support the Regionalization of the Army's civilian personnel operations. This effort is part of the DoD-wide Civilian Personnel Regionalization/Systems Modernization program which will provide for the reduction in the number of civilian personnel specialists by consolidating into a regional configuration. Efficiencies will be achieved through modernizing the information system and improving the servicing ratio. In conjunction with the development and deployment of a modern, standard data system, the Defense Civilian Personnel Data System (DCPDS), the regionalization of civilian personnel services will provide the streamlined civilian personnel service delivery afforded by these more efficient and effective organizational structures and business process improvements. Within the Office of the Under Secretary of Defense for Personnel and Readiness, the DoD Civilian Personnel Management Service (CPMS) is providing for the development and deployment of the modern, standard data system and has been assigned program oversight for the Department's Regionalization/Systems Modernization program.

OTHER PERSONNEL SUPPORT - Consists of programs to support the Army's active service members and civilian employees during all phases of their careers to include recruitment, training, assignments and career progression. This activity includes US Total Army Personnel Command, Community and Family Support Center, POW/MIA and Casualty Operations, correctional facilities, drug abuse prevention, the Army Career Alumni Program (ACAP), and Armed Forces Radio and Television Service (AFRTS).

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

I. Description of Operations Financed (Continued):

OTHER SERVICE SUPPORT - Consists of public information and community relations programs worldwide, criminal investigation (of serious crimes) activities, protective service of DoD officials, national agency checks by Defense Investigative Service, disability compensation and other support.

ARMY CLAIMS - Provides for the fair and equitable adjudication between claimants and the Army.

REAL ESTATE MANAGEMENT - Consists of the administration of real estate planning and acquisition, development of design and planning guidance, and support to environmental compliance activities.

BASE SUPPORT OPERATIONS - Consists of the operation, support, and maintenance of installation operations that provide a quality environment for a trained and ready Army, including base operations, environmental programs and family programs.

BASE OPERATIONS SUPPORT - Specific resource accounts designate functions of an installation support nature such as administration; automation support; morale, welfare and recreation services; base services support, including supply, resource management, contracting, personnel, preservation of order, transportation, and utilities; real estate leases; community and morale support activities; facility support services; and maintenance of equipment. Base Operations also include: (a) Base Communications - Operation and maintenance of Army non-tactical, base (post, camp, and station) communication facilities, and equipment systems which provide local communications for installations/activities worldwide; (b) Audiovisual and Visual Information Management, administration, and operation of installation, MACOM, Headquarters, and Joint Visual Information Service and activities; (c) Child Development Services (CDS) - Direct costs required for management, administrative, and care-giving staff to provide developmental care and to minimize the risk of child abuse in Army child care settings; and (d) Family Centers (Army Community Services) - Direct manpower costs, support equipment and supplies, facilities, and the associated costs specifically identifiable and measurable to the following programs and services: Army Community Services; Exceptional Family Member Program; Family Advocacy; Family Member Employment Program; Foster Care; Financial Planning - Consumer Affairs; Information, Referral, and Follow Up; Outreach; and Relocation. Base Operations also includes funding for the Pentagon Renovation Maintenance Revolving Fund (PRMRF).

Base Operations Support also includes Environmental Programs - Costs required to comply with applicable environmental laws, regulations, duties), training, travel, supplies, permits, fees, support equipment, service, and construction contracts (if the primary purpose is to comply with environmental standards) and the associated costs criteria and standards. Includes manpower (if over 50% of time is devoted to environmental specifically identified and measurable to environmental compliance.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Serviceside Support

I. Description of Operations Financed (Continued):

REAL PROPERTY MAINTENANCE - The maintenance of installation infrastructure at the U.S. Army Materiel Command (AMC) and the Military Traffic Management Command (MTMC), including Minor Construction and Maintenance and Repair.

(1) MINOR CONSTRUCTION - Consists of direct manpower, support equipment, facilities, and associated costs specifically identifiable and measurable to all construction costing less than the statutory maximum amount for Minor Military Construction projects as established in Section 2805 of Title 10 U.S.C. (currently \$300,000).

(2) MAJOR REPAIRS - Consists of direct manpower, support equipment, facilities, and associated costs specifically identifiable and measurable to maintenance and repair of real property, i.e., utilities, buildings, other facilities, pavements (roads, parking lots, runways, etc.), land, and grounds. Includes, but not limited to, such things as repair of electrical circuitry, heating and air conditioning, water piping, and routine maintenance such as caulking and painting.

CLOSED ACCOUNT ADJUSTMENTS - Consists of resources for payment of obligations which would otherwise have been chargeable to a canceled account. Funds are transferred from within Operation and Maintenance, Army Budget Activities in the year of execution.

ENVIRONMENTAL RESTORATION - Provides for the restoration to original condition of environmentally harmed areas located on currently and previously owned Army facilities. Funds are transferred to the Operation and Maintenance, Army account from the Environmental Restoration account in the year of execution.

COMMISSARY OPERATIONS - Finances the cost of operations of about 300 Commissaries worldwide, including its 17,000 people, overseas transportation of Commissary goods, rwarehousing, shelf stocking, janitorial services, and base support as a tenant organization.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

II. Force Structure Summary:

This budget activity provides funding for the Army's management and support activities to include the Departmental Headquarters and the following major field commands:

Office, Secretary of the Army	U.S. Military District of Washington
U.S. Army Materiel Command	U.S. Army South
U.S. European Command	U.S. Army Corps of Engineers (Less Civil Works)
U.S. Army Intelligence Security Command	U.S. Army Europe and 7 th Army
U.S. Army Pacific Command	U.S. Military Academy
U.S. Army Criminal Investigation Command	U.S. Military Enlistment Processing Center
U.S. Army Space and Missile Defense Command	U.S. Army Military Traffic Management Command
U.S. Army Training and Doctrine Command	Eighth U.S. Army
U.S. Army Forces Command	

Also funded is associated support for field operating agencies and subordinate commands, and the Army's Program Executive Offices (PEOs).

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands):

	FY 1999				
	FY 1997 Estimate	Budget Request	Appropriation	Current Estimate	FY 1999 Request
A. Sub-Activity Group:					
1. Administration	301,856	294,972	246,372	277,174	304,679
2. Servicewide Communications	640,587	620,825	626,825	609,545	606,379
3. Manpower Management	153,367	152,437	152,437	147,038	142,081
4. Other Personnel Support	200,783	155,307	155,307	149,101	150,483
5. Other Service Support*	1,115,428	593,446	531,485	605,246	618,384
6. Army Claims	112,815	151,092	151,092	140,819	118,886
7. Real Estate Management	88,270	63,526	63,526	62,132	68,815
8. Commissary Operations	0	0	0	0	338,400
9. Base Operations Support	645,154	667,779	623,779	566,025	700,689
10. Real Property Maintenance	52,194	131,528	135,028	124,709	82,578
Total	3,310,454	2,830,912	2,685,851	2,681,789	3,131,374

*FY 1997 amount includes Environmental Restoration Activity and Merged Account

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

B. Reconciliation Summary:

	<u>Change</u> <u>FY 1998/FY 1998</u>	<u>Change</u> <u>FY 1998/FY 1999</u>
Baseline Funding	2,830,912	2,681,789
Congressional Adjustments (Distributed)	-145,061	0
Budget Amendment	-3,087	0
Congressional Adjustments (Realignment)	64,803	0
Congressional Adjustments (Undistributed)	-23,646	0
General Provisions	-18,106	0
Reprogramming/Transfers	4,306	0
Price Change	0	59,933
Functional Transfer	-3,849	395,598
Program Changes	-24,483	-5,946
Current Estimate	2,681,789	3,131,374

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request.....\$ 2,830,912

Congressional Adjustments (Distributed):

a. Headquarters and Administrative Activities.....	\$ -48,600
b. Sustaining Base Information Systems (SBIS).....	\$ 6,000
c. Conservation and Ecosystems Management Program.....	\$ 3,000
d. Eisenhower Center.....	\$ 2,000
e. Pentagon Reservation Maintenance Revolving Fund.....	\$ -66,961
f. Laser Leveling.....	\$ 1,000
g. Federal Energy Management Program.....	\$ -45,000
h. Rock Island Arsenal Bridge.....	\$ 3,500

Total Congressional Adjustments (Distributed).....\$ -145,061

FY 1998 Appropriated Amount (Distributed).....\$ 2,685,851

Budget Amendment.....\$ -3,087

Congressional Adjustments (Realignment):

a. Headquarters and Administrative Activities.....	\$ 13,303
b. Logistics Automation.....	\$ 20,000
c. Conservation and Ecosystems Management Program (to BA1).....	\$ -3,000
d. Federal Energy Management Program.....	\$ 34,500

Total Congressional Adjustments (Realignment).....\$ 64,803

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Congressional Adjustments (Undistributed):

a. Civilian Personnel Underexecution.....	\$ -10,600
b. Quadrennial Defense Review Civilian Personnel Reductions.....	\$ -7,697
c. Foreign Currency Fluctuation Reduction.....	\$ -1,335
d. High Risk Automation Systems.....	\$ -4,084
e. Real Property Maintenance.....	\$ 19,900
f. Revised Economic Assumptions.....	\$ -3,965
g. Travel Expenses.....	\$ -2,680
h. Non-BRAC Caretaker Status.....	\$ -9,279
i. Capitol Memorial Events.....	\$ 400
j. General Reduction, National Defense Stockpile Fund.....	\$ -4,306

Total Congressional Adjustments (Undistributed).....\$ -23,646

General Provisions:

a. Section 8035 - Federally Funded Research and Development Centers Reduction.....	\$ -680
b. Section 8041 - Contract Assistance and Advisory Services Reduction.....	\$ -14,230
c. Section 8105 - Savings from Excess OMA Inventory.....	\$ -3,196

Total General Provisions.....\$ -18,106

Reprogramming/Transfers:

Increase:

National Defense Stockpile Transfer.....	\$ 4,306

Total Increase.....\$ 4,306

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers:

Intra Appropriation Transfers In

a. Army Distance Learning Program Management.....\$ 11,600

Realigns funds within the Operation and Maintenance, Army appropriation from Budget Activity 3 (Training and Recruiting) to Budget Activity 4 (Administrative and Servicewide Activities). The Army Distance Learning Program (ADLP) is reviewed by the OSD Major Automated Information System Review Council (MAISRC) and is managed by the Program Manager Army Distance Learning Program (PM ADLP). The PM ADLP will centrally manage the acquisition of Automated Data Processing Equipment (ADPE) and associated telecommunications infrastructure needed to implement Distance Learning related training business process improvements. The Budget Activity 4 funds supporting this effort provide for ADLP telecommunications support, design, engineering, and deployment of the ADLP ADPE/telecommunications infrastructure, and overall ADLP program management.

b. Panama Canal Treaty Funding Realignment.....\$ 8,427

Adjustment realigns FY 1998 resources to the correct OMA budget activity. Amounts included in the budget request in Budget Activity 1 for Servicewide Communications and Base Operations are realigned to Budget Activity 4.

Total Transfers In.....\$ 20,027

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Intra Appropriation Transfer Out

Alignment of Army Signal Command Resources.....\$ -23,876
Transfers funds within the Operation and Maintenance, Army
appropriation from Budget Activity 4, Administration and
Servicewide Activities, to Budget Activity 1, Operating Forces.
This reprogramming properly aligns resources with the
predominant Army Signal Command and U.S. Army Forces Command
missions.

Total Transfer Out.....\$ -23,876

Total Functional Program Transfers.....\$ -3,849

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

a. Administration (FY 1997 Base: \$301,856).....	\$	19,954
This increase reflects a realignment in Army Management Headquarters Activities funding levels to fully fund the civilian manpower program in this Sub-Activity Group. The Army's management headquarters functions and manpower continue to decrease, in compliance with Congressional guidance.		
b. Other Service Support (FY 1997 Base: \$559,601).....	\$	14,966
This increase funds the Army Declassification Activity, established to comply with Executive Order 12958, which requires review of all documents over 25 years of age, and determination as to their future classification. It also funds the Gulf War Declassification project.		
c. International Cooperative Administrative Support Services (ICASS) (FY 1997 Base: \$0).....		4,285

The increase is provided to offset the additional costs that DoD Components will bear under a new cost sharing system, the International Cooperative Administrative Support Services (ICASS) system. The Foreign Affairs Administrative Support (FAAS) cost sharing system for the support that State Department provides to U.S. Federal Agencies overseas was replaced with the ICASS system to provide greater flexibility, accountability, and a more equitable distribution of overseas administrative costs. Beginning in FY 1998, costs for utilities, long-term leases, local guards and community liaison offices are being shared by DoD and other Federal Agencies with a presence on post. ICASS's combination of local empowerment and accountability will prompt more efficient operations.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

d. American Samoa Harbor Project Carryover (FY 1997 Base: \$1,601)..\$ 1,584
 This increase reflects the unobligated balance of the American Samoa Harbor Project.

Total Program Increases.....\$ 40,789

Program Decreases:

a. Defense Integrated Military Human Resources System (DIMHRS)
 (FY 1997 Base: \$0).....\$ -833
 Provides for a reprogramming to support seven spaces in Defense Human Resources Agency. These resources will contribute to the establishment of the Joint Requirements and Integration Office (JRIO) within the DHRA to oversee the design and development of the Defense Integrated Military Human Resources System (DIMHRS).

b. Army Claims (FY 1997 Base: \$112,815).....\$ -12,825
 This reduction reflects updated estimates for Army's support for adjudicated claims owed to military personnel, other claimants, and foreign governments (in accordance with the Status of Forces Agreement). It also reflects reduced requirements deemed appropriate to compensate for a reduced military presence supporting the Bosnia Implementation Force (IFOR) contingency operation. The budget does not fund IFOR support beyond June 1998.

c. Base Operations (Servicewide Support) (FY 1997 Base: \$590,346)..\$ -27,600
 This decrease represents a reduction in base operations support functional areas to support Army's decision to level base operations support funding across the Army.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

d. Real Property Maintenance (FY 1997 Base: \$107,002).....\$ -12,157

The Army is applying all available resources to its RPM while balancing risk across its entire program. Only critical sustainment and maintenance and repair projects will be accomplished.

e. Fact of Life Changes.....\$ -11,857

This adjustment represents various changes as the result of updated requirements and priorities involving all Sub-Activities in the Servicewide Support Activity group. This reduction also reflects cost savings and efficiencies achieved through implementing HQDA Redesign and MACOM Reengineering initiatives, Civilian Personnel Regionalization, and streamlining of Base Support.

Total Program Decreases.....\$ -65,272

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 1998 Current Estimate.....\$ 2,681,789

Price Growth:

Total Price Growth.....\$ 59,933

Functional Program Transfers:

Inter Appropriation Transfers In

a. Information Program Management Acquisition Program
Integration Personnel (from O&M, Defense-Wide).....\$ 1,103

Transfers Information Management Acquisition Program
Integration personnel, functions, and associated resources from
Operation and Maintenance, Defense-Wide to the Army's Single
Agency Manager as a part of the Defense Reform Initiative.

b. Emergency Planning Directorate Personnel
(from O&M, Defense-Wide).....\$ 1,300

Transfers the Emergency Planning Directorate personnel,
functions, and associated resources from Operation and
Maintenance, Defense-Wide to the Army's Directorate of Military
Support, Office, Deputy Chief of Staff for Operations and Plans
as a part of the Defense Reform Initiative.

c. Acquisition and Technology Program Personnel (from O&M,
Defense-Wide).....\$ 1,600

Transfers Acquisition and Technology Program personnel,
functions, and associated resources from Operation and
Maintenance, Defense-Wide to the Army as a part of the Defense
Reform Initiative.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers In (Continued)

d. Defense Finance & Accounting Service (DFAS) Transfer.....\$ 2,451
This represents a functional transfer of workload, manpower (98 spaces) and resources from the DFAS to the Army to perform cost accounting functions associated with the establishment of consolidated DFAS operating locations in support of the U.S. Army Materiel Command.

e. Pentagon Reservation Maintenance Revolving Fund (PRMRF).....\$ 96,800
Transfers funds from the O&M, Defense-Wide (Washington Headquarters Services) appropriation to the O&M, Army appropriation customer account for purchases from the Pentagon Reservation Maintenance Revolving Fund, consistent with revolving fund budget policy.

f. Single Agency Manager Lease Transfer.....\$ 6,880
Transfers funds from the Operation and Maintenance, Air Force appropriation to the Operation and Maintenance, Army appropriation. The Army Single Agency Manager assumed operational control of the Air Force Pentagon Communications Agency (AFPCA) in FY 1996. This completes the transfer.

g. Defense Commissary Agency (DeCA) Devolvement.....\$ 338,400
Transfers Commissary store-related resources from DeCA Defense Working Capital Fund to Operation and Maintenance, Army appropriation. DeCA support is transferred to the Services whose active duty military are direct beneficiaries of the benefit and who define commissary support requirements.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers In (Continued)

h. Department of Defense Support to Special Events.....\$	500
Transfers resources (five civilians and associated funding) from Operation and Maintenance, Defense-wide appropriation to Operation and Maintenance, Army appropriation to oversee the management and coordination of the Department of Defense support to international and national special events.	
i. Army Review Boards Agency Transfer (from OMAR).....\$	846
Transfers funds from the Operation and Maintenance, Army Reserve appropriation to the Operation and Maintenance, Army appropriation for all functions and associated resources related to the Army Review Boards Agency transfer.	
j. U.S. Army Tank Automotive Command Transfer.....\$	200
Transfers three civilians and associated dollars from the Defense Logistics Agency to Operation and Maintenance, Army appropriation for the performance of Detroit Arsenal Tank Plant Base realignment and closure caretaker activities.	

Total Transfers In.....\$ 450,080

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Inter Appropriation Transfers Out

a. Program Manager Funding Realignment.....\$ -20,682
Transfers funds from the Operation and Maintenance, Army
appropriation to the Other Procurement, Army; Procurement of
Ammunition, Army; and Procurement of Weapons and Tracked Combat
Vehicles, Army appropriations to properly align Program Manager
funding.

b. Base Communications Support Transfer.....\$ -425
Transfers funds from the Operation and Maintenance, Army
appropriation Budget Activity 4 (Administration and Servicewide
Activities) to the Operation and Maintenance, Army Reserve
appropriation for base communications support for Office,
Chief, Army Reserve (OCAR) due to establishment of OCAR as a
separate Operating Agency.

Intra Appropriation Transfers Out

a. Combat Development Mission Transfer Clean-up.....\$ -173
Transfers funds from the Operation and Maintenance, Army
appropriation Budget Activity 4 (Administration and Servicewide
Activities) to Budget Activity 1 (Operating Forces) to correct
a previous transfer from Fort Huachuca to Fort Monroe for the
combat development mission.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Intra Appropriation Transfers Out (Continued)

b. Civilian Personnel Regionalization Transfer.....\$ -3,382

Transfers funds within the Operation and Maintenance, Army appropriation from BA 4 (Administration and Servicewide Activities) to Budget Activity 1 (Operating Forces). This realignment supports the centralization of those civilian personnel functions that do not require face-to-face interaction between the personnel specialist and the employee. This initiative began in FY 1995 and calls for phased establishment of ten personnel centers through FY 1999. Seven centers will be located within the continental United States (CONUS), one in Europe, one in Korea, and one in Alaska. While the local major Army commanders will retain responsibility for the overseas centers, the seven CONUS centers will be placed under the operational control of the Assistant Secretary of the Army for Manpower and Reserve Affairs.

c. Civilian Injury and Illness Compensation Realignment.....\$ -4,968

Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 4 (Administration and Servicewide Activities) to Budget Activity 1 (Operating Forces). This realignment consolidates all funding for Civilian Injury and Illness Compensation at U.S. Army Pacific.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Intra Appropriation Transfers Out (Continued)

d. Directorate of Information Management Transfer.....\$	-500
Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 4, Administration and Servicewide Activities) to Budget Activity 1, Operating Forces, reflecting the Base Realignment and Closure committee decision to close Fort Ritchie. The Directorate of Information Management (DOIM) functions are moving from Fort Ritchie to Fort Detrick. The U.S. Army Medical Command will assume all costs for operating DOIM functions at Fort Ritchie.	
e. Army Signal Activity-West Point Information Management Transfer.\$	-894
Transfers funds within the Operation and Maintenance, Army appropriation from Budget Activity 4 (Administration and Servicewide Activities) to Budget Activity 3 (Training and Recruiting) to realign information management resources. This transfer realigns the information management function from the Army Signal Command at U.S. Army Forces Command to the United States Military Academy (USMA) to promote more efficient and effective operation of the information management required for USMA.	

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Functional Program Transfers (Continued):

Intra Appropriation Transfers Out (Continued)

- f. Program Manager Funding Realignment.....\$ -23,458
 Transfers funding within the Operation and Maintenance,
 Army appropriation from Budget Activity Group 43, Servicewide
 Support to Budget Activity Group 42, Logistics Support, to
 properly align Program Manager funding with the appropriate
 acquisition life cycle office.

Total Transfers Out.....\$ -54,482

Total Functional Program Transfers.....\$ 395,598

Program Increases:

- a. Army Management Headquarters Activities (FY 1998 Base: \$277,174)\$ 18,194
 This increase reflects a correction in funding levels to
 cover the civilian manpower program in this Sub-Activity Group.
 The Army's management headquarters functions and manpower
 continue to decrease, in compliance with Congressional
 guidance.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

- b. Panama Canal Treaty Implementation Plan.....\$ 20,000
The Panama Canal Treaty Implementation Plan executes the facility turnover and troop relocation necessary to implement the provisions of the Panama Canal Treaty. The funding to execute this plan is based on the assumption that a post-1999 Army presence in Panama is successfully negotiated and the Army continues operations in Panama under a reduced presence after 1999. The increase provides for the operation and maintenance of the Army portion of Defense Communications System (DCS) long-haul communications services, networks, and equipment systems. It also supports the operation and maintenance of Army non-tactical base communications facilities and equipment systems which provide local communications for installations/activities worldwide.
- c. Real Estate Management (FY 1998 Base: \$62,132).....\$ 5,273
This program provides direct mission support to Army Major Commands and installations. Costs are related to centralized technical and operational expertise for sustainment, health, safety, and environmental aspects of infrastructure and real estate services, acquisitions, change planning, appraisals, permits, and outleases. The program increase is not an increase in level of effort above the normal level, but rather the result of a depressed FY 1998 program.
- d. Base Operations (Servicewide Support) (FY 1998 Base: \$566,025)..\$ 21,231
This increase is for base operations support functional areas required to adequately sustain and support training and readiness and to operate installation services to stabilize soldier, family, and infrastructure programs.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases (Continued):

e. Pentagon Reservation Maintenance Revolving Fund
(FY 1998 Base: \$11,626).....\$ 4,211

This increase provides for real property operations and
Renovation-related program requirements to satisfy minimum
health, safety, and structural needs of the facility.

f. A-76 Studies (FY 1998 Base: \$0).....\$ 330

This increase provides funds and complies with the
Quadrennial Defense Review (QDR) guidance to compete
infrastructure functions for potential outsourcing. In FY1999
the Army plans to conduct OMB Circular A-76 studies of
approximately 10,656 civilians and 2,819 military spaces and
anticipate potential savings from the studies. The precise
amount of the Army civilian reductions will depend on the
result of the Army's outsourcing and privatization initiative.

g. Barracks Furniture (FY 1998 Base: \$25,565).....\$ 13,108

This increase provides funds to equip renovated barracks
that cannot be occupied unless they are equipped with essential
furnishings and appliances. Initial furnishings are an
integral component of each barracks modernization project as
well as Army's long-term commitment to provide quality housing
to single soldiers.

Total Program Increases.....\$ 82,347

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases:

a. Servicewide Communications (FY 1998 Base: \$609,545)	\$ -11,433
This is a reduction to Primary Command, Control, Communications and Intelligence (C3I) systems and networks funding. It reflects continued cost savings and efficiencies achieved through implementing HQDA Redesign initiatives.	
b. Manpower Management (FY 1998 Base: \$147,038)	\$ -4,076
This program decrease reflects continued reductions in civilian personnel office regionalization since a higher ratio of civilian personnelists to personnel serviced is achieved. In FY 1999, all one-time start-up costs associated with civilian personnel regionalization are complete. The reduction also reflects cost savings resulting from implementing HQDA Redesign initiatives.	
c. Other Personnel Support (FY 1998 Base: \$149,101)	\$ -917
The program reduction continues to reflect the cost savings to the Army through implementing the HQDA Redesign and MACOM Reengineering initiatives.	
d. Other Service Support (FY 1998 Base: \$605,246)	\$ -5,399
This program decrease reflects Army's continuing efforts to implement Base Realignments and Closures (BRAC) and reduce Army Field Operating Agencies, as well as reductions in other support programs.	

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

e. Army Claims (FY 1998 Base: \$140,819)\$ -18,635

This reduction reflects Army's support for adjudicated claims owed to military personnel, other claimants, and foreign governments (in accordance with the Status of Forces Agreement). It also reflects reduced requirements based on a reduced or eliminated military presence supporting the Bosnia Implementation Force (IFOR) contingency operation.

f. Environmental Programs (Servicewide Support)

FY 1998 Base: \$49,620)\$ -4,544

Funds for Integrated Training Area Management, which were reported in the Environmental Program in FY 1998, are being transferred to the Training Program in FY 1999 (\$2.1M). Funding for the environmental Base Realignment and Closure (BRAC) account decreases in FY 1999 as this program draws to an end (\$4.5M). Also, the Underground Storage Tank (UST) Improvement program nears completion in FY 1999 (\$0.4M).

g. Outsourcing and Privatization (Servicewide Support)

(FY 1998 Base: \$0)\$ -1,994

This decrease marks the first year in which savings begin to be realized as a result of outsourcing and privatization initiatives within the Army. Savings in FY 1999 begin to accrue due to the completion of a total of approximately 12,000 studies initiated in FY 1997. These studies will produce savings through end strength and work year reductions as well as through efforts to establish more efficient organizations on installations and reduce resource requirements for Base Operations programs.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Decreases (Continued):

- h. Real Property Maintenance (Servicewide Support)
(FY 1998 Base: \$124,709).....\$ -37,711
FY 1999 funding decreases to balance overall Army priorities
and maintenance critical infrastructure at acceptable maintenance
and repair standards.
- i. American Samoa Harbor Project Carryover (FY 1998 Base: \$1,584) ..\$ -1,584
This decrease reflects the Army's expectation to obligate
the balance of funds provided for the American Samoa Harbor
Project during FY 1998.
- j. Barracks Conversion Program (FY 1998 Base: \$9,000).....\$ -2,000
This decrease reflects a reduction in the Volunteer Army
(VOLAR) barracks conversion program as the program is funded at a
lower level. As these projects are being completed the living
conditions will improve the quality of life for our soldiers Army-
wide.

Total Program Decreases.....\$ -88,293

FY 1999 Budget Request.....\$ 3,131,374

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

IV. Performance Criteria and Evaluation Summary:

BASE OPERATIONS SUPPORT

	FY 1997	FY 1998	FY 1999
A. Administration (\$000)			
Military End Strength	52,367	42,754	45,910
Civilian Full Time Equivalents	200	191	170
Total Personnel	585	548	553
Number of Bases, Total	785	739	723
(CONUS)	9	7	7
(Overseas)	9	7	7
	0	0	0
Population Served, Total			
(Military End Strength)	253,536	248,301	247,098
(Civilian Full Time Equivalents)	179,517	178,866	178,750
	74,019	69,435	68,348
B. Retail Supply Operations (\$000)			
Military End Strength	41,647	39,889	43,606
Civilian Full Time Equivalents	0	0	0
Total Personnel	367	347	311
	367	347	311
C. Bachelor Housing Operations/Furniture (\$000)			
Military End Strength	22,495	31,102	40,486
Civilian Full Time Equivalents	0	0	0
Total Personnel	21	16	14
Number of Officer Quarters	21	16	14
Number of Enlisted Quarters	1,191	1,142	1,142
	12,772	12,729	12,729
D. Other Morale, Welfare, & Recreation (\$000)			
Military End Strength	17,400	12,399	13,977
Civilian Full Time Equivalents	0	0	0
Total Personnel	148	132	123
	148	132	123
Population Served, Total			
(Military End Strength)	253,536	248,301	247,098
(Civilian Full Time Equivalents)	179,517	178,866	178,750
	74,019	69,435	68,348

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

IV. Performance Criteria and Evaluation Summary (Continued):

BASE OPERATIONS SUPPORT (Continued)

	FY 1997	FY 1998	FY 1999
E. Maintenance of Installed Equipment (\$000)	5,092	6,382	6,666
Military End Strength	9	0	0
Civilian Full Time Equivalents	71	70	66
Total Personnel	80	70	66
F. Other Base Services (\$000)			
Military End Strength	22,389	18,840	24,104
Civilian Full Time Equivalents	149	110	110
Total Personnel	303	211	196
Number of Motor Vehicles, Total	452	321	306
(Owned)	13,180	13,180	13,180
(Leased)	2,090	2,090	2,090
	11,090	11,090	11,090
G. Other Personnel Support (\$000)			
Military End Strength	29,337	17,740	19,296
Civilian Full Time Equivalents	40	50	27
Total Personnel	316	265	214
Population Served, Total	356	315	241
(Military Average Strength)	253,536	248,301	247,098
(Civilian Full Time Equivalents)	179,517	178,866	178,750
	74,019	69,435	68,348
H. Payments to GSA (\$000)			
Standard Level User Charges (\$000)	107,994	111,866	100,321
Leased Space (000 Sq. Ft)	104,449	108,799	100,321
Recurring Reimbursements (\$000)	9,610	8,998	7,038
One-Time Reimbursements (\$000)	0	0	0
	0	0	0
I. Non-GSA Lease Payments for Space			
Leased Space (000 Sq. Ft)	20,466	15,561	129,904
	2,033	2,033	2,033

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

IV. Performance Criteria and Evaluation Summary (Continued):

BASE OPERATIONS SUPPORT (Continued)

	FY 1997	FY 1998	FY 1999
J. Other Engineering Support (\$000)			
Military End Strength	69,868	50,933	51,086
Civilian Full Time Equivalents	1	1	1
Total Personnel	352	336	302
Facilities Supported(000 Sq. Ft)	353	337	303
	43,042	36,636	36,409
K. Operation of Utilities (\$000)			
Military End Strength	16,679	27,232	45,922
Civilian Full Time Equivalents	0	0	0
Total Personnel	13	14	14
Electricity (MWH)	13	14	14
Heating (MBTU)	734,571	702,716	702,716
Water, Plants, & Systems (000 gal)	2,514,037	2,345,482	2,345,482
Sewage & Waste Systems (000 gal)	5,377,429	5,123,809	5,123,809
Air Conditioning & Refrigeration (Ton)	420,054	420,054	420,054
	44,502	43,503	43,503
L. Child and Youth Development Program			
Number of Child Development Centers (CDC)	24	24	24
Number of Family Child Care Homes	144	144	144
Total Military Child Population(Infant - 12)	23,184	22,905	23,335
Total Required Child Care Space	7,797	7,797	7,797
Total Spaces CDC, FCC, and School Age	7,865	7,865	7,865
& Spaces in Relation to Required Space	101%	101%	101%
Number of Youth Facilities	25	25	25
Tot Military Youth Population (Grades 1-12)	18,037	17,820	18,155
Number of Youth Served	7,731	7,731	7,731

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

IV. Performance Criteria and Evaluation Summary (Continued):

REAL PROPERTY MAINTENANCE			
	FY 1997	FY 1998	FY 1999
A. Administration & Support (\$000)			
Number of A&E Contracts	5,421	6,504	6,509
Planning and Design Funds (\$000)	50	48	53
Military End Strength	2,735	1,449	1,435
Civilian Full Time Equivalents	1	1	1
Total Personnel End Strength	207	230	226
Number of Installations	208	231	227
	9	7	7
B. Minor Construction (\$000)	3,705	4,315	2,505
C. Maintenance & Repair (\$000)			
Utilities (XXX)	33,670	27,352	27,233
Buildings (KSF)	17,468	17,417	17,523
Pavements (KSY)	104,559	104,449	105,221
Land (AC)	9,372	9,284	9,176
Other Facilities (KSF)	1,104	1,009	1,009
Railroad Trackage (KLF)	68,013	96,876	57,773
Recurring Maintenance (\$000)			

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Servicewide Support

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY 1998/1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	9,188	8,452	7,556	-896
Enlisted	3,488	3,345	3,123	-222
	5,700	5,107	4,433	-674
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	17,763	14,710	14,464	-246
Foreign National Direct Hire	17,200	14,358	14,164	-194
Total Direct Hire	132	113	84	-29
Foreign National Indirect Hire	17,332	14,471	14,248	-223
	431	239	216	-23
<u>Military Average Strength (Total)</u>				
Officer	9,966	8,821	8,004	-817
Enlisted	3,640	3,417	3,234	-183
	6,326	5,404	4,770	-634
<u>Civilian Full Time Equivalents (Total)</u>				
U.S. Direct Hire	16,855	15,845	14,692	-1,153
Foreign National Direct Hire	16,346	15,494	14,393	-1,101
Total Direct Hire	77	113	84	-29
Foreign National Indirect Hire	16,423	15,607	14,477	-1,130
	432	238	215	-23

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

I. Description of Operations Financed:

SUPPORT OF OTHER NATIONS - Support of Other Nations includes the Sub-Activity Groups INTERNATIONAL MILITARY HEADQUARTERS and MISCELLANEOUS SUPPORT OF OTHER NATIONS. These programs are required to fulfill those Department of Defense Executive Agency responsibilities assigned to the Army.

SUPPORT OF OTHER NATIONS - Support of Other Nations includes the Sub-Activity Groups SUPPORT OF NATO OPERATIONS, EXPANSION OF NATO, and MISCELLANEOUS SUPPORT OF OTHER NATIONS. These programs are required to fulfill those Department of Defense Executive Agency responsibilities assigned to the Army.

SUPPORT OF NATO OPERATIONS - Includes U.S. contributions to NATO military budget structure of which the overall U.S. share is approximately 32 percent toward the day-to-day operational costs of the NATO headquarters, the NATO Airborne Early Warning and Control Systems (AWACS) program, the NATO International Military Staff and subordinate commands. Department of Army carries out the DoD Executive Agency responsibilities in accordance with DoD Instruction 2010.1. Through the SUPPORT OF NATO OPERATIONS category, the Army provides U.S. financial contributions for the operation of the North Atlantic Treaty Organization's (NATO) international military commands and agencies, the NATO Airborne Early Warning and Control System, the Central European Operating Agency Pipeline System, and supports U.S. personnel assigned to NATO, including the NATO Defense Representation.

(1) NATO AWACS - Supports the operational costs of the NATO Airborne Early Warning & Control System Program. Funds are provided for the operation and maintenance of the 18 operational aircraft (and 3 trainer aircraft), facilities maintenance, program administration, communications, and the NATO AWACS headquarters operations. Activities funded are in terms of 12 nation (without United Kingdom) or 13 nation (with United Kingdom) participation - the U.S. share being approximately 37 percent.

(2) OTHER SUPPORT/CONTRIBUTIONS - Includes other U.S. contributions to NATO agencies, multi-national headquarters and support to U.S. elements assigned to various NATO International Military Headquarters (IMH) in accordance with DoD Instruction 2010.1. NATO agencies/activities supported include the Central European Operating Agency (CEOA), the NATO Maintenance & Supply Agency (NAMSA), and the NATO pension schemes. U.S. contributions toward multi-national headquarters include the Reaction Forces, the Allied Tactical Air Forces (ATAF), the Combined Air Operations Centers (CAOC) and the Maritime Sub-PSCs. Also includes mission funding support to U.S. elements assigned to IMH where the Army is the administrative agent per DoD Instruction 2010.1.

(3) NATO INTERNATIONAL MILITARY HEADQUARTERS (IMH) - Supports the 14, 15 and 16 nation budgets of the NATO military headquarters and its subordinate commands (i.e. SHAPE, AFSOUTH, etc.). Cost share percentage ranges from 30.16% (14 nations) to 24.12% (16 nations) or an average of 27 percent. Variance is due to the

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

I. Description of Operations Financed (Continued):

participation or non-participation of France and/or Spain in various aspects of the IMH programs. The budget provides for all costs of operation including NATO civilian personnel, ADP and other procurement, general operating costs, utilities, facilities, maintenance and construction. It also provides O&M support for major Infrastructure projects (primarily in the command, control & communications area) and the cost of Partnership for Peace initiatives.

NATO EXPANSION - A separate Sub-Activity for NATO expansion is shown in compliance with Congressional direction. There are no funds budgeted in FY 1998 or FY 1999 for NATO expansion.

MISCELLANEOUS SUPPORT OF OTHER NATIONS - Funds programs which further Army to Army Cooperation with allied and friendly nations, supports Latin American Cooperation activities, and funds non-security assistance support of Military Assistance Advisory Groups, Missions, Military Groups, and Offices of Defense Cooperation. Authority for such Army activities is contained in the Foreign Assistance Act of 1961 as amended, 10 USC 1050, and pertinent Executive Orders and Department of Defense directives. This activity group supports the National Military Strategy by providing a resource vehicle which enables the existence of collective security. The principal cost driver for Support of Other Nations is the number of U.S. military personnel assigned to International bodies.

- (1) **STANDARDIZATION PROGRAM** - Provides funding for Army International Rationalization, Standardization, and Interoperability (RSI) programs. It includes multi-lateral RSI programs within NATO, Australia, Britain, Canada, and America (ABCA) standardization programs; bilateral programs such as Army-to-Army bilateral staff talks, subject matter expert exchanges (SMEE), and international programs to enable the Army to fight as a member of an international allied coalition.
- (2) **HUMANITARIAN/CIVIC ASSISTANCE (HCA) & DEVELOPING COUNTRIES COMBINED EXERCISE PROGRAM (DCCEP)** - Funds Title X Sections 401 (HCA) and 2010 (DCCEP). Section 401 provides funding for HCA projects conducted by U.S. Military Forces in conjunction with authorized military operations. Section 2010 provides funding for incremental expenses of the developing country.
- (3) **NON-SECURITY ASSISTANCE SUPPORT** - Funds travel, salaries, and a percentage share of contract expenses for administrative expenses of Joint U.S. Military Mission for Aid to Turkey.
- (4) **LATIN AMERICAN COOPERATION** - Funds programs for Army officer and student visits and exchanges; translation and printing of documents, participation in joint U.S. Mexican military activities; participation in the Inter-American Defense Board and other cooperation projects in Latin America. Funds are provided for travel, per diem, printing and reproduction, and participation in these activities.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

I. Description of Operations Financed (Continued):

- (5) UNITED NATIONS TRUCE SUPERVISION ORGANIZATION - Funds supplies, equipment and travel for personnel assigned to the organization.
- (6) PACIFIC ARMIES COOPERATION PROGRAM - Funds supplies and travel for activities which promote professional understanding and improvement of Army relations in the Asia-Pacific region.
- (7) PERSONNEL EXCHANGE PROGRAM - Funds supplies and travel of personnel participating in the exchange program.
- (8) TECHNOLOGY TRANSFER FUNCTION - Funds Army participation in international and joint U.S. evaluation activities such as technology sharing steering committees and critical technologies review working groups.
- (9) OTHER DOD DIRECTED MISSIONS - Funds travel in conjunction with Army missions directed by DoD, usually on short notice to respond to worldwide situations.

II. Force Structure Summary:

The Support of Other Nations Sub-Activity funds the Department of Defense commitments to military international activities of Headquarters, Supreme Headquarters Allied Powers Europe (SHAPE); U.S. Element, Central Army Group (CENTAG); Headquarters, Allied Forces Central Europe (AFCENT), Allied Forces South, Allied Forces North, and Central America. It provides force structure support for non-security assistance billets in Military Advisory Assistance Groups, Missions and Military Groups, Offices of Defense Cooperation, and Defense Cooperation Armament.

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands):

	FY 1998				FY 1999 Request
	FY 1997 Estimate	Budget Request	Appropriation	Current Estimate	
A. Sub-Activity Group:					
1. Support of NATO Operations	234,606	270,413	255,413	229,431	227,377
2. Expansion of NATO	0	0	0	0	0
2. Miscellaneous Support of Other Nations	37,892	34,568	34,568	34,144	37,844
Total	272,498	304,981	289,981	263,575	265,221

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	304,981	263,575
Congressional Adjustments (Distributed)	-15,000	0
Budget Amendment	-25,882	0
Congressional Adjustments (Realignment)	0	0
Congressional Adjustments (Undistributed)	-11,677	0
General Provisions	-62	0
Reprogramming/Transfers	37	0
Price Change	0	-22,531
Functional Transfer	1,232	2,497
Program Changes	9,946	21,680
Current Estimate	263,575	265,221

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

D. Reconciliation: Increases and Decreases:

FY 1998 President's Budget Request.....	\$	304,981
Congressional Adjustment (Distributed):		
North Atlantic Treaty Organization Headquarters.....	\$	-15,000
Total Congressional Adjustment (Distributed).....	\$	-15,000
FY 1998 Appropriated Amount (Distributed).....	\$	289,981
Budget Amendment.....	\$	-25,882

Congressional Adjustments (Undistributed):

a. Civilian Personnel Underexecution.....	\$	-40
b. Quadrennial Defense Review Civilian Personnel Reductions.....	\$	-30
c. Foreign Currency Fluctuation Reduction.....	\$	-11,514
d. High Risk Automation Systems.....	\$	-8
e. Revised Economic Assumptions.....	\$	-38
f. Travel Expenses.....	\$	-10
g. General Reduction, National Defense Stockpile Fund.....	\$	-37
Total Congressional Adjustments (Undistributed).....	\$	-11,677

General Provisions:

a. Section 8035 - Federally Funded Research and Development Centers Reduction.....	\$	-51
b. Section 8105 - Savings from Excess OMA Inventory.....	\$	-11
Total General Provisions.....	\$	-62

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Reprogramming/Transfers:

Increase:

National Defense Stockpile Transfer.....	\$ 37	
Total Increase.....		\$ 37

Functional Program Transfers:

Intra Appropriation Transfers In

Panama Canal Treaty Funding Realignment.....	\$ 1,232
Adjustment realigns FY 1998 resources to the correct OMA budget activity. Amounts included in the budget request in Budget Activity 1 for Developing Countries Combined Exercises and Humanitarian and Civic Assistance are realigned to Budget Activity 4.	

Total Transfers In.....	\$ 1,232	
Total Functional Program Transfers.....		\$ 1,232

Program Increase:

Fact of Life Changes (FY 1997 Base: \$543,108).....	\$ 9,946
This increase recognizes updated estimates for the cost share of the NATO Military Budget which is apportioned to the United States.	

Total Program Increase.....	\$ 9,946
FY 1998 Current Estimate.....	\$ 263,575

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Price Growth:

Total Price Growth.....\$ -22,531

Functional Program Transfers:

Inter Appropriation Transfers In

a. Defense Finance and Accounting Service (DFAS) Transfer.....\$ 60
This represents a functional transfer of workload, manpower (two spaces) and resources from the DFAS to the Army to perform cost accounting functions associated with the establishment of consolidated DFAS operating locations in support of the U.S. Army Materiel Command.

North Atlantic Treaty Organization (NATO).....\$ 2,500
Transfers personnel resources and associated funding of the Defense representation staff, less the Defense Advisory and the Deputy Advisor for U.S. NATO, from Operation and Maintenance Defense-wide appropriation to Operation and Maintenance, Army appropriation.

Total Transfers In.....\$ 2,560

Inter Appropriation Transfer Out

Streamlining of Combatant Command Headquarters Staffs.....\$ -63
Transfers one civilian from Headquarters, U.S. European Command to the On-Site Inspection Agency/Defense Threat Reduction and Treaty Compliance Agency as a part of the Defense Reform Initiative.

Total Transfer Out.....\$ -63

Total Functional Program Transfers.....\$ 2,497

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Program Increases:

- a. Support of NATO Operations (FY 1998 Base: \$229,431).....\$ 17,553
 This increase is with the recognition that the increase of the
 U.S. dollar value against European currency may not continue.
- b. Miscellaneous Support to Other Nations (FY 1998 Base: \$34,144)..\$ 4,127
 This increase in funding reflects revised estimates for support
 of the Army's Executive Agent responsibilities to fund the
 Humanitarian/Civic Assistance and Combined Exercise International
 Support programs.

Total Program Increases.....	\$ 21,680
FY 1999 Budget Request.....	\$ 265,221

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

IV. Performance Criteria and Evaluation Summary:

MISCELLANEOUS SUPPORT TO OTHER NATIONS

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	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
A. Sub-Activity Group (SAG):			
1. Miscellaneous Support to Other Nations (SAG 442)	12,781	13,007	15,308
2. US EUCOM Activities (SAG 122)	2,886	0	0
3. Base Operations Support (SAG 131)	0	5,137	5,502
4. Real Property Maintenance (SAG 132)	0	1,578	1,588
5. Unified Commands (SAG 134)	0	3,328	3,366
6. Maintenance and Repair (SAG 117)	7,153	0	0
7. Security Programs (SAG 411)	437	0	0
8. Other Service Support (SAG 435)	8	0	0
Total	<u>23,265</u>	<u>23,050</u>	<u>25,764</u>
Active Military End Strength (Total)	35	35	35
Commissioned Officer	17	17	17
Warrant Officer	1	1	1
Enlisted	17	17	17
Civilian End Strength (Total)	97	123	123
U.S. Direct Hire (GS)	90	112	112
Foreign National Indirect Hire (FNIH)	7	11	11

BUDGET ACTIVITY: ADMINISTRATION AND SERVICEWIDE ACTIVITIES
Activity Group: Support of Other Nations

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY 1998/1999</u>
<u>Active Military End Strength (Total)</u>				
Officer	3,364	3,290	3,297	7
Enlisted	1,078	1,090	1,089	-1
	2,286	2,200	2,208	8
<u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	430	263	343	80
Foreign National Direct Hire	335	200	280	80
Total Direct Hire	80	51	51	0
Foreign National Indirect Hire	415	251	331	80
	15	12	12	0
<u>Military Average Strength (Total)</u>				
Officer	3,244	3,327	3,294	-33
Enlisted	1,027	1,084	1,090	6
	2,217	2,243	2,204	-39
<u>Civilian Full Time Equivalents (Total)</u>				
U.S. Direct Hire	423	262	343	81
Foreign National Direct Hire	287	199	280	81
Total Direct Hire	118	51	51	0
Foreign National Indirect Hire	405	250	331	80
	18	12	12	0