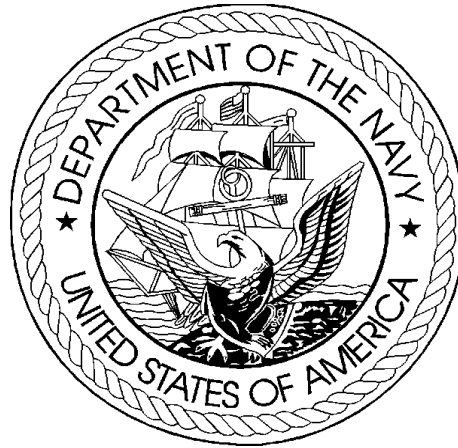


DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2004/2005
BIENNIAL BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 2003

MILITARY PERSONNEL, MARINE CORPS
VOLUME I – ACTIVE FORCES
(Budget Activities 1-6)

**DEPARTMENT OF THE NAVY
JUSTIFICATION OF ESTIMATES FOR FY 2004/2005 BUDGET SUBMISSION
MILITARY PERSONNEL, MARINE CORPS
FY 2004/2005 BUDGET ESTIMATES**

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MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM - TOTAL FORCES
(IN THOUSANDS OF DOLLARS)

The Military Personnel, Marine Corps appropriation provides for pay, allowances, individual clothing, subsistence, and permanent change of station for Active and Reserve personnel, as well as for travel and per diem for Reserve Component members performing training. For FY 2004 justification purposes, the Military Personnel, Marine Corps budget is presented in two volumes. Budget Activities 1-6 are presented as Volume I - Active Forces; Budget Activity 7 is presented as Volume II - Reserve Forces.

The following is a funding summary of both volumes:

	FY 2002	FY 2003	FY 2004	FY 2005
	Actuals	Estimate	Estimate	Estimate
<u>DIRECT PROGRAM</u>				
BA-1 Pay and Allowances for Officers	\$1,625,697	\$1,684,258	\$1,770,078	\$1,846,787
BA-2 Pay and Allowances for Enlisted	5,235,058	6,034,836	6,428,299	6,706,077
BA-4 Subsistence of Enlisted Personnel	427,273	441,917	441,387	450,724
BA-5 Permanent Change of Station Travel	263,764	288,748	287,730	294,380
BA-6 Other Military Personnel Costs	50,783	42,291	44,503	44,918
BA-7 Reserve Forces	0	0	587,444	611,747
Total Direct Program	\$7,602,575	\$8,492,050	\$9,559,441	\$9,954,633
<u>REIMBURSABLE PROGRAM</u>				
BA-1 Pay and Allowances for Officers	\$10,907	\$10,966	\$11,323	\$11,429
BA-2 Pay and Allowances for Enlisted	7,040	7,399	6,532	6,088
BA-4 Subsistence of Enlisted Personnel	13,110	13,335	13,575	13,833
BA-5 Permanent Change of Station Travel	660	597	520	528
BA-7 Reserve Forces	0	0	3,502	3,502
Total Reimbursable Program	\$31,717	\$32,297	\$35,452	\$35,380
<u>TOTAL PROGRAM</u>				
BA-1 Pay and Allowances for Officers	\$1,636,604	\$1,695,224	\$1,781,401	\$1,858,216
BA-2 Pay and Allowances for Enlisted	5,242,098	6,042,235	6,434,831	6,712,165
BA-4 Subsistence of Enlisted Personnel	440,383	455,252	454,962	464,557
BA-5 Permanent Change of Station Travel	264,424	289,345	288,250	294,908
BA-6 Other Military Personnel Costs	50,783	42,291	44,503	44,918
BA-7 Reserve Forces	0	0	590,946	615,249
Total Program	\$7,634,292	\$8,524,347	\$9,594,893	\$9,990,013

MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM - ACTIVE FORCES
(IN THOUSANDS OF DOLLARS)

	FY 2002	FY 2003	FY 2004	FY 2005
	Actuals	Estimate	Estimate	Estimate
<u>DIRECT PROGRAM</u>				
Pay and Allowance of Officers	\$1,625,697	\$1,684,258	\$1,770,078	\$1,846,787
Pay and Allowance of Enlisted	5,235,058	6,034,836	6,428,299	6,706,077
Subsistence of Enlisted Personnel	427,273	441,917	441,387	450,724
Permanent Change of Station Travel	263,764	288,748	287,730	294,380
Other Military Personnel Costs	50,783	42,291	44,503	44,918
 Total Direct Program	 \$7,602,575	 \$8,492,050	 \$8,971,997	 \$9,342,886
<u>REIMBURSABLE PROGRAM</u>				
Pay and Allowance of Officers	\$10,907	\$10,966	\$11,323	\$11,429
Pay and Allowance of Enlisted	7,040	7,399	6,532	6,088
Subsistence of Enlisted Personnel	13,110	13,335	13,575	13,833
Permanent Change of Station Travel	660	597	520	528
 Total Reimbursable Program	 \$31,717	 \$32,297	 \$31,950	 \$31,878
<u>TOTAL PROGRAM</u>				
Pay and Allowance of Officers	\$1,636,604	\$1,695,224	\$1,781,401	\$1,858,216
Pay and Allowance of Enlisted	5,242,098	6,042,235	6,434,831	6,712,165
Subsistence of Enlisted Personnel	440,383	455,252	454,962	464,557
Permanent Change of Station Travel	264,424	289,345	288,250	294,908
Other Military Personnel Costs	50,783	42,291	44,503	44,918
 Total Program	 \$7,634,292	 \$8,524,347	 \$9,003,947	 \$9,374,764
<u>DERF EXECUTION ACCOUNT (FY 2002 ONLY) [funds from P.L. 107-38 and P.L. 107-117]</u>				
DERF Obligations for Military Personnel Requirements	\$19,700			
 <u>TOTAL FY 2002 REQUIREMENT</u>	 \$7,653,992			

LEGISLATIVE PROPOSALS:

The following legislative proposals are included in the above estimate and submitted for FY 2004 and FY 2005 consideration:

	<u>FY 2004</u>	<u>FY 2005</u>
Overseas Tour Extension Incentive Pay (OTEIP) for officers	\$.020M	\$.020M

Includes \$167,000 from the DERF Transfer account in support of Operations Noble Eagle and Enduring Freedom. (funds from P.L. 107-206).

**MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM - RESERVE FORCES
(IN THOUSANDS OF DOLLARS)**

<u>DIRECT PROGRAM</u>	FY 2002 Actuals	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate
Unit and Individual Training	\$250,051	\$325,255	\$342,775	\$355,606
Other Training and Support	217,043	228,728	244,669	256,141
Total Direct Program	\$467,094	\$553,983	\$587,444	\$611,747
 <u>REIMBURSABLE PROGRAM</u>				
Unit and Individual Training				
Other Training and Support	\$100	\$100	\$100	\$100
	3,400	3,402	3,402	3,402
Total Reimbursable Program	\$3,500	\$3,502	\$3,502	\$3,502
 <u>TOTAL PROGRAM</u>				
Unit and Individual Training				
Other Training and Support	\$250,151	\$325,355	\$342,875	\$355,706
	220,443	232,130	248,071	259,543
Total Program	\$470,594	\$557,485	\$590,946	\$615,249

LEGISLATIVE PROPOSALS:

	<u>FY 2004</u>	<u>FY 2005</u>
Overseas Tour Extension Incentive Pay (OTEIP) for officers	\$.020M	\$.020M

FY04 Military Personnel costs for Humanitarian Landmine Clearance - None projected.

SECTION 2
INTRODUCTORY STATEMENT

The Military Personnel, Marine Corps Appropriation provides financial resources to compensate military personnel required to support the approved force structure. The Appropriation also includes funds for retired pay accrual, unemployment compensation and social security benefits for widows and orphans of military personnel. These entitlements were approved by the Congress and enacted via Public Law.

The Active and Reserve Personnel appropriations have been consolidated for the FY 2004 President's Budget submission. The Reserve Personnel appropriation has been added to the Active appropriation as Budget Activity 7, and is covered by Volume II, Reserve Forces justification book.

Volume I provides for a Marine Corps Active Forces FY 2004/2005 end strength of 175,000. This force structure permits the Marine Corps to establish a 4th Marine Expeditionary Brigade (MEB) to combat terrorism which fulfills their charter as a versatile expeditionary force-in-readiness, capable of rapidly responding to global contingencies. The FY 2004 budget includes funding for a 2% pay raise for all personnel, plus a minimum 1.2% targeted pay raise for all members above the rank of Private (E1). OMB has included Out-of-Pocket (OOP) housing expenses on a program subject to Performance Assessment Review Tools. The President's Budget reflects funding to reduce OOP expenses from 7.5% in FY 2003 to 3.5% in FY 2004, and 0% in FY 2005. It also increases funding for Combat-Related Disabled Uniform Services Retirees.

The tables in Section 1 through 4 of Volume I contain budget data for Pay and Allowances of Active Duty Officers and Enlisted; Subsistence of Enlisted personnel; Permanent Change of Station Travel; and Other Military Personnel Costs. Retired pay accrual, social security benefits and the CONUS COLA are reflected in the Pay and Allowances of Officers and Enlisted personnel, as appropriate. Unemployment compensation is reflected under Other Military Personnel Costs. The budget activity structure and detailed justification demonstrates how the Active Forces military personnel program is managed and controlled. It displays the inventory of officers and enlisted personnel with associated workyears.

Other FY 2004 budget highlights include the following legislative proposals:

	<u>FY 2004</u>
Overseas Tour Extension Incentive Pay (OTEIP) for officers	\$.020M

During FY 2002, 685 officer and 2,237 enlisted workyears were funded for mobilized Reserve component personnel in support of Operations Noble Eagle and Enduring Freedom.

FISCAL YEAR 2002

- a. The requested \$7,602,575 supports an end strength of 173,733 with the average strength at 173,530.
- b. Retired pay accrual percentage is 30.3 percent of the basic pay.
- c. The pay raise is a minimum of 5 percent for all grades.
- d. The economic assumption for non-pay inflation is .8 percent.

FISCAL YEAR 2003

- a. The requested \$8,492,050 supports an end strength of 175,000 with the average strength at 173,030.
- b. Retired pay accrual percentage is 27.4 percent of the basic pay.
- c. The pay raise is 4.1 percent and a optional targeted increase for the mid-career grades.
- d. The economic assumption for non-pay inflation is .8 percent.

FISCAL YEAR 2004

- a. The requested \$8,971,997 supports an end strength of 175,000 with the average strength at 175,053.
- b. Retired pay accrual percentage is 27.1 percent of the basic pay.
- c. FY04 Pay Raise of 2% Basic plus targeted additional of 1.2 – 4.25% for all (except E-1's) with a net result of 3.2 - 6.25% pay raise.
- d. The economic assumption for non-pay inflation is 1.5 percent.

FISCAL YEAR 2005

- a. The requested \$9,342,886 supports an end strength of 175,000 with the average strength at 175,081.
- b. Retired pay accrual percentage is 27.0 percent of the basic pay.
- c. The pay raise is 3.4 percent.
- d. The economic assumption for non-pay inflation is 1.5 percent.

MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 2002 Actual		FY 2003 Planned		FY 2004 Planned		FY 2005 Planned	
	Average Strength	End Strength 30 Sep 2002	Average Strength	End Strength 30 Sep 2003	Average Strength	End Strength 30 Sep 2004	Average Strength	End Strength 30 Sep 2005
<u>REGULAR DIRECT PROGRAM</u>								
Officers	18,153	18,199	18,148	17,967	17,997	17,969	17,997	17,969
Enlisted	154,763	155,294	154,218	156,720	156,437	156,737	156,455	156,755
<u>ADSW DIRECT PROGRAM</u>								
Officers	150	0	159	0	158	0	159	0
Enlisted	220	0	193	0	166	0	193	0
Total ADSW	370	0	352	0	324	0	352	0
TOTAL DIRECT PROGRAM	173,286	173,493	172,718	174,687	174,758	174,706	174,804	174,724
<u>REIMBURSABLE PROGRAM</u>								
Officers	85	89	118	121	118	119	118	119
Enlisted	159	151	194	192	177	175	159	157
Total Reimbursable	244	240	312	313	295	294	277	276
<u>TOTAL PROGRAM</u>								
Officers	18,388	18,288	18,425	18,088	18,273	18,088	18,274	18,088
Enlisted	155,142	155,445	154,605	156,912	156,780	156,912	156,807	156,912
Total Program	173,530	173,733	173,030	175,000	175,053	175,000	175,081	175,000
<u>AVERAGE STRENGTH FUNDED FROM DERF EXECUTION ACCOUNT (FY 2002 ONLY) [funds from P.L. 107-38 and P.L. 107-117]</u>								
Officers	683							
Enlisted	2,222							
Total DERF Funded	2,905							
<u>ADJUSTED FY 2002 TOTAL PROGRAM</u>								
Officers	19,071							
Enlisted	157,364							
Total Program	176,435							

MILITARY PERSONNEL, MARINE CORPS
END STRENGTH BY GRADE
TOTAL PROGRAM

	FY 2002	Reimbursable	ADSW	FY 2003	Reimbursable	ADSW	FY 2004	Reimbursable	ADSW	FY 2005	Reimbursable	ADSW
	Total	Included	Included	Total	Included	Included	Total	Included	Included	Total	Included	Included
<u>Commissioned Officers</u>												
O-10 General	4	0	0	4	0	0	4	0	0	4	0	0
O-9 Lieutenant General	14	1	0	10	0	0	10	0	0	10	0	0
O-8 Major General	24	0	0	26	0	0	26	0	0	26	0	0
O-7 Brigadier General	39	0	0	41	0	0	41	0	0	41	0	0
O-6 Colonel	621	8	0	622	11	0	632	11	0	642	11	0
O-5 Lieutenant Colonel	1,764	21	0	1,772	24	0	1,762	23	0	1,762	23	0
O-4 Major	3,414	25	0	3,385	38	0	3,385	36	0	3,385	36	0
O-3 Captain	5,099	20	0	5,018	37	0	5,018	37	0	5,018	37	0
O-2 First Lieutenant	3,067	4	0	2,783	3	0	2,930	4	0	3,067	4	0
O-1 Second Lieutenant	<u>2,346</u>	<u>0</u>	<u>0</u>	<u>2,438</u>	<u>0</u>	<u>0</u>	<u>2,344</u>	<u>0</u>	<u>0</u>	<u>2,250</u>	<u>0</u>	<u>0</u>
Subtotal	16,392	79	0	16,099	113	0	16,152	111	0	16,205	111	0
<u>Warrant Officers</u>												
W-5 Chief Warrant Officer	92	1	0	82	0	0	95	0	0	95	0	0
W-4 Chief Warrant Officer	212	0	0	252	2	0	252	2	0	252	2	0
W-3 Chief Warrant Officer	536	5	0	502	4	0	502	4	0	502	4	0
W-2 Chief Warrant Officer	814	4	0	895	1	0	821	1	0	760	1	0
W-1 Warrant Officer	<u>242</u>	<u>0</u>	<u>0</u>	<u>258</u>	<u>1</u>	<u>0</u>	<u>266</u>	<u>1</u>	<u>0</u>	<u>274</u>	<u>1</u>	<u>0</u>
Subtotal	1,896	10	0	1,989	8	0	1,936	8	0	1,883	8	0
Total Officers	18,288	89	0	18,088	121	0	18,088	119	0	18,088	119	0
<u>Enlisted Personnel</u>												
E-9 Sergeant Major/Master Gunnery Sgt	1,361	3	0	1,390	5	0	1,390	5	0	1,390	5	0
E-8 First Sergeant/Master Sergeant	3,262	5	0	3,318	13	0	3,318	13	0	3,318	13	0
E-7 Gunnery Sergeant	8,849	25	0	9,027	18	0	9,027	18	0	9,027	18	0
E-6 Staff Sergeant	13,657	29	0	14,645	37	0	14,645	37	0	14,645	37	0
E-5 Sergeant	22,807	40	0	23,363	43	0	23,363	33	0	23,363	27	0
E-4 Corporal	28,807	24	0	30,166	50	0	30,166	43	0	30,166	31	0
E-3 Lance Corporal	43,907	21	0	42,502	26	0	42,502	26	0	42,502	26	0
E-2 Private First Class	20,229	2	0	19,726	0	0	19,726	0	0	19,726	0	0
E-1 Private	<u>12,566</u>	<u>2</u>	<u>0</u>	<u>12,775</u>	<u>0</u>	<u>0</u>	<u>12,775</u>	<u>0</u>	<u>0</u>	<u>12,775</u>	<u>0</u>	<u>0</u>
Total Enlisted	155,445	151	0	156,912	192	0	156,912	175	0	156,912	157	0
Total End Strength	173,733	240	0	175,000	313	0	175,000	294	0	175,000	276	0

MILITARY PERSONNEL, MARINE CORPS
AVERAGE STRENGTH BY GRADE

	FY 2002	Reimb.	ADSW	FY 2003	Reimb.	ADSW	FY 2004	Reimb.	ADSW	FY 2005	Reimb.	ADSW
	Total	Included	Included	Total	Included	Included	Total	Included	Included	Total	Included	Included
<u>Commissioned Officers</u>												
O-10 General	4	0	0	3	0	0	3	0	0	3	0	0
O-9 Lieutenant General	15	1	0	9	0	0	9	0	0	9	0	0
O-8 Major General	25	0	0	28	0	0	28	0	0	28	0	0
O-7 Brigadier General	40	0	0	42	0	1	42	0	1	42	0	1
O-6 Colonel	656	9	10	642	11	13	645	11	13	655	11	13
O-5 Lieutenant Colonel	1,854	19	37	1,811	21	40	1,812	21	39	1,812	21	40
O-4 Major	3,534	25	48	3,455	38	59	3,417	37	59	3,417	37	59
O-3 Captain	5,393	16	43	5,094	37	34	5,091	37	34	5,091	37	34
O-2 First Lieutenant	2,949	5	3	2,930	3	1	2,825	4	1	2,962	4	1
O-1 Second Lieutenant	<u>2,605</u>	<u>1</u>	<u>5</u>	<u>2,437</u>	<u>0</u>	<u>3</u>	<u>2,423</u>	<u>0</u>	<u>3</u>	<u>2,331</u>	<u>0</u>	<u>3</u>
Subtotal	17,076	76	146	16,451	110	151	16,295	110	150	16,350	110	151
<u>Warrant Officers</u>												
W-5 Chief Warrant Officer	92	1	0	91	0	1	95	0	1	95	0	1
W-4 Chief Warrant Officer	230	0	1	254	2	5	262	2	5	262	2	5
W-3 Chief Warrant Officer	505	5	2	515	4	1	490	4	1	490	4	1
W-2 Chief Warrant Officer	796	3	0	814	1	1	748	1	1	686	1	1
W-1 Warrant Officer	<u>372</u>	<u>0</u>	<u>1</u>	<u>300</u>	<u>1</u>	<u>0</u>	<u>383</u>	<u>1</u>	<u>0</u>	<u>391</u>	<u>1</u>	<u>0</u>
Subtotal	1,995	9	4	1,974	8	8	1,978	8	8	1,924	8	8
Total Officers	19,071	85	150	18,425	118	159	18,273	118	158	18,274	118	159
<u>Enlisted Personnel</u>												
E-9 Sergeant Major/Master Gunnery Sgt	1	4	2	1,383	5	1	1,390	5	0	1,391	5	1
E-8 First Sergeant/Master Sergeant	1,436	4	7	3,281	13	4	3,320	13	3	3,321	13	4
E-7 Gunnery Sergeant	3,416	26	15	8,965	18	13	9,032	18	11	9,034	18	13
E-6 Staff Sergeant	9,192	32	27	14,241	37	24	14,620	37	20	14,624	37	24
E-5 Sergeant	15,020	41	54	23,253	45	42	23,321	35	37	23,326	29	42
E-4 Corporal	23,604	27	49	29,557	50	44	30,177	43	39	30,182	31	44
E-3 Lance Corporal	29,506	20	59	42,212	26	53	42,547	26	45	42,555	26	53
E-2 Private First Class	43,330	5	7	19,778	0	9	19,734	0	8	19,735	0	9
E-1 Private	<u>31,859</u>	<u>0</u>	<u>0</u>	<u>11,935</u>	<u>0</u>	<u>3</u>	<u>12,639</u>	<u>0</u>	<u>3</u>	<u>12,639</u>	<u>0</u>	<u>3</u>
Total Enlisted	157,364	159	220	154,605	194	193	156,780	177	166	156,807	159	193
Total Average Strength	176,435	244	370	173,030	312	352	175,053	295	324	175,081	277	352

Excludes average strength funded from the DERF execution account.

MILITARY PERSONNEL, MARINE CORPS
ACTIVE DUTY STRENGTHS BY MONTH
(IN THOUSANDS)

	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
September	18.1	154.9	173.0	18.3	155.4	173.7	18.1	156.9	175.0	18.1	156.9	175.0
October	17.9	154.9	172.8	18.1	154.6	172.7	17.9	157.0	174.9	17.9	157.0	174.9
November	17.9	154.6	172.5	18.0	153.9	171.9	17.8	156.8	174.6	17.8	156.8	174.6
December	18.1	155.3	173.4	18.2	153.4	171.6	18.0	156.3	174.3	18.0	156.3	174.3
January	18.1	154.8	172.9	18.1	154.6	172.7	17.9	157.1	175.0	17.9	157.1	175.0
February	18.3	154.7	173.0	18.3	154.0	172.3	18.1	156.8	174.9	18.1	156.8	174.9
March	18.2	154.7	172.9	18.2	153.7	171.9	18.0	156.7	174.7	18.0	156.7	174.7
April	18.4	154.4	172.8	18.4	153.4	171.8	18.2	156.4	174.6	18.2	156.4	174.6
May	18.4	153.8	172.2	18.5	153.0	171.5	18.3	155.7	174.0	18.3	155.7	174.0
June	18.5	154.9	173.4	18.5	154.6	173.1	18.4	156.7	175.1	18.4	156.7	175.1
July	18.4	155.6	174.0	18.4	155.7	174.1	18.3	156.6	174.9	18.3	156.6	174.9
August	18.4	156.2	174.6	18.3	156.2	174.5	18.3	156.5	174.8	18.3	156.5	174.8
September	18.3	155.4	173.7	18.1	156.9	175.0	18.1	156.9	175.0	18.1	156.9	175.0
Average Strength	18.4	155.1	173.5	18.4	154.6	173.0	18.3	156.8	175.1	18.3	156.8	175.1
Active Duty Special Work												
# of Mandays	54750	80,300	135,050	58035	70,445	128,480	57670	60,590	118,260	58035	70,445	128,480
Dollars in Millions	\$14,552	\$6,388	\$20,940	\$17,118	\$7,912	\$25,030	\$17,761	\$7,037	\$24,798	\$18,613	\$8,277	\$26,890

Active Duty Special Work (ADSW) for less than 180 days are reflected only in the average strength row.
Excludes average strength funded from the DERF execution account.
Includes actual data through the month of September 2002.

MILITARY PERSONNEL, MARINE CORPS
GAINS AND LOSSES BY SOURCE AND TYPE (OFFICERS)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Beginning Strength	18,062	18,288	18,088	18,088
<u>Gains</u>				
Service Academies	162	150	150	150
Reserve Officer Training Corps	208	190	190	190
Senior ROTC	11	10	10	10
Scholarship	197	180	180	180
Health Professions Scholarships	0	0	0	0
Platoon Leaders Class	246	382	382	382
Reserve Officer Candidate	449	407	407	407
Other Enlisted Commissioning Programs	187	241	241	241
Voluntary Active Duty	0	0	0	0
Direct Appointments	0	0	0	0
Warrant Officer Program	244	250	250	250
Inter-Service Transfer	0	5	5	5
Other	71	28	28	28
Active Duty Special Work	150	159	158	159
Gain Adjustments	0	0	0	0
Total Gains	<u>1,717</u>	<u>1,812</u>	<u>1,811</u>	<u>1,812</u>
<u>Losses</u>				
Expiration of Contract/Obligation	354	303	303	303
Normal Early Release	0	0	0	0
Retirement	601	934	734	734
Disability	31	48	38	38
Non Disability	570	886	696	696
Early	0	0	0	0
Voluntary Separation Incentive (VSI)	0	0	0	0
Special Separation Benefit (SSB)	0	0	0	0
Involuntary Separation - Reserve Officers	42	42	42	42
Involuntary Separation - Regular Officers	56	56	56	56
Attrition	238	458	458	458
Other	50	60	60	60
Active Duty Special Work	150	159	158	159
Loss Adjustments	0	0	0	0
Total Losses	<u>1,491</u>	<u>2,012</u>	<u>1,811</u>	<u>1,812</u>
End Strength	18,288	18,088	18,088	18,088

Active Duty Special Work includes average number of Reservists recalled to active duty for short tours of duty (less than 180 days).

MILITARY PERSONNEL, MARINE CORPS
GAINS AND LOSSES BY SOURCE AND TYPE (ENLISTED)

	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
Beginning Strength	154,872	155,445	156,912	156,912
	<u>Gains</u>			
Non-Prior Service Enlistments	32,064	36,775	31,846	31,846
Male	29,957	34,492	29,596	29,596
Female	2,107	2,283	2,250	2,250
Prior Service Enlistments	191	250	256	256
Reenlistments	16,394	13,096	13,567	13,567
Reserves (EAD)	84	90	74	74
Officer Candidate Programs	666	620	837	837
Deserter Gains	665	688	688	688
Other	302	0	0	0
Gain Adjustments	721	0	0	0
Active Duty Special Work	220	193	166	193
Total Gains	<u>51,307</u>	<u>51,712</u>	<u>47,434</u>	<u>47,461</u>
	<u>Losses</u>			
EAS	17,674	20,792	18,473	18,473
Normal Early Release	398	128	128	128
Separations - VSI	0	0	0	0
Separations - SSB	0	0	0	0
To Commissioned Officer	619	784	933	933
To Warrant Officer	244	250	250	250
Reenlistments	16,394	13,096	13,567	13,567
Retirements	1,993	1,390	949	949
Dropped from Rolls (Deserters)	1,413	688	688	688
Attrition (Adverse Causes)	3,182	4,290	4,308	4,308
Attrition (Other)	8,597	8,634	7,972	7,972
Other	0	0	0	0
Loss Adjustments	0	0	0	0
Active Duty Special Work	220	193	166	193
Total Losses	<u>50,734</u>	<u>50,245</u>	<u>47,434</u>	<u>47,461</u>
End Strength	155,445	156,912	156,912	156,912

Active Duty Special Work includes average number of Reservists recalled to active duty for short tours of duty (less than 180 days)

MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(\$ in Thousands)

	FY 2002			FY 2003			FY 2004			FY 2005		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
1. BASIC PAY	\$960,215	\$3,139,051	\$4,099,266	\$964,517	\$3,272,234	\$4,236,751	\$996,480	\$3,434,846	\$4,431,326	\$1,036,665	\$3,554,463	\$4,591,127
2A. RETIRED PAY ACCRUAL	290,946	949,053	\$1,239,999	264,279	894,637	\$1,158,916	270,031	929,781	\$1,199,812	279,885	958,742	\$1,238,627
2B. DEFENSE HEALTH PROGRAM	\$0	\$0	\$0	\$78,170	\$677,530	\$755,700	\$83,253	\$715,607	\$798,860	\$88,493	\$760,340	\$848,833
3. BASIC ALLOWANCE FOR HOUSING	\$197,198	\$556,628	\$753,826	\$198,769	\$608,183	\$806,952	\$235,530	\$733,024	\$968,554	\$252,857	\$788,957	\$1,041,814
a. With Dependents - Domestic	140,678	442,733	583,411	142,057	483,423	625,480	172,855	590,452	763,307	186,339	637,147	823,486
b. Without Dependents - Domestic	49,294	95,226	144,519	51,008	107,740	158,748	56,825	124,054	180,879	60,455	132,854	193,309
c. Substandard Family Housing	0	466	466	0	313	313	0	342	342	0	364	364
d. Partial	168	7,118	7,287	159	6,908	7,067	160	7,005	7,165	157	7,005	7,162
e. With Dependents - Overseas	5,220	9,646	14,867	4,034	8,535	12,570	4,231	9,739	13,969	4,418	10,099	14,517
f. Without Dependents - Overseas	1,837	1,439	3,277	1,511	1,264	2,775	1,459	1,433	2,892	1,488	1,489	2,977
4. SUBSISTENCE	\$37,750	\$440,383	478,133	\$37,612	\$455,252	\$492,864	\$38,608	\$454,962	\$493,570	\$39,961	\$464,557	\$504,518
a. Basic Allowance for Subsistence	37,750	256,019	293,769	37,612	264,100	301,712	38,608	269,200	307,808	39,961	275,629	315,590
(1) Authorized to Mess Separately	37,750	223,032	260,782	37,612	231,122	268,734	38,608	235,816	274,424	39,961	242,987	282,948
(2) Rations-In-Kind Not Available	0	32,237	32,237	0	32,228	32,228	0	32,634	32,634	0	31,892	31,892
(3) Augmentation of Commuted Ration Allowed for Meals Taken Separately	0	0	0	0	0	0	0	0	0	0	0	0
(5) Family Subsistence Supplemental Allow	0	750	750	0	750	750	0	750	750	0	750	750
b. Subsistence-in-Kind	0	184,364	184,364	0	191,152	191,152	0	185,762	185,762	0	188,928	188,928
(1) Subsistence in Messes	0	184,364	184,364	0	16,648	16,648	0	15,894	15,894	0	16,404	16,404
(2) Food Service Regionalization	0	0	0	0	108,331	108,331	0	106,841	106,841	0	105,828	105,828
(3) Operational Rations	0	0	0	0	58,577	58,577	0	55,069	58,577	0	58,967	58,577
(4) Augmentation	0	0	0	0	2,528	2,528	0	2,799	2,528	0	2,472	2,528
(5) Other Programs	0	0	0	0	290	290	0	295	290	0	301	290
(6) Sale of Meals	0	0	0	0	4,778	4,778	0	4,864	4,778	0	4,956	4,778
5. INCENTIVE PAY, HAZARDOUS DUTY AND AVIATION CAREER	\$45,498	\$8,421	\$53,919	\$46,677	\$8,356	\$55,033	\$47,559	\$8,360	\$55,919	\$47,179	\$8,360	\$55,539
a. Flying Duty Pay	45,082	4,967	50,049	46,263	4,270	50,533	47,145	4,274	51,420	46,765	4,274	51,039
1. ACIP, Officers	26,334	0	26,334	26,797	0	26,797	27,208	0	27,208	27,524	0	27,524
2. Crew Members	26	3,855	3,881	27	3,237	3,264	27	3,241	3,268	27	3,241	3,268
3. Noncrew Member	43	1,112	1,155	54	1,033	1,087	54	1,033	1,087	54	1,033	1,087
4. Avn Cont. Bonus	18,679	0	18,679	19,385	0	19,385	19,856	0	19,856	19,160	0	19,160
b. Parachute Jumping Pay	229	1,093	1,322	220	1,170	1,390	220	1,170	1,390	220	1,170	1,390
c. Demolition Pay	67	644	711	70	778	848	70	778	848	70	778	848
d. Flight Deck Duty Pay	74	952	1,026	83	1,514	1,597	83	1,514	1,597	83	1,514	1,597
e. HALO Pay	46	764	810	41	624	665	41	624	665	41	624	665
6. SPECIAL PAYS	\$1,798	\$117,113	\$118,911	\$2,388	\$115,882	\$118,270	\$2,598	\$112,820	\$115,418	\$2,958	\$115,861	\$118,819
a. Sea & Foreign Duty Pay	455	10,896	11,351	605	11,409	12,014	605	11,378	11,982	605	11,378	11,982
1. Sea Duty	232	5,378	5,610	378	6,113	6,491	378	6,082	6,460	378	6,082	6,460
2. Hardship Duty Pay	223	2,870	3,093	227	2,350	2,577	227	2,350	2,576	227	2,350	2,576
3. Overseas Exten. Pay	0	2,648	2,648	0	2,946	2,946	0	2,946	2,946	0	2,946	2,946

MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(\$ in Thousands)

	FY 2002			FY 2003			FY 2004			FY 2005		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
b. Diving Duty Pay	\$153	\$1,060	\$1,213	\$153	\$973	\$1,188	\$153	\$591	\$1,188	\$153	\$591	\$1,188
c. Imminent Danger Pay	\$653	\$6,142	6,795	\$797	\$5,006	5,621	\$797	\$5,006	5,621	\$797	\$5,006	5,621
d. Foreign Language Pro Pay	517	\$1,221	1,738	490	\$2,166	1,400	490	\$2,166	1,400	490	\$2,166	1,400
e. Special Duty Assignment Pay	0	20,825	20,825	0	20,848	20,020	0	25,975	20,020	0	25,975	20,020
f. Reenlistment Bonus	0	58,213	58,213	0	60,173	60,173	0	53,618	53,618	0	56,659	56,659
1. First Installation	0	44,886	44,886	0	51,740	51,740	0	53,585	53,585	0	56,650	56,650
2. Lump Sum Payments	0	13,327	13,327	0	8,433	8,433	0	33	33	0	9	9
3. Obligated Installments	0	58,213	58,213	0	60,173	60,173	0	53,618	53,618	0	56,659	56,659
g. Enlistment Bonus	0	6,995	6,995	0	7,995	5,995	0	7,995	5,995	0	7,995	5,995
h. College Fund	0	11,759	11,759	0	7,309	11,822	0	6,089	11,822	0	6,089	11,822
i. Personal Money Allowance General & Flag Officers	19	\$2	21	13	\$2	19	13	\$2	19	13	\$2	19
j. Law School Education Debt Subsidy	0	0	0	330	0	330	540	0	540	900	0	900
7. ALLOWANCES	\$22,426	\$178,608	\$201,034	\$18,827	\$159,028	\$177,855	\$21,181	\$162,247	\$183,428	\$21,793	\$166,568	\$188,361
a. Uniform/Clothing Allowance	1,002	92,471	93,473	1,015	85,237	86,252	1,016	78,774	79,790	1,017	80,686	81,703
1. Initial Issue												
a. Military	623	36,228	36,851	648	41,080	41,728	648	33,629	34,277	648	34,707	35,355
b. Civilian	64	1,174	1,238	66	1,195	1,261	67	1,215	1,282	68	1,237	1,305
2. Additional	315	0	315	301	0	301	301	0	301	301	0	301
3. Basic Maintenance	0	14,846	14,846	0	14,172	14,172	0	14,667	14,667	0	14,927	14,927
4. Standard Maintenance	0	26,127	26,127	0	25,058	25,058	0	25,758	25,758	0	26,221	26,221
5. Supplementary	0	4,096	4,096	0	3,732	3,732	0	3,505	3,505	0	3,594	3,594
6. Advance funding	0	10,000	10,000	0	0	0	0	0	0	0	0	0
b. Overseas Station Allowance	18,855	71,720	90,575	16,170	61,544	77,714	18,508	70,967	89,475	19,106	73,312	92,418
1. Cost-of-Living Bachelor	34	25,823	25,857	41	21,426	21,467	43	24,744	24,787	44	25,591	25,635
2. Cost-of-Living Regular	16,951	41,759	58,710	13,963	35,495	49,458	16,265	40,986	57,251	16,822	42,390	59,212
3. Temporary Lodging	1,870	4,137	6,007	2,166	4,623	6,789	2,200	5,237	7,437	2,240	5,331	7,571
c. CONUS Cost of Living Allowance (COLA)	630	2,931	3,561	394	1,611	2,005	409	1,869	2,278	422	1,933	2,355
d. Family Separation Allowance	1,939	11,486	13,425	1,248	10,637	11,885	1,248	10,637	11,885	1,248	10,637	11,885
1. On PCS, Dependents Not Authorized	1,404	6,226	7,630	280	5,765	6,045	280	5,765	6,045	280	5,765	6,045
2. Afloat	29	492	521	43	444	487	43	444	487	43	444	487
3. On TDY	506	4,768	5,274	925	4,428	5,353	925	4,428	5,353	925	4,428	5,353

MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(\$ in Thousands)

	FY 2002			FY 2003			FY 2004			FY 2005		
	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>
8. SEPARATION PAYMENTS	\$7,641	\$53,625	61,266	\$10,508	\$53,605	64,113	\$10,393	\$57,683	68,076	\$9,737	\$67,211	76,949
a. Terminal Leave Pay	3,837	17,226	21,063	5,253	19,915	25,168	4,849	18,542	25,168	5,013	19,170	25,168
b. Sev Pay, Disability	374	13,624	13,998	872	14,183	15,054	901	14,665	15,054	932	15,164	15,054
c. Donations	0	1	1	0	1	1	0	1	1	0	1	1
d. Severance Pay, Nondisability	0	0	0	0	0	0	0	0	0	0	0	0
e. Invol - Half Pay (5%)	0	3,342	3,342	0	3,516	4,867	0	5,033	4,867	0	5,204	4,867
f. Invol - Full Pay (10%)	1,199	4,443	5,642	1,352	4,621	7,622	1,402	6,483	7,622	1,451	6,703	7,622
g. Vol - SSB Pay (15%)	0	0	0	0	0	0	0	0	0	0	0	0
h. Voluntary Separation Incentive	0	0	0	0	0	0	0	0	0	0	0	0
i. Initial Payments	0	0	0	0	0	0	0	0	0	0	0	0
j. Trust Fund Payments	431	869	1,300	431	869	1,300	331	569	1,300	331	569	1,300
k. Early Retirement	0	0	0	0	0	0	0	0	0	0	0	0
l. \$30,000 Lump Sum Bonus	1,800	14,120	15,920	2,600	10,500	13,100	2,910	12,390	15,300	2,010	20,400	22,410
9. Severly Disabled - Enlisted	0	0	0	0	3,000	3,000	0	18,000	18,000	0	20,000	20,000
10. SOCIAL SECURITY TAX PAYMENTS	\$73,132	\$239,599	312,731	\$73,477	\$249,780	323,257	\$75,768	\$262,463	338,231	\$78,688	\$271,663	350,351
11. PERMANENT CHANGE OF STATION TRAVEL	\$61,514	\$202,910	\$264,424	\$59,824	\$229,521	289,345	\$60,943	\$227,307	\$288,250	\$62,537	\$232,371	294,908
a. Accession Travel	6,883	30,870	37,753	7,989	37,780	45,769	8,239	34,316	42,555	8,420	34,803	43,223
b. Training Travel	6,153	2,235	8,388	6,514	8,111	8,111	6,700	1,651	8,351	6,828	1,677	8,505
c. Operation Travel	23,573	45,870	69,443	19,415	50,852	70,267	20,007	52,619	72,626	20,352	53,598	73,950
d. Rotation Travel	17,897	77,489	95,386	15,620	84,210	99,830	16,147	86,923	103,070	16,347	88,019	104,366
e. Separation Travel	3,965	32,236	36,201	6,114	38,500	44,614	5,649	36,150	41,799	5,739	36,621	42,360
f. Travel of Organized Units	27	0	27	1,238	1,225	2,463	1,261	1,252	2,513	1,285	1,278	2,563
g. Non-Temporary Storage	1,257	3,234	4,491	1,367	3,575	4,942	1,349	3,552	4,901	1,373	3,618	4,991
h. Temporary Lodging Expense	1,484	8,697	10,181	1,346	9,784	11,130	1,346	8,821	10,167	1,944	10,710	12,654
i. In-place Consecutive Overseas Tours and Overseas Tour Extension Incentive Program	275	2,279	2,554	221	1,998	2,219	245	2,023	2,268	249	2,047	2,296
12. OTHER MILITARY PERSONNEL COSTS	\$1,575	\$49,208	\$50,783	\$1,764	\$40,527	\$42,291	\$804	\$43,699	\$44,503	\$826	\$44,092	\$44,918
a. Apprehension of Deserters	0	1,526	1,526	0	1,549	1,549	0	1,577	1,577	0	1,606	1,606
b. Interest on Soldier Deposit	0	15	15	0	15	15	0	16	16	0	16	16
c. Death Gratuities	72	792	864	144	840	984	144	840	984	144	840	984
d. Unemployment Comp	0	39,637	39,637	0	32,054	32,054	0	35,054	35,054	0	35,342	35,342
e. Survivors Benefits	0	1,650	1,650	0	1,591	1,591	0	1,539	1,539	0	1,489	1,489
f. Educational Benefits	0	3,051	3,051	0	1,732	1,732	0	2,785	2,785	0	2,797	2,797
g. Adoption Reimb Program	0	78	78	0	79	79	0	81	81	0	82	82
h. Special Compensation for Disabled	1,339	1,394	2,733	1,421	1,479	2,900	441	459	900	441	459	900
i. Transportation Subsidy	164	551	715	199	666	865	219	733	952	241	806	1,047
j. Partial Dislocation Allowance	0	514	514	0	522	522	0	615	615	0	655	655
13. TOTAL MILITARY PERSONNEL APPROPRIATIONS	1,517,718	5,466,794	7,634,292	1,756,812	6,764,534	8,524,347	1,843,149	7,160,798	9,003,947	1,921,578	7,433,184	9,374,764
14. LESS REIMBURSABLES	\$11,516	\$20,201	\$31,717	\$11,505	\$20,792	\$32,297	\$11,626	\$20,324	\$31,950	\$11,650	\$20,228	\$31,878
a. Retired Pay Accrual	2,214	1,536	3,750	2,188	1,594	3,782	2,203	1,158	3,361	2,218	1,110	3,328
b. Other Pay and Allowances	9,302	18,665	27,967	9,317	19,198	28,515	9,423	19,166	28,589	9,432	19,118	28,550
TOTAL, DIRECT MILITARY PERSONNEL APPROPRIATIONS	\$1,506,202	\$5,446,593	\$7,602,575	\$1,745,307	\$6,743,742	\$8,492,050	\$1,831,523	\$7,140,474	\$8,971,997	\$1,909,928	\$7,412,956	\$9,342,886

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL CHANGES
MILITARY PERSONNEL, MARINE CORPS
FY 2003
(DOLLARS IN THOUSANDS)

	FY 2003 PRESIDENT'S BUDGET	CONGRESSIONAL ACTION	DERF	AVAILABLE APPROPRIATION	FOREIGN CURRENCY	INTERNAL REALIGNMENT/ REPROGRAMING	FY 2003 COLUMN OF THE FY 2004/2005 PRESIDENT BUDGET
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PAY AND ALLOWANCES OF OFFICERS							
Basic Pay	\$946,367			\$946,367		\$10,906	\$957,273
Retired Pay Accrual	258,817			258,817		3,274	262,091
Defense Health Program - Over 65	83,310	(6,000)		77,310		860	78,170
\$30K Lump Sum Bonus	7,600	(5,000)		2,600		0	2,600
Incentive Pay	46,651			46,651		26	46,677
Special Pay	2,451			2,451		(63)	2,388
Basic Allowance for Housing	187,639			187,639		5,869	193,508
BAH Overseas	5,298	(574)		4,724	105	225	4,949
Basic Allowance for Subsistence	37,176			37,176		381	37,557
Station Allowance Overseas	17,158	(1,859)		15,299	342	871	16,170
CONUS COLA	337			337		57	394
Uniform Allowance	1,009			1,009		6	1,015
Family Separation Allowance	1,223			1,223		25	1,248
Separation Payments	8,526			8,526		(618)	7,908
Employer's Contribution to FICA	72,183			72,183		127	72,310
Reimbursables	10,966			10,966		0	10,966
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TOTAL OBLIGATIONS	\$1,686,711	(\$13,433)	\$0	\$1,673,278	\$447	\$21,946	\$1,695,224
LESS REIMBURSABLES	10,966	0	0	10,966		0	10,966
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TOTAL DIRECT PROGRAM	\$1,675,745	(\$13,433)	\$0	\$1,662,312		\$21,946	\$1,684,258

	FY 2003 PRESIDENT'S BUDGET	CONGRESSIONAL ACTION	DERF	AVAILABLE APPROPRIATION	FOREIGN CURRENCY TRANSFER	INTERNAL REALIGNMENT/ REPROGRAMING	FY 2003 COLUMN OF THE FY 2004/2005 OSD BUDGET
PAY AND ALLOWANCES OF ENLISTED							
Basic Pay	\$3,292,472	\$444		\$3,292,916		(\$25,992)	\$3,266,924
Retired Pay Accrual	898,822	122		898,944		(5,901)	893,043
Defense Health Program - Over 65	718,487	(34,000)		684,487		(6,957)	677,530
\$30K Lump Sum Bonus	21,500	(11,000)		10,500		0	10,500
Incentive Pay	8,356			8,356		0	8,356
Special Pay	19,556			19,556		0	19,556
Special Duty Pay	20,848			20,848		0	20,848
Reenlistment Bonus	60,173			60,173		0	60,173
Enlistment Bonus	7,995			7,995		0	7,995
Basic Allowance for Housing	596,308			596,308		1,985	598,293
BAH Overseas	9,619	(1,042)		8,577	206	1,223	9,800
Station Allowance Overseas	69,469	(7,525)		61,944	1,310	(400)	61,544
CONUS COLA	1,724			1,724		(113)	1,611
Uniform Allowance	81,659			81,659		3,578	85,237
Family Separation Allowance	10,637			10,637		0	10,637
Separation Payments	40,502			40,502		5,603	46,105
Employer's Contribution to FICA	250,970	34		251,004		(1,629)	249,375
College Fund	10,416			10,416		(3,107)	7,309
Reimbursables	7,399			7,399		0	7,399
TOTAL OBLIGATIONS	\$6,126,912	(\$52,967)	\$0	\$6,073,945	\$1,516	(\$31,710)	\$6,042,235
LESS REIMBURSABLES	7,399	0	0	7,399		0	7,399
TOTAL DIRECT PROGRAM	\$6,119,513	(\$52,967)	\$0	\$6,066,546		(\$31,710)	\$6,034,836
SUBSISTENCE OF ENLISTED PERSONNEL							
Basic Allowance for Subsistence	\$269,359			\$269,359		(\$6,045)	\$263,314
Family Subsistence Supplemental Allowance	750			750		0	750
Subsistence in Kind	175,970			175,970		1,883	177,853
Reimbursables	13,332			13,332		3	13,335
TOTAL OBLIGATIONS	\$459,411	\$0		\$459,411		(\$4,159)	\$455,252
LESS REIMBURSABLES	13,332	0		13,332		3	13,335
TOTAL DIRECT PROGRAM	\$446,079	\$0		\$446,079		(\$4,162)	\$441,917

	FY 2003 PRESIDENT'S BUDGET	CONGRESSIONAL ACTION	DERF	AVAILABLE APPROPRIATION	FOREIGN CURRENCY TRANSFER	INTERNAL REALIGNMENT/ REPROGRAMING	FY 2003 COLUMN OF THE FY 2004/2005 OSD BUDGET
PERMANENT CHANGE OF STATION							
Accession Travel	\$39,258			\$39,258		\$6,511	\$45,769
Training Travel	7,431			7,431		680	8,111
Operational Travel	68,566			68,566		1,378	69,944
Rotational Travel	99,670			99,670		(114)	99,556
Separation Travel	43,492			43,492		1,122	44,614
Travel of Organized Units	3,124			3,124		(661)	2,463
Non-Temporary Storage	5,006			5,006		(64)	4,942
Temporary Lodging Expense	10,985			10,985		145	11,130
IPCOT/OTEIP	2,191			2,191		28	2,219
Reimbursables	597			597		0	597
TOTAL OBLIGATIONS	\$280,320	\$0	\$0	\$280,320		\$9,025	\$289,345
LESS REIMBURSABLES	597	0	0	597		0	597
TOTAL DIRECT PROGRAM	\$279,723	\$0	\$0	\$279,723		\$9,025	\$288,748
OTHER MILITARY PERSONNEL COSTS							
Apprehension of Deserters	\$1,437			\$1,437		\$112	\$1,549
Interest on Soldier Deposit	16			16		(1)	15
Death Gratuities	708			708		276	984
Unemployment Compensation	28,753	(3,000)		25,753		6,301	32,054
Survivor Benefits	1,511			1,511		80	1,591
Adoption Reimbursement Program	80			80		(1)	79
Educational Benefits	1,725			1,725		7	1,732
Special Comp. for Severely Disabled	2,900			2,900		0	2,900
NCR Transportation Subsidy	1,297			1,297		(432)	865
Partial Dislocation Allowance	0			0		522	522
Reimbursables	0			0		0	0
TOTAL OBLIGATIONS	\$38,427	(\$3,000)	\$0	\$35,427		\$6,864	\$42,291
LESS REIMBURSABLES	0	0	0	0		0	0
TOTAL DIRECT PROGRAM	\$38,427	(\$3,000)	\$0	\$35,427		\$6,864	\$42,291
TOTAL MPMC OBLIGATIONS	\$8,591,781	(\$69,400)	\$0	\$8,522,381		\$1,966	\$8,524,347
LESS REIMBURSABLES	\$32,294	\$0	\$0	\$32,294		\$3	\$32,297
TOTAL MPMC DIRECT PROGRAM	\$8,559,487	(\$69,400)	\$0	\$8,490,087		\$1,963	\$8,492,050

MILITARY PERSONNEL, MARINE CORPS
 SCHEDULE OF INCREASES AND DECREASES
 (IN THOUSANDS OF DOLLARS)

	AMOUNT
FY 2003 TOTAL DIRECT PROGRAM	\$8,492,050
INCREASES:	
Basic Pay - This increase is the result of the annualization of the FY 2003 pay raise of 4.1% and optional targeted pay raises ranging from .9% to 2.7% for mid-grade noncommissioned officers and some officers, the FY04 pay raise is 3.2 percent plus a targeted pay raise for sergeant/E-5 through E-9's and for selected warrant officers.	\$194,155
Defense Health Program - The increase is associated with the increased rates associated with the accrual financing health care for military members eligible for Medicare.	43,160
Basic Allowance for Housing - This increase is the result of a 3.7% housing inflation factor, continuing to buy down of out-of-pocket expense to 3.5% in FY 2004, and the increased average strength for enlisted members, and the availability of government quarters, offset by a slight decrease in the officer average strength.	161,522
CONUS Cost of Living Allowance - This increase is attributed to the annualization of the FY 2003 pay raise, the FY 2004 pay raise of 3.2%, and the increase in the average strength of enlisted members.	273
Federal Insurance Contribution Act - This increase is a direct result of changes in basic pay.	15,565
Basic Allowance for Subsistence - This increase is attributed to the Department of Agriculture moderate food plan growth of 3.0% and the additional enlisted average strength, offset by a decrease in the officer average strength.	6,093

INCREASES (Con.)

Retired Pay Accrual - This increase is the result of increases to the basic pay of officer and enlisted members, offset by a decrease to the Normal Cost Percentage.	\$41,317
Overseas Station Allowance - This increase is a result of the FY 2003 pay raise, the FY 2004 pay raise, and the inflation applied to the temporary lodging allowance.	11,761
Apprehension of Military Deserters - This increase is based on inflation applied to the travel of guards and subsistence cost.	28
Adoption Reimbursement Program - This increase is attributed to inflation.	2
Interest on Saving Deposit - This increase is attributed to inflation.	1
Special Duty Assignment Pay - This increase is a result of increased rates for members filling certain duties.	5,127
Incentive Pay - This increase is the result of an increase in the number of payments for the Aviation Continuation Bonus and the Aviation Career Incentive Pay.	886
Educational Benefits - This increase is based on an increased amortization payment estimate provided by the DoD Board of Actuaries.	1,053
Separation Pay - This increase is attributed to an increase in the number of members electing to remain under the reduced 40 percent "Redux" retirement plan and the FY 2004 pay raise.	3,963

INCREASES (Con.)

Transportation Subsidy - This increase is due to increased participation in the transportation subsidy program.	\$87
Partial Dislocation Allowance - The FY 2002 NDAA authorized a one time payment of \$500.00 to members who are directed to move from family housing units being renovated or privatized.	93
Special Compensation for Certain Combat-Disabled Uniform Services Retirees This increase funds combat related benefits for those retired member with a 10% or higher combat related disability and who have received a Purple Heart, or a service-connected disability rated at 60% or higher incurred as a direct result of armed conflict.	15,000
Unemployment Compensation - This decrease is based on a decrease in the Department of Labor projections.	3,000

TOTAL INCREASES:

\$503,086

DECREASES:

Special Compensation for the Severely Disabled This decrease is due to program realignment to Special Compensation for Certain Combat-Related Disabled Uniform Services Retirees program.	(2,000)
Special Pay - This decrease is the result of a reduction in the number of anticipated payments for Diving Duty and Career Sea Pays.	(203)
Survivor Benefits - This decrease is the result of a decrease in the Veteran's Administration projection.	(52)
Selective Reenlistment Bonus - This decrease is the result of fewer anniversary payments, offset by the FY 2004 pay raise (3.4%).	(6,555)

DECREASES (Con.)

Clothing Allowance - (\$6,462)

This decrease is the result of fewer enlisted accessions requiring a clothing bag, offset by the inflation factors.

Subsistence in Kind - (5,629)

This decrease is due to anticipated savings in the Food Service Regionalization Program, offset by increased ration requirements and inflation.

Permanent Change of Station - (1,018)

This decrease is due to fewer moves, offset by inflation, annualization of FY 2003 pay raise, the FY 2004 pay raise (3.2%), and the FY 2004 Unified Legislative Budget initiative to pay officer personnel a monthly stipend for extending overseas.

College Fund- (1,220)
This decrease is due to a decrease in the FY 04 rates

TOTAL DECREASES: (\$23,139)

FY 2004 TOTAL DIRECT PROGRAM: \$8,971,997

MILITARY PERSONNEL, MARINE CORPS
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSANDS OF DOLLARS)

BUDGET ACTIVITY 1

FY 2003 TOTAL DIRECT PROGRAM

AMOUNT
\$1,684,258

INCREASES:

Basic Pay - This increase is the result of the annualization of FY 2003 pay raise actions, and the additional targeted pay raises ranging from .9% to 2.7% for mid-grade noncommissioned officers and some officers, the FY 2004 pay raise of 3.2% plus targeted increases for selected warrant officers, offset by decreased officer average strength.	\$31,137	
Retired Pay Accrual - This increase is the result of increased officer average strength offset by a decrease in the actuary Normal Cost Percentage.	5,737	
Defense Health Program - Funding added to the Military Personnel appropriation to implement accrual financing for Medicare-eligible health care beginning in FY 2003.	5,083	
Basic Allowance for Housing - This increase is the result of a 3.7% housing inflation factor, continuing to buying down the out-of-pocket expense to 3.5%, changes to the average strength, and the availability of government quarters.	36,697	
Basic Allowance for Subsistence - This increase is attributed to the anticipated Department of Agriculture moderate food plan growth of 3.5% offset by a decrease in the officer average strength.	994	
CONUS Cost of Living Allowance - This increase is attributed to the FY 2004 pay raise of 3.2%.	15	
Federal Insurance Contribution Act - This increase is the result of changes in basic pay offset by a decrease in officer average strength.	2,841	
Incentive Pay - This increase is the result of an increase in Aviation Career Incentive payments offset by a decrease in Continuation Bonus (ACB) payments.	882	
Special Pay This increase is the result of an increase in the number of Marines eligible to receive Judge Advocate General pay.	210	
Overseas Station Allowance - This increase is due to the FY 2004 pay raise of 3.2% and inflation of 1.7%.	2,338	
Uniform This increase is the result of inflation.	1	

TOTAL INCREASES:

\$85,935

Separation Pay - This decrease is attributed to fewer lump sum payments offset by the FY 2004 pay raise of 3.2% and decreases in the number of \$30,000 lump sum bonuses for retiring members who elect to remain under the reduced 40 percent "Redux" retirement plan.	(115)	
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TOTAL DECREASES:

(\$115)

FY 2004 TOTAL DIRECT PROGRAM:

\$1,770,078

PROJECT: A. Basic Pay

FY 2002 Actuals \$960,215
 FY 2003 Estimate \$964,517
 FY 2004 Estimate \$996,480
 FY 2005 Estimate \$1,036,665

PART I - PURPOSE AND SCOPE

Funds requested provide basic compensation for officers on active duty according to rank and length of service under provisions of (37 U.S.C. 201, 204, 205, and P.L. 97-37). The estimate excludes those officers on active duty at the seat of Government and at Headquarters responsible for Reserve Affairs (10 U.S.C. 5144), and those officers of the Reserve Component on active duty serving in connection with the organizing, administering, recruiting, instructing, and training of the Reserve Components (10 U.S.C. 10304,12301 and 12310).

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FY 2004 program is based on a beginning strength of 18,088 and an end strength of 18,088 with 18,273 average strength. The FY 2005 program is based on a beginning strength of 18,088 and an end strength of 18,088 with 18,274 average strength. Costs are determined on the basis of a grade distribution by longevity for each fiscal year. The average rates utilized are derived from a consideration of the latest longevity adjusted by planned gains and losses for respective years.

The computation of fund requirements is shown in the following tables.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Commandant of the Marine Corps	1	\$137,075.40	\$143	1	\$138,200.40	\$138	1	\$158,221.80	\$158	1	\$138,200.40	\$138
General	3	137,075.40	426	2	138,200.40	276	2	158,221.80	316	2	138,200.40	276
Lieutenant General	15	128,932.23	1,872	9	134,497.80	1,210	9	139,604.00	1,256	9	138,200.00	1,244
Major General	25	116,816.07	2,908	28	121,858.29	3,412	28	126,485.14	3,542	28	129,710.57	3,632
Brigadier General	40	103,096.76	4,170	42	107,559.43	4,517	42	111,642.29	4,689	42	114,489.14	4,809
Colonel	656	89,452.31	58,706	642	93,354.50	59,905	645	96,997.88	62,519	655	99,395.68	65,074
Lieutenant Colonel	1,854	72,938.04	135,208	1,811	75,333.22	136,437	1,812	78,451.24	142,163	1,812	80,390.27	145,676
Major	3,534	60,616.54	214,234	3,455	63,231.20	218,479	3,417	65,966.45	225,424	3,417	68,430.88	233,845
Captain	4,407	49,174.19	216,707	4,061	49,997.10	203,017	4,118	51,977.56	214,021	3,942	54,301.83	214,034
First Lieutenant	2,396	37,126.29	88,959	2,360	38,688.11	91,305	2,236	40,017.90	89,481	2,309	41,473.42	95,763
Second Lieutenant	2,092	26,532.10	55,510	1,961	27,763.09	54,444	1,985	28,730.34	57,030	1,951	31,340.64	61,146
Total Commissioned	15,024	\$51,152.76	\$ 778,843	14,372	\$53,796.15	\$ 773,140	14,295	\$55,833.16	\$800,599	14,168	\$57,791.19	\$825,638

(In Thousands of Dollars)

PROJECT: A. Basic Pay (con.)	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
With Enlisted Service												
Captain	986	\$54,194.93	\$53,461	1,033	\$56,155.26	\$58,008	973	\$58,563.79	\$56,983	1,149	\$60,113.35	\$69,069
First Lieutenant	553	43,183.90	23,876	570	45,013.56	25,658	589	47,065.77	27,722	653	49,256.31	32,164
Second Lieutenant	513	35,103.32	18,023	476	36,536.24	17,391	438	38,055.62	16,668	380	39,245.15	14,913
Total Commissioned w/Enl Svc	2,053	\$46,365.98	95,360	2,079	\$48,608.47	\$101,057	2,000	\$50,316.50	\$101,373	2,182	\$52,918.42	\$116,147
Warrant Officers												
W-5	92	\$63,040.85	\$5,777	91	\$66,813.76	\$6,103	95	\$69,206.44	\$6,598	95	\$70,971.33	\$6,766
W-4	230	55,703.15	12,827	254	57,967.46	14,724	262	61,179.85	16,029	262	62,739.94	16,438
W-3	505	45,729.90	23,100	515	48,639.77	25,049	490	51,048.00	25,014	490	52,349.71	25,651
W-2	796	39,568.39	31,480	814	41,172.94	33,515	748	43,122.47	32,256	686	44,784.10	30,722
W-1	372	34,449.49	12,828	300	36,431.16	10,929	383	38,147.91	14,611	391	39,137.31	15,303
Total Warrant Officers	1,995	\$42,905.16	86,012	1,974	\$45,746.94	\$90,320	1,978	\$47,255.28	\$94,508	1,924	\$48,970.57	\$94,880
Total Officers	19,071	\$49,773.04	\$960,215	18,425	\$52,348.28	\$964,517	18,273	\$54,300.66	\$996,480	18,274	\$56,280.51	\$1,036,665

PROJECT: B. Retired Pay Accrual - Officer

FY 2002 Actuals	\$290,946
FY 2003 Estimate	\$264,279
FY 2004 Estimate	\$270,031
FY 2005 Estimate	\$279,885

The funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with Title 10 U.S.C. 1466, as amended. Estimates include the cost associated with restoring the retirement benefit (Redux) of 50% of base pay upon reaching 20 years of service rather than receiving only 40%.

The budgetary estimates are derived as a product of:

- (a) Detailed cost computation based on the normal cost percentage (NCP) 30.3% for FY 2002, 27.4% for FY 2003, 27.1% for FY 2004 and 27.0 for FY 2005.
- (b) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.

(In Thousands of Dollars)

FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
19,071	\$15,255.65	\$290,946	18,425	\$14,343.43	\$264,279	18,273	\$14,778.00	\$270,031	18,274	\$15,316.02	\$279,885

PROJECT: C. Defense Health Program - Officer

FY 2002 Actuals \$0
 FY 2003 Estimate \$78,170
 FY 2004 Estimate \$83,253
 FY 2005 Estimate \$88,493

PART I - PURPOSE AND SCOPE

These funds will be used to pay the health care accrual amount into the Department of Defense Medicare-eligible Retiree Health Care Fund for the future Medicare-eligible health care costs for current military personnel.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of the approved actuary rate and the average strength.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Benefits for Over-65 Retirees	0		\$0	18,266	\$4,279.54	\$78,170	18,115	\$4,896.00	\$83,253	18,115	\$4,885.07	\$88,493
Defense Health Program Accrual, Officer	0		\$0	18,266		\$78,170	18,115		\$83,253	18,115		\$88,493

PROJECT: D. Incentive Pay - Hazardous Duty

FY 2002 Actuals	\$45,498
FY 2003 Estimate	\$46,677
FY 2004 Estimate	\$47,559
FY 2005 Estimate	\$47,179

PART I - PURPOSE AND SCOPE

The funds requested will provide incentive pay to officers performing hazardous duty as prescribed by United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 5, Special and Incentive Pays. Included in this request are the following types of duties:

- Aviation Career Incentive Pay (ACIP): To provide additional pay and aviation service to increase the ability of the Marine Marine Corps to attract and retain officer volunteers in an aviation career.
- Flight Pay (Noncrew/Crew Members): To provide additional pay to help the Marine Corps induce personnel to enter upon and remain in duties involving flying and in recognition of the more-than-normal hazard of such duties.
- Parachute Duty Pay: To provide additional pay to increase the ability of the Marine Corps to attract and retain volunteers for parachute duty and in recognition of the more than normal hazard of such duty.
- Demolition Duty Pay: To provide additional pay to increase the ability of the Marine Corps to attract and retain personnel for duty involving the demolition or neutralization of explosives.
- Aviation Continuation Bonus (ACB) Pay: To provide additional pay to aviation career officers who extend their period of active duty
- Flight Deck Duty Pay: To provide additional pay for personnel assigned aboard an air capable ship/aircraft carrier and in recognition of more-than-normal hazard of such duty.
- High Altitude Low Opening (HALO) Pay: To provide additional payment for personnel who perform parachute jumps at altitudes higher than 10,000 feet and free fall to low altitudes before parachute opening.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Hazardous duty pay is computed by applying the statutory rates to the average number of officers who are eligible for payment. The computation of fund requirements is provided in the following tables:

	(In Thousands of Dollars)												
	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate			
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	
Aviation Career Incentive Pay Commissioned Officers Phase I Years of Aviation Service													
2 or Less (monthly rate):	\$125.00	794	\$1,500.00	\$1,191	629	\$1,500.00	\$944	628	\$1,500.00	\$942	628	\$1,500.00	\$942
over 2	156.00	310	1,872.00	580	289	1,872.00	541	289	1,872.00	541	289	1,872.00	541
over 3	188.00	290	2,256.00	654	303	2,256.00	684	289	2,256.00	652	289	2,256.00	652
over 4	206.00	685	2,472.00	1,693	660	2,472.00	1,632	609	2,472.00	1,505	592	2,472.00	1,463
over 6	650.00	1,845	7,800.00	14,391	1,850	7,800.00	14,430	1,908	7,800.00	14,882	1,904	7,800.00	14,851
over 14	840.00	694	10,080.00	6,996	786	10,080.00	7,923	789	10,080.00	7,953	826	10,080.00	8,326
Phase II Years of Service as an Officer													
over 22	\$585.00	42	\$7,020.00	\$295	48	\$7,020.00	\$337	62	\$7,020.00	\$435	54	\$7,020.00	\$379
over 23	495.00	31	5,940.00	184	26	5,940.00	154	31	5,940.00	184	42	5,940.00	249
over 24	385.00	42	4,620.00	194	25	4,620.00	116	16	4,620.00	74	20	4,620.00	92
over 25	250.00	52	3,000.00	156	12	3,000.00	36	13	3,000.00	39	9	3,000.00	27
Subtotal		4,785		\$26,334	4,628		\$26,797	4,634		\$27,208	4,653		\$27,524
Warrant Officers Years of Aviation Service													
2 or Less (monthly rate)	\$125.00	0	\$1,500.00	0	0	\$1,500.00	0	0	\$1,872.00	0	0	\$1,872.00	0
over 2	156.00	0	1,872.00	0	0	1,872.00	0	0	1,872.00	0	0	1,872.00	0
over 3	188.00	0	2,256.00	0	0	2,256.00	0	0	2,256.00	0	0	2,256.00	0
over 4	206.00	0	2,472.00	0	0	2,472.00	0	0	2,472.00	0	0	2,472.00	0
over 6	650.00	0	7,800.00	0	0	7,800.00	0	0	8,580.00	0	0	8,580.00	0
Total ACIP Payments		4,785		\$26,334	4,628		\$26,797	4,634		\$27,208	4,653		\$27,524

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Flying Duty Noncrewmembers	24	\$1,800.00	\$43	30	\$1,800.00	\$54	30	\$1,800.00	\$54	30	\$1,800.00	\$54
Flying Duty Crewmembers												
General Officers	4	\$1,800.00	\$7	6	\$1,800.00	\$11	6	\$1,800.00	\$11	6	\$1,800.00	\$11
Colonel	1	3,000.00	3	1	3,000.00	3	1	3,000.00	3	1	3,000.00	3
Lieutenant Colonel	2	3,000.00	6	2	3,000.00	6	2	3,000.00	6	2	3,000.00	6
Major	1	2,700.00	3	2	2,700.00	5	2	2,700.00	5	2	2,700.00	5
Captain	0	2,100.00	0	0	2,100.00	0	0	2,100.00	0	0	2,100.00	0
Chief Warrant Officer W-3	1	2,100.00	2	0	2,100.00	0	0	2,100.00	0	0	2,100.00	0
Chief Warrant Officer W-2	3	1,800.00	5	1	1,800.00	2	1	1,800.00	2	1	1,800.00	2
Warrant Officer W-1	1	1,500.00	0	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
Total Flying Duty Crewmembers	13		\$26	12		\$27	12		\$27	12		\$27
Continuation Bonus												
New Payments Pilots	247	\$12,850.20	\$3,174	465	\$9,783.87	\$4,549	321	\$12,878.50	\$4,134	349	\$11,997.52	\$4,187
Naval Flight Officers	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Subtotal	247	12,850.20	3,174	465	9,783.87	4,549	321	12,878.50	4,134	349	11,997.52	4,187
Anniversary Payments	1,135	13,660.79	15,505	1,110	13,365.32	14,836	1,155	13,612.50	15,722	1,129	13,262.18	14,973
Total Continuation Bonus	1,382		\$18,679	1,575		\$19,385	1,476		\$19,856	1,478		\$19,160
Parachute Jumping Duty	127	\$1,800.00	\$229	122	\$1,800.00	\$220	122	\$1,800.00	\$220	122	\$1,800.00	\$220
Demolition Duty	37	\$1,800.00	\$67	39	\$1,800.00	\$70	39	\$1,800.00	\$70	39	\$1,800.00	\$70
Flight Deck Duty Pay	41	\$1,800.00	\$74	46	\$1,800.00	\$83	46	\$1,800.00	\$83	46	\$1,800.00	\$83
HALO Pay	17	\$2,700.00	\$46	15	\$2,700.00	\$41	15	\$2,700.00	\$41	15	\$2,700.00	\$41
Total Incentive Pay			\$45,498			\$46,677			\$47,559			\$47,179

PROJECT: E. Special Pay

FY 2002 Actuals	\$1,798
FY 2003 Estimate	\$2,388
FY 2004 Estimate	\$2,598
FY 2005 Estimate	\$2,958

PART I - PURPOSE AND SCOPE

The funds requested will provide for special pay in accordance with United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 5, Special and Incentive Pays. Included in this request for special pay are the following:

- Personal Money Allowance

To provide additional payment intended to partially reimburse officers in the grade of Lieutenant General and above for the many unusual expenses incurred in the performance of their official duties.

- Diving Duty Pay

To provide additional payment for officers performing duties involving scuba diving.

- Hardship Duty Pay

To provide payment for members performing duty designated by the Secretary of Defense as hardship duty. Member may qualify for Hardship Duty Pay (HDP) based on performance of a hardship mission or duty in a designated hardship location.

- Career Sea Pay

To provide additional payment for officers assigned to sea duty.

- Imminent Danger Pay

To provide additional payment for officers performing duties in designated hostile areas.

- Foreign Language Proficiency Pay

To provide additional payment to officers who are proficient in specific foreign languages in accordance with Section 634 of the FY 1987 Department of Defense Authorization Bill.

- Law School Education Debt Subsidy (LSEDS)

LSEDS is a monetary incentive available to eligible Marine Judge advocate Captains to help defray the high cost of law school education. The total amount of LSEDS is \$30,000. This is paid in annual installments; \$10,000.00/year for three years. Officers accepting LSEDS are obligated for 36 months of additional active duty service upon approval and validation of eligibility.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Special pay is computed by multiplying the average number of eligible officers programmed by the statutory rates. Details of the computations are shown in the following tables:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
General Officer Personal Allowance												
Commandant of the Marine Corps	1	\$4,000.00	\$4	1	\$4,000.00	\$4	1	\$4,000.00	\$4	1	\$4,000.00	\$4
General	4	2,200.00	9	2	2,200.00	4	2	2,200.00	4	2	2,200.00	4
Lieutenant General	12	500.00	6	9	500.00	5	9	500.00	5	9	500.00	5
Subtotal	17		\$19	12		\$13	12		\$13	12		\$13
Diving Duty Pay	53	\$2,880.00	\$153	53	\$2,880.00	\$153	53	\$2,880.00	\$153	53	\$2,880.00	\$153
Imminent Danger Pay	363	\$1,800.00	\$653	443	\$1,800.00	\$797	443	\$1,800.00	\$797	443	\$1,800.00	\$797
Hardship Duty - Location Pay - Revised Effective 1 Jan. 2001												
\$150/M0.	40	\$1,800.00	\$72	40	\$1,800.00	\$72	40	\$1,800.00	\$72	40	\$1,800.00	\$72
\$100/M0.	34	1,200.00	41	34	1,200.00	41	34	1,200.00	41	34	1,200.00	41
\$50/M0.	184	600.00	110	184	600.00	110	184	600.00	110	184	600.00	110
Subtotal	111		\$223	258		\$223	258		\$223	258		\$223
Hardship Duty - Mission Pay	0	\$1,800.00	\$0	2	\$1,800.00	\$4	2	\$1,800.00	\$4	2	\$1,800.00	\$4
Hardship Duty - Total Officer	111		\$223	260		\$227	260		\$227	260		\$227
Career Sea Pay												
Colonel	0	\$3,780.00	\$0	1	\$3,780.00	\$4	1	\$3,780.00	\$4	1	\$3,780.00	\$4
Lieutenant Colonel	3	3,780.00	11	6	3,780.00	23	6	3,780.00	23	6	3,780.00	23
Major	5	3,180.00	16	19	3,180.00	60	19	3,180.00	60	19	3,180.00	60
Captain	4	2,520.00	10	81	2,520.00	204	81	2,520.00	204	81	2,520.00	204
First Lieutenant	0	1,200.00	0	41	1,200.00	49	41	1,200.00	49	41	1,200.00	49
Second Lieutenant	0	1,200.00	0	9	1,200.00	11	9	1,200.00	11	9	1,200.00	11
Second Lieutenant with Enlisted	0	1,200.00	0	0	1,200.00	0	0	1,200.00	0	0	1,200.00	0
First Lieutenant with Enlisted	0	1,200.00	0	0	1,200.00	0	0	1,200.00	0	0	1,200.00	0
Captain with Enlisted	0	2,520.00	0	0	2,520.00	0	0	2,520.00	0	0	2,520.00	0
W-5	0	4,860.00	0	0	4,860.00	0	0	4,860.00	0	0	4,860.00	0
W-4	9	4,860.00	44	1	4,860.00	5	1	4,860.00	5	1	4,860.00	5
W-3	12	2,520.00	30	0	2,520.00	0	0	2,520.00	0	0	2,520.00	0
W-2	37	2,520.00	93	8	2,520.00	20	8	2,520.00	20	8	2,520.00	20
W-1	13	2,160.00	28	1	2,160.00	2	1	2,160.00	2	1	2,160.00	2
Subtotal	83		\$232	167		\$378	167		\$378	167		\$378
Foreign Language Proficiency Pay	228	\$2,277.77	\$517	363	\$1,349.12	\$490	363	\$1,349.12	\$490	363	\$1,349.12	\$490
Law School Education Debt Subsidy				11	\$30,000.00	\$330	18	\$30,000.00	\$540	30	\$30,000.00	\$900
Total Special Pay			\$1,798			\$2,388			\$2,598			\$2,958

PROJECT: F. Basic Allowance for Housing

FY 2002 Actuals	\$197,198
FY 2003 Estimate	\$198,769
FY 2004 Estimate	\$235,530
FY 2005 Estimate	\$252,857

PART I - PURPOSE AND SCOPE

Congress approved in the FY 1998 Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA). In addition, the Overseas Housing Allowance (OHA) payment, formerly budgeted in Overseas Station Allowance, was also realigned into this allowance section by the change in law. Payment to service members is authorized by revisions to 37 USC 403. The FY 2000 National Defense Authorization Act directed the BAH transition to market-based housing rates be accelerated and completed during FY 2000.

PART II - JUSTIFICATION OF FUNDS REQUESTED

BAH rates reflect the continued buy down of the members out-of-pocket housing expense from 11.3% in FY 2002 to 7.5% in FY 2003, to 3.5% in FY 2004, and zero in FY 2005.

Detailed cost computations are provided in the following table:

	(In Thousands of Dollars)												
	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate			
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	
BAH With Dependents													
General Officers	29	\$22,399.81	\$ 650	26	\$25,035.24	\$651	41	\$28,607.31	\$1,173	41	\$30,682.78	\$1,258	
Colonel	404	20,721.30	8,371	401	21,693.96	8,699	433	24,672.87	10,683	444	26,536.43	11,782	
Lieutenant Colonel	1,226	19,796.46	24,270	1,207	19,953.72	23,935	1,278	22,515.27	28,775	1,276	23,988.67	30,610	
Major	2,124	17,252.72	36,645	2,092	17,588.52	36,646	2,289	19,657.99	44,997	2,289	21,048.46	48,180	
Captain	2,008	13,882.35	27,876	1,847	14,921.76	27,411	2,092	16,509.01	34,537	1,988	17,740.51	35,268	
First Lieutenant	568	11,674.71	6,631	578	11,915.28	6,887	594	13,476.61	8,005	621	14,423.63	8,957	
Second Lieutenant	394	10,188.50	4,014	369	10,274.40	3,791	384	11,625.51	4,464	375	12,474.16	4,678	
Total Commissioned	6,753	\$ 16,060.57	108,457	6,520	\$16,567.48	\$108,020	7,111	\$17,897.48	\$132,634	7,034	\$19,194.91	\$140,733	
With Enlisted Service													
Captain	645	\$14,669.74	\$9,462	9462	692	\$15,550.20	\$10,612	659	\$17,651.61	\$11,632	814	\$18,900.80	\$15,385
First Lieutenant	248	14,462.55	\$3,587	3587	264	13,812.48	3,646	303	15,501.92	4,697	353	16,707.76	5,898
Second Lieutenant	285	12,577.71	\$3,585	3585	264	12,845.40	3,391	271	15,150.41	4,106	234	16,233.66	3,799
Total Commissioned w/Enl Svc	1,178	\$ 14,120.54	16,634	1,220	\$14,588.52	\$17,649	1,233	\$15,660.99	\$20,435	1,401	\$16,967.17	\$25,082	
Warrant Officer - 5	64	\$15,765.45	\$1,009	64	\$15,271.20	\$977	71	\$17,617.62	\$1,251	71	\$18,900.25	\$1,342	
Warrant Officer - 4	140	15,137.04	2,119	168	15,312.48	2,572	182	17,528.77	3,190	181	18,765.98	3,397	
Warrant Officer - 3	320	14,171.15	4,535	333	14,405.04	4,797	321	16,318.55	5,238	320	17,471.75	5,591	
Warrant Officer - 2	383	13,598.22	5,208	416	13,595.28	5,656	389	15,292.35	5,949	340	16,380.45	5,569	
Warrant Officer - 1	190	11,137.31	2,116	145	12,347.52	1,790	253	14,020.94	3,547	266	15,018.43	3,995	
Total Warrant Officer	1,097	\$13,199.61	\$14,987	1,126	\$14,024.87	\$15,792	1,216	\$14,984.38	\$19,175	1,178	\$16,082.34	\$19,894	
Total	9,028	\$15,515.95	\$140,078	8,866	\$15,955.45	\$141,461	9,560	\$17,238.49	\$172,244	9,613	\$20,342.43	\$185,709	
BAH Difference	347	\$1,729.11	\$600	339	\$1,758.11	\$596	337	\$1,813.06	\$611	339	\$1,858.41	\$630	
Total BAH With Dependents	10,472	\$13,433.73	\$140,678	9,205	\$15,432.59	\$142,057	9,897	\$17,465.39	\$172,855	9,952	\$18,723.79	\$186,339	
			140,078			142,057							
						0							

PROJECT: F. Basic Allowance for Housing

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
(In Thousands of Dollars)												
BAH Without Dependents												
General Officers	1	\$15,491.52	\$15	1	\$22,707.84	\$23	1	\$26,191.75	\$26	1	\$27,749.99	\$28
Colonel	22	17,660.16	389	22	17,835.12	392	22	20,481.10	451	22	21,814.25	480
Lieutenant Colonel	137	14,405.16	1,974	134	16,926.00	2,268	134	19,328.86	2,590	134	20,580.00	2,758
Major	369	14,057.40	5,187	361	14,581.08	5,264	356	16,728.23	5,955	356	17,846.55	6,353
Captain	1,404	12,283.80	17,246	1,294	12,900.00	16,693	1,312	14,510.61	19,022	1,255	15,435.03	19,371
First Lieutenant	1,293	9,800.04	12,671	1,273	10,617.72	13,516	1,206	11,762.87	14,186	1,246	12,533.69	15,617
Second Lieutenant	889	7,301.16	6,491	833	8,313.00	6,925	844	9,486.60	8,007	830	10,168.78	8,440
Total Commissioned	4,115	\$10,686.03	\$43,973	3,918	\$11,506.13	\$45,081	3,875	\$12,392.52	\$50,237	3,844	\$13,269.25	\$53,047
With Enlisted Service												
Captain	111	\$11,398.92	\$1,265	115	\$13,687.08	\$1,574	108	\$15,775.74	\$1,704	128	\$16,845.48	\$2,156
First Lieutenant	135	10,749.60	\$1,451	139	11,629.08	1,616	144	13,032.02	1,877	159	13,963.24	2,220
Second Lieutenant	92	9,111.00	\$838	85	10,177.44	865	78	11,461.06	894	68	12,315.52	837
Total Commissioned w/Enl Svc	338	\$10,514.79	\$3,555	339	\$11,961.65	\$4,055	330	\$12,875.76	\$4,475	355	\$13,960.56	\$5,213
Warrant Officer - 5	7	\$15,550.68	\$109	7	\$14,941.92	\$105	8	\$17,087.45	\$137	8	\$18,254.13	\$146
Warrant Officer - 4	10	12,661.32	127	12	11,345.64	136	12	12,968.79	156	12	13,955.91	167
Warrant Officer - 3	39	11,811.60	461	40	12,897.12	516	38	14,724.97	560	38	15,736.34	598
Warrant Officer - 2	67	11,187.36	750	68	12,593.64	856	63	14,105.48	889	58	15,070.39	874
Warrant Officer - 1	33	9,696.96	320	27	9,574.80	259	34	10,913.56	371	35	11,707.09	410
Total Warrant Officer	156	\$10,695.16	\$1,766	154	\$12,155.84	\$1,872	155	\$12,922.58	\$2,113	151	\$13,807.95	\$2,195
Total Without Dependents	4,609	\$10,692.84	49,294	4,411	\$11,563.82	\$51,008	4,360	\$12,447.94	56,825	4,350	\$13,344.37	\$60,455

PROJECT: F. Basic Allowance for Housing

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Partial BAH Payment												
General Officers	1	\$608.40	\$1	1	\$608.40	\$1	1	\$608.40	\$1	1	\$608.40	\$1
Colonel	3	475.20	1	3	475.20	1	3	475.20	1	3	475.20	1
Lieutenant Colonel	0	396.00	-	0	396.00	0	0	396.00	0	0	396.00	0
Major	10	320.40	3	10	320.40	3	10	320.40	3	10	320.40	3
Captain	87	266.40	22	80	266.40	21	82	266.40	22	78	266.40	21
First Lieutenant	116	212.40	25	114	212.40	24	108	212.40	23	112	212.40	24
Second Lieutenant	641	158.40	102	601	158.40	95	609	158.40	96	598	158.40	95
Total Commissioned	858	\$169.23	\$154	809	\$179.23	\$145	813	\$179.58	\$146	802	\$180.80	\$145
With Enlisted Service												
Captain	8	\$266.40	\$2	8	\$266.40	\$2	8	\$266.40	\$2	9	\$266.40	\$2
First Lieutenant	16	212.40	\$3	17	212.40	4	17	212.40	4	19	212.40	4
Second Lieutenant	41	158.40	\$6	38	158.40	6	35	158.40	6	30	158.40	5
Total Commissioned w/Enl Svc	65	\$179.30	\$12	63	\$190.48	\$12	60	\$200.00	\$12	58	\$189.66	\$11
Warrant Officer - 5	1	\$302.40	\$0	1	\$302.40	\$0	1	\$302.40	\$0	1	\$302.40	\$0
Warrant Officer - 4	0	302.40	-	0	302.40	0	0	302.40	0	0	302.40	0
Warrant Officer - 3	2	248.40	0	2	248.40	0	2	248.40	0	2	248.40	0
Warrant Officer - 2	9	190.80	2	9	190.80	2	8	190.80	2	7	190.80	1
Warrant Officer - 1	2	165.60	0	2	165.60	0	2	165.60	0	2	165.60	0
Total Warrant Officer	14	\$179.30	\$3	14	\$142.86	\$2	13	\$153.85	\$2	12	\$83.33	\$1
Total Partial Payment	937	\$179.79	\$168	886	\$179.46	\$159	886	\$180.59	\$160	872	\$179.51	\$157
Total BAH - Domestic			\$190,140			\$193,224			\$229,840			\$246,951

PROJECT: F. Basic Allowance for Housing

BASIC ALLOWANCE FOR HOUSING - OVERSEAS

	(In Thousands of Dollars)											
	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Overseas Basic Allowance for Housing With Dependents												
General Officers	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Colonel	13	27,037.52	\$351	11	23,960.20	264	11	24,655.80	271	11	25,732.01	283
Lieutenant Colonel	52	23,939.47	\$1,245	43	22,218.91	955	43	22,918.82	986	43	23,910.99	1,028
Major	74	23,424.04	\$1,733	59	23,198.75	1,369	59	25,130.66	1,483	59	26,312.43	1,552
Captain	40	17,914.37	\$717	33	16,760.04	553	33	17,280.13	570	33	18,035.13	595
First Lieutenant	5	14,645.32	\$73	4	13,727.20	55	4	14,156.76	57	4	14,761.82	59
Second Lieutenant	8	21,183.41	\$169	7	18,112.77	127	7	18,733.76	131	7	19,548.54	137
Total Commissioned	192	\$21,090.88	\$4,289	157	\$21,162.30	\$3,322	157	\$22,276.69	\$3,497	157	\$23,278.37	\$3,655
With Enlisted Service												
Captain	12	\$21,967.99	\$264	10	\$19,767.16	\$198	10	\$20,365.87	\$204	10	\$21,182.05	\$212
First Lieutenant	5	22,386.42	\$112	4	21,214.76	85	4	21,856.06	87	4	22,728.52	91
Second Lieutenant	14	19,950.52	\$279	12	19,051.69	229	12	19,620.78	235	12	20,463.48	246
Total Commissioned w/Enl Svc	31	\$18,081.59	\$655	26	\$19,659.65	\$511	26	\$20,251.24	\$527	26	\$21,088.32	\$548
Warrant Officer - 5	0	\$0.00		0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Warrant Officer - 4	1	19,875.80	\$20	1	14,975.12	15	1	14,901.86	15	1	15,933.40	16
Warrant Officer - 3	2	20,921.89	\$42	2	15,973.47	32	2	16,392.04	33	2	16,870.66	34
Warrant Officer - 2	7	21,071.33	\$147	6	18,469.32	111	6	19,041.26	114	6	19,838.64	119
Warrant Officer - 1	2	33,660.59	67	2	21,464.34	43	2	22,352.79	45	2	22,962.84	46
Total Warrant Officer	12	\$18,483.56	\$277	11	\$18,242.42	\$201	11	\$18,785.37	\$207	11	\$19,512.02	\$215
Total With Dependents	235	\$20,557.88	\$5,220	194	\$20,795.35	\$4,034	194	\$21,807.28	\$4,231	194	\$22,771.30	\$4,418

Overseas Basic Allowance for Housing Without Dependents	(In Thousands of Dollars)											
	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
General Officers	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Colonel	4	25,367.79	101	3	25,291.32	76	3	26,823.34	80	3	27,180.50	82
Lieutenant Colonel	6	19,004.05	114	5	16,971.81	85	5	17,882.23	89	5	18,182.82	91
Major	25	22,737.77	568	21	22,680.01	476	21	21,761.44	457	21	22,181.79	466
Captain	25	18,118.36	453	21	18,068.39	379	21	17,078.00	359	21	17,406.23	366
First Lieutenant	12	17,522.08	210	10	20,073.96	201	10	16,491.39	165	10	16,870.66	169
Second Lieutenant	8	14,776.09	118	7	12,693.20	89	7	13,340.71	93	7	13,657.20	96
Total Commissioned	80	\$19,567.15	\$1,565	67	\$19,493.16	\$1,306	67	\$18,564.30	\$1,244	67	\$18,927.03	\$1,268
With Enlisted Service												
Captain	8	\$20,398.84	163	7	\$17,542.29	\$123	7	\$18,449.92	\$129	7	\$18,879.07	\$132
First Lieutenant	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Second Lieutenant	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total Commissioned w/Enl Svc	8	\$20,398.84	\$163	7	\$17,542.29	\$123	7	\$18,449.92	\$129	7	\$18,879.07	\$132
Warrant Officer - 5	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Warrant Officer - 4	1	34,521.12	35	1	25,956.88	26	1	27,816.80	28	1	28,117.76	28
Warrant Officer - 3	1	30,336.74	30	1	22,961.86	23	1	23,842.97	24	1	24,368.73	24
Warrant Officer - 2	2	21,967.99	44	2	16,472.64	33	2	17,385.50	35	2	17,807.92	36
Warrant Officer - 1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total Warrant Officer	4	\$27,198.46	\$109	4	\$20,466.00	\$82	4	\$21,607.69	\$86	4	\$22,025.58	\$88
Total Without Dependents	92	\$19,971.27	\$1,837	78	\$19,367.97	\$1,511	78	\$18,710.11	\$1,459	78	\$19,081.63	\$1,488
Total BAH - Overseas	327		\$7,058	272		\$5,545	272		\$5,690	272		\$5,906
Total BAH Required			\$197,198			\$198,769			\$235,530			\$252,857

PROJECT: G. Basic Allowance for Subsistence

FY 2002 Actuals	\$37,750
FY 2003 Estimate	\$37,612
FY 2004 Estimate	\$38,608
FY 2005 Estimate	\$39,961

PART I - PURPOSE AND SCOPE

The funds requested will provide subsistence allowances on a monthly basis to all officers as authorized by United States Code Title 37, U.S.C. 402 Pay and Allowances of the Uniformed Services, Chapter 7, Allowances.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Basic Allowance for Subsistence costs are computed by multiplying the statutory rate by the officer man years programmed. Starting in FY 1998, BAS reform was initiated by authorizing a partial BAS payment to enlisted personnel. The partial BAS proposal is a cost neutral effort to provide all eligible enlisted personnel with a BAS payment. The proposal limits the growth of BAS to one percent per year in order year in order to allow the Department to make partial BAS payment with the remaining pay raise resources to members receiving subsistence-in-kind. Projected increases in cost growth will allow the U.S. Department of Agriculture food plan to catch up with the BAS payment in approximately six years, at which time all enlisted personnel will be entitled to a BAS payment.

Details of the fund computation are provided in the following table:

(In Thousands of Dollars)

FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
19,071	\$1,978.60	\$37,750	18,425	\$2,041.38	\$37,612	18,273	\$2,112.83	\$38,608	18,274	\$2,186.78	\$39,961

PROJECT: H. Overseas Station Allowance

FY 2002 Actuals \$18,855
 FY 2003 Estimate \$16,170
 FY 2004 Estimate \$18,508
 FY 2005 Estimate \$19,106

PART I - PURPOSE AND SCOPE

The funds requested will help to defray the excess costs of food, lodging, and related incidental expenses experienced by officers and their dependents on permanent duty outside the contiguous United States as prescribed by Joint Federal Travel Regulations and authorized under the provisions of Title 37 United States Code 405.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Yen rate is 124.33 for FY 2004 and FY 2005. The COLA rates reflect a 1 January pay raise of 3.4 percent in FY 2004 and FY 2005.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Barracks Cost of Living	14	\$2,429.00	\$34	17	\$2,428.57	\$41	17	\$2,515.26	\$43	17	\$2,600.78	\$44
Cost of Living Regular	2,170	7,811.63	16,951	2,088	6,687.26	13,963	2,088	7,789.75	16,265	2,088	7,939.65	16,822
Temporary Lodging Allowance	2,093	893.22	1,870	2,403	901.30	2,166	2,403	915.73	2,200	2,403	931.99	2,240
Total Station Allowances	4,277		\$18,855	4,508		\$16,170	4,508		\$18,508	4,508		\$19,106

PROJECT: I. CONUS Cost of Living Allowance (COLA)

FY 2002 Actuals	\$630
FY 2003 Estimate	\$394
FY 2004 Estimate	\$409
FY 2005 Estimate	\$422

PART I - PURPOSE AND SCOPE

As part of the DOD QOL actions, the funds requested will provide for payment of a cost of living allowance (COLA) to members of the Uniformed Services who are assigned to high cost areas in the Continental United States (CONUS). A high cost area is defined as a locality where the cost of living exceeds the average cost of living in CONUS by an established threshold percentage during a base period. The threshold (108% of National Cost of Living Average) percentage is established by the Secretary of Defense and cannot be less than eight percent. The amount of COLA payable is the product of spendable income (based on regular military compensation) times the difference between the COLA index for the individual's high cost area and the threshold percentage. This allowance was authorized by the FY 1995 DOD Authorization Act.

PART II - JUSTIFICATION OF FUNDS REQUESTED

CONUS COLA payments are determined by multiplying the projected number of personnel eligible by an estimated rate.

The computation of fund requirements is provided in the following tables:

(In Thousands of Dollars)

FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
485	\$1,299.00	\$630	270	\$1,461.11	\$394	270	\$1,513.27	\$409	270	\$1,564.72	\$422

PROJECT: J. Uniform Allowances

FY 2002 Actuals	\$1,002
FY 2003 Estimate	\$1,015
FY 2004 Estimate	\$1,016
FY 2005 Estimate	\$1,017

PART I - PURPOSE AND SCOPE

The funds requested will provide initial and additional uniform allowances to eligible officers upon entering the service to purchase required uniforms as authorized in United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 7, Allowances.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Uniform allowances are determined by applying statutory rates to the number of eligible officers programmed.

Fund computations are provided on the following table:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate			
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	
Initial Uniform Allowances	1,455	\$400.00	\$623	\$1	1,620	\$400.00	\$648	1,620	\$400.00	\$648	1,620	\$400.00	\$648
Additional Uniform Allowances	1,361	200.00	315	\$0	1,504	200.00	301	1,504	200.00	301	1,504	200.00	301
Civilian Clothing Allowances:				\$0									
Initial Allowance	45	\$811.00	\$36	\$0	45	\$822.00	\$37	45	\$836.00	\$38	45	\$851.00	\$38
Replacement Allowance	105	270.00	28	\$0	105	274.00	29	105	279.00	29	105	284.00	30
Total Uniform Allowances			\$1,002			\$1,015			\$1,016			\$1,017	

PROJECT: K: Family Separation Allowance

FY 2002 Actuals	\$1,939
FY 2003 Estimate	\$1,248
FY 2004 Estimate	\$1,248
FY 2005 Estimate	\$1,248

PART I - PURPOSE AND SCOPE

The funds requested are to equitably reimburse officers involuntarily separated from their dependents for the average extra expenses that result from the separation as authorized by United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 7, Allowances.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for family separation payments are determined by multiplying the number of personnel eligible for each type of family separation allowance by the statutory rate applicable.

Details of the cost computation are provided by the following tables:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
On PCS with Dependents not authorized	1170	\$1,200.00	\$1,404	233	\$1,200.00	\$280	233	\$1,200.00	\$280	233	\$1,200.00	\$280
On Board Ship for More Than Thirty Days	24	1,200.00	\$29	36	1,200.00	43	36	1,200.00	43	36	1,200.00	43
On TDY for More Than Thirty Days with Dependents not residing near TDY station	422	1,200.00	\$506	771	1,200.00	\$925	771	1,200.00	\$925	771	1,200.00	\$925
Total			\$1,939			\$1,248			\$1,248			\$1,248

PROJECT: L. Separation Payments

FY 2002 Actuals	\$7,641
FY 2003 Estimate	\$10,508
FY 2004 Estimate	\$10,393
FY 2005 Estimate	\$9,737

PART I - PURPOSE AND SCOPE

The funds requested will provide payments for:

- Unused accrued leave to officers separated or released from active duty under honorable conditions as authorized by United States Code Title 37, Pay and Allowance of the Uniformed Services, Chapter 9, Leave.
- Severance pay to officers who are disabled, as authorized by United States Code Title 10, Armed Forces, Chapter 61, Retirement or Separation, including elimination severance pay to officers not eligible for retirement, as authorized by United States Code, Title 10, Armed Forces, Chapter 59, Separation.
- Readjustment pay to reserve officers who are involuntarily released from active duty as authorized by United States Code Title 10, Armed Forces, Chapter 39, Active Duty.
- Voluntary Separation Incentive (VSI) and Special Separation Benefit (SSB) payments to personnel who are encouraged to leave active duty voluntarily, as authorized in Sections 1174a and 1175 of Title 10, United States Code (enacted in the FY 1992 National Defense Authorization Act, Defense Authorization Act, Public Law 102-190).
- Early Retirement - The FY 1993 Defense Authorization Act approved an active duty early retirement program for use during the force draw down. The early retirement program is necessary to shape the 15-20 year segment of the force. It will assist the Services in achieving their draw down goals of maintaining readiness and treating people fairly. The criteria for early retirement includes such factors as grade, years of service, and skill, with a focus on the population where the inventory exceeds requirements. Members approved for early retirement will receive the same benefits as individuals with 20 or more years of service. However, their retired pay will be reduced one percent for each year that they are short of 20 years of active duty. The early retirement amount is the product of 2.5 percent X the years of service X basic pay (adjusted for COLA) X reduction factor. For members who leave under the early retirement program, the Marine Corps is required to establish a sub account within the Military Personnel Appropriation to fund up front all early retirement payments including cost of living adjustments, which will cover the entire initial period. This period is defined as that period equal to the difference between 20 years and the number of years completed by the member.
- \$30,000 Lump Sum Bonus - The FY 2000 National Defense Authorization Act provided a \$30,000 lump sum bonus provision to retiring members who elect to remain under the reduced 40 percent "Redux" retirement plan.

PART II - JUSTIFICATION OF FUNDS REQUIRED

Separation payments are calculated by using cost factors, which are based on past experience, and programmed separations by type and by grade.

(In Thousands of Dollars)

	FY 2002 Actuals				FY 2003 Estimate				FY 2004 Estimate				FY 2005 Estimate			
	No.	Avg Days	Avg Rate	Amount	No.	Avg Days	Avg Rate	Amount	No.	Avg Days	Avg Rate	Amount	No.	Avg Days	Avg Rate	Amount
Lump Sum Terminal Leave																
General	8	9	\$9,502.00	\$76	26	13	\$3,753.49	\$98	23	13	\$3,881.11	\$89	23	13	\$4,013.07	\$92
Colonel	98	19	5,655.06	554	173	19	4,913.58	850	154	19	5,080.64	782	154	19	5,253.38	809
Lieutenant Colonel	224	16	3,314.50	742	327	16	3,410.08	1,115	292	16	3,526.02	1,030	292	16	3,645.90	1,065
Major	288	16	3,008.94	867	344	16	2,828.08	973	307	16	2,924.23	898	307	16	3,023.66	928
Captain	349	16	2,434.66	850	536	15	2,138.57	1,146	478	15	2,211.28	1,057	478	15	2,286.46	1,093
Captain W/Enl Svs	38	16	3,975.68	151	35	15	2,412.39	84	31	15	2,494.41	77	31	15	2,579.22	80
1st Lieutenant	137	16	1,359.66	185	172	16	1,694.99	292	153	16	1,752.62	268	153	16	1,812.21	277
1st Lieutenant W/Enl Svs	18	16	2,279.78	41	15	16	1,979.23	30	13	16	2,046.53	27	13	16	2,116.11	28
2nd Lieutenant	27	22	1,335.33	36	26	22	1,727.60	45	23	22	1,786.33	41	23	22	1,847.07	42
2nd Lieutenant W/Enl Svs	4	41	10,002.00	40	7	41	4,167.17	29	7	41	4,308.85	30	7	41	4,455.35	31
Warrant Officer 5	16	48	4,689.50	75	20	48	8,913.21	178	18	48	9,216.26	166	18	48	9,529.61	172
Warrant Officer 4	42	16	2,192.48	92	66	15	2,478.02	164	59	15	2,562.27	151	59	15	2,649.39	156
Warrant Officer 3	45	18	1,846.44	83	73	18	2,395.90	175	66	18	2,477.36	164	66	18	2,561.59	169
Warrant Officer 2	16	21	2,377.00	38	31	21	2,351.08	73	28	21	2,431.02	68	28	21	2,513.67	70
Warrant Officer 1	2	13	3,002.00	6	1	12	1,253.31	1	1	12	1,295.92	1	1	12	1,339.98	1
Subtotal	1,316			\$3,837	1,852			\$5,253	1,653			\$4,849	1,653			\$5,013
Severance Pay - Disability	9		\$41,556.00	\$374	20		\$43,576.55	\$872	20		\$45,058.15	\$901	20		\$46,590.13	\$932
Involuntary - Half Pay (5%)	0			\$0	0			\$0	0			\$0				\$0
Involuntary - Full Pay (10%)	23		\$52,130.43	1,199	33		\$40,969.70	1,352	33		\$42,484.85	1,402	33		\$43,969.70	1,451
Voluntary - SSB (15%)	0			0	0			0	0			0				0
Subtotal	23			\$1,199	33			\$1,352	33			\$1,402	33			\$1,451
Voluntary Separation																
Incentive (VSI)	0			\$0	0			\$0	0			\$0				\$0
Voluntary Separation Incentive	0			\$431	0			\$431	0			\$331	0			\$331
Lump Sum 30K Bonus	60		\$30,000.00	\$1,800	253		\$10,276.68	\$2,600	97		\$30,000.00	\$2,910	67		\$30,000.00	\$2,010
Total Payments				\$7,641				\$10,508				\$10,393				\$9,737

PROJECT: M. Social Security Tax-Employer's Contribution

FY 2002 Actuals	\$73,132
FY 2003 Estimate	\$73,477
FY 2004 Estimate	\$75,768
FY 2005 Estimate	\$78,688

PART I - PURPOSE AND SCOPE

Funds requested represent the Government's contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA).

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Government's contribution of Social Security costs is based on the percentage rate set by law on a member's salary for a calendar year. P.L. 98-21, "Social Security Amendment of 1983" dated 20 April 1983 established the tax rate while the maximum taxable income is determined by the Social Security Administration. There is no wage cap on the 1.45% medical contribution.

Taxable income ceilings for OASDI are as follows:

Calendar Year 2002 - 7.65% on first \$84,900 and 1.45% on the remainder.
 Calendar Year 2003 - 7.65% on first \$89,100 and 1.45% on the remainder.
 Calendar Year 2004 - 7.65% on first \$89,100 and 1.45% on the remainder.
 Calendar Year 2005 - 7.65% on first \$89,100 and 1.45% on the remainder.

Details of the computations are shown in the following table:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
	19,071	\$3,834.66	\$73,132	18,425	\$3,987.90	\$73,477	18,273	\$4,146.45	\$75,768	18,274	\$4,306.01	\$78,688
Total Pay & Allowances												
Officers			\$1,636,603			\$1,695,224			\$1,781,401			\$1,858,216
Less: (Reimbursable)			\$10,907			\$10,966			\$11,323			\$11,429
Total Direct Program			\$1,625,696			\$1,684,258			\$1,770,078			\$1,846,787

MILITARY PERSONNEL, MARINE CORPS
 SCHEDULE OF INCREASES AND DECREASES
 (IN THOUSANDS OF DOLLARS)

BUDGET ACTIVITY 2	AMOUNT
FY 2003 TOTAL DIRECT PROGRAM	\$6,034,836
INCREASES:	
Basic Pay - This increase is the result of the annualization of the FY 2003 pay raise of 4.1% and optional targeted pay raises ranging from .9% to 2.7% for mid-grade noncommissioned officers and some officers, the FY04 pay raise is 3.2 percent plus a (to be determined) targeted pay raise for sergeant/E-5 through E-9's and for selected warrant officers offset by the decrease in the enlisted average strength.	\$163,018
Defense Health Program - The increase is associated with the increased rates associated with the accrual financing health care for military members eligible for Medicare.	38,077
Basic Allowance for Housing - This increase is the result of a 3.7% housing inflation factor, continuing to buy down of out-of-pocket expense to 3.5% in FY 2004, and the increased average strength for enlisted members, and the availability of government quarters, offset by a slight decrease in the officer average strength.	124,825
CONUS Cost of Living Allowance - This increase is attributed to the annualization of the FY 2003 pay raise, the FY 2004 pay raise of 3.4%, and the increase in the average strength of enlisted members.	258
Federal Insurance Contribution Act - This increase is a direct result of changes in basic pay.	12,724

INCREASES (Con.)

Retired Pay Accrual - This increase is the result of increases to the basic pay of officer and enlisted members, offset by a decrease to the Normal Cost Percentage.	\$35,580
Overseas Station Allowance - This increase is a result of the FY 2003 pay raise, the FY 2004 pay raise, and the inflation applied to the temporary lodging allowance.	9,423
Special Duty Assignment Pay - This increase is a result of increased rates for members filling certain duties.	5,127
Incentive Pay - This increase is the result of FY 2004 Unified Legislative Proposal to increase the rates for the Aviation Career Incentive Pay.	4
Separation Pay - This increase is attributed to an increase in the number of members electing to remain under the reduced 40 percent "Redux" retirement plan and the FY 2004 pay raise.	4,078
Special Compensation for Certain Combat-Disabled Uniform Services Retirees This increase funds combat related benefits for those retired member with a 10% or higher combat related disability and who have received a Purple Heart, or a service-connected disability rated at 60% or higher incurred as a direct result of armed conflict.	15,000
TOTAL INCREASES:	\$408,114

DECREASES:

Special Pay - (413)
This decrease is the result of a reduction in anticipated Diving Duty and Career Sea Pay.

Selective Reenlistment Bonus - (6,555)
This decrease is the result of fewer anniversary payments, offset by the FY 2004 pay raise (3.4%).

Clothing Allowance - (\$6,463)
This decrease is the result of fewer enlisted accessions requiring a clothing bag, offset by the inflation factors.

College Fund- (1,220)
This decrease is due to a decrease in the FY 04 rates

TOTAL DECREASES: (14,651)

FY 2004 TOTAL DIRECT PROGRAM: \$6,428,299

PROJECT: A. Basic Pay

FY 2002 Actuals	\$3,139,051
FY 2003 Estimate	\$3,272,234
FY 2004 Estimate	\$3,434,846
FY 2005 Estimate	\$3,554,463

PART I - PURPOSE AND SCOPE

The funds requested will provide for basic compensation and length of service increments for enlisted personnel on active duty, in accordance with Title 37 U.S.C., Pay and Allowances of the Uniformed Services, Chapter 3, Basic Pay. Basic Pay is the primary means of compensating members of the Uniformed Services. Except for certain periods of unauthorized absence, excess leave, and confinement after an enlistment has expired, every member is entitled to basic pay while on active duty paid on a regular basis at a rate determined by pay grade and length of service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FY 2004 program is based on a beginning strength of 156,912 enlisted personnel, an end strength of 156,912 with 156,780 average strength. The FY 2005 program is based on a beginning strength of 156,912 and an end strength of 156,912 with 156,807 average strength. Costs are determined on the basis of grade distribution by longevity for each fiscal year. The average rates utilized are derived from a consideration of the current longevity adjusted by planned gains and losses for respective years.

The computation of fund requirements is shown in the following table:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Sergeant Major of the Marine Corps...	1	\$56,628.00	\$57	1	\$58,372.14	\$58	1	\$56,628.00	\$57	1	\$58,068.00	\$58
E-9.....	1,436	49,473.74	71,042	1,382	53,794.26	74,344	1,389	56,348.70	78,267	1,390	55,970.96	77,797
E-8.....	3,416	40,741.67	139,167	3,281	43,859.22	143,902	3,320	45,734.02	151,836	3,321	47,064.99	156,300
E-7.....	9,192	33,379.41	306,811	8,965	37,220.62	333,683	9,032	37,930.86	342,591	9,034	39,374.55	355,718
E-6.....	15,020	27,242.00	409,173	14,241	29,981.75	426,970	14,620	30,948.39	452,464	14,624	31,820.27	465,326
E-5.....	23,604	22,154.06	522,935	23,253	23,482.31	546,034	23,321	24,521.37	571,863	23,326	26,009.43	606,688
E-4.....	29,506	18,793.99	554,530	29,557	19,650.76	580,818	30,177	20,394.68	615,450	30,182	21,169.48	638,935
E-3.....	43,330	16,009.67	693,705	42,212	16,760.97	707,514	42,547	17,392.13	739,983	42,555	17,835.60	758,993
E-2.....	20,273	14,661.00	297,222	19,778	15,330.48	303,206	19,734	15,852.60	312,835	19,735	16,256.88	320,828
E-1.....	11,586	12,464.14	144,410	11,935	13,046.31	155,708	12,639	13,410.87	169,500	12,639	13,752.88	173,821
Total Basic Pay	157,364	\$18,778.24	\$3,139,051	154,605	\$21,165.12	\$3,272,234	156,780	\$21,908.70	\$3,434,846	156,807	\$22,667.80	\$3,554,463
Fines and Forfeitures & Other Non-Entitlements			(6,865)			(7,137)			(7,392)			(7,644)
Total Enlisted Basic Pay Subject to Retired Pay Accrual/FICA			\$3,132,186			\$3,265,097			\$3,427,454			\$3,546,819
Fines and Forfeitures for Navy Home not Subject to RPA/FICA			6,865			7,137			7,392			7,644
Total Enlisted Basic Pay Requirement			\$3,139,051			\$3,272,234			\$3,434,846			\$3,554,463

PROJECT: B. Retired Pay Accrual-Enlisted

FY 2002 Actuals	\$949,053
FY 2003 Estimate	\$894,637
FY 2004 Estimate	\$929,781
FY 2005 Estimate	\$958,742

PART I - PURPOSE AND SCOPE

The funds requested provide for the Department of Defense's contribution to its Military Retirement Funds, in accordance with Title 10 U.S.C. 1466 as amended. Estimates include the cost associated with restoring the retirement benefits (REDUX) of 50% of basic pay upon reaching 20 years of service rather than receiving only 40% under current law.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budget estimates are derived as a product of:

- (a) Detailed cost computation based on the Normal Cost Percentages (NCP) of 30.3% for FY 2002, 27.4% for FY 2003, 27.1% for FY 2004, and 27.0% for FY 2005.
- (b) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
RPA	157,364	\$6,030.94	\$949,053	154,605	\$5,786.60	\$894,637	156,780	\$5,930.48	\$929,781	156,807	\$6,114.17	\$958,742

PROJECT: C. Defense Health Program - Enlisted

FY 2002 Actuals \$0
 FY 2003 Estimate \$677,530
 FY 2004 Estimate \$715,607
 FY 2005 Estimate \$760,340

PART I - PURPOSE AND SCOPE

These funds will be used to pay the health care accrual amount into the Department of Defense Medicare-eligible Retiree Health Care Fund for the future Medicare-eligible health care costs for current military personnel.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding added to the Military Personnel appropriations to implement accrual financing for military members eligible for Medicare. Non-Medicare eligible retiree health care begins in FY 2004.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
DHP>65	0	\$0.00	\$0	154,412	\$4,387.81	\$677,530	156,614	\$4,569.24	\$715,607	156,614	\$4,854.87	\$760,340
Defense Health Program Accrual, Enlisted			\$0			\$677,530			\$715,607			\$760,340

PROJECT: D. Incentive Pay - Hazardous Duty

FY 2002 Actuals	\$8,421
FY 2003 Estimate	\$8,356
FY 2004 Estimate	\$8,360
FY 2005 Estimate	\$8,360

PART I - PURPOSE AND SCOPE

The funds requested will provide incentive pay to enlisted personnel performing hazardous duty as prescribed by United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 5, Special and Incentive Pays. Included in this request are the following types of duty:

- Flying Duty (Crewmember)
To provide additional payment for enlisted personnel involved in frequent and regular participation in aerial flight as a crew member.
- Flying Duty (Noncrewmember)
To provide additional payment for enlisted personnel involved in frequent and regular participation in aerial flight as a noncrew member.
- Flight Deck Duty
To provide additional payment for duty involving participation in flight operations on board ship.
- Parachute Duty
To provide additional payment for enlisted personnel who perform parachute jumping as an essential part of military duty.
- Demolition Duty
To provide additional payment for enlisted personnel who perform duty involving the demolition of explosives as a primary duty, including training for such duty.
- High Altitude/Low Opening (HALO)
To provide additional payment for enlisted personnel who perform parachute jumps at altitudes higher than 10,000 feet and free fall to low altitudes before parachute opening.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Hazardous duty pay is computed on the basis of the average number of enlisted personnel in each grade who are eligible for payment.

PROJECT: D. Incentive Pay - Hazardous Duty

The computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
1. Flying Duty												
(a) Crewmembers												
E-9.....	13	\$2,880.00	\$37	11	\$2,880.00	\$32	11	\$2,880.00	\$32	11	\$2,880.00	\$32
E-8.....	36	2,880.00	103	31	2,880.00	89	31	2,880.00	89	31	2,880.00	89
E-7.....	200	2,880.00	575	164	2,880.00	472	164	2,880.00	472	164	2,880.00	472
E-6.....	329	2,580.00	848	275	2,580.00	710	275	2,580.00	710	275	2,580.00	710
E-5.....	514	2,280.00	1,171	427	2,280.00	974	427	2,280.00	974	427	2,280.00	974
E-4.....	448	1,980.00	889	385	1,980.00	762	386	1,980.00	765	386	1,980.00	765
E-3.....	119	1,800.00	215	103	1,800.00	185	103	1,800.00	185	103	1,800.00	185
E-2.....	8	1,800.00	15	7	1,800.00	13	7	1,800.00	13	7	1,800.00	13
E-1.....	1	1,800.00	2	0	1,800.00	0	1	1,800.00	2	1	1,800.00	2
Subtotal	1,668		\$3,855	1,403		\$3,237	1,405		\$3,241	1,405		\$3,241
(b) Noncrewmembers	618	\$1,800.00	1,112	574	\$1,800.00	\$1,033	574	\$1,800.00	\$1,033	574	\$1,800.00	\$1,033
(c) Flight Deck Duty Pay	529	\$1,800.00	\$952	841	\$1,800.00	\$1,514	841	\$1,800.00	\$1,514	841	\$1,800.00	\$1,514
Subtotal			\$5,920			\$5,784			\$5,788			\$5,788
2. Parachute Jumping Duty	607	\$1,800.00	\$1,093	650	\$1,800.00	\$1,170	650	\$1,800.00	\$1,170	650	\$1,800.00	\$1,170
3. Demolition Duty	358	\$1,800.00	\$644	432	\$1,800.00	\$778	432	\$1,800.00	\$778	432	\$1,800.00	\$778
4. HALO	283	\$2,700.00	\$764	231	\$2,700.00	\$624	231	\$2,700.00	\$624	231	\$2,700.00	\$624
Total Incentive Pay			\$8,421			\$8,356			\$8,360			\$8,360

PROJECT: E. Special Pay

FY 2002 Actuals	\$19,321
FY 2003 Estimate	\$19,556
FY 2004 Estimate	\$19,143
FY 2005 Estimate	\$19,143

PART I - PURPOSE AND SCOPE

The funds requested will provide for special pay in accordance with United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 5, Special and Incentive Pays. Included in this request for special pay are the following:

- Career Sea Pay

To provide additional payment for enlisted personnel in the grades of corporal and above who are assigned to sea duty.

- Hardship Duty Pay

To provide payment for members performing duty designated by the Secretary of Defense as hardship duty. Member may qualify for Hardship Duty Pay (HDP) based on performance of a hardship mission or duty in a designated hardship location.

- Personal Money Allowance

To provide additional payment intended to partially reimburse the Sergeant Major of the Marine Corps for the many unusual expenses incurred in the performance of his official duties.

- Diving Duty Pay

To provide additional payment for enlisted personnel performing duties involving scuba diving.

- Overseas Extension Pay

To provide additional pay for enlisted personnel in designated specialties who have completed their tour of duty at an overseas location and execute an agreement to extend that tour for a period of not less than one year.

- Imminent Danger Pay

To provide additional payment for enlisted personnel performing duties in designated hostile areas.

- Foreign Language Proficiency Pay

To provide additional payment for enlisted personnel proficient in specific foreign languages in accordance with Section 634 of the FY 1987 DOD Authorization Bill.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Special pay is computed by applying statutory rates to the average number of personnel who are eligible for payment.

PROJECT: E. Special Pay

The computation of fund requirements is provided in the following table:

	FY 2002 Actuals			(In Thousands of Dollars) FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Career Sea Pay												
E-9	20	\$1,920.00	\$39	21	\$1,920.00	\$40	21	\$1,920.00	\$40	21	\$1,920.00	\$40
E-8	60	1,920.00	116	52	1,920.00	100	52	1,920.00	99	52	1,920.00	99
E-7	198	1,920.00	381	185	1,920.00	355	184	1,920.00	353	184	1,920.00	353
E-6	345	1,620.00	559	380	1,620.00	616	378	1,620.00	613	378	1,620.00	613
E-5	804	960.00	772	949	960.00	911	944	960.00	906	944	960.00	906
E-4	1,719	960.00	1,650	2,003	960.00	1,923	1,993	960.00	1,913	1,993	960.00	1,913
E-3	2,069	840.00	1,738	2,368	840.00	1,989	2,356	840.00	1,980	2,356	840.00	1,980
E-2	177	600.00	106	248	600.00	149	247	600.00	148	247	600.00	148
E-1	28	600.00	17	50	600.00	30	50	600.00	30	50	600.00	30
Subtotal	5,420		\$5,378	6,256		\$6,113	6,225		\$6,082	6,225		\$6,082
Hardship Duty Pay - Location												
\$150/Month	308	\$1,800.00	\$554	570	\$1,800.00	\$1,026	571	\$1,800.00	\$1,028	571	\$1,800.00	\$1,028
\$100/Month	146	1,200.00	175	264	1,200.00	317	264	1,200.00	317	264	1,200.00	317
\$50/Month	926	600.00	555	1,675	600.00	1,005	1,675	600.00	1,005	1,675	600.00	1,005
Subtotal	1,380		\$1,284	2,509		\$2,348	2,510		\$2,350	2,510		\$2,350
Hardship Duty Pay - Mission	881	1,800.00	1,586	1	1,800.00	\$2	0	1,800.00	\$0	0	1,800.00	\$0
Total Hardship Duty Pay	2,261		\$2,870	2,510		\$2,350	2,510		\$2,350	2,510		\$2,350
Personal Money Allowance	1	\$2,200.00	\$2	1	\$2,000.00	\$2	1	\$2,000.00	\$2	1	\$2,000.00	\$2
Diving Duty Pay	411	2,580.00	1,060	377	2,580.00	\$973	229	2,580.00	\$591	229	2,580.00	\$591
Overseas Extension Pay	1,324	2,000.00	2,648	1,473	2,000.00	\$2,946	1,473	2,000.00	\$2,946	1,473	2,000.00	\$2,946
Imminent Danger Pay	3,412	1,800.00	6,142	2,781	1,800.00	\$5,006	2,781	1,800.00	\$5,006	2,781	1,800.00	\$5,006
Firefighters Hazardous Duty Pay	0	1,800.00	0	0	1,800.00	0	0	1,800.00	\$0	0	1,800.00	\$0
Foreign Language Proficiency	905	1,349.00	1,221	1,530	1,416.00	\$2,166	1,530	1,416.00	\$2,166	1,530	1,416.00	\$2,166
Total Special Pay			\$19,321			\$19,556			\$19,143			\$19,143

PROJECT: F. Special Duty Assignment Pay

FY 2002 Actuals	\$20,825
FY 2003 Estimate	\$20,848
FY 2004 Estimate	\$25,975
FY 2005 Estimate	\$25,975

PART I - PURPOSE AND SCOPE

These funds provide an additional monthly payment as a retention incentive to enlisted members serving in critical military skills and as an inducement to qualified personnel to volunteer for certain duties outside their normal career fields as authorized in United States Code Title 37 as amended by Section 623 of P.L. 98-525. Payments are provided for the following:

- (a) Recruiting Duty
- (b) Drill Instructor Duty
- (c) Career Planners
- (d) Marine Security Guards at U.S. Embassies

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimate is based on the number of individuals programmed to occupy skills for which special duty assignment pay is authorized.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Sp Dty Assign Pay (\$375)	3,290	\$4,500.00	\$14,805	3,295	\$4,500.00	\$14,828	3,290	\$5,400.00	\$17,766	3,290	\$5,400.00	\$17,766
Sp Dty Assign Pay (\$275)	1,248	3,300.00	4,118	1,248	3,300.00	4,118	1,248	4,500.00	5,616	1,248	4,500.00	5,616
Sp Dty Assign Pay (\$225)	0	2,700.00	0	0	2,700.00	0	0	2,700.00	0	0	2,700.00	0
Sp Dty Assign Pay (\$220)	85	2,640.00	224	85	2,640.00	224	85	3,600.00	306	85	3,600.00	306
Sp Dty Assign Pay (\$165)	4	1,980.00	8	4	1,980.00	8	4	2,700.00	11	4	2,700.00	11
Sp Dty Assign Pay (\$110)	1,111	1,320.00	1,467	1,111	1,320.00	1,467	1,111	1,800.00	2,000	1,111	1,800.00	2,000
Sp Dty Assign Pay (\$75)	0	900.00	0	0	900.00	0	307	900.00	276	307	900.00	276
Sp Dty Assign Pay (\$55)	307	660.00	203	307	660.00	203	0	600.00	0	0	600.00	0
Total	6,045		\$20,825	6,050		\$20,848	6,045		\$25,975	6,045		\$25,975

PROJECT: G. Reenlistment Bonus

FY 2002 Actuals \$58,213
 FY 2003 Estimate \$60,173
 FY 2004 Estimate \$53,618
 FY 2005 Estimate \$56,659

PART I - PURPOSE AND SCOPE

Reenlistment Bonus (37 U.S.C. 308) - Provides a bonus to enlisted personnel who reenlist in a skill characterized by inadequate manning, low retention, and high replacement costs. Payable to an individual with between twenty-one months and fourteen years of active service. Payment is based on monthly basic pay times a specified award level (not to exceed 10) times the number of additional years of obligated service (not to exceed 6). Obligated service in excess of sixteen years is not used in the computation. The maximum payment is \$45,000. Congress lifted the 10% cap on SRB payments exceeding \$20,000 in FY 1999. Beginning in FY 2001, all new SRB contracts are paid in one lump-sum.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The primary objective of the reenlistment bonus is to maintain an adequate level of experienced and qualified enlisted personnel in the peacetime forces.

10 Most Critical Career Force Skill Shortage Occupations

0211	Counterintelligence Marine	2834	Ground Mobile Forces SATCOM Technician
0251	Interrogation-translation Specialist	2861	Radio Technician
2821	Computer Technician	3441	NAF Audit Technician
2822	Electronic Switching Equip Tech	5821	Criminal Investigator
2823	Technical Controller	5952	Air Traffic Control Navigational Aids Technician

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Initial Payments	4,851	\$9,253.31	\$44,886	5,000	\$10,348.00	\$51,740	5,000	\$10,717.00	\$53,585	5,000	\$11,330.00	\$56,650
Anniversary Payments	6,225	2,140.88	13,327	3,492	2,414.95	8,433	11	3,000.00	\$33	3	3,000.00	\$9
Total SRB Payments	11,076	\$5,255.76	\$58,213	8,492	\$7,085.85	\$60,173	5,011	\$10,700.06	\$53,618	5,003	\$11,325.00	\$56,659

SELECTIVE REENLISTMENT BONUS PROGRAM

	FY02 Act		FY03 Est		FY04 Est		FY05 Est		FY06 Est		FY07 Est		FY08 Est		FY09 Est	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations	6,200	\$13,252	3,492	\$8,433	11	\$33	3	\$9	0	0	0	0	0	0	0	0

Accelerated Payments	25	75														

FY02 Initial Payments	4,851	44,886														
Anniversary Payments																

FY03 Initial Payments			5,000	51,740												
Anniversary Payments																

FY04 Initial Payments					5,000	53,585										
Anniversary Payments																

FY05 Initial Payments							5,000	56,650								
Anniversary Payments																

FY06 Initial Payments									4,800	55,083						
Anniversary Payments																

FY07 Initial Payments											4,500	53,411	3,863	53,411	3,863	53,411
Anniversary Payments																

FY08 Initial Payments																
Anniversary Payments																

FY09 Initial Payments																
Anniversary Payments																

Total																
Initial Payments	4,851	44,886	5,000	51,740	5,000	53,585	5,000	56,650	4,800	55,083	4,500	53,411	3,863	53,411	3,863	53,411
Anniversary Payments	6,225	13,327	3,492	8,433	11	33	3	9	0	0	0	0	0	0	0	0
Total SRB	11,076	\$58,213	8,492	\$60,173	5,011	\$53,618	5,003	\$56,659	4,800	\$55,083	4,500	\$53,411	3,863	\$53,411	3,863	\$53,411

PROJECT: H. Enlistment Bonus Program

FY 2002 Actuals	\$6,995
FY 2003 Estimate	\$7,995
FY 2004 Estimate	\$7,995
FY 2005 Estimate	\$7,995

PART I - PURPOSE AND SCOPE

The funds requested will provide a monetary incentive to entice highly qualified individuals to enlist for and serve in military skills that are classified as critical skill shortage occupations. This compensation is in accordance with provisions of 37 U.S.C. 308a. as amended by P.L. 97-60.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Because of increasing requirements for high quality recruits during a period of intense competition from other Services and the private sector for high school graduates, the number of enlistment bonuses and some award levels are increasing. This approach allows the Marine Corps to remain competitive in the market for high quality recruits, which in turn allows us to maintain readiness by providing a sufficient number of Marines with the necessary skills to perform the units' missions.

Details of the bonus award levels and number of bonus payments are provided in the following table:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
New Payments												
\$1,000	0	\$1,000.00	\$0	0	\$1,000.00	\$0	0	\$1,000.00	\$0	0	\$1,000.00	\$0
\$2,000	33	2,000.00	66	8	2,000.00	16	8	2,000.00	16	8	2,000.00	16
\$3,000	147	3,000.00	441	159	3,000.00	477	159	3,000.00	477	159	3,000.00	477
\$4,000	98	4,000.00	392	82	4,000.00	328	82	4,000.00	328	82	4,000.00	328
\$5,000	69	5,000.00	345	57	5,000.00	285	57	5,000.00	285	57	5,000.00	285
\$6,000	35	6,000.00	210	21	6,000.00	126	21	6,000.00	126	21	6,000.00	126
Subtotal New Payments	382		\$1,454	327		\$1,232	327		\$1,232	327		\$1,232
Residual Payments												
\$1,000	18	\$1,000.00	\$18	0	\$1,000.00	\$0	0	\$1,000.00	\$0	0	\$1,000.00	\$0
\$2,000	401	2,000.00	802	33	2,000.00	66	33	2,000.00	66	33	2,000.00	66
\$3,000	1,035	3,000.00	3,105	868	3,000.00	2,604	868	3,000.00	2,604	868	3,000.00	2,604
\$4,000	198	4,000.00	792	457	4,000.00	1,828	457	4,000.00	1,828	457	4,000.00	1,828
\$5,000	82	5,000.00	410	309	5,000.00	1,545	309	5,000.00	1,545	309	5,000.00	1,545
\$6,000	69	6,000.00	414	120	6,000.00	720	120	6,000.00	720	120	6,000.00	720
Subtotal Residual Payments	1,803		\$5,541	1,787		\$6,763	1,787		\$6,763	1,787		\$6,763
	2,185		\$6,995	2,114		\$7,995	2,114		\$7,995	2,114		\$7,995

ENLISTMENT BONUS PROGRAM

	FY02 Actuals		FY03 Estimate		FY04 Estimate		FY05 Estimate		FY06 Estimate		FY07 Estimate		FY08 Estimate		FY09 Estimate	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations																
FY02																
Initial and	382	\$1,454														
Residual Payments	1,803	\$5,541														
FY03																
Initial and			327	\$1,232												
Residual Payments			1,787	\$6,763												
FY04																
Initial and					327	\$1,232										
Residual Payments					1,787	\$6,763										
FY05																
Initial and							327	\$1,232								
Residual Payments							1,787	\$6,763								
FY06																
Initial and									327	\$1,232						
Residual Payments									1,787	\$6,763						
FY07																
Initial and											327	\$1,232				
Residual Payments											1,787	\$6,763				
FY08																
Initial and													327	\$1,232		
Residual Payments													1,787	\$6,763		
FY09																
Initial and															327	\$1,232
Residual Payments															1,787	\$6,763
Initial Payments	382	\$1,454	327	\$1,232	327	\$1,232	327	\$1,232	327	\$1,232	327	\$1,232	327	\$1,232	327	\$1,232
Residual Payments	1,803	\$5,541	1,787	\$6,763	1,787	\$6,763	1,787	\$6,763	1,787	\$6,763	1,787	\$6,763	1,787	\$6,763	1,787	\$6,763
Total EB	2,185	\$6,995	2,114	\$7,995	2,114	\$7,995	2,114	\$7,995	2,114	\$7,995	2,114	\$7,995	2,114	\$7,995	2,114	\$7,995

PROJECT: I. College Fund

FY 2002 Actuals \$11,759
 FY 2003 Estimate \$7,309
 FY 2004 Estimate \$6,089
 FY 2005 Estimate \$6,089

PART I - PURPOSE AND SCOPE

The funds requested provide for the payment to the Department of Defense Education Benefits Funds, a Trust Fund. This program is governed by Title 38 U.S.C., Chapter 30. The program funds additional and supplemental benefit payments above a basic benefit to be budgeted by the Veterans Administration. This program is budgeted on an accrual basis by the Department of Defense. Actual benefit payments to individuals will be made by the Veterans Administration from transfers from the Trust Account.

PART II - JUSTIFICATION OF FUNDS REQUESTED

All individuals entering active duty after July 1, 1985 (including those in the Delayed Entry Program), except those who have received a commission from a service academy or who have completed an ROTC Scholarship Program, are eligible to receive additional and supplemental Educational Assistance at the discretion of the Secretary of Defense unless they elect not to participate in the basic program.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Marine Corps College Fund Program (4/5 Year Commitment) 50K	1,556	7,556.92	11,759	1,560	4,685.00	7,309	1,560	3,903.00	6,089	1,560	3,903.00	6,089
Total			\$11,759			\$7,309			\$6,089			\$6,089

PROJECT: J. Basic Allowance for Housing

FY 2002 Actuals	\$556,628
FY 2003 Estimate	\$608,183
FY 2004 Estimate	\$733,024
FY 2005 Estimate	\$788,957

PART I - PURPOSE AND SCOPE

Congress approved in the FY 1998 Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA). In addition, the Overseas Housing Allowance (OHA) payment, formerly budgeted in Overseas Station Allowance, was also realigned into this allowance section by the change in law. Payment to service members is authorized by revisions to 37 USC 403. The FY 2000 National Defense Authorization Act directed the BAH transition to market-based housing rates be accelerated and completed during FY 2000.

PART II - JUSTIFICATION OF FUNDS REQUESTED

BAH rates reflect the continued buy down of the members out-of-pocket housing expense from 11.3% in FY 2002 to 7.5% in FY 2003, to 3.5% in FY 2004, and zero in FY 2005.

The computation of fund requirements is provided in the following table:

BASIC ALLOWANCE FOR HOUSING - DOMESTIC

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Basic Allowance for Housing With Dependents												
E-9.....	944	\$14,865.34	\$14,031	961	\$15,355.80	\$14,756	1,003	\$17,550.75	\$17,603	1,010	\$18,796.44	\$18,984
E-8.....	2,132	13,198.37	28,135	2,053	14,034.60	28,812	2,180	16,049.01	34,987	2,194	17,200.37	37,738
E-7.....	5,206	12,490.62	65,022	5,144	13,072.20	67,242	5,442	14,962.88	81,428	5,482	16,043.61	87,951
E-6.....	7,411	11,706.82	86,764	7,143	12,347.60	88,198	8,052	14,163.44	114,044	8,136	15,187.18	123,563
E-5.....	8,953	10,299.91	92,213	9,145	10,947.24	100,112	9,965	12,386.58	123,428	10,047	13,276.47	133,393
E-4.....	7,263	9,587.94	69,634	7,612	10,490.16	79,850	8,639	11,337.45	97,944	8,760	12,158.93	106,512
E-3.....	6,784	9,473.83	64,272	6,781	10,490.16	71,133	7,488	11,316.69	84,739	7,491	12,137.40	90,921
E-2.....	1,697	7,645.61	12,973	1,747	10,490.16	18,325	1,774	11,210.89	19,888	1,739	12,027.73	20,916
E-1.....	563	10,400.80	5,860	601	10,490.16	6,306	648	11,326.51	7,340	646	12,147.59	7,847
Total	40,953	\$9,332.04	\$438,905	41,187	\$11,526.24	\$474,734	45,191	\$11,319.48	\$581,402	45,505	\$11,319.48	\$627,826
BAH Difference	2,152	\$1,779.10	\$3,828	4,271	\$2,034.42	\$8,689	4,317	\$2,096.36	\$9,050	4,316	\$2,159.60	\$9,321
Total BAH With Dependents	43,104		\$442,733	45,458		\$483,423	49,508		\$590,452	49,821		\$637,147
Basic Allowance for Housing Without Dependents												
E-9.....	142	\$12,624.04	\$1,796	103	\$12,948.12	\$1,330	101	\$14,880.13	\$1,503	102	\$15,896.65	\$1,621
E-8.....	270	11,702.63	3,157	275	11,389.56	3,132	276	12,994.34	3,586	275	13,920.33	3,828
E-7.....	903	10,697.06	9,660	880	10,649.16	9,371	882	12,093.40	10,666	882	12,944.83	11,417
E-6.....	2,121	9,505.11	20,157	1,972	9,684.48	19,098	2,011	11,105.01	22,332	2,012	11,892.09	23,927
E-5.....	3,835	8,904.39	34,145	4,110	9,165.84	37,672	4,098	10,495.68	43,011	4,098	11,236.75	46,048
E-4.....	2,202	7,148.45	15,739	2,623	8,007.84	21,005	2,660	9,194.66	24,458	2,660	9,847.85	26,195
E-3.....	1,338	7,312.19	9,783	1,447	8,067.60	11,674	1,448	9,218.15	13,348	1,448	9,872.20	14,295
E-2.....	167	4,287.95	717	411	7,530.96	3,095	409	8,685.54	3,552	409	9,320.08	3,812
E-1.....	23	3,097.48	71	171	7,964.64	1,362	172	9,288.15	1,597	172	9,944.76	1,710
Total BAH Without Dependents	11,000	\$7,609.53	\$95,226	11,992	\$8,984.56	\$107,740	12,057	\$8,941.36	\$124,054	12,058	\$8,941.36	\$132,854

BASIC ALLOWANCE FOR HOUSING - DOMESTIC

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Partial BAH												
E-9.....	8	\$222.25	\$2	6	\$223.20	\$1	6	\$223.20	\$1	6	\$223.20	\$1
E-8.....	18	183.60	3	17	183.60	3	18	183.60	3	18	183.60	3
E-7.....	157	115.81	18	130	144.00	19	131	144.00	19	131	144.00	19
E-6.....	349	122.21	43	287	118.80	34	294	118.80	35	294	118.80	35
E-5.....	4,321	106.28	459	4,260	104.40	445	4,273	104.40	446	4,274	104.40	446
E-4.....	15,074	97.84	1,475	15,218	97.20	1,479	15,538	97.20	1,510	15,540	97.20	1,510
E-3.....	31,473	93.92	2,956	29,993	93.60	2,806	30,231	93.60	2,830	30,237	93.60	2,830
E-2.....	16,300	87.71	1,430	15,992	86.40	1,382	15,956	86.40	1,379	15,956	86.40	1,379
E-1.....	9,100	80.50	733	8,917	82.80	738	9,444	82.80	782	9,444	82.80	782
Total Partial BAH	76,801	\$92.32	\$7,118	74,820	\$92.32	\$6,908	75,891	\$92.28	\$7,005	75,900	\$92.28	\$7,005
Substandard Housing												
E-9.....	1	\$7,981.32	\$8	1	\$8,876.40	\$9	1	\$9,648.24	\$10	1	\$10,311.60	\$10
E-8.....	0	7,288.80	0	0	8,117.16	0	0	8,831.04	0	0	9,443.88	0
E-7.....	2	5,519.64	11	1	6,153.60	6	1	6,698.28	7	1	7,165.20	7
E-6.....	2	6,298.92	13	1	7,023.84	7	1	7,645.08	8	1	8,177.64	8
E-5.....	11	5,852.16	64	6	6,510.96	39	6	7,082.04	42	6	7,572.36	45
E-4.....	27	5,381.52	145	16	6,023.64	96	16	6,556.20	105	16	7,012.92	112
E-3.....	38	5,039.04	191	23	5,725.92	131	23	6,233.28	143	23	6,668.28	153
E-2.....	5	5,797.20	29	3	6,585.00	20	3	7,171.56	22	3	7,674.00	23
E-1.....	1	4,393.68	4	1	4,987.80	5	1	5,429.28	5	1	5,807.52	6
Total Substandard Housing	87	\$5,358.12	\$466	87	\$5,358.12	\$313	52	\$5,737.36	\$342	52	\$5,737.36	\$364
Total Basic Allowance for Housing Domestic.....	130,993		\$545,543	132,357		\$598,383	137,508		\$721,853	137,831		\$777,370

PROJECT: J. Basic Allowance for Housing

BASIC ALLOWANCE FOR HOUSING - OVERSEAS

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Basic Allowance for Housing With Dependents												
E-9.....	13	\$20,962.51	\$274	13	\$18,533.33	\$242	13	\$21,146.62	\$276	13	\$21,929.04	\$287
E-8.....	34	15,924.43	538	34	14,079.07	475	34	16,064.29	542	34	16,658.67	564
E-7.....	107	16,548.27	1,767	107	14,630.63	1,564	107	16,693.62	1,782	107	17,311.28	1,850
E-6.....	183	15,404.35	2,819	183	13,619.26	2,494	183	15,539.64	2,844	183	16,114.61	2,951
E-5.....	244	13,392.31	3,268	244	11,840.39	2,891	244	13,509.94	3,296	244	14,009.81	3,420
E-4.....	82	8,839.27	722	82	7,814.95	639	83	8,916.90	736	82	9,246.83	756
E-3.....	39	6,420.56	252	39	5,676.53	223	39	6,476.95	254	39	6,716.60	263
E-2.....	1	2,733.56	3	1	2,416.79	3	1	2,757.57	3	1	2,859.60	3
E-1.....	1	3,746.43	4	1	3,312.29	4	1	3,779.33	4	1	3,919.17	4
Total BAH With Dependents	704		\$9,646	704		\$8,535	705		\$9,739	704		\$10,099
Basic Allowance for Housing Without Dependents												
E-9.....	2	\$18,181.25	\$40	2	\$15,958.22	\$35	2	\$14,350.60	\$31	2	\$14,881.58	\$32
E-8.....	2	15,714.10	38	2	13,792.73	33	2	15,733.36	38	2	16,315.50	39
E-7.....	21	17,874.45	376	21	15,688.93	330	21	17,896.36	376	21	18,558.53	391
E-6.....	20	14,521.40	297	20	12,745.85	261	20	14,539.19	298	20	15,077.15	310
E-5.....	45	13,169.21	590	45	11,559.00	519	45	13,185.35	590	45	13,673.21	613
E-4.....	6	10,505.65	68	6	9,221.12	60	6	10,518.53	68	6	10,907.72	71
E-3.....	3	8,939.81	31	3	7,846.74	27	3	8,950.77	31	3	9,281.95	32
E-2.....	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
E-1.....	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total BAH Without Dependents	101		\$1,439	101		\$1,264	101		\$1,433	101		\$1,489
Total Basic Allowance for Housing Overseas.....	805		\$11,085	805		\$9,800	806		\$11,171	805		\$11,587
Total BAH			\$556,628			\$608,183			\$733,024			\$788,957

PROJECT: K. Overseas Station Allowances

FY 2002 Actuals \$71,720
 FY 2003 Estimate \$61,544
 FY 2004 Estimate \$70,967
 FY 2005 Estimate \$73,312

PART I - PURPOSE AND SCOPE

The funds requested will help to defray the excess costs of food, lodging, and related incidental expenses experienced by enlisted personnel and their dependents on permanent duty outside the contiguous United States as prescribed by Joint Federal Travel Regulations and authorized under the provisions of Title 37 United States Code 405.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Yen rate is 124.33 for FY 2004 and FY 2005. The COLA rates reflect a 1 January pay raise of 3.2% in FY 2004 and 3.4% in FY 2005.

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Barracks Cost of Living	13,363	\$1,932.45	\$25,823	13,341	\$1,606.05	\$21,426	13,341	\$1,854.71	\$24,744	13,341	\$1,918.23	\$25,591
Cost of Living Regular	7,427	5,622.65	41,759	7,453	4,762.46	35,495	7,453	5,499.31	40,986	7,453	5,687.58	42,390
Temporary Lodging Allowance	3,966	1,043.18	4,137	5,785	799.16	4,623	5,785	\$905.27	5,237	5,785	\$921.58	5,331
Total Station Allowances	24,756		\$71,720	26,579		\$61,544	26,579		\$70,967	26,579		\$73,312

PROJECT: L. CONUS Cost of Living Allowance (COLA)

FY 2001 Actuals	\$2,931
FY 2002 Estimate	\$1,611
FY 2003 Estimate	\$1,869
FY 2003 Estimate	\$1,933

PART I - PURPOSE AND SCOPE

As part of the DOD QOL actions, the funds requested will provide for payment of a cost of living allowance (COLA) to members of the Uniformed Services who are assigned to high cost areas in the continental United States (CONUS). A high cost area is defined as a locality where the cost of living exceeds the average cost of living in CONUS by an established threshold percentage during a base period. The threshold percentage is established by the Secretary of Defense and has not been less than eight percent. The amount of COLA payable is the product of spendable income (based on regular military compensation) times the difference between the COLA index for the individual's high cost area and the threshold percentage. This allowance was authorized by the FY 1995 DOD Authorization Act.

PART II - JUSTIFICATION OF FUNDS REQUESTED

CONUS COLA payments are determined by multiplying the projected number of personnel eligible by an estimated rate.

The computation of fund requirements is provided in the following tables:

	(In Thousands of Dollars)											
	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
CONUS COLA	3,532	\$829.94	\$2,931	1,935	\$832.36	\$1,611	2,110	\$885.78	\$1,869	2,110	\$916.11	\$1,933

PROJECT: M. Clothing Allowances

FY 2002 Actuals	\$92,471
FY 2003 Estimate	\$85,237
FY 2004 Estimate	\$78,774
FY 2005 Estimate	\$80,686

PART I - PURPOSE AND SCOPE

The funds requested will provide payments to enlisted personnel for prescribed clothing as authorized by United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 7. This request includes the following types of clothing allowances:

- Initial military clothing allowances for recruits, broken-service reenlistees, & officer candidates.
- Initial civilian clothing allowances for selected individuals assigned duties in which civilian clothing is required (i.e., criminal investigators).
- Supplementary clothing allowances for personnel assigned to special organizations or details where the nature of the duties to be performed requires additional items.
- Basic clothing maintenance allowance paid to enlisted personnel from the sixth through the thirty-sixth month of service.
- Standard clothing maintenance allowance paid to enlisted personnel from the thirty-seventh month and each month thereafter.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Initial clothing allowances are determined by the types of accessions programmed. The clothing maintenance allowance is determined by the average strength and longevity of the enlisted force. Supplementary clothing allowance estimates are based on the number of individuals programmed for assignment to special details or organizations.

PROJECT: M. Clothing Allowances

The computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
(1) Initial												
(a) Military Clothing												
Civilian Life, Men (New Recruit)	26,731	\$1,179.27	\$31,523	30,291	\$1,186.27	\$35,933	25,991	\$1,206.44	\$28,939	25,991	\$1,228.15	\$29,895
Civilian Life, Men (New Recruit) Pa	3,707	412.74	1,530	4,201	415.19	1,744	3,605	422.25	1,405	3,605	429.85	1,441
Civilian Life, Women (New Recruit)	1,645	1,467.89	2,415	1,779	1,484.02	2,640	1,754	1,509.25	2,443	1,754	1,536.41	2,507
Civilian Life, Women (New Recruit)	465	513.76	239	504	519.41	262	496	528.24	242	496	537.74	248
Broken Reenl, Non-Obligors	60	1,179.27	71	62	1,186.27	74	64	1,206.44	71	64	1,228.15	73
Broken Reenl, Obligors	180	235.85	42	188	237.25	45	192	241.29	42	192	245.63	44
Officer Candidates	666	613.22	408	620	616.86	382	837	627.35	485	837	638.64	497
Temporary Reversions	0	613.22	0	0	616.86	0	3	627.35	2	3	638.64	2
Subtotal	33,454		\$36,228	37,645		\$41,080	32,942		\$33,629	32,942		\$34,707
(b) Civilian Clothing												
Initial Allowance	133	\$800.00	\$106	133	\$822.01	\$109	133	\$836.00	\$111	133	\$851.05	\$113
Replacement Allowance	266	267.00	71	266	274.00	73	266	278.66	74	266	283.67	75
Temporary Duty	119	524.00	62	119	540.98	64	119	550.18	65	119	560.08	67
Civilian State Department	702	1,334.00	936	702	1,352.44	949	702	1,375.43	966	702	1,400.19	983
Subtotal	1,220		\$1,174	1,220		\$1,195	1,220		\$1,215	1,220		\$1,237
Total Initial			\$37,401			\$42,275			\$34,844			\$35,944

PROJECT: M. Clothing Allowances

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
(2) Basic Maintenance Male	58,339	\$236.53	\$13,799	58,035	\$226.80	\$13,162	59,009	\$230.66	\$13,611	59,009	\$234.81	\$13,856
Standard Maintenance Male	72,215	337.90	24,401	72,231	324.00	23,403	73,030	329.51	24,064	73,030	335.44	24,497
Basic Maintenance Female	3,935	265.99	1,047	3,953	255.60	1,010	4,063	259.95	1,056	4,048	264.62	1,071
Standard Maintenance Female	4,543	379.99	1,726	4,506	367.20	1,655	4,536	373.44	1,694	4,536	380.16	1,724
Total Maintenance	138,652		\$40,973	138,725		\$39,230	140,638		\$40,425	140,623		\$41,148
(3) Supplementary Allowance	11,032	\$371.19	\$4,096	10,065	\$370.83	\$3,732	10,065	\$377.13	\$3,505	10,065	\$383.92	\$3,594
(4) Advance Funding for New Clothing Items			\$10,000			\$0			\$0			\$0
Total Clothing Allowance			\$92,471			\$85,237			\$78,774			\$80,686

PROJECT: N. Family Separation Allowance

FY 2002 Actuals	\$11,486
FY 2003 Estimate	\$10,637
FY 2004 Estimate	\$10,637
FY 2005 Estimate	\$10,637

PART I - PURPOSE AND SCOPE

The funds requested are to equitably reimburse members of the Uniformed Services involuntarily separated from their dependents for the average extra expenses that result from the separation as authorized under Title 37 United States Code 427.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for family separation payments are determined by multiplying the number of personnel eligible for each type of allowance by the statutory rate applicable.

The computation of fund requirements is provided in the following tables:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
On PCS with Dependents not authorized	5,187	\$1,200.00	\$6,226	4,804	\$1,200.00	\$5,765	4,804	\$1,200.00	\$5,765	4,804	\$1,200.00	\$5,765
On Board Ship for More Than Thirty Days	410	1,200.00	492	370	1,200.00	444	370	1,200.00	444	370	1,200.00	444
On TDY for More Than Thirty Days with Dependents not residing near TDY station	3,973	1,200.00	4,768	3,690	1,200.00	4,428	3,690	1,200.00	4,428	3,690	1,200.00	4,428
Total Family Separation Allowance.....	9,570		\$11,486	8,864		\$10,637	8,864		\$10,637	8,864		\$10,637

PROJECT: O. Separation Payments

FY 2002 Actuals	\$53,625
FY 2003 Estimate	\$53,605
FY 2004 Estimate	\$57,683
FY 2005 Estimate	\$67,211

PART I - PURPOSE AND SCOPE

The funds requested will provide payments for:

- Unused accrued leave to enlisted personnel discharged from active duty under honorable conditions as authorized by United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 9.
- Severance pay to enlisted personnel who are disabled, as authorized by United States Code Title 10, Armed Forces, Chapter 61, Retirement or Separation, including elimination of severance pay to enlisted not eligible for retirement, as authorized by United States Code, Title 10, Armed Forces, Chapter 59, Separation.
- Donations (not to exceed \$25) to each Marine prisoner upon his release from confinement under court martial sentence involving other than honorable discharge and to each person discharged from the Marine Corps for fraudulent enlistment.
- Voluntary Separation Incentive (VSI) and Special Separation Benefit (SSB) payments to enlisted personnel who are encouraged to leave active duty voluntarily, as authorized in Sections Calendar Year 2003 - 7.65% on first \$84,900 and 1.45% on the remainder. Public Law 102-190).
- Early Retirement- The FY 1993 Defense Authorization Act approved an active duty early retirement program for use during the force draw down. The early retirement program is necessary to shape the 15-20 year segment of the force. It will assist the Services in achieving their draw down goals of maintaining readiness and treating people fairly. The criteria for early retirement includes such factors as grade, years of service, and skill, with a focus on the population where the inventory exceeds requirements. Members approved for early retirement will receive the same benefits as individuals with 20 or more years of service. However, their retired pay will be reduced one percent for each year that they are short of 20 years of active duty. The early retirement amount is the product of 2.5 percent X the years of service X basic pay (adjusted for COLA) X reduction factor. For members who leave under the early retirement program, the Marine Corps is required to establish a sub account within the Military Personnel Appropriation to fund up front all early retirement payments including cost of living adjustments, which will cover the entire initial period. This period is defined as that period equal to the difference between 20 years and the number of years completed by the member. The authority to use VSI, SSB and the early retirement programs terminates on 01 October 2001.
- \$30,000 Lump Sum Bonus - The FY 2000 National Defense Authorization Act provided a \$30,000 lump sum bonus provision to retiring members who elect to remain under the reduced 40 percent "Redux" retirement plan.

PROJECT: O. Separation Payments

PART II - JUSTIFICATION OF FUNDS REQUESTED

Separation payments are determined by multiplying the projected number eligible for each type of payment by the average payment applicable based on past experience.

past experience.

The computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

Lump Sum Terminal Leave Payments	FY 2002 Actuals				FY 2003 Estimate				FY 2004 Estimate				FY 2005 Estimate			
	Number	Avg Days	Avg Rate	Amount	Number	Avg Days	Avg Rate	Amount	Number	Avg Days	Avg Rate	Amount	Number	Avg Days	Avg Rate	Amount
E-9	162	19	\$2,599.86	\$421	158	19	\$2,706.46	\$428	162	19	\$2,798.48	\$453	162	19	\$2,893.63	\$468
E-8	427	21	2,375.81	1,014	459	21	2,473.22	1,135	427	21	2,557.31	1,092	427	21	2,644.26	1,128
E-7	1,136	24	2,246.71	2,552	1,234	24	2,338.83	2,886	1,136	24	2,418.35	2,746	1,136	24	2,500.57	2,839
E-6	1,467	25	1,943.57	2,851	1,626	25	2,023.26	3,291	1,467	25	2,092.05	3,069	1,467	25	2,163.18	3,173
E-5	3,791	14	872.15	3,306	4,244	14	907.91	3,854	3,791	14	938.78	3,559	3,791	14	970.70	3,680
E-4	7,611	11	594.67	4,526	8,590	11	619.05	5,319	7,611	11	640.10	4,872	7,611	11	661.86	5,037
E-3	2,447	15	652.51	1,597	2,762	15	679.26	1,876	2,447	15	702.35	1,719	2,447	15	726.23	1,777
E-2	940	12	498.55	469	1,061	12	519.00	551	940	12	536.64	504	940	12	554.89	522
E-1	744	18	658.55	490	840	18	685.55	576	744	18	708.86	527	744	18	732.96	546
Total	18,725			\$17,226	20,974			\$19,915	18,725			\$18,542	18,725			\$19,170
Severance Pay, Disability	976		\$13,959.17	\$13,624	976		\$14,531.50	\$14,183	976		\$15,025.57	\$14,665	976		\$15,536.44	\$15,164
Authorized Donations	40		\$25.00	\$1	40		\$25.00	\$1	40		\$25.00	\$1	40		\$25.00	\$1
Severance Pay, Non-Disability																
Involuntary - Half Pay	278		\$12,020.57	\$3,342	281		\$12,512.39	\$3,516	389		\$12,937.81	\$5,033	389		\$13,377.70	\$5,204
Involuntary - Full Pay	177		\$25,091.67	\$4,443	177		\$26,124.19	\$4,621	240		\$27,012.41	\$6,483	240		\$27,930.84	\$6,703
Voluntary - SSB	0		\$0	\$0	0		\$0	\$0	0		\$0	\$0	0		\$0	\$0
Voluntary Separation Incentive																
Initial payment	0		\$0	\$0	0		\$0	\$0	0		\$0	\$0	0		\$0	\$0
Trust Fund payment	0		\$869	\$869	0		\$869	\$869	0		\$569	\$569	0		\$569	\$569
Early Retirement Program	0		\$0	\$0	0		\$0	\$0	0		\$0	\$0	0		\$0	\$0
\$30,000 Lump Sum Bonus	471		\$30,000	\$14,120	350		\$30,000	\$10,500	413		\$30,000	\$12,390	680		\$30,000	\$20,400
Total Separation Pay				\$53,625				\$53,605				\$57,683				\$67,211

PROJECT: P. Special Compensation for Certain Combat-Related Disabled Uniform Services Retirees

FY 2002 Actuals	\$0
FY 2003 Estimate	\$3,000
FY 2004 Estimate	\$18,000
FY 2005 Estimate	\$20,000

PART I - PURPOSE AND SCOPE

Section 636 of the FY 2003 National Defense authorization Act (P.L. 107-314) added section 1413a to Title 10, U.S.C., requiring the Service Secretaries to pay each combat-related disabled uniformed services retiree who elects benefits under this section a monthly amount not to exceed the amount of reduction in retired pay that is applicable to the retiree for that month under sections 5304 and 5305 of Title 38, U.S.C. This special compensation is not considered retired pay and must be paid from the funds appropriated to the Services for pay and allowances.

Payments will be made to military retirees who have completed at least 20 years of service creditable for retirement and who incurred a qualifying combat-related disability. A qualifying combat-related disability is: (1) any disability rated at 10 percent or higher attributable to an injury for which the member was awarded the Purple Heart; or (2) a service-connected disability rated at 60 percent or higher incurred as a direct result of armed conflict, while engaged in hazardous service, in performance of duty under conditions simulating war, or through an instrumentality of war.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on data provided by the Office of the Secretary of Defense.

The following estimate is provided:

(In Thousands of Dollars)

FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate
\$0	\$3,000	\$18,000	\$20,000

PROJECT: P. Social Security Tax-Employer's Contribution

FY 2002 Actuals	\$239,599
FY 2003 Estimate	\$249,780
FY 2004 Estimate	\$262,463
FY 2005 Estimate	\$271,663

PART I - PURPOSE AND SCOPE

Funds requested represent the Government's contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA).

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Government's contribution of Social Security costs is based on the percentage rate set by law on a member's salary for a calendar year. P.L. 98-21, "Social Security Amendment of 1983" dated 20 April 1983 established the tax rate while the maximum taxable income is determined by the Social Security Administration. There is no wage cap on the 1.45% medical contribution.

Taxable income ceilings for OASDI are as follows:

Calendar Year 2002 - 7.65% on first \$80,400 and 1.45% on the remainder.
Calendar Year 2003 - 7.65% on first \$84,900 and 1.45% on the remainder.
Calendar Year 2004 - 7.65% on first \$89,100 and 1.45% on the remainder.
Calendar Year 2005 - 7.65% on first \$89,100 and 1.45% on the remainder.

PROJECT: Q. Social Security Tax-Employer's Contribution

The computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002 Actuals			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Non-Entitled	157,364	\$1,525.91	\$240,124 (525)	154,605	\$1,619.13	\$250,325 (545)	156,780	\$1,677.69	\$263,028 (565)	156,807	\$1,736.20	\$272,247 (584)
Total FICA			\$239,599			\$249,780			\$262,463			\$271,663
Total Pay & Allowances Enlisted			\$5,242,098			\$6,042,235			\$6,434,831			\$6,712,165
Less: Reimbursables			\$7,040			\$7,399			\$6,532			\$6,088
Total Direct Program			\$5,235,058			\$6,034,836			\$6,428,299			\$6,706,077

MILITARY PERSONNEL, MARINE CORPS
 SCHEDULE OF INCREASES AND DECREASES
 SUBSISTENCE OF ENLISTED PERSONNEL
 (DOLLARS IN THOUSANDS)

BUDGET ACTIVITY 4	AMOUNT
FY 2003 DIRECT PROGRAM	\$441,917
INCREASES:	
Basic Allowance for Subsistence -	\$5,099
The increase is due to a full year of BAS Reform and the anticipated Department of Agriculture moderate food plan growth of 3.5%.	
TOTAL INCREASES:	\$5,099
DECREASES:	
Subsistence in Kind -	(\$5,629)
This decrease is due to savings in the Food Service Regionalization Program, offset by increases in the ration requirements and the FY 2004 inflation.	
TOTAL DECREASES	(\$5,629)
FY 2004 DIRECT PROGRAM	\$441,387

PROJECT: A. Basic Allowance for Subsistence

FY 2002 Actual \$440,383

PART I - PURPOSE AND SCOPE

The funds requested provide for the payment of subsistence allowances to active duty enlisted personnel under the provisions of U.S.C. 402. It includes allowances when the individual is subsisted separately, when in a leave status, and when rations in kind are not available.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The funding requirement is based on the average number of enlisted personnel entitled to receive the various types of allowances. The computation of funding requirements is provided in the following tables:

	CY 2002	CY 2003
Commuted and Leave Ration	\$7.66	\$7.89

Starting in FY 1998, Basic Allowance for Subsistence (BAS) reform was initiated by authorizing a partial BAS payment to enlisted personnel. The partial BAS proposal is a cost neutral effort to provide all eligible enlisted personnel with a BAS payment. The proposal limits the growth of BAS to one percent per year in order to allow the Department to make partial BAS payment with the remaining pay raise resources to members receiving Subsistence-in-Kind. Projected increases in cost growth will allow the U.S. Department of Agriculture food plan to catch up with the BAS payment in approximately six years, at which time all enlisted personnel will be entitled to a BAS payment.

(In Thousands of Dollars)

	FY 2002 Actual		
	Number	Avg Rate	Amount
Authorized to Mess Separately	133,592	\$704.72	\$94,145
Rations In Kind Not Available	0	704.72	0
Augmentation of Commuted Rations	0	650.44	0
When Rations in Kind Not Available	10,234	793.96	8,125
Partial BAS	0	0.00	0
Gross BAS			\$102,270
Reimbursables			\$35
Total Direct BAS			\$102,235

PART I - PURPOSE AND SCOPE

The funds requested provide for rations furnished eligible military personnel when they do not receive a cash allowance for subsistence (10 U.S.C. 6081(a)). They also provide for the new or improved subsistence items being introduced into the military supply system, loss of material due to spoilage, and flight meals under 10 U.S.C 6085.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The funding requirement is based on the number of rations to be furnished military personnel entitled to be subsisted in Marine Corps messes. The ration rates are based on the Basic Daily Food Allowance escalated to account for inflation.

In FY01 the Marine Corps began reengineering its food service program by adopting the "Best Business Practices" of commercial industry. Beginning in FY03, the CONUS Food Service Regionalization Program has established two contracts (East coast/West coast) to support all CONUS messhalls. The contracts will cover establishing, and operating centralized cooking facilities to prepare and distribute ready-to-eat food to be heated and served at individual messhalls.

The computation of fund requirements is provided in the following tables:

Personnel Statistics	<u>FY 2002</u>
1. Average Enlisted Strength Marines	155,127
2. Less Number Provided for Elsewhere (average strength equivalent):	
a. On Monetary Allowances	78,238
b. Operational Rations Consumed for Operating and Training	
(1) Meals, Ready To Eat (MRE)	6,970
(2) B-ration Field Issue	1,976
(3) T-ration Field Issue	1,531
(4) UGR-ration Field Issue	1,466
Total Deductions	90,181
3. Enlisted Marines Entitled to Subsist	64,946
4. Plus: Other Services Entitled to Subsist in Marine Messes	917
5. Minus: Marines Entitled to Subsist in Other Service Messes	7,589
Total Entitled to Subsist in Messes	58,274

Distribution of Total Entitled to Subsist in Marine Corps Messes

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Absenteeism	Number	Number	Absenteeism	Number	Number	Absenteeism	Number	Number	Absenteeism	Number
CONUS												
Marines	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	0
Others	0		0	0		0	0		0	0		0
OVERSEAS												
Marines	12,580	54.0%	5,787	0	0.0%	0	0	0.0%	0	0	0.0%	0
Others	235		235	0		0	0		0	0		0
Total	12,815		6,022	0		0	0		0	0		0

(In Thousands of Dollars)

	FY 2002 Actual				FY 2003 Estimate				FY 2004 Estimate				FY 2005 Estimate			
	Net Avg Strength	Rate Per Day	Per Annum	Amount	Net Avg Strength	Rate Per Day	Per Annum	Amount	Net Avg Strength	Rate Per Day	Per Annum	Amount	Net Avg Strength	Rate Per Day	Per Annum	Amount
CONUS																
Marines	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0
Others	0		\$0.00	0	0		\$0.00	0	0		\$0.00	0	0		\$0.00	0
OVERSEAS																
Marines	5,787	\$7.11	\$648.79	\$3,755	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0
Others	235	\$7.11	\$648.79	152	0	\$0.00	\$0.00	0	0	\$0.00	\$0.00	0	0	\$0.00	\$0.00	0
Total	6,022			\$3,907	0			\$0	0			\$0	0			\$0
CONUS Food Service Regionalization				\$92,826				\$0				\$0				\$0
Sale of Meals				13,075				0				0				0
Total Food Service Regionalization				\$105,901				\$0				\$0				\$0

(In Thousands of Dollars)

Operational Rations	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Quantity	Rate	Amount	Quantity	Rate	Amount	Quantity	Rate	Amount	Quantity	Rate	Amount
1. Meals, Ready To Eat (MRE) (Box)	565,786	\$75.75	\$42,858	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
w/Fuel Bar Trioxane	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
2. Bread Shelf Stable (Each) (Wheat)	183,456	\$0.55	\$101	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
3. Bread Shelf Stable (Each) (White)	222,624	\$0.53	\$118	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
4. Rations Cold Weather (Box)	13,498	\$90.97	\$1,228	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
5. T-Rations	23,742	\$10.13	\$241	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
6. Flight Rations			\$70			\$0			\$0			\$0
7. B-Rations (Unitized)	721,250	\$7.58	\$5,467	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
8. UGR-Rations	535,000	\$10.13	\$5,420	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Total Operational Rations			\$55,503			\$0			\$0			\$0
1. Supplemental Rations			\$2,348			\$0			\$0			\$0
Other Programs												
1. New Food Program			\$1			\$0			\$0			\$0
2. Inventory Adjustment Due to Surveys			\$64			\$0			\$0			\$0
3. Food Import Embargo			\$0			\$0			\$0			\$0
4. Host Country Feeding			\$220			\$0			\$0			\$0
Sale of Meals			\$4,698			\$0			\$0			\$0
Total Subsistence in Kind Requirements			\$62,834			\$0			\$0			\$0
Total Program			\$62,834			\$0			\$0			\$0
Less Reimbursable Program			\$4,698			\$0			\$0			\$0
Total Direct Program			\$58,136			\$0			\$0			\$0

FY 2003 Estimate \$455,252
 FY 2004 Estimate \$454,961
 FY 2005 Estimate \$464,557

PART I - PURPOSE AND SCOPE

The funds requested will provide all military members entitled to basic pay to have a continuous entitlement to basic allowance for subsistence (BAS), as stipulated by law (Title 37, U.S.C., Section 402) except when they are:

- (a) attending basic military training (boot camp) (those members in BMT will be provided government messing at no cost).
- (b) in excess leave status,
- (c) in an absent without leave status, unless the absence is executed as unavoidable (Title 37 U.S.C. Section 503)

PROJECT: 4-B SUBSISTENCE IN KIND

The funding requirement is based on the number of rations to be furnished military personnel entitled to be subsisted in Marine Corps messes. The ration rates are based on the Basic Daily Food Allowance escalated to account for inflation.

In FY 2001, the Marine Corps began reengineering its food service program by adopting the "Best Business Practices" of commercial industry. Beginning in FY 03, the CONUS Food Service Regionalization Program established two contracts (East coast/West coast) to support all CONUS messhalls. The contracts will cover establishing and operating centralized cooking facilities to prepare and distribute ready-to-eat food to be heated and served at individual messhalls.

The computation of fund requirements is provided in the following tables:

	(In Thousands of Dollars)											
	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
A. Basic Allowance for Subsistence												
1. When Authorized to Mess Separately	133,592	\$2,879.10	\$384,625	133,142	\$2,965.80	\$394,873	134,861	\$3,005.48	\$405,324	134,899	\$3,078.40	\$415,272
2. When Rations in Kind Not Available	10,234	\$3,149.95	32,237	10,231	\$3,150.00	32,228	10,360	\$3,150.00	32,634	10,360	\$3,078.40	31,892
3. Augmentation of Commuted Ration Allowed for Meals Taken Separately	0	\$0.00	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	0
4. Less Collections	65,588	\$2,463.75	161,592	65,353	\$2,505.63	163,751	66,273	\$2,557.72	169,508	66,284	\$2,599.20	172,285
Total Enlisted BAS	143,826		\$255,270	143,373		\$263,350	145,221		\$268,450	145,259		\$274,879
Anticipated Supplemental (Non-Mobilization)			(\$1,026)									
Revised Total Enlisted BAS			\$254,244									

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
B. Subsistence-in-Kind												
1. Subsistence-in-Mess												
a. Trainee/Non-Pay Status	11,301			11,199			11,526			11,515		
b. Members Taking Meals in Mess	6,022	\$2,595.26	\$15,629	6,197	\$2,686.40	\$16,648	5,699	\$2,788.92	\$15,894	5,696	\$2,879.85	\$16,404
Subtotal Subsistence-in-Mess			\$15,629			\$16,648			\$15,894			\$16,404
2. Operational Rations												
a. MRE's	562,786	\$76.15	\$42,858	633,745	\$77.04	\$48,823						
b. Unitized Rations	1,279,992	\$8.69	\$11,128	977,154	\$9.13	\$8,920	607,265	\$78.42	\$47,622	612,400	\$80.23	\$49,134
c. Other Package Operational Rations	419,578	\$3.62	\$1,517	515,343	\$1.62	\$834	759,409	\$8.93	\$6,784	811,132	\$9.45	\$7,662
Subtotal Operational Rations			\$55,503			\$58,577	497,664	\$1.33	\$663	517,034	\$4.20	\$2,171
Subtotal Operational Rations			\$55,503			\$58,577			\$55,069			\$58,967
3. Augmentation Rations/Other Programs												
a. Augmentation Rations			\$2,348			\$2,528			\$2,799			\$2,472
b. Other - Regionalization			\$0			\$108,331			\$106,841			\$105,828
c. Other - Messing			\$4,983			\$5,068			\$5,159			\$5,257
Subtotal Augmentation Rations/Other Programs			\$7,331			\$115,927			\$114,799			\$113,557
Total SIK			\$78,463			\$191,152			\$185,762			\$188,928
C. Family Subsistence Supplemental Allowance (FSSA)												
Total FSSA			\$750			\$750			\$750			\$750
Total Subsistence Program			\$440,383			\$455,252			\$454,961			\$464,557
Less Reimbursable			\$13,110			\$13,335			\$13,574			\$13,833
Total Direct Subsistence			\$427,273			\$441,917			\$441,387			\$450,724

MILITARY PERSONNEL, MARINE CORPS
SCHEDULE OF INCREASES AND DECREASES
PERMANENT CHANGE OF STATION TRAVEL
(IN THOUSANDS OF DOLLARS)

BUDGET ACTIVITY 5	AMOUNT
	\$288,748
FY 2003 DIRECT BUDGET	
INCREASES:	
Program Increases:	
Increase in Member Travel	\$202
Increase in Dependent Travel	647
Increase in Dependent Air Mobility Command (AMC)	3
Increase in AMC Cargo	1
Increase in Military Sealift Command (MSC) Cargo is due to a one-time bill based on the FY 2002 Accumulated Operating Results Update.	497
Increase in Overseas Tour Extension Incentive Program (OTEIP), due to the entitlement being extended to include Officers.	20
Projected Inflation Increases:	
Increase in Member Travel	1.50% 138
Increase in Member AMC	1.70% 222
Increase in Member Commercial Air	1.50% 339
Increase in Dependent Travel	1.50% 6
Increase in Dependent AMC	1.70% 63
Increase in Dependent Commercial Air	1.50% 56
Increase in Mobile Home Allowance	1.50% 6
Increase in Domestic Conus Household Hold Good (HHG) Shipments	1.50% 1,466
Increase in OConus HHG Shipments	1.50% 837
Increase in AMC Cargo	1.70% 34
Increase in Military Traffic Management Command (MTMC) Cargo Operations (Port Handling)	20.00% 18
Increase in Global Personally Owned Vehicle (POV) Shipments	15.60% 111
Increase in Nontemporary Storage (NTS)	1.50% 86
Increase in In-Place Consecutive Overseas Tours Incentive (IPCOT) Program	1.50% 29

INCREASES: (Continued)

Rate Increases:

Pay Raise	Dislocation Allowance (DLA)	2.400%	\$815
Annualization of Pay Raise	DLA	1.180%	325

TOTAL INCREASES

\$5,921

DECREASES:

Program Decreases

Decrease in Member Commercial Air	(2,231)
Decrease in Member AMC	(338)
Decrease in Member Temporary Lodging Expense (TLE)	(963)
Decrease in Dependent Commercial Air	(41)
Decrease in DLA	(465)
Decrease in MTMC Cargo Operations (Port Handling)	(15)
Decrease in Nontemporary Storage	(127)
Decrease in Global POV Shipments	(118)
Decrease in Domestic Conus HHG Shipments	(2,266)
Decrease in Oconus HHG Shipments	(356)
Decrease in Mobile Home Allowance	(19)

TOTAL DECREASES

(\$6,939)

FY04 DIRECT PROGRAM

\$287,730

BUDGET ACTIVITY 5 - PERMANENT CHANGE OF STATION TRAVEL
SUMMARY OF PROJECT REQUIREMENTS MOVES
(In Thousands of Dollars)

	FY 2002 Actual		FY 2003 Estimate		FY 2004 Estimate		FY 2005 Estimate	
	Moves	Amount	Moves	Amount	Moves	Amount	Moves	Amount
ACCESSION TRAVEL	34,220	\$37,753	38,650	\$45,769	33,727	\$42,555	33,727	\$43,223
TRAINING TRAVEL	3,088	8,388	3,607	8,111	3,607	8,351	3,608	8,505
OPERATION TRAVEL	11,516	69,443	11,620	70,267	11,635	72,626	11,637	73,950
ROTATION TRAVEL	15,276	95,386	15,116	99,830	15,118	103,070	15,116	104,366
SEPARATION TRAVEL	33,685	36,201	36,806	44,614	33,677	41,799	33,677	42,360
TRAVEL OF ORGANIZED UNITS	3	27	1,003	2,463	1,003	2,513	1,003	2,563
NON-TEMPORARY STORAGE		4,491		4,942		4,901		4,991
TEMPORARY LODGING EXPENSE		10,181		11,130		10,167		12,654
IN-PLACE CONSECUTIVE OVERSEAS TOURS/ OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM		2,554		2,219		2,268		2,296
TOTAL OBLIGATIONS		\$264,424		\$289,345		\$288,250		\$294,908
LESS REIMBURSABLE PROGRAM		(\$660)		(\$597)		(\$520)		(\$528)
TOTAL DIRECT PROGRAM	97,788	\$263,764	106,802	\$288,748	98,767	\$287,730	98,768	\$294,380

PERMANENT CHANGE OF STATION
SUMMARY OF REQUIREMENTS
(In Thousands of Dollars)

	FY 2002 Actual		FY 2003 Estimate		FY 2004 Estimate		FY 2005 Estimate	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Travel of Military Member	97,788	\$67,137	106,802	\$78,028	98,767	\$76,360	98,768	\$77,114
Mileage	47,668	9,711	51,884	10,266	49,135	9,769	49,134	9,769
Per Diem	97,788	14,673	106,802	22,459	98,767	23,598	98,768	23,600
GTRs	31,818	7,973	33,721	8,136	30,384	7,834	30,384	7,973
AMC	6,983	12,415	7,149	13,385	6,866	13,269	6,864	13,507
Commercial Air	21,927	22,365	23,697	23,782	21,192	21,890	21,191	22,265
Travel of Dependents (Family Units)	14,143	17,863	14,217	18,932	13,998	19,666	13,998	19,824
Mileage	19,967	3,946	21,059	3,900	20,091	3,780	20,335	3,820
Per Diem	31,941	5,999	32,105	7,218	31,629	7,988	31,628	7,986
GTRs	831	345	866	343	830	346	830	352
AMC	1,638	3,343	1,723	3,679	1,715	3,745	1,711	3,801
Commercial Air	2,045	3,954	1,717	3,514	1,685	3,529	1,684	3,587
Pet Quarantine	502	276	505	278	505	278	505	278
Transportation of Household Goods	43,823	122,731	46,421	133,738	45,076	133,874	45,070	135,754
Land Shipments	22,573	78,905	24,279	83,737	23,442	82,860	23,442	84,350
ITGBL Shipments	13,874	41,258	14,633	46,896	14,255	47,377	14,252	48,218
MSC (M. Tons)	6,939	771	7,052	1,099	6,928	1,596	6,926	1,115
AMC (S. Tons)	437	1,797	457	2,006	451	2,041	450	2,071
Dislocation Allowance	19,168	29,708	20,299	32,131	19,850	32,806	19,849	33,926
Mobile Home Allowance	116	465	137	509	132	496	132	503
Global POV Contract	2,443	7,247	2,680	6,650	2,629	6,643	2,627	6,758
Non-Temporary Storage	9,792	4,491	10,020	4,942	9,873	4,901	9,871	4,991
MTMC Cargo Operations (Port Handling Charges)	5,256	2,047	5,247	1,066	5,153	1,069	5,152	1,088
Temporary Lodging Expense		10,181		11,130		10,167		12,654
In-Place Consecutive Overseas Tours/Overseas Tour Extension Incentive Program		2,554		2,219		2,268		2,296
Total Obligations		\$264,424		\$289,345		\$288,250		\$294,908
Less Reimbursements		(\$660)		(\$597)		(\$520)		(\$528)
Total Direct Program		\$263,764		\$288,748		\$287,730		\$294,380

PROJECT: A Accession Travel

FY 2002 - Actual	\$37,753
FY 2003 - Estimate	\$45,769
FY 2004 - Estimate	\$42,555
FY 2005 - Estimate	\$43,223

PART I - PURPOSE AND SCOPE

Funds requested are to provide for PCS movements of (1) officers appointed to a commissioned grade from civilian life, military academies, NROTC, and reserve officers called or recalled to extended active duty, from home or point where orders were received to first permanent duty station or training school of twenty weeks or more duration and (2) officers or warrant officers appointed or recalled from enlisted status from station where they served as enlisted to new permanent duty station or training school of twenty weeks or more duration. (Includes officers appointed from enlisted status upon graduation from OCS, officers leaving the Marine Corps Basic School, and newly commissioned officers while attending flight training.)

Funds requested are to provide for PCS Movements of (1) enlistees, reenlistees, and prior service personnel from recruiting station or place of enlistment to first permanent duty station or training school of twenty weeks or more duration and (2) recalled enlisted reservists from home to first permanent duty station or training school of twenty weeks or more duration.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimate for Accession Travel includes PCS requirements for planned officers and enlisted gains to meet the Marine Corps strength requirements.

The number of moves by types and the associated fiscal year fund requirements are shown in the following tables:

PROJECT: A Accession Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
A(a) Officers												
(1) Travel of Military Member	1,491	\$409.79	\$611	1,625	\$506.46	\$823	1,625	\$540.92	\$879	1,625	\$543.38	\$883
(2) Travel of Dependents	148	1,101.35	163	161	1,155.28	186	161	1,217.39	196	161	1,229.81	198
(3) Transportation of Household Goods	1,842	1,933.77	3,562	1,987	1,958.23	3,891	1,987	1,995.97	3,966	1,987	2,029.69	4,033
(4) Dislocation Allowance	1,426	1,716.23	2,447	1,625	1,842.32	2,994	1,625	1,908.67	3,102	1,625	1,973.97	3,208
(5) Mobile Home Allowance	4	3,411.47	14	4	3,462.64	14	4	3,524.97	14	4	3,588.42	14
(6) Global Shipment of Privately Owned Vehicles (POV)	32	2,712.62	86	35	2,313.86	81	35	2,353.20	82	35	2,395.55	84
(7) Port Handling Costs (HHG, M. Tons)	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total A(a)			\$6,883			\$7,989			\$8,239			\$8,420

PROJECT: A Accession Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
A(b) Enlisted												
(1) Travel of Military Member	32,729	\$757.34	\$24,787	37,025	\$822.53	\$30,454	32,102	\$856.92	\$27,509	32,102	\$866.89	\$27,829
(2) Travel of Dependents	528	795.45	420	597	867.67	518	517	928.43	480	517	928.43	480
(3) Transportation of Household Goods	1,871	1,477.28	2,764	2,003	1,447.83	2,900	1,837	1,528.03	2,807	1,837	1,554.16	2,855
(4) Dislocation Allowance	2,887	965.71	2,788	3,583	1,056.15	3,784	3,120	1,094.12	3,414	3,120	1,131.73	3,531
(5) Mobile Home Allowance	10	6,057.95	61	12	6,148.82	74	10	6,259.50	63	10	6,372.17	64
(6) Global Shipment of Privately Owned Vehicles (POV)	18	2,712.62	49	21	2,313.86	49	18	2,353.20	42	18	2,395.55	43
(7) Port Handling Costs (HHG, M. Tons)	13	91.98	1	15	56.75	1	13	57.72	1	13	58.76	1
Total A(b)			\$30,870			\$37,780			\$34,316			\$34,803
Total Accession Travel			\$37,753			\$45,769			\$42,555			\$43,223

PROJECT: B Training Travel

FY 2002 - Actual	\$8,388
FY 2003 - Estimate	\$8,111
FY 2004 - Estimate	\$8,351
FY 2005 - Estimate	\$8,505

PART I - PURPOSE AND SCOPE

Funds requested are to provide for the continental United States PCS movements of (1) officers and warrant officers from the previous continental United States permanent duty station to formal service or civilian schools, including technical schools, flight training schools, factory training, and other approved courses of instruction of 20 weeks duration or more; and (2) officer and warrant officer school attendees from school to their next permanent continental United States duty station. (Excludes Academy graduates, Marine Corps Basic School graduates, Officer Candidate School graduates, flight training graduates, ROTC graduates, and others chargeable as Accession Travel.)

Funds requested are to provide for the continental United States PCS movements of (1) enlisted personnel from the previous continental United States permanent duty station to formal service or civilian schools, including technical schools, flight training schools, factory training, and other approved courses of instruction of 20 weeks duration or more; (2) enlisted school graduates and eliminees from school to their next continental United States permanent duty station; and (3) enlisted personnel ordered to training leading to a commission if such training period is of 20 weeks duration or more.

PART II - JUSTIFICATION OF FUNDS REQUESTED

This estimate is based on the planned training requirements for officer and enlisted personnel.

The number of moves and associated fiscal year fund requirements are shown in the following tables:

PROJECT: B Training Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
B(a) Officers												
(1) Travel of Military Member	1,010	\$981.19	\$991	1,530	\$383.66	\$587	1,530	\$411.76	\$630	1,530	\$411.76	\$630
(2) Travel of Dependents	333	1,711.71	570	308	772.73	238	308	827.92	255	308	827.92	255
(3) Transportation of Household Goods	1,210	2,771.07	3,353	1,528	2,812.83	4,298	1,528	2,863.22	4,375	1,528	2,914.92	4,454
(4) Dislocation Allowance	1,004	1,195.71	1,200	1,095	1,253.74	1,373	1,095	1,298.89	1,422	1,095	1,343.33	1,471
(5) Mobile Home Allowance	11	3,514.85	39	5	3,567.57	18	5	3,631.79	18	5	3,697.16	18
Total B(a)			\$6,153			\$6,514			\$6,700			\$6,828

PROJECT: B Training Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
B(b) Enlisted												
(1) Travel of Military Member	2,078	\$340.23	\$707	2,077	\$231.58	\$481	2,077	\$244.58	\$508	2,078	\$245.91	\$511
(2) Travel of Dependents	89	561.80	50	89	617.98	55	89	662.92	59	89	662.92	59
(3) Transportation of Household Goods	614	2,013.03	1,236	405	2,044.44	828	405	2,081.48	843	405	2,118.52	858
(4) Dislocation Allowance	308	710.99	219	308	745.49	230	308	772.34	238	308	798.76	246
(5) Mobile Home Allowance	9	2,522.42	23	1	2,560.26	3	1	2,606.34	3	1	2,653.26	3
Total b(b)			\$2,235			\$1,597			\$1,651			\$1,677
Total Training Travel			\$8,388			\$8,111			\$8,351			\$8,505

PROJECT: C Operational Travel Between Duty Stations

FY 2002 - Actual	\$69,443
FY 2003 - Estimate	\$70,267
FY 2004 - Estimate	\$72,626
FY 2005 - Estimate	\$73,950

PART I - PURPOSE AND SCOPE

Funds requested are to provide for PCS movements of (1) officers and warrant officers to and from permanent duty stations located within the continental United States; (2) officers and warrant officers to and from permanent duty stations located within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, mobile home allowances and privately owned vehicles of officers and warrant officers who are interned, missing, or captured when no transoceanic travel is involved. Oceanic travel by member from homeport to station is also included.

Funds requested are to provide for PCS movements of (1) enlisted personnel to and from permanent duty stations located within the continental United States; (2) enlisted personnel to and from permanent duty stations located within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, mobile home allowances and privately owned vehicles of enlisted personnel who are interned, missing, or captured when no transoceanic travel is involved. Oceanic travel by members from homeport to station is also included.

PART II - JUSTIFICATION OF FUNDS REQUESTED

This estimate includes PCS requirements for operational assignment of officers and enlisted personnel between duty stations within the continental United States and Overseas, if no oceanic travel is involved. The number of assignments cannot be limited to normal rotation since personnel gains and losses, revision to various ship and station allowances, activation or deactivation of units and redistribution of needed skills also influence transfer of personnel.

The number of moves and associated fiscal year fund requirements are shown in the following tables:

PROJECT: C Operational Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
C(a) Officers												
(1) Travel of Military Member	1,788	\$1,147.65	\$2,052	1,400	\$1,497.14	\$2,096	1,400	\$1,605.71	\$2,248	1,400	\$1,606.43	\$2,249
(2) Travel of Dependents	1,562	1,079.39	1,686	1,223	1,188.88	1,454	1,223	1,269.83	1,553	1,223	1,269.83	1,553
(3) Transportation of Household Goods	3,249	4,941.52	16,055	2,544	5,015.72	12,760	2,544	5,106.13	12,990	2,544	5,198.11	13,224
(4) Dislocation Allowance	1,788	2,096.54	3,749	1,400	2,198.28	3,078	1,400	2,277.45	3,188	1,400	2,355.37	3,298
(5) Mobile Home Allowance	7	4,495.46	31	6	4,562.89	27	6	4,645.02	28	6	4,728.63	28
Total C(a)			\$23,573			\$19,415			\$20,007			\$20,352

PROJECT: C Operational Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
C(b) Enlisted												
(1) Travel of Military Member	9,728	\$572.47	\$5,569	10,220	\$699.51	\$7,149	10,235	\$745.29	\$7,628	10,237	\$746.70	\$7,644
(2) Travel of Dependents	4,466	601.21	2,685	4,692	680.73	3,194	4,699	737.82	3,467	4,700	738.30	3,470
(3) Transportation of Household Goods	5,274	5,022.18	26,487	5,540	5,097.47	28,240	5,549	5,189.22	28,795	5,550	5,282.52	29,318
(4) Dislocation Allowance	7,564	1,464.73	11,079	7,953	1,535.81	12,214	7,965	1,591.12	12,673	7,966	1,645.56	13,109
(5) Mobile Home Allowance	12	4,186.01	50	13	4,248.80	55	13	4,325.28	56	13	4,403.13	57
Total C(b)			\$45,870			\$50,852			\$52,619			\$53,598
Total Operational Travel			\$69,443			\$70,267			\$72,626			\$73,950

PROJECT: D Rotational Travel to and from Overseas

FY 2002 - Actual	\$95,386
FY 2003 - Estimate	\$99,830
FY 2004 - Estimate	\$103,070
FY 2005 - Estimate	\$104,366

PART I - PURPOSE AND SCOPE

Funds requested are to provide for PCS movements of (1) officers and warrant officers from permanent duty stations in the continental United States to permanent duty stations overseas; (2) officers and warrant officers from permanent duty stations overseas to permanent duty stations in the continental United States; (3) officers and warrant officers from permanent duty stations in one overseas area to permanent duty stations in another overseas area when transoceanic travel is involved; and (4) dependents, household goods, personal effects, mobile home allowances and privately owned vehicles of officers and warrant officers who are interned, missing or captured when transoceanic travel is involved.

Funds requested are to provide for PCS movements of (1) enlisted personnel from permanent duty stations in the continental United States to permanent duty stations overseas; (2) enlisted personnel from permanent duty stations overseas to permanent duty stations in the continental United States (3) enlisted personnel from permanent duty stations in one overseas area to permanent duty stations in another overseas area when transoceanic travel is involved; and (4) dependents, household goods, personal effects, mobile home allowances and privately owned vehicles of enlisted personnel who are interned, missing or captured when transoceanic travel is involved.

PART II - JUSTIFICATION OF FUNDS REQUESTED

This estimate includes PCS requirements for rotation of officers and enlisted personnel to and from overseas duty assignments in accordance with policies approved by the Office of the Secretary of Defense for overseas tours.

The Marine Corps program includes consideration of the maximum number of voluntary extensions of overseas tours which are reflected as cost offsets in rotational travel. To maximize the savings in dependents travel, every effort is made to assign an overseas returnee as close as possible to the location of his dependents.

The number of moves and associated fiscal year fund requirements are shown in the following tables:

PROJECT: D Rotational Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
D(a) Officers												
(1) Travel of Military Member	1,136	\$1,751.76	\$1,990	976	\$1,970.29	\$1,923	978	\$2,055.21	\$2,010	976	\$2,075.82	\$2,026
(2) Travel of Dependents	713	3,051.89	2,176	613	3,221.86	1,975	614	3,353.42	2,059	613	3,389.89	2,078
(3) Transportation of Household Goods	3,034	2,427.16	7,364	2,648	2,505.66	6,635	2,655	2,576.65	6,841	2,648	2,596.68	6,876
(4) Dislocation Allowance	1,136	2,713.76	3,083	976	2,845.45	2,777	978	2,947.92	2,883	976	3,048.79	2,976
(5) Mobile Home Allowance	7	3,997.28	28	6	4,057.24	24	6	4,130.27	25	6	4,204.61	25
(6) Global Shipment of Privately Owned Vehicles (POV)	955	3,022.82	2,888	824	2,578.47	2,125	826	2,622.30	2,166	824	2,669.51	2,200
(7) Port Handling Costs (HHG, M. Tons)	942	366.24	345	810	167.70	136	811	170.55	138	810	173.62	141
(8) Pet Quarantine Fees	42	550.00	23	45	550.00	25	45	550.00	25	45	550.00	25
Total D(a)			\$17,897			\$15,620			\$16,147			\$16,347

PROJECT: D Rotational Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
D(b) Enlisted												
(1) Travel of Military Member	14,140	\$1,646.82	\$23,286	14,140	\$1,805.30	\$25,527	14,140	\$1,867.96	\$26,413	14,140	\$1,892.50	\$26,760
(2) Travel of Dependents	4,758	1,579.66	7,516	4,758	1,741.70	8,287	4,758	1,822.82	8,673	4,758	1,849.31	8,799
(3) Transportation of Household Goods	14,972	2,445.70	36,617	15,276	2,694.75	41,165	15,276	2,772.39	42,351	15,276	2,796.35	42,717
(4) Dislocation Allowance	3,054	1,683.10	5,140	3,061	1,764.79	5,402	3,061	1,828.34	5,597	3,061	1,890.90	5,788
(5) Mobile Home Allowance	27	4,916.20	133	27	4,989.94	135	27	5,079.76	137	27	5,171.20	140
(6) Global Shipment of Privately Owned Vehicles (POV)	1,047	3,022.82	3,164	1,047	2,578.47	2,700	1,047	2,622.30	2,746	1,047	2,669.51	2,795
(7) Port Handling Costs (HHG, M. Tons)	3,179	434.04	1,380	3,179	233.06	741	3,179	237.02	753	3,179	241.29	767
(8) Pet Quarantine Fees	460	550	253.00	460	550	253.00	460	550	253.00	460	550	253.00
Total D(b)			\$77,489			\$84,210			\$86,923			\$88,019
Total Rotational Travel			\$95,386			\$99,830			\$103,070			\$104,366

PROJECT: E Separation Travel

FY 2002 - Actual	\$36,201
FY 2003 - Estimate	\$44,614
FY 2004 - Estimate	\$41,799
FY 2005 - Estimate	\$42,360

PART I - PURPOSE AND SCOPE

Funds requested are to provide for PCS movements of (1) officer and warrant officers upon release or separation from the service from the last permanent duty station to home of record or point of entry into service or to home of selection when authorized by law; and (2) family members, household goods, mobile home allowances and personal effects of officers and warrant officers who are deceased.

Funds requested are to provide for PCS movements of (1) enlisted personnel upon release or separation from the service from the last permanent duty station to home of record or point of entry into service, or to home of selection when authorized by law; and (2) family members, household goods, mobile home allowances and personal effects of enlisted personnel who are deceased.

PART II - JUSTIFICATION OF FUNDS REQUESTED

This estimate includes separation travel requirements for PCS Travel costs of Officers and Enlisted Personnel to be separated in accordance with the Marine Corps

The number of moves and associated fiscal year fund requirements are shown on the following tables:

PROJECT: E Separation Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
E(a) Officers												
(1) Travel of Military Member	1,248	\$215.54	\$269	1,763	\$266.02	\$469	1,594	\$277.29	\$442	1,594	\$279.80	\$446
(2) Travel of Dependents	149	1,046.98	156	211	1,099.53	232	191	1,146.60	219	191	1,151.83	220
(3) Transportation of Household Goods	846	4,004.73	3,388	1,266	4,118.48	5,214	1,145	4,196.51	4,805	1,145	4,269.00	4,888
(5) Mobile Home Allowance	3	3,333.33	10	4	3,469.64	14	3	3,532.09	11	3	3,595.67	11
(6) Global Shipment of Privately Owned Vehicles (POV)	37	2,712.62	101	71	2,313.86	164	64	2,353.20	151	64	2,395.55	153
(7) Port Handling Costs (HHG, M. Tons)	145	282.76	41	205	104.06	21	198	105.83	21	198	107.74	21
Total E(a)			\$3,965			\$6,114			\$5,649			\$5,739

PROJECT: E Separation Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
E(b) Enlisted												
(1) Travel of Military Member	32,437	\$211.92	\$6,874	35,043	\$242.82	\$8,509	32,083	\$251.88	\$8,081	32,083	\$253.22	\$8,124
(2) Travel of Dependents	1,397	1,549.75	2,165	1,509	1,656.06	2,499	1,382	1,743.85	2,410	1,382	1,748.91	2,417
(3) Transportation of Household Goods	10,905	2,006.79	21,884	12,689	2,055.09	26,077	11,615	2,095.65	24,341	11,615	2,129.92	24,739
(5) Mobile Home Allowance	24	3,013.24	72	26	3,058.44	80	24	3,113.49	75	24	3,169.53	76
(6) Global Shipment of Privately Owned Vehicles (POV)	354	2,712.62	961	505	2,313.86	1,168	462	2,353.20	1,087	462	2,395.55	1,107
(7) Port Handling Costs (HHG, M. Tons)	942	296.74	280	1017	164.28	167	931	167.08	156	931	170.08	158
Total E(b)			\$32,236			\$38,500			\$36,150			\$36,621
Total Separation Travel			\$36,201			\$44,614			\$41,799			\$42,360

PROJECT: F Unit Travel

FY 2002 - Actual	\$27
FY 2003 - Estimate	\$2,463
FY 2004 - Estimate	\$2,513
FY 2005 - Estimate	\$2,563

PART I - PURPOSE AND SCOPE

Funds requested are to provide for PCS movements of (1) officers and warrant officers to and from permanent duty stations located within the continental United States (2) officers and warrant officers to and from permanent duty stations located overseas, when the movement is in connection with the relocation of an organized unit.

Funds requested are to provide for PCS movements of (1) enlisted personnel to and from permanent duty stations located within the continental United States and (2) enlisted personnel to and from permanent duty stations overseas when the movement is in connection with the relocation of an organized unit.

PART II - JUSTIFICATION OF FUNDS REQUESTED

This estimate includes PCS requirements for the relocation, activation or deactivation of organized units between duty stations within continental United States and overseas. Unit moves are used to consolidate highly technical units in the same area to change force structure.

The number of moves and associated fiscal year fund requirements are shown on the following tables:

PROJECT: F Unit Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
F(a) Officers												
(1) Travel of Military Member	3	\$333.33	\$1	126	\$39.68	\$5	126	\$47.62	\$6	126	\$48.67	\$6
(2) Travel of Dependents	0	294.12	0	17	352.94	6	17	352.94	6	17	359.73	6
(3) Transportation of Household Goods	5	3,800.00	19	280	3,610.71	1,011	280	3,671.43	1,028	280	3,739.29	1,047
(4) Dislocation Allowance	1	3,000.00	3	26	3,338.73	87	26	3,458.96	90	26	3,577.32	93
(5) Mobile Home Allowance	2	1,943.51	4	32	1,972.66	63	32	2,008.17	64	32	2,044.32	65
(6) Global Shipment of Privately Owned Vehicles (POV)	0	2,402.42	0	32	2,049.26	66	32	2,084.10	67	32	2,121.61	68
(7) Port Handling Costs (HHG, M. Tons)	0	5.29	0	21	3.26	0	21	3.32	0	21	3.38	0
Total F(a)			\$27			\$1,238			\$1,261			\$1,285

PROJECT: F Unit Travel

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
F(b) Enlisted												
(1) Travel of Military Member	0	\$6.19	\$0	877	\$5.70	\$5	877	\$6.84	\$6	877	\$6.84	\$6
(2) Travel of Dependents	0	238.10	0	39	256.41	10	39	282.05	11	39	282.05	11
(3) Trans. of Household Goods	0	2,765.96	0	255	2,819.61	719	255	2,870.59	732	255	2,921.57	745
(4) Dislocation Allowance	0	675.86	0	272	705.84	192	272	731.26	199	272	756.28	206
(5) Mobile Home Allowance	0	2,000.00	0	1	2,140.54	2	1	2,179.07	2	1	2,218.30	2
(6) Global Shipment of Privately Owned Vehicles (POV)	0	2,402.42	0	145	2,049.26	297	145	2,084.10	302	145	2,121.61	308
(7) Port Handling Costs (HHG, M. Tons)	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total F(b)			\$0			\$1,225			\$1,252			\$1,278
Total Unit Travel			\$27			\$2,463			\$2,513			\$2,563

PROJECT: G In-Place Consecutive Overseas Tours/Overseas Tour Extension Incentive Program

FY 2002 - Actual	\$2,554
FY 2003 - Estimate	\$2,219
FY 2004 - Estimate	\$2,268
FY 2005 - Estimate	\$2,296

PART I - PURPOSE AND SCOPE

Funds requested are to provide for the incentive travel option associated with the OTEIP and IPCOT programs. The OTEIP offers eligible enlisted personnel, and officers effective fiscal year 2004, the opportunity to receive their choice of one of three incentive options for extension of their current permanent duty station for 12 months or more outside the continental United States. The IPCOT program provides travel and transportation allowances for the member (officer and enlisted) and command sponsored family members who are authorized to accompany the member at the duty station.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funds requested are to provide for costs associated with the entitlement associated with the Overseas Tour Extension Incentive Program which occurs when members of the Armed Forces are authorized rest and recuperative absence of not more than 15 days, round trip transportation at government expense from the location of the extended tour of duty to the port of debarkation and return during the period of the extension. Funds requested also include the costs of the entitlement associated with the In-Place Consecutive Tour for travel and transportation allowances for the member and command sponsored family members who are authorized to accompany the member at the duty station.

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers												
IPCOT	135	\$2,037.04	\$275	107	\$2,065.42	\$221	107	\$2,102.80	\$225	107	\$2,140.19	\$229
OTEIP							10	1,999.92	20	10	1,999.92	20
Enlisted												
IPCOT	310	6,390.32	1,981	243	5,550.82	1,347	243	5,653.85	1,372	243	5,752.75	1,396
OTEIP	149	1,999.92	298	325	1,999.92	651	325	1,999.92	651	325	1,999.92	651
TOTAL	594		\$2,554	675		\$2,219	685		\$2,268	685		\$2,296

PROJECT: H Non-Temporary Storage and Temporary Lodging Expense

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Non-Temporary Storage			\$4,491			\$4,942			\$4,901			\$4,991
Temporary Lodging Expense	7,841	\$1,298.43	\$10,181	8,389	\$1,326.74	\$11,130	7,833	\$1,297.97	\$10,167	7,833	\$1,615.47	\$12,654
GRAND TOTAL OBLIGATIONS			\$264,424			\$289,345			\$288,250			\$294,908
LESS REIMBURSABLES			(\$660)			(\$597)			(\$520)			(\$528)
TOTAL DIRECT OBLIGATIONS			\$263,764			\$288,748			\$287,730			\$294,380

MILITARY PERSONNEL, MARINE CORPS
 SCHEDULE OF INCREASES AND DECREASES
 OTHER MILITARY PERSONNEL COSTS
 (IN THOUSANDS OF DOLLARS)

BUDGET ACTIVITY 6	AMOUNT
FY 2003 DIRECT PROGRAM	\$42,291
INCREASES:	
Apprehension of Military Deserters This increase is due to inflation applied to travel of guards and subsistence costs.	\$28
Educational Benefits This increase is based on the latest amortization payment estimate from the DoD Board of Actuaries.	1,053
Interest on Saving Deposit This increase is due to inflation.	1
Adoption Reimbursement Program This increase is due to inflation.	2
Transportation Subsidies This increase is due to projected increase in participation of the transportation subsidy program.	87
Partial Dislocation Allowance This increase is attributed to an increase in the number of officer and enlisted members required to move from family housing units being renovated or privatized.	93
Unemployment Benefits This increase is based on a projection from the Department of Labor.	3,000
TOTAL INCREASES:	\$4,264

DECREASES:

Survivors Benefits (52)
This decrease is the result of a decrease in the Veteran's Administration projection.

Special Compensation for Severely Disabled (2,000)
This decrease is due to program realignment from Budget Activity 6 into Budget Activity 2.

TOTAL DECREASES: (\$2,052)

FY 2004 DIRECT PROGRAM \$44,503

PROJECT: A. Apprehension of Military Deserters,
Absentees, and Escaped Military Prisoners

FY 2002 Actual	\$1,526
FY 2003 Estimate	\$1,549
FY 2004 Estimate	\$1,577
FY 2005 Estimate	\$1,606

PART I - PURPOSE AND SCOPE

The funds requested provide for the expense in connection with the apprehension of deserters, absentees, and escaped military prisoners and for their delivery to the control of the Department of Defense. Funds requested include cost of subsistence furnished during the period an enlisted member is detained in civil confinement for safekeeping when so requested by military authority, costs of rewards (not to exceed \$75.00) and cost of transportation, lodging, and subsistence of a guard sent to return member.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimate is based on actual experience which is projected into the current and budget years. A new program called the Financial Crimes Enforcement Network (FINCEN) has allowed for improved and expedited investigation of older cases or those with special circumstances, which has resulted in an increase to our apprehension numbers.

The following estimate is provided:

(In Thousands of Dollars)

<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$1,526	\$1,549	\$1,577	\$1,606

PROJECT: B. Interest on Saving Deposit

FY 2002 Actual	\$15
FY 2003 Estimate	\$15
FY 2004 Estimate	\$16
FY 2005 Estimate	\$16

PART I - PURPOSE AND SCOPE

Funds requested provide for service members participating in the Servicemen's Saving Deposit Program.

The Servicemen's Saving Deposit Program was reinstated for participants in Operation Desert Shield/Storm serving in the areas of operation and has been continued for contingency operations since then. Members earn 10% interest on all deposits.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Computation of funding requirements is provided in the following table:

(In Thousands of Dollars)

<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$15	\$15	\$16	\$16

PROJECT: C. Death Gratuities

FY 2002 Actual	\$864
FY 2003 Estimate	\$984
FY 2004 Estimate	\$984
FY 2005 Estimate	\$984

PART I - PURPOSE AND SCOPE

The funds requested provide for payment of death gratuities to beneficiaries of deceased military personnel as authorized by law. Death gratuity is composed of basic pay, incentive pay and overseas pay, if applicable.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Details of the computations are provided in the following tables:

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Officer	12	\$6,000.00	\$72	24	\$6,000.00	\$144	24	\$6,000.00	\$144	24	\$6,000.00	\$144
Enlisted	132	6,000.00	792	140	6,000.00	840	140	6,000.00	840	140	6,000.00	840
Total	144		\$864	164		\$984	164		\$984	164		\$984

PROJECT: D. Unemployment Benefits Paid to Ex-Service Members

FY 2002 Actual	\$39,637
FY 2003 Estimate	\$32,054
FY 2004 Estimate	\$35,054
FY 2005 Estimate	\$35,342

PART I - PURPOSE AND SCOPE

Funds are for payments of unemployment benefits to ex-service members who are discharged or released under honorable conditions as prescribed in Paragraph (1) of Section 8521(a) of Title 5, United States Code. Generally, eligibility is defined as active service in the Armed Forces whereupon the individual was discharged under honorable conditions, and had completed his first term of active service; or was discharged before completing his first term under an early release program, because of hardship, for medical reasons, or for personality disorders or inaptitude (but only if the service was continuous for 365 days or more).

PART II - JUSTIFICATION OF FUNDS REQUESTED

The number of individuals eligible for unemployment benefits is based on estimated losses, factored to exclude retirements and discharges for other than honorable conditions as defined by Section 8521(a) of Title 5, United States Code.

The following estimate is provided:

(In Thousands of Dollars)

<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$39,637	\$32,054	\$35,054	\$35,342

PROJECT: E. Survivor Benefits

FY 2002 Actual	\$1,650
FY 2003 Estimate	\$1,591
FY 2004 Estimate	\$1,539
FY 2005 Estimate	\$1,489

PART I - PURPOSE AND SCOPE

Funds requested provide for payments of restored social security benefits to widows and orphans of military personnel of the Marine Corps. These benefits were withdrawn under Public Law 97-35. Public Law 97-35 terminated the "mother's" benefits when the last child in custody of the surviving spouse reached age 16, rather than 18, and affected the "school child" by either eliminating benefit payments or by requiring a reduction in benefits. Section 156 of Public Law 97-377 modified by Section 943 of the DoD Authorization Act, FY 1984, P. L. 98-94, 97 Stat. 614, restored these social security benefits to survivors of military members and directed the Department of Defense to budget for this requirement.

The Retired Pay, Defense appropriation was discontinued in FY 1985 and funds for survivor benefits transferred to appropriate Military Personnel appropriations. Starting in FY 1985, each military department transferred funds from the Military Personnel appropriation to the VA for payment of the benefits.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on current experience. The following estimated is provided:

(In Thousands of Dollars)

<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$1,650	\$1,591	\$1,539	\$1,489

PROJECT: F. Educational Benefits

FY 2002 Actual	\$3,051
FY 2003 Estimate	\$1,732
FY 2004 Estimate	\$2,785
FY 2005 Estimate	\$2,797

PART I - PURPOSE AND SCOPE

Funds are for the payment to the Department of Defense Education Benefits Funds, a Trust Fund. This program is governed by title 83 U. S. C., Chapter 30. The program funds additional and supplemental benefit payments above a basic benefit to be budgeted by the Veterans Administration. This program is budgeted on an accrual basis by the Department of Defense. Actual benefit payments to individuals will be made by the Veterans Administration from transfers from the Trust Account.

PART II - JUSTIFICATION OF FUNDS REQUESTED

All individuals entering active duty after July 1, 1985 (including those in the Delayed Entry Program), except those who have received a commission from a service academy or who have completed a ROTC Scholarship Program, are eligible to receive additional and supplemental Educational Assistance at the discretion of the Secretary of Defense unless they elect not to participate in the basic program. The Montgomery GI Bill Educational Benefit gives the Voluntary Separation Incentives Electees the rights to educational benefits.

The following estimate is provided:

(In Thousands of Dollars)

	<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Montgomery GI Bill	\$621	\$630	\$642	\$653
Amortization	2,430	1,102	2,143	2,144
Total	\$3,051	\$1,732	\$2,785	\$2,797

PROJECT: G. Adoption Reimbursement Program

FY 2002 Actual	\$78
FY 2003 Estimate	\$79
FY 2004 Estimate	\$81
FY 2005 Estimate	\$82

PART I - PURPOSE AND SCOPE

Funds provide for payments of adoption expenses incurred by active duty members in the adoption of a child under 18 years of age. Adoption expenses include public and private agency fees; placement fees; legal fees; medical expenses for the child, the biological mother, and the adopting parents; temporary foster care; transportation expenses; and other expenses approved by ASD (FM&P). Section 651 of the National Defense Authorization Act for fiscal year 1992 and 1993 (Public Law 102-190) provides for this program.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on current experience. The following estimated is provided:

(In Thousands of Dollars)

<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$78	\$79	\$81	\$82

PROJECT: H. Special Compensation for Severely Disabled

FY 2002 Actual	\$2,733
FY 2003 Estimate	\$2,900
FY 2004 Estimate	\$900
FY 2005 Estimate	\$900

PART I - PURPOSE AND SCOPE

Section 658 of the FY 2000 National Defense authorization Act (P.L. 106-65) provided a new element of compensation for certain severely disabled retirees of the Uniformed Services. Payments will be made to military retirees who (1) possess a minimum VA disability rating of at least 60%, (2) received the minimum disability rating within four years of retirement, (3) retire with a non-disability retirement, and (4) have 20-plus years of service for the purposes of computing retired pay. Effective FY 2002, this entitlement was extended to include active duty members who: 1) are awaiting VA evaluations; 2) are on the temporary disability list; and 3) are awaiting medical retirement determination.

Section 636 of the FY 2003 National Defense authorization Act (P.L. 107-314) added section 1413a to Title 10, U.S.C., extending this entitlement to include any combat-related disability rated at 10 percent or higher attributable to an injury for which the member was awarded the Purple Heart. It also realigned benefits from Budget Activity 6 to Budget Activity 2 for administration of the program, effective no more than 180 days after enactment of the FY 2003 NDAA.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on data provided by the Department of Veterans Affairs.

The following estimate is provided:

(In Thousands of Dollars)

<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$2,733	\$2,900	\$900	\$900

PROJECT: I. Transportation Subsidies

FY 2002 Actual \$715
 FY 2003 Estimate \$865
 FY 2004 Estimate \$952
 FY 2005 Estimate \$1,047

PART I - PURPOSE AND SCOPE

Executive Order 13150 on Federal Workforce Transportation, dated April 21, 2000, requires that by no later than October 1, 2000, Federal agencies shall implement a transit pass fringe benefit program for qualified federal employees in the National Capital Region (NCR). Washington Headquarters Services (WHS) has been designated to run this effort within NCR transit pass program for DoD and has been working closely with the Department of Transportation to ensure that costs will be identifiable to the major command level. In addition, in an effort to provide equitable entitlement, areas outside of the NCR (ONCR) are phasing in their transit pass fringe benefit program.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Components must budget for the costs of this program and work with WHS to establish procedures to facilitate the required reimbursable orders to procure this service.

The following estimate is provided:

(In Thousands of Dollars)

	FY 2002 Actual			FY 2003 Estimate			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
National Capital Region	281	\$1,156.00	\$325	309	\$1,265.00	\$391	340	\$1,265.00	\$430	374	\$1,265.00	\$473
Outside National Capital Region	340	1,147.01	390	377	1,257.00	474	415	1,257.00	522	457	1,257.00	574
Total Subsidies	621		\$715	686		\$865	755		\$952	831		\$1,047

PROJECT: J. Partial Dislocation Allowance

FY 2002 Actual	\$514
FY 2003 Estimate	\$522
FY 2004 Estimate	\$615
FY 2005 Estimate	\$655

PART I - PURPOSE AND SCOPE

Section 636 of the FY 2002 National Defense Authorization Act (NDAA) authorized the Service secretaries to pay a \$500.00 partial dislocation allowance (DLA) to members of the uniformed services who are ordered to occupy or vacate government family housing to permit privatization, renovation, or other reasons unrelated to changes in permanent station.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on data provided by the Service's Installation and Logistics Divisions, Policy, Privatization and Operations Facilities Branch.

The following estimate is provided:

(In Thousands of Dollars)

<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$514	\$522	\$615	\$655

MARINE CORPS MILITARY PERSONNEL ASSIGNED OUTSIDE DOD (END STRENGTH)

ASSIGNED OUTSIDE DOD:	FY 2002			FY 2003			FY 2004			FY 2005		
	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>
<u>Nonreimbursable Personnel:</u>												
Office of the President	3	0	3	3	0	3	3	0	3	3	0	3
National Warning Staff	1	0	1	1	0	1	1	0	1	1	0	1
State Department (UN Truce Supervision)	2	0	2	2	0	2	2	0	2	2	0	2
Transportation Department (FAA)	2	0	2	2	0	2	2	0	2	2	0	2
Commerce Department (Merchant Marine Academy)	0	1	1	0	1	1	0	1	1	0	1	1
Drug Enforcement Administration (DEA)	1	1	2	1	1	2	1	1	2	1	1	2
Subtotal Nonreimbursable Program	9	2	11	9	2	11	9	2	11	9	2	11
<u>Reimbursable DOD Personnel:</u>												
National Aeronautics and Space Admin. (NASA)	7	0	7	7	0	7	7	0	7	7	0	7
Classified Activities	2	0	2	2	0	2	2	0	2	2	0	2
Foreign Military Sales	1	0	1	1	0	1	1	0	1	1	0	1
Technical Assistance Field Team (TAFT)	2	0	2	10	1	11	10	1	11	10	1	11
Office Program Manager (SANG)	2	0	2	2	0	2	2	0	2	2	0	2
DMA/NIMA	1	9	10	5	11	16	5	11	16	5	11	16
Subtotal Reimbursable Personnel	15	9	24	27	12	39	27	12	39	27	12	39
Total Assigned to DOD Activities	24	11	35	36	14	50	36	14	50	36	14	50

MARINE CORPS MILITARY PERSONNEL ASSIGNED OUTSIDE DOD (END STRENGTH)

	FY 2002			FY 2003			FY 2004			FY 2005		
	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>
<u>ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF NON-DOD FUNCTIONS:</u>												
<u>Nonreimbursable Personnel:</u>												
State Department (Embassy Security Guards)	37	1,362	1,399	36	1,361	1,397	46	1,622	1,668	46	1,622	1,668
Subtotal Nonreimbursable Program	37	1,362	1,399	36	1,361	1,397	46	1,622	1,668	46	1,622	1,668
<u>Reimbursable DOD Personnel:</u>												
Naval Air Depots	18	22	40	19	27	46	19	27	46	19	27	46
Industrial Fund	6	9	15	6	6	12	6	6	12	6	6	12
Defense Finance and Accounting Service(DFAS)	27	102	129	29	130	159	29	113	142	29	95	124
DISA	0	1	1	2	2	4	2	2	4	2	2	4
Defense Logistic Agency(DLA)	6	3	9	22	12	34	22	12	34	22	12	34
Joint Logistics System Center (JLSC)	0	0	0	0	0	0	0	0	0	0	0	0
US Transportation Command (TRANSCOM)	17	5	22	16	3	19	14	3	17	14	3	17
Subtotal Reimbursable Personnel	74	142	216	94	180	274	92	163	255	92	145	237
Total Assigned to DOD Activities	111	1,504	1,615	130	1,541	1,671	138	1,785	1,923	138	1,767	1,905
Total Nonreimbursable Personnel	46	1,364	1,410	45	1,363	1,408	55	1,624	1,679	55	1,624	1,679
Total Reimbursable	89	151	240	121	192	313	119	175	294	119	157	276
GRAND TOTAL	135	1,515	1,650	166	1,555	1,721	174	1,799	1,973	174	1,781	1,955

REIMBURSABLE PROGRAM
MILITARY PERSONNEL, MARINE CORPS
(In Thousands Of Dollars)

	FY 2002	FY 2003	FY 2004	FY 2005
Subsistence	\$13,075	\$13,299	\$13,538	\$13,795
U. S. Army				
U. S. Navy	\$27	\$27	\$28	\$28
U. S. Coast Guard	\$130	\$132	\$134	\$136
Reserve Personnel, Marine Corps	\$8,196	\$8,338	\$8,488	\$8,651
Flight Rations	\$1	\$1	\$1	\$1
Non-Federal Sources:				
Commissary Stores and Messes	\$23	\$23	\$23	\$23
Sale of Meals	\$4,698	\$4,778	\$4,864	\$4,956
Foreign Military				
Foreign Military Sales	\$108	\$108	\$108	\$108
Other Non-Strength	\$660	\$597	\$520	\$528
Surcharge				
Clothing				
Other Military Costs (PCS Travel)	\$660	\$597	\$520	\$528
Strength Related	\$17,874	\$18,293	\$17,784	\$17,447
Officers	\$10,799	\$10,858	\$11,215	\$11,321
Basic Pay	(7,695)	(7,136)	(7,962)	(8,020)
Retired Pay Accrual	(2,214)	(2,188)	(2,203)	(2,218)
Other	(890)	(1,534)	(1,050)	(1,083)
Enlisted	\$7,075	\$7,435	\$6,569	\$6,126
Basic Pay	(5,091)	(5,346)	(4,941)	(4,563)
Retired Pay Accrual	(1,536)	(1,594)	(1,158)	(1,109)
Other	(448)	(495)	(470)	(454)
Total Program	\$31,717	\$32,297	\$31,950	\$31,878