

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



JUSTIFICATION OF ESTIMATES
FEBRUARY 2003

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

Table of Contents

	<u>Page</u>
<u>Summary of Entitlements by BA (Volume I & II)</u>	2
Volume I: Active Forces	
<u>Section 1 – Summary of Entitlements by Budget Activity</u>	3
<u>Section 2 – Introduction</u>	6
<u>Section 3 – Summary Charts</u>	9
Personnel Summaries – Active Forces	10
Summary of Entitlements by Subactivity	16
Analysis of Appropriation Changes	20
<u>Section 4 – Detail of Military Personnel Entitlements</u>	31
BA 1 - Pay and Allowances of Officers	32
BA 2 - Pay and Allowances of Enlisted Personnel	64
BA 3 - Pay and Allowances of Cadets / Midshipmen	103
BA 4 - Subsistence of Enlisted Personnel	106
BA 5 - Permanent Change of Station Travel	117
BA 6 - Other Military Personnel Costs	139
<u>Section 5 – Special Analyses</u>	151
Navy Military Personnel Assigned Outside DoD	152
Reimbursable Program (Exhibit PB-30R)	154

Military Personnel, Navy
 Summary of Entitlements by Budget Activity
 (In Thousands of Dollars)

The Military Personnel, Navy 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, Navy budget is presented in two volumes. Budget Activities 1-6 are presented as Volume I – Active Forces and Budget Activity 7 is presented as Volume II – Reserve Forces.

The following is a funding summary of all two volumes:

	<u>FY 2002</u> Actual	<u>FY 2003</u> Estimate	<u>FY 2004</u> Estimate	<u>FY 2005</u> Estimate
<u>Direct Program</u>				
BA 1 - Pay and Allowances of Officers	\$5,231,797	\$5,290,845	\$5,594,072	\$5,763,058
BA 2 - Pay and Allowances of Enlisted Personnel	13,355,459	14,877,306	15,913,835	16,443,408
BA 3 - Pay and Allowances of Cadets / Midshipmen	50,490	51,052	52,851	54,561
BA 4 - Subsistence of Enlisted Personnel	905,681	913,555	931,537	927,641
BA 5 - Permanent Change of Station Travel	659,382	712,307	698,225	708,272
BA 6 - Other Military Personnel Costs	78,630	59,518	73,081	73,458
BA 7 – Reserve Forces	0	0	2,028,153	2,065,424
Total Direct Program	\$20,281,439	\$21,904,583	\$25,291,754	\$26,035,822
<u>Reimbursable Program</u>				
BA 1 - Pay and Allowances of Officers	130,099	194,964	198,660	204,262
BA 2 - Pay and Allowances of Enlisted Personnel	61,426	88,403	89,261	92,133
BA 4 - Subsistence of Enlisted Personnel	48,628	45,294	45,384	45,528
BA 5 - Permanent Change of Station Travel	3,863	3,500	3,500	3,500
BA 7 – Reserve Forces	0	0	31,902	33,652
Total Reimbursable Program	244,016	332,161	368,707	379,075
<u>Total Program</u>				
BA 1 - Pay and Allowances of Officers	5,361,896	5,485,809	5,792,732	5,967,320
BA 2 - Pay and Allowances of Enlisted Personnel	13,416,885	14,965,709	16,003,096	16,535,541
BA 3 - Pay and Allowances of Cadets / Midshipmen	50,490	51,052	52,851	54,561
BA 4 - Subsistence of Enlisted Personnel	954,309	958,849	976,921	973,169
BA 5 - Permanent Change of Station Travel	663,245	715,807	701,725	711,772
BA 6 - Other Military Personnel Costs	78,630	59,518	73,081	73,458
BA 7 – Reserve Forces	0	0	2,060,055	2,099,076
Total Program	\$20,525,455	\$22,236,744	\$25,660,461	\$26,414,897

Section 1

Summary Charts

Section 1
Summary of Entitlements by Budget Activity – Active Forces
(In Thousands of Dollars)

Title	<u>FY 2002</u> Actual ^{1/}	<u>FY 2003</u> Estimate	<u>FY 2004</u> Estimate	<u>FY 2005</u> Estimate
<u>Direct Program</u>				
Pay and Allowances of Officers	\$5,231,797	\$5,290,845	\$5,594,072	\$5,763,058
Pay and Allowances of Enlisted Personnel	13,355,459	14,877,306	15,913,835	16,443,408
Pay and Allowances of Cadets / Midshipmen	50,490	51,052	52,851	54,561
Subsistence of Enlisted Personnel	905,681	913,555	931,537	927,641
Permanent Change of Station Travel	659,382	712,307	698,225	708,272
Other Military Personnel Costs	78,630	59,518	73,081	73,458
Total Direct Program	\$20,281,439	\$21,904,583	\$23,263,601	\$23,970,398
<u>Reimbursable Program</u>				
Pay and Allowances of Officers	130,099	194,964	198,660	204,262
Pay and Allowances of Enlisted Personnel	61,426	88,403	89,261	92,133
Subsistence of Enlisted Personnel	48,628	45,294	45,384	45,528
Permanent Change of Station Travel	3,863	3,500	3,500	3,500
Total Reimbursable Program	244,016	332,161	336,805	345,423
<u>Total Program</u>				
Pay and Allowances of Officers	5,361,896	5,485,809	5,792,732	5,967,320
Pay and Allowances of Enlisted Personnel	13,416,885	14,965,709	16,003,096	16,535,541
Pay and Allowances of Cadets / Midshipmen	50,490	51,052	52,851	54,561
Subsistence of Enlisted Personnel	954,309	958,849	976,921	973,169
Permanent Change of Station Travel	663,245	715,807	701,725	711,772
Other Military Personnel Costs	78,630	59,518	73,081	73,458
Total Program	\$20,525,455	\$22,236,744	\$23,600,406	\$24,315,821
<u>DERF Execution Account</u>				
DERF Obligations for Military Personnel Requirements	\$294,200	0	0	0
Total FY 2002 Requirement	\$20,918,655	\$22,236,744	\$23,600,406	\$24,315,821

1/ Includes \$294,200,000 from the DERF Execution account in support of Operations Noble Eagle and Enduring Freedom

Legislative Proposals:

The following legislative proposals are also included in the FY 2004 and FY 2005 budget estimates:

	<u>FY 2004</u> Estimate	<u>FY 2005</u> Estimate
* Basic Allowance for Housing for E-4 & Below at Sea	\$9,300	\$9,900
* Officer Overseas Tour Extension Benefits	32	83

Section 2

Introduction

Section 2
Military Personnel, Navy
Introduction – Active Forces

The Military Personnel, Navy (MPN) appropriation provides resources necessary to compensate military personnel required to man approved force structure and support infrastructure, including those officer and enlisted personnel within the individuals account: students, trainees, transients, patients, prisoners, holdees, and midshipmen. 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.

Navy's primary focus is on enhancing personnel readiness, improved officer and enlisted retention, and improving quality of life for all Navy personnel. In FY 2003, all members received a 4.1% pay raise as well as an additional targeted pay raise ranging from 0.9% to 2.4% for mid-grade Petty Officers and some officers, and in FY 2004 members will receive a pay raise ranging from 2.0% to 6.25% based on pay grade and years of service, with an overall average of 4.1% in FY 2004.

Funding requested in the FY 2004 Department of Navy's budget submission supports an end-strength of 375,700 in FY 2003, 373,800 in FY 2004 and 371,600 in FY 2005. The FY 2002 column reflects Defense Emergency Response Funding (DERF) executed in support of Operations Noble Eagle and Enduring Freedom, associated with Navy's heightened forward presence overseas and increased requirements for Anti-terrorism/Force Protection (AT/FP) in CONUS. Additionally, the FY 2002/2003 end strength level continues to support the Global War on Terrorism by maintaining the heightened Fleet readiness of deploying units and units in the inter-deployment training cycle. The budget does not reflect additional FY 2002 or FY 2003 costs associated with mobilized reserves. During FY 2002 2,088 officer and 5,456 enlisted work years were funded for mobilized reserve component personnel in support of Operations Noble Eagle and Enduring Freedom.

The Navy continues to emphasize a strategy of achieving the optimum balance between recruiting and retention efforts with a goal of improving personnel readiness in the fleet. The need to retain highly motivated sailors to sustain our experienced workforce in a steady-state navy has seldom been greater. Continued emphasis on existing programs such as Selective Reenlistment Bonus (SRB) and implementation of other initiatives such as increased funding of the top six enlisted pay grades (72.5% in FY 2003, 73.2% in FY 2004) are projected to maintain recently experienced momentum in retention and readiness. Nonetheless, Navy recruiting continues to be challenging. Navy continues to intensify its focus on recruit quality and phased accessions to ensure that the challenge of putting the right sailor, with the right skills, in the right job, at the right time is met. The Enlistment Bonus (EB) and Navy College Fund (NCF) programs continue to be highly effective tools used to attract quality personnel and meet the CNO's 94% High School Degree Graduate goal.

Basic Allowance for Housing (BAH) programs have been funded to reduce Sailor's out-of-pocket (OOP) expenses to 7.5% in FY 2003, 3.5% in FY 2004 and to eliminate them by FY 2005. Additional funding has also been budgeted for BAH costs associated with privatization of approximately 2,600 family housing units in FY 2002, 1,500 units in FY 2003 and 3,510 in FY 2004. The budget does not reflect privatizing any new family housing units in FY 2005.

The budget also reflects funding for new medical and submarine community retention programs such as Pharmacy Officer Special Pay, Optometry Pay and Submarine Support Incentive Pay designed to retain officers in critical medical ratings and provide the submarine community with qualified officers for non-nuclear support roles. FY 2003 and subsequent fiscal years include full funding for Defense Health Program (DHP) Accrual for Medicare eligible (over 65) retirees and their dependents. The Defense Health Care Trust Fund will also provide reimbursement to the MPN appropriation for pay and allowances associated with medical care provided to retirees and eligible dependents by Navy officer and enlisted personnel. This budget includes the projected levels of reimbursement associated with Medicare-eligible (over 65) retirees and dependents.

FY 2003 battle force ships show a net reduction of 8 ships. FY 2003 gains include 3 Arleigh Burke destroyers (DDG) and 1 nuclear powered aircraft carrier (CVN). FY 2003 reductions include 1 aircraft carrier (CV), 9 destroyers, 1 dock landing ship (LSD), and 1 tank landing ship (LST). In FY 2003, Navy also gains 1 F/A-18F and 1 F/A-18E squadron while reducing by 1 F-14 squadron and 1 F/A-18C squadron. FY 2004 battle force ships show a net loss of 5 ships. FY 2004 gains are 4 Arleigh Burke destroyers (DDG), and 2 nuclear attack submarines (SSN). FY 2004 reductions include 5 destroyers (DD), 2 cruisers (CG), 2 landing ships (LSD) and 2 submarines (SSN). In FY 2004, Navy gains 1 F/A-18E squadron and 2 F/A-18F squadrons. FY 2004 reductions are 2 F/A-18C squadrons, 1 F-14 squadron, and 2 S-3 (VS) squadrons. FY 2005 battle force ships show a net reduction of 14 ships. FY 2005 gains include 3 Arleigh Burke destroyers (DDG), 2 landing platforms (LPD-17), and 1 nuclear attack submarine (SSN). FY 2005 reductions include 2 cruisers (CG), 4 destroyers (DD), 13 coastal patrol craft (PC), and 1 landing platform (LPD). In FY 2005, Navy also gains 1 F/A-18E squadron and 2 F/A-18F squadrons while reducing 2 F-14 squadrons, 1 F/A-18C and 1 S-3 (VS) squadron

Section 3

**Summary of
Military Personnel Strength**

Section 3
Summary of Military Personnel Strength – Active Forces

	<u>FY 2002 Actual</u>		<u>FY 2003 Estimate</u>		<u>FY 2004 Estimate</u>		<u>FY 2005 Estimate</u>	
	End Strength Workyears 30 Sept 2002	End Strength Workyears 30 Sept 2002	End Strength Workyears 30 Sept 2003	End Strength Workyears 30 Sept 2003	End Strength Workyears 30 Sept 2004	End Strength Workyears 30 Sept 2004	End Strength Workyears 30 Sept 2005	End Strength Workyears 30 Sept 2005
<u>Direct Program</u>								
Officers	54,542	53,351	52,397	52,573	53,124	52,363	52,826	52,179
Enlisted	323,791	322,566	313,592	316,068	314,854	314,453	312,227	312,428
Midshipmen	4,261	4,281	4,157	4,000	4,159	4,000	4,159	4,000
Total Direct Program	382,594	380,126	370,146	372,641	372,137	370,816	369,212	368,607
<u>Reimbursable Program</u>								
Officers	1,141	1,125	1,313	1,293	1,289	1,245	1,250	1,245
Enlisted	1,788	1,785	1,828	1,766	1,759	1,739	1,749	1,748
Total Reimbursable Program	2,929	2,910	3,141	3,059	3,048	2,984	2,999	2,993
<u>Total Program</u>								
Officers	55,683	54,476	53,710	53,866	54,413	53,608	54,076	53,424
Enlisted	325,579	324,351	315,420	317,834	316,613	316,192	313,976	314,176
Midshipmen	4,261	4,281	4,157	4,000	4,159	4,000	4,159	4,000
Total Program	385,523	383,108	373,287	375,700	375,185	373,800	372,211	371,600
Average Strength Funded from DERF Execution Account:								
<u>Total Program</u>								
Officers	840							
Enlisted	5,045							
Midshipmen	0							
Total DERF Funded	5,885							
<u>Adjusted FY 2002 Total Program</u>								
Officers	56,523							
Enlisted	330,624							
Midshipmen	4,261							
Total Program	391,408	383,108	373,287	375,700	375,185	373,800	372,211	371,600

Military Personnel, Navy
End Strength By Grade – Active Forces
Total Program

	FY 2002		FY 2003		FY 2004		FY 2005	
	Total	Reimbursables Included	Total	Reimbursables Included	Total	Reimbursables Included	Total	Reimbursables Included
<u>Commissioned Officers</u>								
O-10 Admiral	8	0	8	0	8	0	8	0
O-9 Vice Admiral	24	1	25	1	25	1	25	1
O-8 Rear Admiral (Upper Half)	72	2	77	2	77	2	77	2
O-7 Rear Admiral (Lower Half)	110	14	108	16	108	15	108	16
O-6 Captain	3,445	139	3,406	159	3,462	154	3,435	160
O-5 Commander	7,044	248	6,910	291	6,866	286	6,794	293
O-4 Lieutenant Commander	10,442	321	10,307	372	10,416	349	10,296	322
O-3 Lieutenant	16,733	340	16,296	383	16,345	368	16,762	379
O-2 Lieutenant Commander (JG)	7,340	31	7,827	35	7,956	36	7,702	36
O-1 Ensign	7,582	7	7,238	8	6,742	8	6,623	8
Total Commissioned Officers	52,800	1,103	52,202	1,267	52,005	1,219	51,830	1,217
<u>Warrant Officers</u>								
W-5 Chief Warrant Officer	0	0	0	0	18	0	36	0
W-4 Chief Warrant Officer	340	6	323	7	315	7	341	7
W-3 Chief Warrant Officer	381	10	466	12	583	12	638	14
W-2 Chief Warrant Officer	955	6	875	7	687	7	579	7
W-1 Chief Warrant Officer	0	0	0	0	0	0	0	0
Total Warrant Officers	1,676	22	1,664	26	1,603	26	1,594	28
Total Officer Personnel	54,476	1,125	53,866	1,293	53,608	1,245	53,424	1,245
<u>Enlisted Personnel</u>								
E-9 Master Chief Petty Officer	3,200	36	3,155	37	3,155	37	3,137	37
E-8 Senior Chief Petty Officer	7,048	80	7,046	81	7,024	82	6,981	84
E-7 Chief Petty Officer	24,286	327	24,516	333	24,616	338	25,098	339
E-6 1 st Class Petty Officer	54,185	608	50,163	605	54,281	609	54,289	615
E-5 2 nd Class Petty Officer	73,986	522	79,366	542	77,149	499	76,417	496
E-4 3 rd Class Petty Officer	65,358	185	66,038	142	65,385	148	65,154	151
E-3 Seaman	54,626	27	49,770	26	43,898	26	41,700	26
E-2 Seaman Apprentice	26,295	0	20,963	0	23,226	0	23,373	0
E-1 Seaman Recruit	15,367	0	16,817	0	17,458	0	18,027	0
Total Enlisted	324,351	1,785	317,834	1,766	316,192	1,739	314,176	1,748
Total Officer and Enlisted	378,827	2,910	371,700	3,059	369,800	2,984	367,600	2,993
<u>Midshipmen</u>	4,281	0	4,000	0	4,000	0	4,000	0
Total End Strength	383,108	2,910	375,700	3,059	373,800	2,984	371,600	2,993

Military Personnel, Navy
Average Strength By Grade – Active Forces
Total Program

	FY 2002		FY 2003		FY 2004		FY 2005	
	Total	Reimbursables Included	Total	Reimbursables Included	Total	Reimbursables Included	Total	Reimbursables Included
<u>Commissioned Officers</u>								
O-10 Admiral	8	0	8	0	8	0	8	0
O-9 Vice Admiral	30	1	25	1	25	1	25	1
O-8 Rear Admiral (Upper Half)	71	2	77	2	77	2	77	2
O-7 Rear Admiral (Lower Half)	110	16	109	16	110	16	110	16
O-6 Captain	3,546	149	3,310	161	3,470	158	3,462	157
O-5 Commander	7,554	268	7,072	290	7,079	292	6,997	291
O-4 Lieutenant Commander	11,148	269	10,123	372	10,347	369	10,370	335
O-3 Lieutenant	17,000	371	16,278	400	16,423	379	16,626	376
O-2 Lieutenant Commander (JG)	6,849	34	7,635	36	8,193	36	8,047	36
O-1 Ensign	7,675	8	7,404	8	7,026	9	6,710	8
Total Commissioned Officers	53,991	1,117	52,041	1,286	52,758	1,262	52,432	1,222
<u>Warrant Officers</u>								
W-5 Chief Warrant Officer	0	0	0	0	11	0	30	0
W-4 Chief Warrant Officer	356	6	326	7	330	7	339	7
W-3 Chief Warrant Officer	403	11	397	13	534	13	615	14
W-2 Chief Warrant Officer	933	7	946	7	780	7	660	7
W-1 Chief Warrant Officer	0	0	0	0	0	0	0	0
Total Warrant Officers	1,692	24	1,669	27	1,655	27	1,644	28
Total Officer Personnel	55,683	1,141	53,710	1,313	54,413	1,289	54,076	1,250
<u>Enlisted Personnel</u>								
E-9 Master Chief Petty Officer	3,182	35	3,079	38	3,219	37	3,058	37
E-8 Senior Chief Petty Officer	6,703	77	6,642	83	6,671	82	6,693	84
E-7 Chief Petty Officer	23,637	24	23,238	340	24,128	336	23,874	340
E-6 1 st Class Petty Officer	54,619	598	52,466	622	53,179	609	53,591	613
E-5 2 nd Class Petty Officer	74,655	516	74,630	544	77,366	523	75,697	499
E-4 3 rd Class Petty Officer	67,232	209	66,691	172	67,368	146	65,781	150
E-3 Seaman	51,390	28	52,525	29	48,469	26	45,806	26
E-2 Seaman Apprentice	26,428	0	22,984	0	21,184	0	22,651	0
E-1 Seaman Recruit	17,733	0	13,165	0	15,029	0	16,825	0
Total Enlisted	325,579	1,788	315,420	1,828	316,613	1,759	313,976	1,749
Total Officer and Enlisted	381,262	2,929	369,130	3,141	371,026	3,048	368,052	2,999
<u>Midshipmen</u>	4,261	0	4,157	0	4,159	0	4,159	0
Total Average Strength	385,523	2,929	373,287	3,141	375,185	3,048	372,211	2,999

Military Personnel, Navy
Active Duty Strengths By Month – Active Forces ^{1/}
(In Thousands)

	FY 2002 Actuals				FY 2003 Estimate				FY 2004 Estimate				FY 2005 Estimate			
	Officer	Enlisted	Mid-shipmen	Total	Officer	Enlisted	Mid-shipmen	Total	Officer	Enlisted	Mid-shipmen	Total	Officer	Enlisted	Mid-shipmen	Total
SEP	53.9	319.6	4.3	377.8	54.4	324.4	4.3	383.1	54.5	320.9	4.0	379.4	53.6	316.2	4.0	373.8
OCT	53.9	321.5	4.3	379.7	54.4	324.8	4.3	383.5	54.3	319.0	4.3	377.6	53.6	315.3	4.3	373.2
NOV	53.9	322.4	4.3	380.6	54.5	323.3	4.2	382.0	54.2	318.0	4.2	376.4	53.6	314.9	4.2	372.7
DEC ^{2/}	54.0	321.8	4.2	380.0	54.7	320.6	4.2	379.5	54.2	317.0	4.2	375.4	53.7	314.1	4.2	372.0
JAN	53.9	322.7	4.2	380.8	53.3	317.3	4.2	374.8	54.0	316.6	4.2	374.8	53.5	313.7	4.2	371.4
FEB	53.8	323.2	4.2	381.2	52.5	314.3	4.2	371.0	53.8	315.8	4.2	373.8	53.4	313.0	4.2	370.6
MAR	53.8	323.7	4.2	381.7	52.1	311.5	4.2	367.8	53.7	315.4	4.2	373.3	53.3	312.5	4.2	370.0
APR	53.9	323.7	4.2	381.8	51.8	308.6	4.2	364.6	53.6	315.3	4.2	373.1	53.3	312.4	4.2	369.9
MAY	55.3	323.3	3.2	381.8	53.0	306.1	3.2	362.3	54.9	315.4	3.2	373.5	54.6	312.4	3.2	370.2
JUN	55.3	324.7	4.4	384.4	53.2	308.0	3.2	364.4	54.8	315.5	3.2	373.5	54.7	313.6	3.2	371.5
JUL	55.3	326.0	4.3	385.6	53.4	311.8	4.3	369.5	54.3	315.2	4.3	373.8	54.4	314.0	4.3	372.7
AUG	55.0	324.6	4.3	383.9	53.6	315.3	4.3	373.2	54.0	315.4	4.3	373.7	54.0	314.3	4.3	372.6
SEP	54.4	324.4	4.3	383.1	53.9	317.8	4.0	375.7	53.6	316.2	4.0	373.8	53.4	314.2	4.0	371.6
AVG ^{3/}	55.7	325.6	4.3	385.6	53.7	315.4	4.2	373.3	54.4	316.6	4.2	375.2	54.0	314.0	4.2	372.2
ADSW/ (WKYRS)	303.0	349.0	0.0	652.0	277.0	348.0	0.0	625.0	192.0	312.0	0.0	504.0	190.0	312.0	0.0	502.0
ADSW (\$000)	\$28,235.0	\$15,376.0	\$0.0	\$43,611.0	\$28,513.0	\$15,755.0	\$0.0	\$44,268.0	\$21,471.0	\$15,730.0	\$0.0	\$37,201.0	\$21,428.0	\$16,821.0	\$0.0	\$38,249.0

^{1/} Includes reimbursable active duty military strengths, but excludes active duty personnel paid from Civil Functions, Reserve, and National Guard Appropriations.

^{2/} FY 2003 includes actual through December 2002.

^{3/} Excludes average strength funded from DERF execution account.

Gains and Losses By Source and Type –Active Forces
Officers

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Begin Strength	53,908	54,476	54,545	53,608
Gains				
Naval Academy	808	815	805	800
Reserve Officer Training Corps	845	909	1,000	1,020
Senior ROTC	(62)	(61)	(100)	(100)
Scholarship	(783)	(848)	(900)	(920)
Health Professions Scholarships	228	376	335	335
Reserve Officer Candidates	0	0	0	0
Other Enlisted Commissioning Programs	1,912	1,668	1,425	1,492
Voluntary Active Duty	2,166	2,399	2,304	2,292
Direct Appointments	447	389	425	425
Warrant Officer Programs	250	228	210	222
Other	0	0	0	0
Gain Adjustment	66	7	0	0
Total Gains	6,722	6,792	6,504	6,586
Losses				
Expiration of Contract / Obligation	393	408	569	434
Normal Early Release	98	102	142	108
Retirement	1,992	1,991	1,885	1,974
Disability	(120)	(120)	(120)	(120)
Non-disability	(1,872)	(1,871)	(1,765)	(1,854)
TERA	0	0	0	0
Voluntary Separation – VSI	0	0	0	0
Voluntary Separation – SSB	0	0	0	0
Involuntary Separation – Reserve Officers	26	38	50	38
Involuntary Separation – Regular Officers	84	115	170	115
Reduction-in-Force	0	0	0	0
Attrition	3,239	3,903	4,494	3,979
Other	108	120	130	122
Loss Adjustment	214	726	0	0
Total Losses	6,154	7,402	7,441	6,770
End Strength	54,476	53,866	53,608	53,424

Gains and Losses by Source and Type – Active Forces
Enlisted

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Begin Strength	319,601	324,351	320,947	316,192
Gains				
Non-prior Service Enlistments	43,962	39,102	41,325	42,567
Male	(36,398)	(31,917)	(34,825)	(34,167)
Female	(7,564)	(7,185)	(6,500)	(8,400)
Prior Service Enlistments	2,718	2,000	1,400	1,400
Reenlistments	39,587	36,941	36,380	41,309
Reserve	100	100	100	100
Navy Reserve (2/3 x 6) Program	289	151	88	88
Officer Candidate Programs	2,080	1,947	1,824	1,829
Returned from Dropped Rolls	3,840	4,067	3,852	3,865
Gain Adjustment	92	0	0	0
Total Gains	92,668	84,308	84,969	91,158
Losses				
Expiration of Tern of Service (ETS)	14,061	18,176	18,790	18,140
Normal Early Release	0	0	0	0
Programmed Early Release	0	0	0	0
Separations - VSI	0	0	0	0
Separations - SSB	0	0	0	0
To Commissioned Officer	673	1,682	1,264	1,188
To Warrant Officer	229	229	160	172
Reenlistment	39,587	36,941	36,380	41,309
Retirement	7,631	10,274	9,859	9,253
TERA	0	0	0	0
Other	0	0	0	0
Dropped from Rolls (Deserters)	2,267	2,286	2,098	2,069
Attrition (Adverse Causes)	10,506	9,983	9,874	9,430
Attrition (Other)	11,694	10,771	10,982	11,354
Reserve Components	810	483	317	259
Other Losses	0	0	0	0
Loss Adjustment	460	0	0	0
Total Losses	87,918	90,825	89,724	93,174
End Strength	324,351	317,834	316,192	314,176

1/ Includes reimbursable active duty military personnel strengths, but excludes active duty military personnel paid from reserve appropriation.

Gains and Losses by Source and Type – Active Forces
Cadets / Midshipmen

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Begin Strength	4,301	4,281	4,000	4,000
Gains				
Entering Midshipmen	1,219	1,235	1,235	1,235
Total Gains	1,219	1,235	1,235	1,235
Losses				
Attrition	242	572	291	291
Graduates	997	944	944	944
Total Losses	1,239	1,516	1,235	1,235
End Strength	4,281	4,000	4,000	4,000

Summary of Entitlements – Active Forces
Military Personnel, Navy
(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
1. Basic Pay	\$2,896,791	\$7,234,713	\$10,131,504	\$2,889,984	\$7,416,252	\$10,306,236	\$3,029,230	\$7,833,599	\$10,862,829	\$3,111,059	\$8,024,936	\$11,135,995
2. Retired Pay Accrual	877,728	2,192,125	3,069,853	791,856	2,032,053	2,823,909	820,921	2,122,905	2,943,826	839,986	2,166,733	3,006,719
2. Defense Health Program Accrual	0	0	0	226,342	1,352,254	1,578,596	247,898	1,465,143	1,713,041	261,773	1,543,984	1,805,757
3. Basic Allowance for Housing	739,894	2,009,960	2,749,854	742,786	2,087,317	2,830,103	830,513	2,355,412	3,185,925	886,894	2,511,748	3,398,642
A. With Dependents - Domestic	497,940	1,406,193	1,904,133	506,636	1,503,760	2,010,396	572,376	1,692,476	2,264,852	616,027	1,819,948	2,435,975
B. Without Dependents - Domestic	185,109	443,699	628,808	189,543	452,435	641,978	212,823	511,705	724,528	225,603	541,185	766,788
C. Substandard Family Housing - Domestic	0	1,236	1,236	0	1,361	1,361	0	1,535	1,535	0	1,642	1,642
D. Partial - Domestic	124	8,852	8,976	138	8,482	8,620	139	8,300	8,439	138	8,301	8,439
E. With Dependents - Overseas	32,897	86,988	119,885	26,952	70,341	97,293	26,201	82,009	108,210	26,172	81,588	107,760
F. Without Dependents - Overseas	23,824	62,992	86,816	19,517	50,938	70,455	18,974	59,387	78,361	18,954	59,084	78,038
4. Subsistence	110,791	954,309	1,065,100	107,630	958,849	1,066,479	111,221	976,921	1,088,142	113,294	973,169	1,086,463
A. Basic Allowance for Subsistence	110,791	604,765	715,556	107,630	567,123	674,753	111,221	577,540	688,761	113,294	585,110	698,404
1. Authorized to Mess Separately	110,791	476,844	587,635	107,630	461,106	568,736	111,221	471,078	582,299	113,294	583,079	696,373
2. Leave Rations	0	19,896	19,896	0	0	0	0	0	0	0	0	0
3. Rations-In-Kind Not Available	0	97,849	97,849	0	103,871	103,871	0	104,265	104,265	0	0	0
4. BAS II	0	0	0	0	1,938	1,938	0	1,983	1,983	0	1,813	1,813
5. Augmentation for Separate Meals	0	195	195	0	208	208	0	214	214	0	218	218
6. Partial BAS	0	9,981	9,981	0	0	0	0	0	0	0	0	0
B. Subsistence-In-Kind	0	349,342	349,342	0	391,226	391,226	0	398,881	398,881	0	387,559	387,559
1. Subsistence in Messes	0	247,954	247,954	0	290,860	290,860	0	296,448	296,448	0	284,677	284,677
2. Special Rations	0	0	0	0	0	0	0	0	0	0	0	0
3. Operational Rations	0	3,539	3,539	0	3,617	3,617	0	3,697	3,697	0	3,779	3,779
4. Augmentation Rations	0	6,978	6,978	0	6,760	6,760	0	7,237	7,237	0	7,171	7,171
5. Other Programs	0	90,871	90,871	0	89,989	89,989	0	91,499	91,499	0	91,932	91,932
C. Family Subsistence Supplemental Allowance	0	202	202	0	500	500	0	500	500	0	500	500
5. Incentive Pay, Hazardous Duty, and Aviation Career	175,716	85,401	261,117	178,009	100,094	278,103	181,696	101,680	283,376	183,484	102,260	285,744
A. Flying Duty Pay	137,743	13,548	151,291	130,469	14,062	144,531	129,213	14,355	143,568	129,070	14,341	143,411
1. Aviation Career, Officers	72,055	0	72,055	74,268	0	74,268	73,062	0	73,062	72,876	0	72,876
2. Crew Members, Enlisted	139	993	1,132	157	919	1,076	157	1,041	1,198	157	1,077	1,234
3. Noncrew Member	36	158	194	36	155	191	36	158	194	36	162	198

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
4. Aviation Continuation Pay	\$65,513	\$0	\$65,513	\$56,008	\$0	\$56,008	\$55,958	\$0	\$55,958	\$56,001	\$0	\$56,001
5. Career Enlisted Flyer Pay	0	12,397	12,397	0	12,988	12,988	0	13,156	13,156	0	13,102	13,102
B. Submarine Duty Pay	19,544	44,088	63,632	20,753	58,085	78,838	21,958	59,246	81,204	22,279	59,707	81,986
C. Submarine Support Incentive Pay	0	0	0	0	0	0	2,380	0	2,380	2,050	0	2,050
D. Parachute Jumping Pay	1,654	6,007	7,661	1,725	5,915	7,640	1,734	5,996	7,730	1,752	6,079	7,831
E. Demolition Pay	1,579	5,353	6,932	1,480	4,984	6,464	1,480	5,035	6,515	1,480	5,085	6,565
F. Special Warfare Officer Pay	2,044	0	2,044	2,678	0	2,678	2,728	0	2,728	2,850	0	2,850
G. Surface Warfare Officer Continuation Pay	11,950	0	11,950	19,702	0	19,702	21,001	0	21,001	22,801	0	22,801
H. Other Pays	1,202	16,405	17,607	1,202	17,048	18,250	1,202	17,048	18,250	1,202	17,048	18,250
6. Special Pays	246,158	768,194	1,014,352	240,445	831,982	1,072,427	245,270	885,452	1,130,722	245,269	924,477	1,169,746
A. Medical Pay	145,094	0	145,094	129,129	0	129,129	127,869	0	127,869	127,641	0	127,641
B. Dental Pay	29,708	0	29,708	29,935	0	29,935	30,455	0	30,455	30,415	0	30,415
C. Optometrists Pay	132	0	132	155	0	155	857	0	857	953	0	953
D. Veterinarians Pay	0	0	0	0	0	0	0	0	0	0	0	0
E. Board Certified Pay for Non-Physician Health Care Providers	1,508	0	1,508	1,555	0	1,555	1,555	0	1,555	1,555	0	1,555
F. Nurses Pay	1,730	0	1,730	2,078	0	2,078	2,078	0	2,078	2,078	0	2,078
G. Nuclear Officer Incentive Pay	37,798	0	37,798	37,664	0	37,664	41,880	0	41,880	42,480	0	42,480
H. Nuclear Accession Bonus	0	2,430	2,430	0	2,150	2,150	0	2,150	2,150	0	2,150	2,150
I. Scientific/Engineering Bonus	0	0	0	0	0	0	0	0	0	0	0	0
J. CEC Accession Bonus	0	0	0	0	0	0	0	0	0	0	0	0
K. Responsibility Pay	788	0	788	814	0	814	814	0	814	814	0	814
L. Sea and Foreign Duty, Total	18,273	211,162	229,435	26,826	283,488	310,314	26,246	279,329	305,575	25,652	275,064	300,716
1. Sea Duty	18,273	210,561	228,834	26,826	282,720	309,546	26,246	278,561	304,807	25,652	274,296	299,948
2. Duty at Certain Places	0	0	0	0	0	0	0	0	0	0	0	0
3. Overseas Extension Pay	0	601	601	0	768	768	0	768	768	0	768	768
M. Diving Duty Pay	3,673	11,097	14,770	3,532	11,084	14,616	3,532	11,194	14,726	3,532	11,307	14,839
N. Foreign Language Proficiency Pay	394	2,505	2,899	418	2,392	2,810	467	2,392	2,859	499	2,392	2,891
O. Hostile Fire Pay	4,232	27,700	31,932	4,786	25,571	30,357	4,837	25,099	29,936	4,970	25,400	30,370
P. Hardship Duty Pay	979	6,024	7,003	1,463	8,032	9,495	1,463	8,032	9,495	1,463	8,032	9,495
Q. Judge Advocate Continuation Pay	1,849	0	1,849	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000
T. Reenlistment Bonus	0	320,370	320,370	0	336,214	336,214	0	370,484	370,484	0	387,906	387,906
1. Regular	0	191,200	191,200	0	172,000	172,000	0	192,360	192,360	0	196,814	196,814
2. Selective	0	129,170	129,170	0	164,214	164,214	0	178,124	178,124	0	191,092	191,092
U. Special Duty Assignment Pay	0	63,126	63,126	0	63,287	63,287	0	78,638	78,638	0	78,638	78,638
V. Enlistment Bonus	0	100,000	100,000	0	88,706	88,706	0	84,488	84,488	0	91,967	91,967
W. Education/Loan Repayment	0	23,780	23,780	0	10,058	10,058	0	10,146	10,146	0	10,146	10,146
X. High-Deployment Per Diem Allowance	0	0	0	0	0	0	0	0	0	0	0	0
Y. Other Special Pay	0	0	0	90	1,000	1,090	1,217	13,500	14,717	1,217	31,475	32,692

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
7. Allowances	\$67,052	\$426,587	\$493,639	\$51,989	\$371,245	\$423,234	\$58,182	\$400,383	\$458,565	\$58,020	\$404,420	\$462,440
A. Uniform or Clothing Allowances	2,206	190,183	192,389	2,028	177,403	179,431	1,905	181,216	183,121	1,934	185,797	187,731
1. Initial Issue	1,588	70,167	71,755	1,480	55,856	57,336	1,385	57,642	59,027	1,410	61,658	63,068
a. Military	1,477	69,329	70,806	1,367	54,656	56,023	1,271	56,401	57,672	1,295	60,375	61,670
b. Civilian	111	838	949	113	1,200	1,313	114	1,241	1,355	115	1,283	1,398
2. Additional	618	12,145	12,763	548	13,314	13,862	520	13,939	14,459	524	14,021	14,545
3. Basic Maintenance	0	29,776	29,776	0	25,072	25,072	0	24,808	24,808	0	25,199	25,199
4. Standard Maintenance	0	76,016	76,016	0	79,492	79,492	0	81,158	81,158	0	81,250	81,250
5. Supplementary	0	2,079	2,079	0	3,669	3,669	0	3,669	3,669	0	3,669	3,669
6. Civilian Clothing Maintenance	0	0	0	0	0	0	0	0	0	0	0	0
B. Station Allowances Overseas	58,174	201,864	260,038	44,291	155,244	199,535	49,735	183,450	233,185	49,428	182,874	232,302
1. Cost-of-Living	50,440	177,011	227,451	38,822	131,532	170,354	44,323	159,489	203,812	43,918	158,732	202,650
2. Temporary Lodging	7,734	24,853	32,587	5,469	23,712	29,181	5,412	23,961	29,373	5,510	24,142	29,652
C. Family Separation Allowance	5,108	29,332	34,440	3,524	30,574	34,098	4,314	27,693	32,007	4,345	27,725	32,070
1. On PCS, No Government Quarters	906	2,338	3,244	664	2,429	3,093	682	1,602	2,284	712	1,636	2,348
2. On PCS, Dependents Not Authorized	988	5,842	6,830	280	5,842	6,122	280	4,502	4,782	280	4,502	4,782
3. Afloat	1,800	11,940	13,740	1,132	11,940	13,072	1,252	11,112	12,364	1,252	11,110	12,362
4. On TDY	1,414	9,212	10,626	1,448	10,363	11,811	2,100	10,477	12,577	2,101	10,477	12,578
D. Personal Money Allowance, General & Flag Officers	48	2	50	48	2	50	48	2	50	48	2	50
E. CONUS COLA	1,516	5,206	6,722	2,098	8,022	10,120	2,180	8,022	10,202	2,265	8,022	10,287
8. Separation Payments	27,617	151,415	179,032	36,694	197,169	233,863	37,085	180,251	217,336	30,956	177,075	208,031
A. Terminal Leave Pay	0	30,273	30,273	0	44,493	44,493	0	46,151	46,151	0	45,295	45,295
B. Lump Sum Readjustment Pay	15,144	0	15,144	17,828	0	17,828	20,255	0	20,255	17,396	0	17,396
C. Donations	0	0	0	0	0	0	0	0	0	0	0	0
D. Severance Pay, Disability	1,762	20,893	22,655	3,042	30,923	33,965	3,151	31,998	35,149	3,214	32,128	35,342
E. Severance Pay, Nonpromotion	6,511	0	6,511	6,464	0	6,464	9,999	0	9,999	6,770	0	6,770
F. Severance Pay, Invol Half (5%)	0	5,009	5,009	0	6,251	6,251	0	6,464	6,464	0	6,491	6,491
G. Severance Pay, Invol Full (10%)	0	3,463	3,463	0	4,252	4,252	0	4,408	4,408	0	4,427	4,427
H. Severance Pay, VSI	0	3,669	3,669	0	4,200	4,200	0	2,900	2,900	0	2,900	2,900
I. Severance Pay, SSB	0	0	0	0	0	0	0	0	0	0	0	0
J. Discharge Gratuity	0	8	8	0	10	10	0	10	10	0	10	10
K. \$30,000 Lump Sum Bonus	4,200	88,100	92,300	9,360	107,040	116,400	3,680	88,320	92,000	3,576	85,824	89,400
9. Combat Related Disabled	0	0	0	0	15,000	15,000	0	64,000	64,000	0	71,000	71,000

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
10. Social Security Tax Payment	\$220,149	\$548,490	\$768,639	\$220,074	\$562,343	\$782,417	\$230,716	\$594,271	\$824,987	\$236,585	\$608,908	\$845,493
11. Permanent Change of Station Travel	198,819	464,426	663,245	221,082	494,725	715,807	213,135	488,590	701,725	218,441	493,331	711,772
12. Other Military Personnel Costs	4,556	74,074	78,630	4,818	54,700	59,518	3,842	69,239	73,081	3,641	69,817	73,458
A. Apprehension of Deserters	0	847	847	0	825	825	0	825	825	0	825	825
B. Interest on Uniformed Services Savings Deposits (MIA)	131	198	329	124	185	309	84	125	209	84	125	209
C. Death Gratuities	252	1,188	1,440	252	1,218	1,470	252	1,218	1,470	252	1,218	1,470
D. Unemployment Compensation	0	51,988	51,988	0	34,665	34,665	0	57,794	57,794	0	58,691	58,691
E. Survivor Benefits	513	2,337	2,850	170	773	943	154	699	853	139	635	774
F. Education Benefits	0	8,009	8,009	0	6,746	6,746	0	1,370	1,370	0	1,370	1,370
G. Adoption Expenses	129	87	216	142	94	236	142	94	236	142	94	236
H. Special Compensation for Severely Disabled	2,267	7,585	9,852	2,170	7,263	9,433	1,250	4,183	5,433	1,250	4,183	5,433
I. Transportation Subsidy	1,218	1,681	2,899	1,845	2,546	4,391	1,845	2,546	4,391	1,659	2,291	3,950
J. Partial Dislocation Allowance	46	154	200	115	385	500	115	385	500	115	385	500
13. Cadets / Midshipmen	50,490	0	50,490	51,052	0	51,052	52,851	0	52,851	54,561	0	54,561
Military Personnel Appropriation Total	5,615,761	14,909,694	20,525,455	5,762,761	16,473,983	22,236,744	6,062,560	17,537,846	23,600,406	6,243,963	18,071,858	24,315,821
14. Less Reimbursables	131,991	112,025	244,016	196,679	135,482	332,161	200,998	135,807	336,805	206,599	138,824	345,423
Retired Pay Accrual	23,556	12,036	35,592	34,856	17,291	52,147	36,268	17,265	53,533	36,873	17,731	54,604
Other	108,435	99,989	208,424	161,823	118,191	280,014	164,730	118,542	283,272	169,726	121,093	290,819
Military Personnel Appropriation Total, Direct	\$5,483,770	\$14,797,669	\$20,281,439	\$5,566,082	\$16,338,501	\$21,904,583	\$5,861,562	\$17,402,039	\$23,263,601	\$6,037,364	\$17,933,034	\$23,970,398

Analysis of Appropriation Changes
 Military Personnel, Navy
 FY 2003
 (In Thousands of Dollars)

	FY 2003 Column FY2003 President's Budget	Congressional Action	Available Appropriation	Foreign Currency Fluctuation	Internal Realignment / Reprogramming	Subtotal	Other Price / Program Changes	FY 2003 COL FY2004/2005 President's Budget
Pay and Allowances of Officers								
Basic Pay	\$2,746,151		\$2,746,151		\$16,622	\$2,762,773		\$2,762,773
Retired Pay Accrual	752,446		752,446		4,554	757,000		757,000
Defense Health Program Accrual	248,010	-12,397	235,613		-9,271	226,342		226,342
Incentive Pay	177,881		177,881		128	178,009		178,009
Special Pay	257,016		257,016		-16,523	240,493		240,493
Basic Allowance for Housing	709,384	-874	708,510	-975	16,793	724,328		724,328
Basic Allowance for Subsistence	106,969		106,969		-4,046	102,923		102,923
Station Allowances, Overseas	47,022	-777	46,245	-3,216	1,262	44,291		44,291
CONUS COLA	2,098		2,098		0	2,098		2,098
Uniform Allowances	2,141		2,141		-113	2,028		2,028
Family Separation Allowances	4,182		4,182		-658	3,524		3,524
Separation Payments	59,069	-19,000	40,069		-3,375	36,694		36,694
Social Security Tax - Employer's Contribution	209,047		209,047		1,295	210,342		210,342
Reimbursables	214,065		214,065		-19,101	194,964		194,964
Total Obligations	5,535,481	-33,048	5,502,433	-4,191	-12,433	5,485,809	0	5,485,809
Less Reimbursables	214,065	0	214,065		-19,101	194,964	0	194,964
Total Direct Obligations	\$5,321,416	-\$33,048	\$5,288,368	-\$4,191	\$6,668	\$5,290,845	\$0	\$5,290,845

Analysis of Appropriation Changes
Military Personnel, Navy
FY 2003
(In Thousands of Dollars)

	FY 2003 Column FY2003 President's Budget	Congressional Action	Available Appropriation	Foreign Currency Fluctuation	Internal Realignment / Reprogramming	Subtotal	Other Price / Program Changes	FY 2003 COL FY2004/2005 President's Budget
Pay and Allowances of Enlisted Personnel								
Basic Pay	\$7,336,516	-\$29,506	\$7,307,010		\$46,135	\$7,353,145		\$7,353,145
Retired Pay Accrual	2,010,193	-8,405	2,001,788		12,974	2,014,762		2,014,762
Defense Health Program Accrual	1,460,429	-73,003	1,387,426		-35,172	1,352,254		1,352,254
Incentive Pay	100,889	600	101,489		-1,395	100,094		100,094
Special Pay	372,308	1,300	373,608		-39,889	333,719		333,719
Special Duty Assignment Pay	59,935		59,935		3,352	63,287		63,287
Reenlistment Bonus	360,219	-14,000	346,219		-10,005	336,214		336,214
Enlistment Bonus	100,561		100,561		-11,855	88,706		88,706
Navy College Fund	17,987		17,987		-8,029	9,958		9,958
Loan Repayment Program	100		100		0	100		100
Basic Allowance for Housing	2,070,821	-5,177	2,065,644	-2,169	20,665	2,084,140		2,084,140
Station Allowances, Overseas	161,329	-2,603	158,726	-10,185	6,703	155,244		155,244
CONUS COLA	8,022		8,022		0	8,022		8,022
Clothing Allowances	189,840		189,840		-12,437	177,403		177,403
Family Separation Allowances	27,659		27,659		2,915	30,574		30,574
Separation Payments	213,869		213,869		-16,700	197,169		197,169
Combat Related Disabled	0		0		15,000	15,000		15,000
Social Security Tax - Employer's Contribution	555,750	-2,254	553,496		4,019	557,515		557,515
Reimbursables	136,558		136,558		-48,155	88,403		88,403
Total Obligations	15,182,985	-133,048	15,049,937	-12,354	-71,874	14,965,709	0	14,965,709
Less Reimbursables	136,558	0	136,558	0	-48,155	88,403	0	88,403
Total Direct Obligations	15,046,427	-133,048	14,913,379	-12,354	-23,719	14,877,306	0	14,877,306
Pay and Allowances of Midshipmen	47,294		47,294		3,758	51,052		51,052
Reimbursables	0		0		0	0		0
Total Obligations	47,294	0	47,294	0	3,758	51,052	0	51,052
Less Reimbursables	0	0	0	0	0	0	0	0
Total Direct Obligations	\$47,294	\$0	\$47,294	\$0	\$3,758	\$51,052	\$0	\$51,052

Analysis of Appropriation Changes
Military Personnel, Navy
FY 2003
(In Thousands of Dollars)

	FY 2003 Column FY2003 President's Budget	Congressional Action	Available Appropriation	Foreign Currency Fluctuation	Internal Realignment / Reprogramming	Subtotal	Other Price / Program Changes	FY 2003 COL FY2004/2005 President's Budget
Subsistence of Enlisted Personnel								
Basic Allowance for Subsistence	\$569,919	-\$77	\$569,842		-\$6,557	\$563,285		\$563,285
Subsistence-In-Kind	303,274	-527	302,747		47,023	349,770		349,770
Family Subsistence Supplemental Allowance	2,640		2,640		-2,140	500		500
Reimbursables	45,159		45,159		135	45,294		45,294
Total Obligations	920,992	-604	920,388	0	38,461	958,849	0	958,849
Less Reimbursables	45,159	0	45,159	0	135	45,294	0	45,294
Total Direct Obligations	875,833	-604	875,229	\$0	38,326	913,555	0	913,555
Permanent Change of Station Travel								
Accession Travel	64,511		64,511		-6,996	57,515		57,515
Training Travel	58,287		58,287		-1,026	57,261		57,261
Operational Travel	176,640	100	176,740		-5,041	171,699		171,699
Rotational Travel	268,923		268,923		-4,594	264,329		264,329
Separation Travel	105,254		105,254		-1,058	104,196		104,196
Travel of Organized Units	19,375		19,375		5,280	24,655		24,655
IPCOT / OTEIP	7,247		7,247		0	7,247		7,247
Non-temporary Storage	11,390		11,390		87	11,477		11,477
Temporary Lodging Expense	13,888		13,888		40	13,928		13,928
Reimbursables	3,500		3,500		0	3,500		3,500
Total Obligations	729,015	100	729,115	0	-13,308	715,807	0	715,807
Less Reimbursables	3,500	0	3,500	0	0	3,500	0	3,500
Total Direct Obligations	\$725,515	\$100	\$725,615	\$0	-\$13,308	\$712,307	\$0	\$712,307

Analysis of Appropriation Changes
 Military Personnel, Navy
 FY 2003
 (In Thousands of Dollars)

	FY 2003 Column FY2003 President's Budget	Congressional Action	Available Appropriation	Foreign Currency Fluctuation	Internal Realignment / Reprogramming	Subtotal	Other Price / Program Changes	FY 2003 COL FY2004/2005 President's Budget
Other Military Personnel Costs								
Apprehension of Military Deserters, Absentees, & Escaped Military Prisoners	\$825		\$825		\$0	\$825		\$825
Interest on Savings Deposits	209	100	309		0	309		309
Death Gratuities	1,470		1,470		0	1,470		1,470
Unemployment Compensation	50,858	-6,773	44,085		-9,420	34,665		34,665
Survivors' Benefits	2,748		2,748		-1,805	943		943
Educational Benefits	6,746		6,746		0	6,746		6,746
Adoption Expenses	236		236		0	236		236
Special Compensation for Severely Disabled	10,433		10,433		-1,000	9,433		9,433
Transportation Subsidy	4,391		4,391		0	4,391		4,391
Partial Dislocation Allowance	0		0		500	500		500
Reimbursables	0		0		0	0		0
Total Obligations	77,916	-6,673	71,243	0	-11,725	59,518	0	59,518
Less Reimbursables	0	0	0	0	0	0	0	0
Total Direct Obligations	77,916	-6,673	71,243	0	-11,725	59,518	0	59,518
Total Direct Obligations	\$22,094,401	-\$173,273	\$21,921,128	-\$16,545	0	\$21,904,583	\$0	\$21,904,583

Military Personnel, Navy
Schedule of Increases and Decreases
(In Thousands of Dollars)

FY 2003 Direct Program Increases	<u>Amount</u> \$21,904,583
Basic Pay	550,808
Annualization of FY 2003 Pay Raise	110,428
FY 2004 Pay Raise	320,404
Increase in Workyears	62,518
Increase Due to Change in Paygrade Mix	57,458
Defense Health Program Accrual	134,085
Over 65	
Number	-2,237
Rate	136,322
Incentive Pay	5,273
Decrease in Aviation Continuation Pay	
Number	-901
Rate	851
Decrease in Aviation Career Incentive Pay	
Number	-769
Rate	-437
Increase in Surface Warfare Officer Incentive Pay	
Number	1,910
Rate	-611
Increase in Number Entitled to Parachute Jumping	
Number	81
Rate	9
Increase in Submarine Duty Pay	
Number	1,871
rate	495
Implementation of Submarine Support	2,380
Increase in Special Warfare Incentive Pay	
Number	-84
Rate	134

(In Thousands of Dollars)

Increases (cont.):

Increase in Flying Duty Pay		
Number	700	
Rate	-407	
Increase in Demolition Duty Pay number entitled	51	
Combat-Related Disabilities		49,000
Basic Allowance for Housing (BAH)		360,670
Annualization of FY 2003 Housing Rate Growth	70,172	
FY 2004 Housing Rate Growth	210,463	
Increase in Workyears	44,745	
Increase Due to Change in Paygrade Mix	16,467	
Increase in Overseas Housing Allowance	0	
Number	14,667	
Rate	4,156	
Basic Subsistence		21,583
1 Jan 2003 BAS .6% Annualization	517	
1 Jan 2004 BAS 2.5%	17,433	
Increase due to Inflation of Midshipmen BAS Daily Rate	253	
Increase in Midshipmen Workyears	2	
Increase in operation rations due to change in food prices and inflation	80	
Increase in Augmentation Rations Daily Rate	452	
Increase in Sale of Meal Rate/BDFA Cost of Food Variance	691	
Increase due to change in Inventory	29	
Increase in BDFA Rates Due to Change in Food Prices and Inflation	7,237	
Increase in Contract Messes, Hospital and Military Sealift		
Command Due to Daily Rate	218	
Increase in Food Service Re-Engineering Initiatives	748	
Increase in BAS Workyears	4,637	
Decrease due to BAS Collections (BAS Reform)	-8,923	
Decrease in Surveys/Spoilage Due to Higher Receipts with Charge	-203	
Decrease in SIK Workyears	-1,588	

(In Thousands of Dollars)

Increases (cont.):

Retired Pay Accrual		118,531
Annualization of FY 2003 Pay Raise	28,508	
FY 2003 Pay Raise	85,526	
Decrease in the Normal Cost Percentage from 27.4% in FY 2003 to 27.1% in FY 2004	-28,117	
Increase in Workyears	17,127	
Increase Due to Change in Paygrade Mix	15,487	
FICA		42,128
Annualization of FY 2003 Pay Raise	8,245	
FY 2004 Pay Raise	24,720	
Result of Increase in Workyears	4,769	
Increase Due to Change in Paygrade Mix	4,394	
Unemployment Compensation		23,129
Increase in Number of Members Entitled	24,817	
Decrease in Department of Labor Rate	-1,688	
CONUS COLA		82
Rates	82	
Special Pay		12,804
Implementation of Pharmacy Special Pay	1,127	
Implementation of Optometrist Retention Bonus	702	
Decrease in Imminent Danger Pay	-421	
Decrease in Career Sea Pay Number Entitled and Paygrade Mix	-4,739	
Increase in Nuclear Officer Incentive Pay		
Number	276	
Rate	3,940	
Increase in Dental Additional Special Pay		
Number	323	
Rate	-8	

(In Thousands of Dollars)

Increases (cont.):

Increase in Dental Variable Special Pay		
Number	127	
Rate	78	
Decrease in Medical Board Certified Pay		
Number	844	
Rate	-901	
Decrease in Medical Variable Special Pay		
Number	-317	
Rate	5	
Decrease in Medical Incentive Pay		
Number	-62	
Rate	-289	
Decrease in Medical Additional Special Pay		
Number	-540	
Increase in Linguist Pay		
Number	-20	
Rate	69	
Increase in Distribution Incentive Pay	12,500	
Increase in Diving Duty Pay	110	
Overseas Station Allowance		33,650
Increase in Temporary Lodging Allowance	192	
Increase in Cost of Living Allowance		
Number	-231	
Rate	33,689	
Special Duty Assignment Pay		15,351
Number	-1,373	
Rate	16,724	
Reenlistment Bonus		34,270
Increase in Distribution SRB	1,000	
Increase in Initial Payments		
Number	12,779	
Rates	7,581	
Increase in Anniversary Payments		
Number	11,546	
Rates	1,364	

(In Thousands of Dollars)

Increases (cont.):

Clothing Allowances		3,690
Increase in Replacement Clothing		
Number	-387	
Rate	2,414	
Increase in Civilian Clothing Rate Due to Inflation of 1.7%	1	
Decrease in Additional Clothing Allowance	-28	
Increase to Initial Clothing		
Number	932	
Rate	758	
Educational Benefits		88
Increase number in 40K Program	-420	
Increase number in 50K Program	508	
Total Increases		1,405,142

Decreases

Family Separation Allowance		-2,091
Annualization of FY 2003 Pay Raise	85	
FY 2004 Pay Raise	222	
Result of Decrease Workyears	-2,398	
Permanent Change of Station		
Additional Planned Officer Accession, Enlisted Separation, Officer and Enlisted Organized Unit Moves	15,422	-14,082
Increased Cost of Commercially Procured Services Due to 1.5% Projected Inflation	2,052	
Annualization of FY 2003 Pay Raise	1,534	
FY 2004 Pay Raise	3,189	
Implementation of Officer Overseas Tour Extension Benefits	32	
Decrease Due to Fewer Enlisted Accession, Officer Separation, Officer and Enlisted Operational, Rotational, and Training Moves	-30,324	
Increased Cost of Industrially Funded Services Due to 1.7% Projected Inflation	-4,390	
Decreased Cost of MTMC Cargo Operations (Port Handling) Due to 20.0% projected inflation	-304	
Decreased Cost of MTMC Global POV Services Due to 15.6% projected inflation	-995	
Decreased Cost of MTMC Liner Ocean Transportation Due to -2.6% projected inflation	-298	

(In Thousands of Dollars)

Decreases (cont.):

Separation Payments		-16,167
Annualization of FY 2003 Pay Raise	541	
FY 2004 Pay Raise	1,623	
Increase in Lump Payments to Reservists		
Number	837	
Rate	70	
Increase in Fail to Promote		
Number	3,092	
Rate	59	
Increase in Severance Pay Non Disability		
Number	-30	
Rate	399	
Increase in Disability Severance Pay		
Number	-112	
Rate	1,296	
Increase in Lump Sum Payments Number	2,332	
Increase in Lump Sum Rate	-47	
Decrease in \$30,000 Lump Sum Bonus	-24,400	
Decrease in Pay Grade Mix	-527	
Decrease in VSI	-1,300	
Survivors' Benefits		
Decrease in Department of Veterans Affairs Estimate		-90
Interest on Savings Deposit		
Decrease in amount earning interest		-100
Education Benefits		
Decrease in floating five (5) year amortization		-5,376
Special Compensation for Severely Disabled		
Decrease in Department of Veterans Affairs Estimate due to establishment of Combat-Related Disabled Uniformed Services Retirees in Budget Activity 2		-4,000

(In Thousands of Dollars)

Decreases (cont.):

Enlistment Bonus

-4,218

Decrease in New Payments

Number

-9,243

Rate

5,557

Decrease in Residual Payments

Number

1,539

Rates

-2,071

TOTAL DECREASES

-46,124

FY 2004 Direct Program

\$23,263,601

Section 4

Detail of

Military Personnel Entitlements

Budget Activity 1

Pay and Allowances of Officers

Pay and Allowances of Officers
Schedule of Increases and Decreases
(In Thousands of Dollars)

		Amount
FY 2003 Direct Program		\$5,290,845
Increases:		
Basic Pay		132,627
Annualization of FY 2003 Pay Raise	24,396	
FY 2004 Pay Raise	62,522	
Decrease in Workyears	36,162	
Decrease Due to Change in Paygrade Mix	9,547	
Retired Pay Accrual		27,653
Annualization of FY 2003 Pay Raise	5,304	
FY 2004 Pay Raise	15,913	
FY 2003 to 27.1% in FY 2004	-6,059	
Increase in Workyears	9,908	
Increase Due to Change in Paygrade Mix	2,587	
Defense Health Program Accrual		21,196
Over 65		21,196
Number	2,978	
Rate	18,218	
Incentive Pay for Hazardous Duty		3,687
Decrease in Aviation Continuation Pay		-50
Number	-901	
Rate	851	
Decrease in Aviation Career Incentive Pay		-1,206
Number	-769	
Rate	-437	

(In Thousands of Dollars)

Increases (cont.):

Increase in Surface Warfare Officer Incentive Pay		1,299	
Number	1,910		
Rate	-611		
Increase in Number Entitled to Parachute Jumping		9	
Number	0		
Rate	9		
Increase in Submarine Duty Pay		1,205	
Number	1,125		
Rate	80		
Implementation of Submarine Support		2,380	
Increase in Special Warfare Incentive Pay		50	
Number	-84		
Rate	134		
Special Pay			4,825
Implementation of Pharmacy Special Pay		1,127	
Implementation of Optometrist Retention Bonus		702	
Increase in Imminent Danger Pay		51	
Decrease in Career Sea Pay Number Entitled		-580	
Number	-577		
Rate	-3		
Increase in Nuclear Officer Incentive Pay		4,216	
Number	276		
Rate	3940		
Increase in Dental Additional Special Pay		315	
Number	323		
Rate	-8		
Increase in Dental Variable Special Pay		205	
Number	127		
Rate	78		
Decrease in Medical Board Certified Pay		-57	
Number	844		
Rate	-901		
Decrease in Medical Variable Special Pay		-312	
Number	-317		
Rate	5		

(In Thousands of Dollars)

Increases (cont.):

		-351	
Decrease in Medical Incentive Pay			
Number	-62		
Rate	-289		
Decrease in Medical Additional Special Pay		-540	
Number	-540		
Increase in Linguist Pay		49	
Number	-20		
Rate	69		
Anticipated Supplemental Wedge		925	
Basic Allowance for Housing			92,813
Annualization of FY 2003 Housing Growth		16,515	
FY 2004 Housing Rate Growth		49,545	
Increase in Workyears		21,480	
Increase in Paygrade Mix		6,561	
Decrease in Overseas Housing Allowance		-1,294	
Number	-5,442		
Rate	4,148		
Basic Allowance for Subsistence			3,346
Decrease in Workyears		1,346	
1 Jan 2003 BAS 3.0% Annualization		497	
1 Jan 2004 BAS 2.5%		1,503	

(In Thousands of Dollars)

CONUS COLA			82
Rates		82	
Increases (cont.):			
Overseas Station Allowance			5,444
Decrease in Temporary Lodging Allowance		-57	
COLA		5,501	
Number	-231		
Rate	5,732		
Family Separation Allowance			790
Annualization of FY 2003 Pay Raise		60	
FY 2004 Pay Raise		147	
Decrease in Workyears		583	
Separation Payments			751
Annualization of FY 2003 Pay Raise		96	
FY 2004 Pay Raise		288	
Increase in Reservists Rate		907	
Number	837		
Rate	70		
Increase in Fail to Promote		3,151	
Number	3,092		
Rate	59		
Increase in Severance Pay, Disability		109	
Number	0		
Rate	109		
Increase in Lump Sum Payments Number		1,927	
Increase in Lump Sum Rate		-47	
Decrease in \$30,000 Lump Sum Bonus		-5,680	
Social Security Tax - Employer's Contribution			10,136
Annualization of FY 2003 Pay Raise		1,664	
FY 2004 Pay Raise		4,992	
Result of Decrease in Workyears		2,753	
Decrease Due to Change in Paygrade Mix		727	

Total Increases			303,3350
Decreases:			
Uniform Allowances			-123
Increase in Civilian Clothing Rate Due to Inflation of 1.7%		1	
Increase in Additional Clothing Allowance		-28	
Increase to Initial Clothing Number Entitled		-96	
Total Decreases			-123
FY 2004 Direct Program			\$5,594,072

(In Thousands of Dollars)

Project: 1-A Basic Pay

FY 2005 Estimate \$3,111,059
 FY 2004 Estimate \$3,029,230
 FY 2003 Estimate \$2,889,984
 FY 2002 Actual \$2,896,791

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, 203, 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. 12301) 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. 12301).

Part II - Justification of Funds Requested

The FY 2003 officer program is based on an end strength of 53,866 and 53,710 workyears. FY 2004 is based on an end strength of 53,608 and 53,413 workyears. FY 2005 is based on an end strength of 53,424 and 54,076 workyears. Costs are calculated on the basis of grade distribution and average rates experienced. FY 2003 includes a 4.1% pay raise effective 1 January 2003 with targeted pay raises for some officers. FY 2004 includes a pay raise ranging from 2.0% to 6.25% based on pay grade and years of service, with an overall average of 4.1%, and FY 2005 includes a 3.4% pay raise effective 1 January 2005.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Admiral (CNO)	1	\$137,085.80	\$137	1	\$141,620.86	\$142	1	\$144,902.43	\$145	1	\$149,329.44	\$149
Admiral	7	\$137,085.80	960	7	\$141,620.86	991	7	\$144,902.43	1,014	7	149,329.44	1,045
Vice Admiral	30	128,899.80	3,867	25	134,551.53	3,364	25	137,900.21	3,448	25	142,132.41	3,553
Rear Admiral (UH)	71	116,714.80	8,287	77	121,875.13	9,384	77	124,925.24	9,619	77	128,747.55	9,914
Rear Admiral (LH)	110	103,472.90	11,382	109	107,960.30	11,768	110	110,669.20	12,174	110	114,057.31	12,546
Captain	3,546	87,270.36	309,461	3,310	90,885.61	300,831	3,470	93,159.92	323,265	3,462	95,855.99	331,853
Commander	7,554	70,345.57	531,390	7,072	73,278.64	518,227	7,079	75,500.35	534,467	6,997	77,769.97	544,156
Lieutenant Commander	11,148	58,827.36	655,807	10,123	61,812.88	625,732	10,347	63,921.44	661,395	10,370	65,894.29	683,324
Lieutenant	17,000	47,825.58	813,035	16,278	49,906.70	812,381	16,423	51,750.49	849,898	16,626	53,424.88	888,242
Lieutenant (JG)	6,849	38,422.28	263,154	7,635	40,069.66	305,932	8,193	41,003.69	335,943	8,047	42,129.53	339,016
Ensign	7,675	28,804.99	221,078	7,404	29,819.36	220,783	7,026	30,378.48	213,439	6,710	31,147.89	209,002
Warrant Officer W-5	0	0.00	0	0	0.00	0	11	69,680.03	766	30	72,237.60	2,167
Warrant Officer W-4	356	57,572.99	20,496	326	60,175.49	19,617	330	63,268.67	20,879	339	65,709.14	22,275
Warrant Officer W-3	403	48,237.60	19,440	397	50,534.51	20,062	534	52,872.51	28,234	615	54,701.77	33,642
Warrant Officer W-2	933	41,047.20	38,297	946	43,097.65	40,770	780	44,286.79	34,544	660	45,719.06	30,175
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total 1-A	55,683		\$2,896,791	53,710		\$2,889,984	54,413		\$3,029,230	54,076		\$3,111,059

(In Thousands of Dollars)

Project: 1-B Retired Pay Accrual

FY 2005 Estimate	\$839,986
FY 2004 Estimate	\$820,921
FY 2003 Estimate	\$791,856
FY 2002 Actual	\$877,728

Part I – Purpose and Scope

Funds requested provide for the Department of Defense’s contribution to its military retirement fund in accordance with 10 U.S.C. 1466. Additionally, funds are budgeted to support military retirement reform which changes the current retirement system from 40 percent of the average of high 3 years of monthly base pay to 50 percent of the average of high 3 with cola adjustments using modified Consumer Price Index.

Part II – Justification of Funds Requested

The budgetary estimates are derived as a product of:

(A) Normal cost percent of 27.4% in FY 2003, 27.1% in FY 2004 and 27.0% in FY 2005.

(B) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Base Pay (1-A)			\$2,896,791			\$2,889,984			\$3,029,230			\$3,111,059
Less Fines & Forfeitures			\$0			\$0			\$0			\$0
Base Pay Subject to RPA			\$2,896,791			\$2,889,984			\$3,029,230			\$3,111,059
Retired Pay Accrual	55,683	\$15,762.94	\$877,728	53,710	\$14,743.18	\$791,856	54,413	\$15,086.85	\$820,921	54,076	\$15,533.43	\$839,986
Total 1-B	55,683		\$877,728	53,710		\$791,856	54,413		\$820,921	54,076		\$839,986

(In Thousands of Dollars)

Project: 1-B-1 Defense Health Program Accrual

FY 2005 Estimate	\$261,773
FY 2004 Estimate	\$247,898
FY 2003 Estimate	\$226,342
FY 2002 Actual	\$0

Part I - Purpose and Scope

The funds will be used to pay the health care accrual amount in 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 actuarial rate and the average strength.

Fund requirements are provided in the following table:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
(1) Defense Health Program Accrual				
(A) Over 65	\$0	\$226,342	\$247,898	\$261,773
(B) Under 65	0	0	0	0
Total 1-B-1	\$0	\$226,342	\$247,898	\$261,773

(In Thousands of Dollars)

Project: 1-C Incentive Pay for Hazardous Duty

FY 2005	Estimate	\$183,484
FY 2004	Estimate	\$181,696
FY 2003	Estimate	\$178,009
FY 2002	Actual	\$175,716

Part I - Purpose and Scope

Funds requested provide payment to officers for the following types of duty (37 U.S.C. 301).

- (1) (A),(B),(C) Flying Duty as crew member involving frequent and regular performance of operational or proficiency flying duty required by orders. Frequent and regular participation in aerial flights as a non-crew member.
(D) Duty involving frequent and regular performance of operational submarine duty, restricted to members who hold or are in training for submarine duty designator and remain in the submarine service on a career basis.
- (2) Duty involving frequent and regular performance of operational submarine duty, restricted to members who hold or are in training for submarine duty designator and remain in the submarine service on a career basis.
- (3) Duty to provide highly skilled and otherwise irreplaceable submarine officers who no longer hold current nuclear qualifications to stay Navy and serve in vital non-nuclear submarine support roles.
- (4) Duty involving parachute jumping as an essential part of military duty.
- (5) Duty inside a high or low pressure chamber; duty involving acceleration or deceleration experiments, or thermal stress experiments.
- (6) Duty involving the demolition of explosives as a primary duty including training for such duty.
- (7) Duty involving participation in flight operations on ships from which aircraft are launched.
- (8) Duty involving exposure to highly toxic fuels, pesticides or laboratory work that utilizes live, dangerous viruses or bacteria.
- (9) Continuation pay for Naval Surface Warfare Officers with more than six and less than fourteen years of commissioned service.
- (10) Continuation pay for Naval Special Warfare Officers with more than six and less than fourteen years of commissioned service.

(In Thousands of Dollars)

Part II - Justification of Funds Requested

Hazardous Duty Pay is computed using the average number of officers eligible for each type of payment. Average rates for flying duty for crew members are based on statutory rates categorized by years of aviation/commissioned service. Aviation Career Continuation Pay (ACCP) long term contracts are computed at no greater than \$25,000 per year for pilots and \$15,000 per year for Naval Flight Officers (NFOs) if the officer agrees to remain on active duty for 5 years, with a 50% up front lump sum payment option. The lump sum of \$67,500 for pilots and \$37,500 for NFOs is the basis for all long-term ACCP payments. All short-term (3 years or less) payment projections are based on \$15,000 per year for both pilots and NFOs with no lump sum option. Average rates for submarine duty are based on statutory rates by pay grade within each longevity step. All other hazardous duty is computed at the statutory rate of \$1,320 / \$1,800 per annum for each workyear, except for those officers who receive \$1,980 / \$2,700 per year for performing high altitude / low opening parachute jumps. Special Warfare Continuation Pay not to exceed \$15,000 per year. Surface Warfare not to exceed \$50,000 per bonus.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Flying Duty												
(A)(1) Commissioned Officers												
Monthly Rate												
2 Years \$125 Per Month	1,951	\$1,500.00	\$2,927	2,274	\$1,500.00	\$3,411	2,429	\$1,500.00	\$3,644	2,433	\$1,500.00	\$3,650
2 - 3 Years \$156 Per Month	913	1,872.00	1,709	770	1,872.00	1,441	820	1,872.00	1,535	1,002	1,872.00	1,876
3 - 4 Years \$188 Per Month	867	2,256.00	1,956	830	2,256.00	1,872	834	2,256.00	1,882	799	2,256.00	1,803
4 - 6 Years \$206 Per Month	1,890	2,472.00	4,672	1,791	2,472.00	4,427	1,492	2,472.00	3,688	1,557	2,472.00	3,849
6 - 14 Years \$650 Per Month	3,986	7,800.00	31,091	4,409	7,800.00	34,390	4,393	7,800.00	34,265	4,395	7,800.00	34,281
14 - 22 Years \$840 Per Month	2,683	10,080.00	27,045	2,582	10,080.00	26,027	2,457	10,080.00	24,767	2,355	10,080.00	23,738
> 22 Years \$585 Per Month	171	7,020.00	1,200	164	7,020.00	1,151	204	7,020.00	1,432	232	7,020.00	1,629
> 23 Years \$495 Per Month	113	5,940.00	671	121	5,940.00	719	156	5,940.00	927	176	5,940.00	1,045
> 24 Years \$385 Per Month	97	4,620.00	448	103	4,620.00	476	123	4,620.00	568	141	4,620.00	651
> 25 Years \$250 Per Month	59	3,000.00	177	65	3,000.00	195	65	3,000.00	195	65	3,000.00	195
Total (1)(A)(1)	12,730		71,896	13,109		74,109	12,973		72,903	13,155		72,717
(A)(2) Warrant Officers												
2 Years \$125 Per Month	4	1,500.00	6	4	1,500.00	6	4	1,500.00	6	4	1,500.00	6
2 - 3 Years \$156 Per Month	6	1,872.00	11	6	1,872.00	11	6	1,872.00	11	6	1,872.00	11
3 - 4 Years \$188 Per Month	2	2,256.00	5	2	2,256.00	5	2	2,256.00	5	2	2,256.00	5
4 - 6 Years \$206 Per Month	5	2,472.00	12	5	2,472.00	12	5	2,472.00	12	5	2,472.00	12
6 - 18 Years \$650 Per Month	16	7,800.00	125	16	7,800.00	125	16	7,800.00	125	16	7,800.00	125
Total (1)(A)(2)	33		159	33		159	33		159	33		159
Total (1)(A)	12,763		72,055	13,142		74,268	13,006		73,062	13,188		72,876
(B) Crew Members	61	\$2,280.90	\$139	69	\$2,280.90	\$157	69	\$2,280.90	\$157	69	\$2,280.90	\$157

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(C) Non-Crew Members	20	\$1,800.00	\$36	20	\$1,800.00	\$36	20	\$1,800.00	\$36	20	\$1,800.00	\$36
(D) Continuation Pay												
Pilots	1,741	24,508.24	42,680	2,008	17,632.47	35,406	1,952	18,023.57	35,182	2,128	16,979.79	36,133
Flight Officers	1,350	17,627.60	22,833	1,475	13,967.46	20,602	1,475	14,085.42	20,776	1,481	13,415.26	19,868
Total (1)(D)	3,092		65,513	3,483		56,008	3,427		55,958	3,609		56,001
Total (1)	16,743		137,743	16,714		130,469	16,522		129,213	16,886		129,070
(2) Submarine Duty												
Vice Admiral	0	4,260.00	0	1	4,260.00	4	1	4,260.00	4	1	4,260.00	4
Rear Admiral (UH)	1	4,260.00	4	3	4,260.00	13	3	4,260.00	13	3	4,260.00	13
Rear Admiral (LH)	4	4,260.00	17	3	4,260.00	13	3	4,260.00	13	3	4,260.00	13
Captain	208	7,140.00	1,485	236	7,140.00	1,685	236	7,140.00	1,685	236	7,140.00	1,685
Commander	355	7,140.00	2,535	369	7,140.00	2,635	378	7,140.00	2,699	378	7,140.00	2,699
Lieutenant Commander	588	7,111.00	4,181	488	7,140.00	3,484	512	7,140.00	3,656	557	7,140.00	3,977
Lieutenant	1,021	6,499.00	6,635	1,058	7,140.00	7,554	1,161	7,140.00	8,290	1,161	7,140.00	8,290
Lieutenant (JG)	735	3,211.00	2,360	669	3,681.00	2,463	729	3,681.00	2,683	729	3,681.00	2,683
Ensign	778	2,558.00	1,990	795	3,225.00	2,564	799	3,225.00	2,577	799	3,225.00	2,577
Warrant Officer W-4	11	4,260.00	47	11	5,125.00	56	11	5,125.00	56	11	5,125.00	56
Warrant Officer W-3	19	4,260.00	81	23	5,125.00	118	23	5,125.00	118	23	5,125.00	118
Warrant Officer W-2	49	4,256.00	209	32	5,122.00	164	32	5,122.00	164	32	5,122.00	164
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total (2)	3,769		19,544	3,688		20,753	3,888		21,958	3,933		22,279
(3) Submarine Support Incentive Pay	0	0.00	0	0	0.00	0	238	10,000.00	2,380	205	10,000.00	2,050
(4) Parachute Jumping	873	1,894.97	1,654	895	1,927.37	1,725	895	1,937.43	1,734	895	1,957.54	1,752
(5) Duty Inside A High Or Low Pressure Chamber, Inside Observer, Human Acceleration Or Deceleration Experimental Observer And Test Subject In Thermal Stress Experiments	74	1,800.00	133	88	1,800.00	158	88	1,800.00	158	88	1,800.00	158
(6) Demolition Duty	877	1,800.00	1,579	822	1,800.00	1,480	822	1,800.00	1,480	822	1,800.00	1,480
(7) Flight Deck Duty	594	\$1,800.00	\$1,069	580	\$1,800.00	\$1,044	580	\$1,800.00	\$1,044	580	\$1,800.00	\$1,044

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(8) Toxic Material Pay	0	\$1,800.00	\$0	0	\$1,800.00	\$0	0	\$1,800.00	\$0	0	\$1,800.00	\$0
(9) Surface Warfare Pay	1,195	10,000.00	11,950	1,640	12,013.37	19,702	1,799	11,673.89	21,001	1,937	11,771.27	22,801
(10) Special Warfare Pay	132	15,484.85	2,044	191	14,020.94	2,678	185	14,745.95	2,728	202	14,108.91	2,850
Total 1-C	24,257		\$175,716	24,618		\$178,009	25,017		\$181,696	25,548		\$183,484

(In Thousands of Dollars)

Project: 1-D Special Pay

FY 2005 Estimate	\$245,317
FY 2004 Estimate	\$245,318
FY 2003 Estimate	\$240,493
FY 2002 Actual	\$246,206

Part I - Purpose and Scope

Funds requested provide for the following special pay:

- (1) Physicians Pay (37 U.S.C. 302):
 - (A) Variable Special Pay - Monthly payment to medical corps officers on active duty under a call or order to active duty for a period of not less than one year. Amount paid varies with total length of creditable service.
 - (B) Additional Special Pay - An annual payment which varies with length of creditable service which is paid to medical corps officers who execute a written agreement to remain on active duty for a period of not less than one year and who are not undergoing medical or osteopathic internship, or initial residency.
 - (C) Board Certified Pay - A monthly payment which varies with length of creditable service paid to medical corps officers who become certified or recertified as having successfully met specified post-graduate education, training and experience requirements in a medical or osteopathic specialty.
 - (D) Medical Incentive Pay - For medical corps officers, O-6 and below, who meet certain criteria, and who agree to remain on active duty for a period of one year and who are not undergoing medical or osteopathic internship, initial residency, subspecialty or fellowship training.
 - (E) Multiyear Specialty Pay (MSP) (P.L.101-510) - MSP is a bonus payable to medical corps officers who have 8 years of creditable service or no further post graduate medical training obligation and executes an agreement to serve an additional two to four years on active duty.

- (2) Dentists Pay (37 U.S.C. 302B):
 - (A) Variable Special Pay - Monthly payment to dental corps officers on active duty under a call or order to active duty for a period of not less than one year. Amount paid varies with total length of creditable service.
 - (B) Additional Special Pay - An annual payment which varies with length of creditable service which is paid to dental corps officers who execute a written agreement to remain on active duty for a period of not less than one year and who are not undergoing dental internships or residency training.
 - (C) Board Certified Pay - A monthly payment which varies with length of creditable service paid to dental corps officers who attain board certification or board certification equivalency requirements.
 - (D) Accession Bonus - A bonus paid to a dental school graduate who agrees to accept a commission as an officer and remain on active duty for a period of not less than four years.
 - (E) Multiyear Specialty Pay (MSP) - MSP is a bonus payable to a dental corps officer who has at least 8 years of creditable service, or has completed any active duty service commitment incurred for dental education and training, has completed specialty training, and executes an agreement to serve an additional two to four years on active duty.

- (3) Optometrists Pay (37 U.S.C. 302A)
 - (A) Special Pay - A monthly payment of \$100 to officers on active duty designated as optometrists.
 - (B) Multi-year Retention Bonus - An annual payment of \$6,000 per year of contract for designated officers who agree to remain on active duty as an optometrist.

- (4) Pharmacy Accession Bonus (37 U.S.C. 302J)
 - (A) Accession Bonus - Authorized payment not to exceed \$30,000 to eligible commission officers who sign a written agreement to serve on active duty in exchange for receiving the accession bonus.
 - (B) Special Pay - Payable to active duty officers designated as pharmacists who agree to remain on active duty for a period of one year or more.

- (5) Nurse Pay (37 U.S.C. 302D and 302E):
 - (A) Accession Bonus – A bonus paid to a person who is a registered nurse who agrees to accept a commission as an officer and remain on active duty for a period of not less than four years.
 - (B) Incentive – For nurse anesthetists who agree to remain on active duty for a period of one year or more.
- (6) Personal Money Allowances (37 U.S.C. 414):
 - (A) Personal Money Allowances – Paid to flag officers on active duty who are serving as chairman joint chiefs of staff, vice admirals, senior members of the military staff committee of the United Nations, admiral, or Chief of Naval Operations.
 - (B) Special Allowances (37 U.S.C. 414B) - Paid to officers on active duty serving as Commandant of Midshipmen, U.S. Naval Academy; Superintendent, Naval Post Graduate School; President, Naval War College; Superintendent, U.S. Naval Academy, or Director of Naval Intelligence.
- (7) Responsibility Pay (37 U.S.C. 306) - An amount which varies by pay grade, payable to officers on active duty serving in Secretary of the Navy designated positions of unusual responsibility which are of a critical nature to the Navy.
- (8) Diving Duty Pay (37 U.S.C. 304) - A monthly amount not to exceed \$240 paid to officers on active duty assigned to diving duty. Recipients of Diving Duty Pay are required to maintain proficiency as divers and must actually perform diving duty.
- (9) Nuclear Officer Incentive Pay (37 U.S.C. 312, 312B and 312C):
 - (A) An annual bonus not to exceed \$19,000 paid to officers below the pay grade of O-7 who are qualified to supervise, operate, and maintain naval nuclear propulsion plants and agree to remain on active duty.
 - (B) A bonus not to exceed \$2,000 paid to officers who complete nuclear power training.
 - (C) An annual bonus not to exceed \$12,500 paid to officers below the pay grade of O-7 who are qualified to supervise, operate, and maintain naval nuclear propulsion plants.
- (10) Civil Engineer Corps (CEC) Accession Bonus (37 U.S.C. 5) – A bonus not to exceed \$5,000 to an individual who is selected for CEC officer training and commissioned via Officer Candidate School and who executes a written agreement to participate in a program of training for duty in connection with CEC and agrees to accept a commission in the CEC.
- (11) Sea Pay (37 U.S.C. 305A):
 - (A) Career Sea Pay – A variable amount paid monthly to officers on active duty who are permanently or temporarily serving on a ship, the primary mission of which is accomplished while underway, or while serving as a member of the off crew of a two-crewed submarine; or when serving on a ship, the primary mission of which is accomplished while in port, Career Sea Pay is earned only during a period that the ship is away from its homeport for 30 consecutive days or more. The FY 2001 National Defense Authorization Act enhanced career sea pay which increases existing sea pay rates in order to restore incentive values of sea pay and expands Career Sea Pay (CSP) to officers with less than three years of sea duty if they are assigned to qualifying sea duty.
 - (B) Premium Sea Pay - \$100 per month paid to officers who are entitled to Career Sea Pay who have served more than 36 consecutive months on sea duty payable on the 37th consecutive month.
- (12) Imminent Danger Pay (37 U.S.C. 310) - A monthly payment of \$150 to officers on active duty who are in designated areas or to members who are exposed to hostile fire or explosion of hostile mines, or members who are in a foreign country in which member was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.
- (13) Foreign Language Proficiency Pay (37 U.S.C. 316) – A monthly payment not to exceed \$300 made to qualified officers whose military specialty requires proficiency in a foreign language.

(In Thousands of Dollars)

- (14) Psychologist Diplomate Pay/Non-physician Board Certified Pay (37 U.S.C.302C) – An annual payment for medical service corps officers who are health care providers, certified by a professional board of their specialty or awarded a diploma as a diplomate in psychology.
- (15) Hardship Duty Pay - Paid to members at specified duty locations and special missions effective 1 January 2001.
- (16) Judge Advocate Continuation Pay (JACP) (37 U.S.C. 321) – Authorizes up to \$60k per uniformed judge advocate. The Navy plan consists of three phases: (1) \$30k payment at augmentation with three years obligated service; (2) \$15k payment upon promotion to O-4 (2 years obligated service); and (3) \$15k payment upon reaching 10 years active commissioned service as a JAG (2 years obligated service).

Part II - Justification of Funds Requested

Special pay for physicians and dentists is computed by multiplying the statutory rates for members within each applicable longevity step. Costs for Career Sea Pay are based on average rates and grade distribution experienced in FY 2002. Other special pays are based on statutory rates prescribed for each entitlement as applicable.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Physicians Pay												
(A) Variable	4,071	\$7,681.65	\$31,272	4,063	\$7,721.88	\$31,374	4,022	\$7,723.02	\$31,062	4,022	\$7,723.02	\$31,062
(B) Additional	3,132	15,000.00	46,980	2,639	15,000.00	39,585	2,603	15,000.00	39,045	2,603	15,000.00	39,045
(C) Board Certified	2,017	4,015.37	8,099	1,978	4,139.03	8,187	2,182	3,725.94	8,130	2,133	3,704.64	7,902
(D) Medical Incentive	2,235	21,288.26	47,579	1,766	20,755.95	36,655	1,763	20,592.17	36,304	1,763	20,592.17	36,304
(E) Multi Year Pay	1,076	10,375.77	11,164	1,289	10,339.80	13,328	1,289	10,339.80	13,328	1,289	10,339.80	13,328
Total (1)	12,531		145,094	11,735		129,129	11,859		127,869	11,810		127,641
(2) Dentists Pay												
(A) Variable	1,298	7,211.86	9,361	1,333	7,048.01	9,395	1,351	7,105.85	9,600	1,351	7,105.85	9,600
(B) Additional	1,133	9,824.36	11,131	1,138	10,769.77	12,256	1,168	10,762.84	12,571	1,182	10,728.43	12,681
(C) Board Certified	267	5,168.46	1,380	224	5,428.57	1,216	224	5,428.57	1,216	224	5,428.57	1,216
(D) Accession Bonus	4	30,000.00	120	45	30,000.00	1,350	45	30,000.00	1,350	40	30,000.00	1,200
(E) Saved Pay			292			250			250			250
(F) MYSP	572	12,979.02	7,424	582	9,395.19	5,468	582	9,395.19	5,468	582	9,395.19	5,468
Total (2)	3,274		29,708	3,322		29,935	3,370		30,455	3,379		30,415
(3) Optometrists Pay												
(A) Special Pay	110	1,200.00	132	129	1,200.00	155	129	1,200.00	155	129	1,200.00	155
(B) Multi-year Retention Bonus	0	0.00	0	0	0.00	0	117	6,000.00	702	133	6,000.00	798
Total (3)	110		132	129		\$155	246		\$857	262		\$953

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(4) Pharmacy Accession Bonus												
(A) Accession Bonus	0	\$30,000.00	\$0	3	\$30,000.00	\$90	3	\$30,000.00	\$90	3	\$30,000.00	\$90
(B) Special Pay	0	0.00	0	0	0.00	0	160	7,044.00	1,127	160	7,042.42	1,127
Total (4)	0		0	3		90	163		1,217	163		1,217
(5) Nurses Bonus												
(A) Accession Bonus	58	5,000.00	290	100	5,000.00	500	100	5,000.00	500	100	5,000.00	500
(B) Incentive	144	10,000.00	1,440	146	10,808.22	1,578	146	10,808.22	1,578	146	10,808.22	1,578
Total (5)	202		1,730	246		2,078	246		2,078	246		2,078
(6) Personal Money Allowance												
(A) Flag Officers												
Admiral (CNO)	1	4,000.00	4	1	4,000.00	4	1	4,000.00	4	1	4,000.00	4
Admiral	7	2,200.00	15	7	2,200.00	15	7	2,200.00	15	7	2,200.00	15
Vice Admiral (U.N.)	1	2,700.00	3	1	2,700.00	3	1	2,700.00	3	1	2,700.00	3
Vice Admiral	26	500.00	13	26	500.00	13	26	500.00	13	26	500.00	13
Total (6)(A)	35		35	35		35	35		35	35		35
(B) Special Allowances	5	2,520.00	13	5	2,520.00	13	5	2,520.00	13	5	2,520.00	13
Total (6)	40		48	40		48	40		48	40		48
(7) Responsibility Pay	595	1,324.37	788	603	1,349.92	814	603	1,349.92	814	603	1,349.92	814
(8) Diving Duty Pay	1,315	2,793.16	3,673	1,295	2,727.41	3,532	1,295	2,727.41	3,532	1,295	2,727.41	3,532
(9) Nuclear Officer Incentive Pay	2,725	13,870.83	37,798	2,725	13,821.65	37,664	2,745	15,256.83	41,880	2,785	15,253.14	42,480
(10) CEC Accession Bonus	0	5,000.00	0	0	5,000.00	0	0	5,000.00	0	0	5,000.00	0
(11) Sea Pay												
(A) Career Sea Pay												
Captain	141	4,286.04	604	213	4,304.57	917	208	4,304.57	895	203	4,304.57	874
Commander	571	3,285.60	1,876	879	3,294.34	2,896	859	3,294.34	2,830	839	3,294.34	2,764
Lieutenant Commander	1,225	2,647.92	3,244	1,642	2,718.69	4,464	1,605	2,718.69	4,363	1,568	2,718.69	4,263
Lieutenant	2,091	1,864.68	3,899	2,888	2,001.77	5,781	2,823	2,001.77	5,651	2,757	2,001.77	5,519
Lieutenant (JG)	2,179	1,405.92	3,063	2,771	1,705.03	4,725	2,710	1,705.03	4,621	2,644	1,705.03	4,508
Ensign	1,645	1,503.00	2,472	2,273	1,713.43	3,895	2,222	1,713.43	3,807	2,170	1,713.43	3,718
Warrant Officer W-4	40	6,713.76	269	61	6,605.83	403	60	6,605.83	396	58	6,605.83	383
Warrant Officer W-3	57	5,879.28	335	92	5,813.83	535	90	5,813.83	523	88	5,813.83	512
Warrant Officer W-2	299	4,947.96	1,479	440	4,917.26	2,164	430	4,917.25	2,114	420	4,917.26	2,065
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total (11)(A)	8,248		\$17,241	11,259		\$25,780	11,007		\$25,200	10,747		\$24,606

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(B) Premium Sea Pay	860	\$1,200.00	\$1,032	872	\$1,200.00	\$1,046	872	\$1,200.00	\$1,046	872	\$1,200.00	\$1,046
Total (11)	9,108		18,273	12,131		26,826	11,879		26,246	11,619		25,652
(12) Imminent Danger Pay	2,351	1,800.00	4,232	2,659	1,800.00	4,786	2,687	1,800.00	4,837	2,761	1,800.00	4,970
(13) Foreign Language Proficiency Pay	454	867.84	394	504	829.37	418	480	972.92	467	513	972.71	499
(14) Psyche Diplomat / Non-physician Pay	582	2,590.92	1,508	396	3,926.77	1,555	391	3,976.98	1,555	391	3,976.98	1,555
(15) Hardship Duty Pay												
Location \$150	225	1,800.00	405	494	1,800.00	889	494	1,800.00	889	494	1,800.00	889
Location \$100	73	1,200.00	88	73	1,200.00	88	73	1,200.00	88	73	1,200.00	88
Location \$50	799	600.00	479	799	600.00	479	799	600.00	479	799	600.00	479
Mission	4	1,800.00	7	4	1,800.00	7	4	1,800.00	7	4	1,800.00	7
Total (15)	1,101		979	1,370		1,463	1,370		1,463	1,370		1,463
(16) Judge Advocate Continuation Pay	95	19,463.16	1,849	103	19,417.48	2,000	103	19,417.48	2,000	103	19,417.48	2,000
Total 1-D	34,483		\$246,206	37,261		\$240,493	37,477		\$245,318	37,340		\$245,317

(In Thousands of Dollars)

Project: 1-U Basic Allowance for Housing – Domestic

FY 2005 Estimate	\$886,894
FY 2004 Estimate	\$830,513
FY 2003 Estimate	\$742,786
FY 2002 Actual	\$739,894

Part I - Purpose and Scope

Congress approved in the FY 1998 National 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). The FY 2000 National Defense Authorization Act directed the BAH transition to market-based rates be accelerated and completed during FY 2005. Payment to service members is authorized by revisions to 37 U.S.C. 403.

Part II - Justification of Funds Requested

The FY 2003 program reflects funding required to accelerate the market-based housing rates effective January 2003. The FY 2004 and FY 2005 estimates include a projected annual rate increase of 3.9%. However, future housing rate adjustments may result as contractor generated survey data of actual housing cost becomes available. Additional funds have been budgeted to reduce out-of-pocket expenses to 7.5% in FY 2003, 3.5% in FY 2004, and 0.0% in FY 2005.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) With Dependents												
Flag Officers	103	\$24,184.48	\$2,491	102	\$26,019.61	\$2,654	105	\$28,274.09	\$2,969	115	\$30,094.20	\$3,461
Captain	2,527	20,498.58	51,800	2,354	22,360.28	52,636	2,520	24,736.76	62,337	2,544	26,410.94	67,189
Commander	5,269	19,477.69	102,628	4,970	21,322.64	105,974	5,080	23,342.96	118,582	5,055	24,957.01	126,158
Lieutenant Commander	7,196	17,310.66	124,568	6,614	18,787.65	124,262	6,984	20,668.24	144,347	7,064	22,125.65	156,296
Lieutenant	8,901	15,047.77	133,940	8,214	16,382.31	134,564	8,581	17,616.23	151,165	8,731	18,879.52	164,837
Lieutenant (JG)	2,658	13,032.99	34,642	2,756	14,166.37	39,043	3,025	14,788.02	44,734	2,993	15,864.02	47,481
Ensign	2,357	12,105.12	28,532	2,149	13,123.22	28,202	2,077	12,998.19	26,997	2,010	13,946.30	28,032
Officer Total	29,011		478,601	27,159		487,335	28,372		551,131	28,512		593,454
Warrant Officer W-4	305	15,149.43	4,621	264	16,388.67	4,327	273	17,965.31	4,905	281	19,271.64	5,415
Warrant Officer W-3	303	14,307.54	4,335	285	15,639.15	4,457	394	16,448.31	6,481	451	17,667.54	7,968
Warrant Officer W-2	655	13,837.23	9,063	623	14,989.19	9,338	543	15,901.27	8,634	464	17,062.37	7,917
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer Total	1,263		18,019	1,172		18,122	1,210		20,020	1,196		21,300
Subtotal (1)	30,274		496,620	28,331		505,457	29,582		571,151	29,708		614,754
BAH Differential	726		1,320	689		1,179	720		1,225	720		1,273
Total (1)	31,000		\$497,940	29,020		\$506,636	30,302		\$572,376	30,428		\$616,027

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Without Dependents												
Flag Officers	2	\$17,628.00	\$35	2	\$19,813.24	\$40	2	\$21,404.58	\$43	2	\$22,825.85	\$46
Captain	288	17,765.28	5,116	265	19,117.70	5,066	280	21,484.58	6,016	279	22,897.49	6,388
Commander	871	15,843.93	13,800	824	17,135.33	14,120	829	19,008.89	15,758	819	20,297.45	16,624
Lieutenant Commander	1,644	14,702.82	24,171	1,512	16,035.14	24,245	1,545	17,753.57	27,429	1,548	18,975.07	29,373
Lieutenant	5,087	12,640.20	64,301	4,683	13,841.10	64,818	4,725	15,133.83	71,507	4,783	16,198.50	77,477
Lieutenant (JG)	3,302	10,868.67	35,888	3,425	11,619.17	39,796	3,675	13,066.50	48,019	3,610	13,997.10	50,530
Ensign	4,443	9,061.92	40,262	4,024	9,910.58	39,880	3,818	11,098.37	42,374	3,647	11,902.78	43,409
Officer Total	15,637		183,573	14,735		187,965	14,874		211,146	14,688		223,847
Warrant Officer W-4	26	12,984.54	338	22	13,336.64	293	23	15,269.73	351	23	16,370.98	377
Warrant Officer W-3	27	11,922.75	322	28	13,002.02	364	36	14,267.06	514	42	15,290.81	642
Warrant Officer W-2	76	11,529.45	876	72	12,796.68	921	59	13,754.28	812	50	14,735.09	737
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer Total	129		1,536	122		1,578	118		1,677	115		1,756
Total (2)	15,766		185,109	14,857		189,543	14,992		212,823	14,803		225,603
(3) Partial Allowance - Bachelor												
Flag Officers	0	0.00	0	0	0.00	0	0	0.00	0	0	1,083.60	0
Captain	7	475.20	3	7	475.20	3	8	475.20	4	8	475.20	4
Commander	20	396.00	8	21	396.00	8	21	396.00	8	20	396.00	8
Lieutenant Commander	54	320.40	17	54	321.00	17	55	320.40	18	56	320.40	18
Lieutenant	160	266.40	43	179	265.56	48	175	266.40	47	177	266.40	47
Lieutenant (JG)	101	212.04	21	115	212.04	24	123	212.04	26	121	212.40	26
Ensign	199	158.40	32	239	158.40	38	227	158.40	36	217	158.40	34
Officer Total	541		124	615		138	609		139	599		137
Warrant Officer W-4	0	336.00	0	0	336.00	0	0	336.00	0	0	336.00	0
Warrant Officer W-3	2	248.40	0	2	248.40	0	2	248.40	0	3	248.40	1
Warrant Officer W-2	2	190.80	0	2	190.80	0	1	190.80	0	1	190.80	0
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer Total	4		0	4		0	3		0	4		1
Total (3)	545		\$124	619		\$138	612		\$139	603		\$138

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(4) Inadequate Family Housing												
Captain	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Commander	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Lieutenant Commander	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Lieutenant	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Lieutenant (JG)	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Ensign	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Officer Total	0		0	0		0	0		0	0		0
Warrant Officer W-4	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer W-3	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer W-2	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer Total	0		0	0		0	0		0	0		0
Total (4)	0		0	0		0	0		0	0		0
Total 1-U	47,311		\$683,173	44,496		\$696,317	45,906		\$785,338	45,834		\$841,768

(In Thousands of Dollars)

Project: 1-U-1 Basic Allowance for Housing – Overseas

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5) With Dependents												
Flag Officers	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Captain	83	32,445.78	2,693	82	26,902.44	2,206	66	30,984.85	2,045	66	31,863.64	2,103
Commander	249	28,514.06	7,100	245	23,742.86	5,817	193	29,036.27	5,604	198	28,782.83	5,699
Lieutenant Commander	415	24,708.43	10,254	408	20,590.69	8,401	374	25,072.19	9,377	330	23,927.27	7,896
Lieutenant	391	23,017.90	9,000	385	19,153.25	7,374	280	22,028.57	6,168	311	23,382.64	7,272
Lieutenant (JG)	87	20,436.78	1,778	86	18,104.65	1,557	70	20,228.57	1,416	70	22,200.00	1,554
Ensign	58	21,724.14	1,260	57	16,350.88	932	46	20,739.13	954	46	21,804.35	1,003
Officer Total	1,283		32,085	1,263		26,287	1,029		25,564	1,021		25,527
Warrant Officer W-4	5	26,000.00	130	5	21,400.00	107	4	23,500.00	94	4	23,750.00	95
Warrant Officer W-3	13	19,384.62	252	12	17,166.67	206	10	20,100.00	201	10	20,600.00	206
Warrant Officer W-2	21	20,476.19	430	21	16,761.90	352	17	20,117.65	342	17	20,235.29	344
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer Total	39		812	38		665	31		637	31		645
Total (5)	1,322		32,897	1,301		26,952	1,060		26,201	1,052		26,172
(6) Without Dependents												
Flag Officers	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Captain	20	27,050.00	541	19	28,684.21	545	19	33,105.26	629	19	33,210.53	631
Commander	64	23,906.25	1,530	62	24,354.84	1,510	60	28,816.67	1,729	59	27,406.78	1,617
Lieutenant Commander	156	22,391.03	3,493	151	23,723.85	3,582	146	21,568.49	3,149	145	20,034.48	2,905
Lieutenant	484	22,520.66	10,900	469	16,795.31	7,877	453	19,830.02	8,983	449	19,710.47	8,850
Lieutenant (JG)	192	21,109.38	4,053	186	16,247.31	3,022	180	14,066.67	2,532	178	15,764.04	2,806
Ensign	153	20,431.37	3,126	148	18,831.08	2,787	143	12,384.62	1,771	142	13,908.45	1,975
Officer Total	1,069		23,643	1,035		19,323	1,001		18,793	992		18,784
Warrant Officer W-4	4	17,250.00	69	4	17,750.00	71	4	20,000.00	80	4	21,250.00	85
Warrant Officer W-3	1	12,000.00	12	1	13,000.00	13	1	16,000.00	16	1	17,000.00	17
Warrant Officer W-2	7	14,285.71	100	7	15,714.29	110	7	12,142.86	85	5	13,600.00	68
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Warrant Officer Total	12		181	12		194	12		181	10		170
Total (6)	1,081		\$23,824	1,047		\$19,517	1,013		\$18,974	1,002		\$18,954
Total 1-U-1			\$56,721			\$46,469			\$45,175			\$45,126
Total 1-U / 1-U-1			\$739,894			\$742,786			\$830,513			\$886,894

(In Thousands of Dollars)

Project: 1-G Basic Allowance for Subsistence

FY 2005 Estimate	\$113,294
FY 2004 Estimate	\$111,221
FY 2003 Estimate	\$107,630
FY 2002 Actual	\$110,791

Part I - Purpose and Scope

Funds requested will provide for a cash allowance, payable by law to officers at all times, to reimburse them for the expense of subsisting themselves (37 U.S.C. 402).

Part II - Justification of Funds Requested

Basic Allowance for Subsistence is computed by multiplying the total officer workyear average by the statutory rate of \$1,996.44 per annum effective 1 January 2002 plus a 3.0% rate effective 1 January 2003, 2.5% effective 1 January 2004, and a 2.5% effective 01 January 2005.

Section 602 of the FY 2001 National Defense Authorization Act (NDAA) repeals the transition of the Basic Allowance for Subsistence (BAS) program, effective 1 October 2000, and increases the BAS rate in effect by the amount of increases in food costs, as determined by growth in the Department of Agriculture moderate food plan.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Basic Allowance For Subsistence	55,683	\$1,989.67	\$110,791	53,710	\$2,003.91	\$107,630	54,413	\$2,044.02	\$111,221	54,076	\$2,095.08	\$113,294
Total 1-G	55,683		\$110,791	53,710		\$107,630	54,413		\$111,221	54,076		\$113,294

(In Thousands of Dollars)

Project: 1-H Station Allowances, Overseas

FY 2005 Estimate	\$49,428
FY 2004 Estimate	\$49,735
FY 2003 Estimate	\$44,291
FY 2002 Actual	\$58,174

Part I - Purpose and Scope

Funds requested provide for payments of a per diem allowance to members and their dependents on duty outside the United States for increased cost of living, housing and temporary lodging allowances. Authorization is provided under provision of (37 U.S.C. 405) and the Joint Travel Regulations.

Part II - Justification of Funds Requested

The numbers for Cost of Living Allowance (COLA) are based on actual experience adjusted to reflect changes in overseas strength.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Cost Of Living	7,349	\$6,863.52	\$50,440	7,218	\$5,378.50	\$38,822	7,175	\$6,177.42	\$44,323	6,969	\$6,301.91	\$43,918
(2) Temporary Lodging			7,734			5,469			5,412			5,510
Total 1-H			\$58,174			\$44,291			\$49,735			\$49,428

(In Thousands of Dollars)

Project: 1-I CONUS Cost of Living Allowance (COLA)

FY 2005 Estimate	\$2,265
FY 2004 Estimate	\$2,180
FY 2003 Estimate	\$2,098
FY 2002 Actual	\$1,516

Part I - Purpose and Scope

The funds requested will provide for payment of a Cost of Living Allowance (COLA) to officers who are assigned to high cost areas in the continental United States (CONUS). High cost areas are grouped as Military Housing Areas (MHA) where the cost of goods and services exceeds 108 percent of the national cost of living average. 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.

Part II – Justification of Funds Requested

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

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
CONUS Cost of Living Allowance	1,025	\$1,479.24	\$1,516	1,267	\$1,655.88	\$2,098	1,267	\$1,720.60	\$2,180	1,267	\$1,788.00	\$2,265
Total 1-I	1,025		\$1,516	1,267		\$2,098	1,267		\$2,180	1,267		\$2,265

(In Thousands of Dollars)

Project: 1-J Uniform Allowances

FY 2005 Estimate	\$1,934
FY 2004 Estimate	\$1,905
FY 2003 Estimate	\$2,028
FY 2002 Actual	\$2,206

Part I – Purpose and Scope

Funds requested will provide for payment of an initial clothing allowance (37 U.S.C. 415 and 416) to officers upon commissioning and an active duty clothing allowance to reserves upon entry or reentry on active duty for a period of 90 days or more. Civilian clothing allowances are authorized by 37 U.S.C. 419.

Part II – Justification of Funds Requested

Uniform Allowances are computed by multiplying the number of personnel eligible in each category by the authorized rates.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Initial												
(A) Aviation Officer Candidates	554	\$200.00	\$111	456	\$200.00	\$91	479	\$200.00	\$96	479	\$200.00	\$96
(B) Other Reservists	2,383	400.00	953	2,225	400.00	890	2,023	400.00	809	2,043	400.00	817
(C) Regular	1,911	216.00	413	1,789	216.00	386	1,693	216.00	366	1,767	216.00	382
Total (1)	4,848		1,477	4,470		1,367	4,195		1,271	4,289		1,295
(2) Additional	3,089	200.00	618	2,740	200.00	548	2,602	200.00	520	2,622	200.00	524
(3) Civilian	75	1,481.69	111	75	1,502.42	113	75	1,526.47	114	75	1,537.93	115
Total 1-J	8,012		\$2,206	7,285		\$2,028	6,872		\$1,905	6,986		\$1,934

(In Thousands of Dollars)

Project: 1-K Family Separation Allowance

FY 2005 Estimate	\$4,345
FY 2004 Estimate	\$4,314
FY 2003 Estimate	\$3,524
FY 2002 Actual	\$5,108

Part I - Purpose and Scope

Funds requested provide an allowance to officers with dependents (37 U.S.C. 427) for added separation expenses when the requirements listed below are met:

- (1) The movement of dependents to an overseas permanent duty station is not authorized and the member must maintain two homes.
- (2) The movement of dependents to the permanent duty station or a place near the station is not authorized at government expense under the joint travel regulations and the member's dependents do not reside at or near that station.
- (3) The member is on duty on board a ship away from the home port of the ship for a continuous period of more than 30 days.
- (4) The member is on temporary duty or temporary additional duty away from his permanent station for a continuous period of more than 30 days and the member's dependents do not reside at or near the member's temporary or temporary additional duty station.

Part II - Justification of Funds Requested

Family Separation Allowances are determined by multiplying the planned number of members eligible by the statutory rates.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) On Permanent Change of Station with Dependents Not Authorized / Government Quarters Not Available												
Captain	12	\$10,675.20	\$128	4	\$11,360.74	\$45	4	\$11,645.82	\$47	4	\$12,166.35	\$49
Commander	22	10,254.12	226	14	10,928.36	153	14	11,202.59	157	14	11,703.31	164
Lieutenant Commander	20	9,523.32	190	13	10,135.01	132	13	10,389.34	135	13	10,853.71	141
Lieutenant	32	7,988.52	256	23	8,418.34	194	23	8,629.59	198	23	9,015.30	207
Lieutenant (Jg)	8	6,333.60	51	6	6,789.33	41	6	6,959.70	42	6	7,270.78	44
Ensign	3	5,733.00	17	6	6,211.91	37	6	6,367.79	38	6	6,652.41	40
Warrant Officer W-4	2	8,624.52	17	3	9,147.30	27	3	9,376.83	28	3	9,795.95	29
Warrant Officer W-3	2	7,278.48	15	2	7,691.51	15	2	7,884.51	16	2	8,236.92	16
Warrant Officer W-2	1	6,383.40	6	3	6,822.79	20	3	6,994.00	21	3	7,306.60	22
Warrant Officer W-1	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total (1)	102		\$906	74		\$664	74		\$682	74		\$712

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) On Permanent Change of Station With Dependents Not Authorized	823	\$1,200.00	\$988	233	\$1,200.00	\$280	233	\$1,200.00	\$280	233	\$1,200.00	\$280
(3) On Board Ship More Than 30 Days	1,500	1,200.00	1,800	943	1,200.00	1,132	1,043	1,200.00	1,252	1,043	1,200.00	1,252
(4) On Temporary Duty More Than 30 Days With Dependents Not Residing Near Temporary Duty Station	1,178	1,200.00	1,414	1,207	1,200.00	1,448	1,750	1,200.00	2,100	1,751	1,200.00	2,101
Total 1-K	3,603		\$5,108	2,457		\$3,524	3,100		\$4,314	3,101		\$4,345

(In Thousands of Dollars)

Project: 1-L Separation Payments

FY 2005	Estimate	\$30,956
FY 2004	Estimate	\$37,085
FY 2003	Estimate	\$36,334
FY 2002	Actual	\$27,617

Part I – Purpose and Scope

Funds requested provide:

- (1) Lump Sum Terminal Leave Payments for unused accrued leave at time of discharge, or death under provisions of (37 U.S.C. 501), and (10 U.S.C. 701).
- (2) Lump Sum Payment to reservists who are involuntarily released from active duty after having completed at least six years of active duty as provided under provisions of (10 U.S.C. 687).
- (3) Severance Pay for failure of promotion or for reasons other than physical disability under provisions of (10 U.S.C. 6383).
- (4) Severance Pay Disability for members on active duty and temporary disability retired list who are separated for physical reasons under the provisions of (10 U.S.C. 1212).
- (5) Involuntary – Half Severance Pay (5% of the product of members years active service plus fractions of years based on full months and 12 times monthly basic pay) is authorized to members not fully qualified for retention and are denied reenlistment or continuation.

Involuntary – Full Severance Pay (10% of the product of members years active service plus fractions of years based on full months and 12 times monthly basic pay) is authorized to members involuntarily separated from active duty but who are fully qualified for retention, but are denied reenlistment or continuation.

- (6) Voluntary – Special Separation Benefits ((SSB) 10 U.S.C. 1174A) pays members a lump-sum amount equal to 15% of their annual basic pay multiplied by their years of service. The authority for this program expired on 31 December 2001.

Voluntary Separation Incentive ((VSI) 10 U.S.C. 1175) will pay members 2.5% of their annual basic pay, multiplied by their years of service. Payments will be annual and last for twice the number of years of service. The authority for this program expired on 31 December 2001.

- (7) 15 Year Early Retirement Program (ERP) for members on active duty with more than 15 but less than 20 years of service. The FY 1993 Defense Authorization Act approved an active duty early retirement program for use during the force drawdown. The authority to use the early retirement program expired on 1 October 2001.

(In Thousands of Dollars)

(8) \$30,000 Lump Sum Bonus – The FY 2000 National Defense Authorization Act provides to service members who entered the uniform service on or after 1 August 1986 the option to retire under the pre-1986 military plan (50% retirement benefit at 20 years of service, with full COLA) or to accept a one-time \$30,000 lump sum bonus and to remain under redux retirement plan (40% retirement benefit at 20 years of service, with partial COLA). Sailors are permitted to select between the two retirement programs within 180 days of completing 15 years of service. Sailors who elect to accept the lump sum bonus are obligated to serve the remaining five years to become retirement eligible. Those who do not complete the required service are required to repay a pro-rated amount based on the unserved amount of the obligation.

Part II - Justification of Funds Requested

Separation Payments are computed on the basis of the number of members eligible for payment at the average rates derived from past experienced. A 4.1% pay raise is effective 01 January 2003, 3.4% effective 1 January 2004, and 3.4% effective 1 January 2005.

Computation of fund requirements is provided in the following table:

	FY 2002				FY 2003				FY 2004				FY 2005			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(1) Lump Sum Terminal Leave Payments																
Flag Officers	36	33	\$5,799.33	\$209	39	33	\$5,414.80	\$211	42	33	\$5,606.23	\$235	39	33	\$5,719.21	\$223
Captain	433	25	4,253.13	1,842	497	25	4,604.06	2,288	450	25	4,733.95	2,130	479	25	4,845.53	2,321
Commander	594	23	3,763.69	2,236	688	23	4,652.12	3,201	795	23	4,790.99	3,809	628	23	4,895.00	3,074
Lieutenant Commander	765	21	3,331.82	2,549	971	21	3,567.59	3,464	741	21	3,675.44	2,724	912	21	3,758.07	3,427
Lieutenant	1,633	22	2,911.38	4,754	1,685	22	3,126.29	5,268	2,135	22	3,225.44	6,886	1,451	22	3,299.29	4,787
Lieutenant (JG)	130	19	1,939.77	252	172	19	2,006.32	345	200	19	2,075.92	415	168	19	2,118.19	356
Ensign	36	17	1,808.41	65	38	17	1,456.28	55	133	17	1,498.96	199	111	17	1,532.81	170
Warrant Officer W-4	74	17	2,071.49	153	75	17	2,275.85	171	62	17	2,356.83	146	60	17	2,408.64	145
Warrant Officer W-3	72	13	1,749.53	126	42	13	1,779.48	75	46	13	1,822.04	84	45	13	1,862.44	84
Warrant Officer W-2	42	18	2,778.41	117	42	18	2,308.37	97	28	18	2,370.80	66	29	18	2,417.04	70
Warrant Officer W-1	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0
Total (1)	3,815			\$12,303	4,249			\$15,175	4,632			\$16,695	3,922			\$14,657

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Lump Sum Payments To Reservists	49	\$57,979.59	\$2,841	38	\$69,803.36	\$2,653	50	\$71,199.00	\$3,560	38	\$72,068.64	\$2,739
(3) Severance Pay, Failure Of Promotion	118	55,177.97	6,511	115	56,210.54	6,464	170	58,817.65	9,999	115	58,872.98	6,770
(4) Severance Pay, Disability	40	44,050.00	1,762	49	62,086.65	3,042	49	64,303.01	3,151	49	65,589.07	3,214
(5) Severance Pay, Non-Disability												
Involuntary – Half Pay (5%)	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Involuntary – Full Pay (10%)	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total (5)	0		0	0		0	0		0	0		0
(6) Voluntary Separation												
SSB	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
VSI	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
VSI Trust Fund	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total (6)	0		0	0		0	0		0	0		0
(7) 15 Year Retirement Program	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
(8) \$30,000 Lump Sum Bonus			4,200			9,360			3,680			3,576
Total 1-L	4,022		\$27,617	4,357		\$36,694	4,963		\$37,085	\$4,151		\$30,956

(In Thousands of Dollars)

Project: 1-M Social Security Tax – Employer’s Contribution

FY 2005 Estimate	\$236,585
FY 2004 Estimate	\$230,716
FY 2003 Estimate	\$220,074
FY 2002 Actual	\$220,149

Part I - Purpose and Scope

Funds requested represent the government's contribution (as an employer) as required by the Federal Insurance Contribution Act under provision of (26 U.S.C. 3101, 3111), and P.L. 98-21 "Social Security Amendment of 1983."

Part II - Justification of Funds Requested

Social Security costs are 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. The Old Age, Survivor and Disability Income (OASDI) rate is 6.2% and the Hospital Insurance (HI) is 1.45%. There is no wage cap on the 1.45% medical contribution. The government's contribution is based on the percentage rate set by law on member's salary for a calendar year. Taxable income ceilings for OASDI are as follows:

- Calendar Year 2003 - 7.65% on first \$89,100
- Calendar Year 2004 - 7.65% on first \$93,300
- Calendar Year 2005 - 7.65% on first \$97,200

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Social Security Tax – Employer’s Contribution	55,683	\$3,953.61	\$220,149	53,710	\$4,097.45	\$220,074	54,413	\$4,240.09	\$230,716	54,076	\$4,375.04	\$236,585
Total 1-M	55,683		220,149	53,710		220,074	54,413		230,716	54,076		236,585
Total Obligations			5,361,896			5,485,809			5,792,732			5,967,320
Less Reimbursables			130,099			194,964			198,660			204,262
Total Direct Obligations			5,231,797			5,290,845			5,594,072			5,763,058

Budget Activity 2

Pay and Allowances of Enlisted Personnel

Pay and Allowances of Enlisted Personnel
 Schedule of Increases and Decreases
 (In Thousands of Dollars)

			Amount
FY 2003 Direct Program			\$14,877,306
Increases:			
Basic Pay			416,747
Annualization of FY 2003 Pay Raise		85,625	
FY 2004 Pay Raise		256,873	
Increase in Workyears		26,338	
Increase in Paygrade Mix		47,911	
Retired Pay Accrual			90,878
Annualization of FY 2003 Pay Raise		23,204	
FY 2004 Pay Raise		69,613	
Increase in Workyears		7,219	
Increase in Paygrade Mix		12,900	
Decrease in Normal Cost Percentage form 27.4% to 27.1%		-22,058	
Retired Health Program Accrual			112,889
Decrease in Workyears		-5,215	
Increase in Rates		118,104	
Incentive Pay			1,586
Increase in Flying Duty		293	
Number	700		
Rate	-407		
Increase in Submarine Pay		1,161	
Number	746		
Rate	415		
Increase in Number Entitled to Parachute Jumping Pay		81	
Increase in Combatant Craft Crewman		1,085	
Increase in Demolition Duty Pay number entitled		51	

(In Thousands of Dollars)

Increases (cont.):

Special Pay			7,979
Decrease in Imminent Danger Pay		-472	
Decrease in Career Sea Pay number entitled and paygrade mix		-4,159	
Increase in Distribution Incentive Pay		12,500	
Increase in Diving Duty Pay		110	
Special Duty Assignment Pay			15,351
Decrease in Number		-1,373	
Increase in Rate		16,724	
Reenlistment Bonus			34,270
Increase in Distribution SRB		1,000	
Increase in New Payments		20,360	
Number	12,779		
Rate	7,581		
Increase in Anniversary Payments		12,910	
Number	11,546		
Rate	1,364		
Educational Benefits			88
Increase number in 40K Program		-420	
Increase number in 50K Program		508	
Basic Allowance for Housing (BAH)			267,857
Annualization of FY 2003 Housing Rate Growth		53,657	
FY 2004 Housing Rate Growth		160,912	
Increase in number entitled		23,265	
Increase in Paygrade Mix		9,906	
Increase in Overseas Housing		20,117	
Number	20,109		
Rate	8		
Overseas Station Allowance			28,206
Increase in Temporary Lodging Allowance		249	
Increase in Cost of Living Allowance		27,957	
Rate	27,957		

(In Thousands of Dollars)

Increases (cont.):

Clothing Allowances			3,813
Decrease in Replacement Clothing		2,027	
Number	-387		
Rate	2,414		
Increase to Initial Clothing		1,786	
Number	1,028		
Rate	758		
Combat Related Disabilities			49,000
FICA			31,882
Annualization of FY 2003 Pay Raise		6,550	
FY 2004 Pay Raise		19,651	
Result of Increase in Workyears		2,014	
Increase Due to Change in Paygrade Mix/Longevity		3,667	
Total Increases			1,060,546
Decreases:			
Separation Payments			-16,918
Annualization of FY 2003 Pay Raise		445	
FY 2004 Pay Raise		1,335	
Increase in Severance Pay Non Disability		369	
Number	-30		
Rate	399		
Increase in Disability Severance Pay		1,075	
Number	-112		
Rate	1,187		
Decrease in Lump Sum Payments Numbers		405	
Decrease in \$30,000 Lump Sum Bonus		-18,720	
Decrease in Paygrade Mix		-527	
Decrease in VSI		-1,300	

(In Thousands of Dollars)

Decreases (cont.):

Enlistment Bonus

Decrease in New Payments

Number

Rate

Decrease in Residual Payments

Number

Rate

-9,243

5,557

1,539

-2,071

-4,218

-532

-4,218

Family Separation Allowance

Annualization of FY 2003 Pay Raise

FY 2004 Pay Raise

Decrease in number entitled

25

75

-2,981

-2,881

Total Decreases

-24,017

FY 2004 Direct Program

\$15,913,835

(In Thousands of Dollars)

Project: 2-A Basic Pay

FY 2005 Estimate \$8,024,936
 FY 2004 Estimate \$7,833,599
 FY 2003 Estimate \$7,416,252
 FY 2002 Actual \$7,234,713

Part I – Purpose and Scope

Funds requested provide for basic compensation (37 U.S.C.) of enlisted personnel on active duty, according to pay grade and length of service increments. The estimate excludes those enlisted members 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. 12310).

Part II – Justification of Funds Requested

The FY 2003 enlisted program is based on a end strength of 317,834 and 315,420 workyears. FY 2004 is based on an end strength of 316,192 and 316,613 workyears. FY 2005 is based on an end strength of 314,176 and 313,976 workyears. Costs are calculated on the basis of grade distribution and average rates experienced. FY 2003 includes a 4.1% pay raise effective 1 January 2003 with targeted pay raises for mid-grade Petty Officers. FY 2004 includes a pay raise ranging from 2.0% to 6.25% based on pay grade and years of service, with an overall average of 4.1%, and FY 2005 includes a 3.4% pay raise effective 1 January 2005.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Pay Grade E-9	3,182	\$49,313.64	\$156,916	3,079	\$52,659.04	\$162,137	3,219	\$55,661.15	\$179,173	3,058	\$57,758.76	\$176,626
E-8	6,703	40,307.88	270,184	6,642	42,939.94	285,207	6,671	45,040.83	300,467	6,693	46,630.47	\$312,098
E-7	23,637	34,732.20	820,965	23,238	36,752.74	854,060	24,128	38,528.10	929,606	23,874	39,887.28	952,269
E-6	54,619	29,010.60	1,584,530	52,466	30,508.84	1,600,677	53,179	31,930.69	1,698,042	53,591	33,027.75	1,769,990
E-5	74,655	23,102.76	1,724,737	74,630	24,273.54	1,811,534	77,366	25,598.08	1,980,421	75,697	26,551.62	2,009,878
E-4	67,232	18,740.76	1,259,979	66,691	19,683.87	1,312,737	67,368	20,396.50	1,374,071	65,781	21,045.42	1,384,389
E-3	51,390	15,679.08	805,748	52,525	16,456.58	864,382	48,469	17,162.79	831,863	45,806	17,767.64	813,865
E-2	26,428	14,661.00	387,461	22,984	15,304.35	351,755	21,184	15,792.34	334,545	22,651	16,267.34	368,472
E-1	17,733	12,642.69	224,193	13,165	13,198.84	173,763	15,029	13,667.61	205,411	16,825	14,106.95	237,349
Total 2-A	325,579		\$7,234,713	315,420		\$7,416,252	316,613		\$7,833,599	313,976		\$8,024,936

(In Thousands of Dollars)

Project: 2-B Retired Pay Accrual

FY 2005 Estimate \$2,166,733
 FY 2004 Estimate \$2,122,905
 FY 2003 Estimate \$2,032,053
 FY 2002 Actual \$2,192,125

Part I – Purpose and Scope

Funds requested will provide for the Department of Defense contribution to its Military Retirement Fund in accordance with 10 U.S.C. 1446. Funds are provided to support the military retirement reform which changes the current retirement system from 40% of the average of high years of monthly base pay to 50% of high 3 with cola adjustments using modified CPI.

Part II – Justification of Funds Requested

The budgetary estimates are derived as a product of:

(C) Normal cost percent of 27.4% in FY 2003, 27.1% in FY 2004 and 27.0% in FY 2005.

(D) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.

Cost computations are as follows:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Base Pay (1-A)			\$7,234,713			\$7,416,252			\$7,833,599			\$8,024,936
Less Fines & Forfeitures			\$0			\$0			\$0			\$0
Base Pay Subject to RPA			\$7,234,713			\$7,416,252			\$7,833,599			\$8,024,936
RPA	325,579	\$6,733.00	\$2,192,125	315,420	\$6,442.37	\$2,032,053	316,613	\$6,705.05	\$2,122,905	313,976	\$6,900.95	\$2,166,733
Total 2-B			\$2,192,125			\$2,032,053			\$2,122,905			\$2,166,733

(In Thousands of Dollars)

Project: 2-B-1 Defense Health Program Accrual

FY 2005 Estimate \$1,543,984
FY 2004 Estimate \$1,465,143
FY 2003 Estimate \$1,352,254
FY 2002 Estimate \$0

Part I – Purpose and Scope

The funds will be used to pay the health care accrual amount in 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

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.

Fund requirements are provided in the following table:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
(1) DHP Over 65				
(A) Enlisted	\$0	\$1,334,645	\$1,446,128	\$1,523,780
(B) Midshipmen	0	17,609	19,015	20,204
Total (1)	0	1,352,254	1,465,143	1,543,984
Total 2-B-1	\$0	\$1,352,254	\$1,465,143	\$1,543,984

(In Thousands of Dollars)

Project: 2-C Incentive Pay for Hazardous Duty

FY 2005 Estimate	\$102,260
FY 2004 Estimate	\$101,680
FY 2003 Estimate	\$100,094
FY 2002 Actual	\$85,401

Part I – Purpose and Scope

Funds requested provide for pay to enlisted personnel for the following types of duty (37 U.S.C. 301):

- (1) Duty involving frequent and regular participation in aerial flight as a crew or non-crew member.
- (2) Duty involving frequent and regular performance of operational submarine duty, restricted to members who hold or are in training for submarine duty designator and remain in the submarine service on a career basis.
- (3) Duty involving parachute jumping as an essential part of military duty.
- (4) Duty inside a high or low pressure chamber; duty involving acceleration or deceleration experiments, or human test subject in thermal stress experiments.
- (5) Duty involving the demolition of explosives as a primary duty, including training.
- (6) Duty involving participation in flight operations on ships from which aircraft are launched.
- (7) Duty involving exposure to highly toxic fuels, pesticides or laboratory work that utilizes live dangerous viruses or bacteria.
- (8) Duty involving combatant craft providing maritime mobility for special operation forces.

Part II – Justification of Funds Requested

Hazardous Duty Pay is computed on the basis of the average number of enlisted personnel who are eligible for payment. Average rates for Submarine Duty are those prescribed by law, based on average years of service by pay grade. Rates for Flying Duty crew members are prescribed by pay grade and years of service gates. All other hazardous pays are computed at the statutory rate of \$1,800 per workyear, except for those members performing high altitude/low opening jumps entitled to \$2,460 per year.

Submarine Service Entry Date (SSED) for nuclear trained personnel has been established as the date the member started nuclear field “A” school. This assignment occurs upon graduation from nuclear power training unit (about 14 months after starting nuclear field “A” school). This results in an increase in entitlement (displayed as student members) to Submarine Duty Pay for approximately 800 members at the E-4 and E-5 level. The pay accrues while attending nuclear power operator pipeline schools and is paid upon completion of training.

Computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Flying Duty												
(A) Career Crew												
Under 4 YAS	1,235	\$1,800.00	\$2,223	1,380	\$1,800.00	\$2,484	1,646	\$1,800.00	\$2,963	1,626	\$1,800.00	\$2,927
4 – 8 YAS	892	2,370.00	2,114	960	2,400.00	2,304	1,127	2,400.00	2,705	975	2,400.00	2,340
8 – 14 YAS	1,173	3,030.00	3,554	1,188	3,120.00	3,707	982	3,120.00	3,064	1,040	3,120.00	3,245
Over 14 YAS	1,306	3,450.00	4,506	1,248	3,600.00	4,493	1,229	3,600.00	4,424	1,275	3,600.00	4,590
Total (1)(A)	4,606		12,397	4,776		12,988	4,984		13,156	4,916		13,102
(B) Non Career Crew												
Pay Grade E-9	0	2,880.00	0	3	2,880.00	9	3	2,880.00	9	3	2,880.00	9
E-8	11	2,880.00	32	10	2,880.00	29	11	2,880.00	32	11	2,880.00	32
E-7	18	2,880.00	52	27	2,880.00	78	33	2,880.00	95	33	2,880.00	95
E-6	121	2,580.00	312	103	2,580.00	266	118	2,580.00	304	120	2,580.00	310
E-5	161	2,280.00	367	111	2,280.00	253	127	2,280.00	290	135	2,280.00	308
E-4	108	1,980.00	214	129	1,980.00	255	139	1,980.00	275	145	1,980.00	287
E-3	9	1,800.00	16	16	1,800.00	29	20	1,800.00	36	20	1,800.00	36
E-2	0	1,800.00	0	0	1,800.00	0	0	1,800.00	0	0	1,800.00	0
E-1	0	1,800.00	0	0	1,800.00	0	0	1,800.00	0	0	1,800.00	0
Total (1)(B)	428		993	399		919	451		1,041	467		1,077
(C) Non-Crew (HDIP)	88	1,800.00	158	86	1,800.00	155	88	1,800.00	158	90	1,800.00	162
Total (1)	5,122		13,548	5,261		14,062	5,523		14,355	5,473		14,341
(2) Submarine Duty												
Pay Grade E-9	275	4,254.48	1,170	280	5,100.00	1,428	285	5,101.75	1,454	278	5,089.96	1,415
E-8	619	4,098.73	2,537	620	4,980.65	3,088	617	4,980.55	3,073	614	4,982.08	3,059
E-7	1,994	3,690.90	7,360	1,922	4,860.04	9,341	2,034	4,859.88	9,885	2,078	4,860.92	10,101
E-6	4,192	3,090.12	12,954	4,286	4,413.67	18,917	4,384	4,414.01	19,351	4,394	4,413.52	19,393
E-5	5,324	2,094.13	11,149	5,388	2,886.60	15,553	5,341	2,886.91	15,419	5,360	2,886.94	15,474
E-4	4,142	1,320.00	5,467	3,475	1,572.37	5,464	3,744	1,584.13	5,931	3,922	1,584.14	6,213
E-3	1,126	996.50	1,122	1,330	996.24	1,325	1,330	997.74	1,327	1,306	996.17	1,301
E-2	601	906.40	545	965	905.70	874	975	905.64	883	950	905.26	860
E-1	406	900.49	366	525	900.95	473	500	900.00	450	501	900.00	451
Student	1,478		1,418	1,690		1,622	1,534		1,473	1,500		1,440
Total (2)	20,157		44,088	20,481		58,085	20,744		59,246	20,903		59,707

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(3) Parachute Jumping	2,709	2,217.51	6,007	2,656	2,227.20	5,915	2,692	2,227.34	5,996	2,729	2,227.65	6,079
(4) Duty Inside A High or Low Pressure Chamber, Inside Observer, Human Acceleration or Deceleration Experimental Observer and Test Subject in Thermal Stress Experiments	350	1,800.00	630	375	1,800.00	675	375	1,800.00	675	375	1,800.00	675
(5) Demolition Duty	2,974	1,800.00	5,353	2,769	1,800.00	4,984	2,797	1,800.00	5,035	2,825	1,800.00	5,085
(6) Flight Deck Duty	8,750	1,800.00	15,750	8,970	1,800.00	16,146	8,970	1,800.00	16,146	8,970	1,800.00	16,146
(7) Toxic Material Pay	14	1,800.00	25	126	1,800.00	227	126	1,800.00	227	126	1,800.00	227
(8) Combatant Craft Crewman	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total 2-C			\$85,401			\$100,094			\$101,680			\$102,260

(In Thousands of Dollars)

Project: 2-D Special Pay

FY 2005	Estimate	\$355,822
FY 2004	Estimate	\$341,698
FY 2003	Estimate	\$333,719
FY 2002	Actual	\$260,920

Part I - Purpose and Scope

Funds requested provide for Special Pay to enlisted personnel as follows:

- (1) Sea Pay (37 U.S.C. 305A):
 - (A) Career Sea Pay – A variable amount paid monthly to enlisted personnel who are permanently or temporarily serving on a ship or while serving as a member of the off-crew of a two-crew submarine.
 - (B) Premium Sea Pay - \$100 per month paid to enlisted personnel who are entitled to Career Sea Pay; have less than five years of sea duty and have served more than 36 consecutive months on sea duty.
- (2) Hardship Duty Pay (37 U.S.C. 305) – A monthly amount payable to enlisted personnel on duty at specific locations and special missions effective 1 January 2001.
- (3) Diving Duty Pay (37 U.S.C. 304) – A monthly amount which varies depending on skill/class of diver, payable to members assigned to diving duty who maintain their proficiency as divers.
- (4) Nuclear Accession Bonus (37 U.S.C. 312B) – A bonus of \$10,000 paid to an individual upon acceptance for naval nuclear power training who agrees to participate in a program of training for duty in connection with the supervision, operation and maintenance of naval nuclear propulsion plants.
- (5) Overseas Extension Pay (37 U.S.C. 314) – A monthly amount of \$80 payable to enlisted members in certain specialties who have completed a tour of duty at an overseas location and executed an agreement to extend that tour for a period of not less than 1 year.
- (6) Imminent Danger Pay (37 U.S.C. 310) – A monthly amount of \$150 payable to members in designated hostile areas or to members who are exposed to hostile fire or explosion of hostile mines, or members who are in a foreign country in which member was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.
- (7) Foreign Language Proficiency Pay (37 U.S.C. 316) – Military specialty requires proficiency in a foreign language with a monthly payment not to exceed \$300. This pay improves linguistic readiness across the active and reserve components.
- (8) Personal Money Allowance (37 U.S.C. 414) – Paid to the Master Chief Petty Officer of the Navy to defray expenses incurred in connection with official duties .
- (9) Distribution Incentive Pay (37 U.S.C. 305) – Enables the services to pay a flexible, market based incentive to encourage enlisted members to volunteer for difficult-to-fill jobs or less desirable geographic locations.

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.

(In Thousands of Dollars)

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Sea Duty												
(A) Career Sea Pay												
Pay Grade E-9	574	\$5,821.32	\$3,341	788	\$5,821.32	\$4,587	779	\$5,821.32	\$4,535	779	\$5,821.32	\$4,535
E-8	1,315	5,381.52	7,077	1,806	5,381.52	9,719	1,785	5,381.52	9,606	1,785	5,381.52	9,606
E-7	4,879	5,051.28	24,645	6,701	5,051.28	33,849	6,624	5,051.28	33,460	6,624	5,051.28	33,460
E-6	11,533	4,161.48	47,994	15,838	4,161.48	65,910	15,657	4,161.48	65,156	15,247	4,161.48	63,450
E-5	18,300	2,936.76	53,743	25,132	2,936.76	73,807	24,470	2,936.76	71,863	24,085	2,936.76	70,732
E-4	23,177	1,730.88	40,117	31,829	1,730.88	55,092	31,468	1,730.88	54,467	30,644	1,730.88	53,041
E-3	13,296	875.88	11,646	18,259	875.88	15,993	18,053	875.88	15,812	18,050	875.88	15,810
E-2	6,791	670.80	4,555	9,326	670.80	6,256	9,219	670.80	6,184	9,219	670.80	6,184
E-1	2,964	600.00	1,778	4,071	600.00	2,443	4,024	600.00	2,414	4,024	600.00	2,414
Total (1)(A)	82,829		194,896	113,750		267,656	112,079		263,497	110,457		259,232
(B) Premium Sea	13,054	1,200.00	15,665	12,553	1,200.00	15,064	12,553	1,200.00	15,064	12,553	1,200.00	15,064
Total (1)	95,883		210,561	126,303		282,720	124,632		278,561	123,010		274,296
(2) Hardship Duty Pay												
HDP Mission	21	1,800.00	38	28	1,800.00	50	28	1,800.00	50	28	1,800.00	50
HDP Location	2,076	1,800.00	3,737	2,768	1,800.00	4,982	2,768	1,800.00	4,982	2,768	1,800.00	4,982
	28	1,200.00	34	39	1,200.00	47	39	1,200.00	47	39	1,200.00	47
	3,691	600.00	2,215	4,922	600.00	2,953	4,922	600.00	2,953	4,922	600.00	2,953
Subtotal HDP Location	5,795		5,986	7,729		7,982	7,729		7,982	7,729		7,982
Total (2)	5,816		\$6,024	7,757		\$8,032	7,757		\$8,032	7,757		\$8,032

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(3) Diving Duty Pay	4,217	\$2,631.44	\$11,097	4,212	\$2,631.44	\$11,084	4,254	\$2,631.44	\$11,194	4,297	\$2,631.44	\$11,307
(4) Nuclear Accession Bonus	243	10,000.00	2,430	215	10,000.00	2,150	215	10,000.00	2,150	215	10,000.00	2,150
(5) Overseas Extension Pay	626	960.00	601	800	960.00	768	800	960.00	768	800	960.00	768
(6) Imminent Danger Pay	15,389	1,800.00	27,700	14,206	1,800.00	25,571	13,944	1,800.00	25,099	14,111	1,800.00	25,400
(7) Foreign Language Proficiency Pay	830	3,018.00	2,505	1,561	1,532.38	2,392	1,561	1,532.38	2,392	1,561	1,532.38	2,392
(8) Personal Money Allowance	1	2,000.00	2	1	2,000.00	2	1	2,000.00	2	1	2,000.00	2
(9) Distribution Incentive Pay			0			1,000			13,500			31,475
Total 2-D	123,005		260,920	155,055		333,719	153,164		341,698	151,752		355,822

(In Thousands of Dollars)

Project: 2-E Special Duty Assignment and Proficiency Pay

FY 2005 Estimate	\$78,638
FY 2004 Estimate	\$78,638
FY 2003 Estimate	\$63,287
FY 2002 Actual	\$63,126

Part I - Purpose and Scope

Special Duty Assignment Pay (37 U.S.C. 307) – Provides for payments to enlisted personnel to obtain a sufficient number of qualified volunteers to sustain adequate manning levels in designated special duty assignments.

Part II - Justification of Funds Requested

The estimate is based on the average number of personnel required in the following skills:

Nuclear Propulsion Plant Supervisor	Aircrewman	Harbor Pilots, Unlimited
Shipboard Engineering Plant Program Manager	C9 Crew Chief	Recruiters
Main Propulsion Assistant On MCM And MHC	MCM HELO Aircrewmen	Divers
Acoustic Intelligence Specialist	Independent Duty Hospital Corpsmen	Helicopter Rescue Air Crewman
ASW/Air Intercept Controller/Supervisors	EOD Technician	Special Operations Technician
JCS Joint Comm Unit	P-3 Flight Engineer	Lamps Mk III ATACO
Helicopter Mine Countermeasures	Combatant Swimmer	Naval Test Parachutists
Coxswain	Air Intercept Controller/Supervisor	White House Communications Personnel
On-Site Inspection Personnel	SDY Pilot/Navigator	Combatant Craft Member
Joint Special Operations Personnel	ASW/ASUW Tact Air Ctrl(ASTAC)	Personnel Resource Development Officer
Ship Engineering Plant Program Manager	Command Master Chiefs	Shipboard Tactical Data System Technician

Career recruiter force are Navy's professional sales force of proven recruiters, responsible for training and supervision of fleet sailors assigned to recruiting duty.

Computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Special Duty Assignment Pay (SDAP)												
(A) \$375	0	\$4,500.00	\$0	165	\$4,500.00	\$743	1,696	\$4,500.00	\$7,632	1,696	\$4,500.00	\$7,632
\$350	1,250	4,200.00	5,250	1,500	4,200.00	6,300	0	4,200.00	0	0	4,200.00	0
\$300	0	3,600.00	0	0	3,600.00	0	385	3,600.00	1,386	385	3,600.00	1,386
\$275	2,783	3,300.00	9,184	2,671	3,300.00	8,814	0	3,300.00	0	0	3,300.00	0
\$225	0	2,700.00	0	0	2,700.00	0	3,620	2,700.00	9,774	3,620	2,700.00	9,774
\$220	719	2,640.00	1,898	743	2,640.00	1,962	0	2,640.00	0	0	2,640.00	0
\$175	810	2,100.00	1,701	815	2,100.00	1,712	0	2,100.00	0	0	2,100.00	0
\$165	2,139	1,980.00	4,235	2,167	1,980.00	4,291	0	1,980.00	0	0	1,980.00	0
\$150	2,726	1,800.00	4,907	3,125	1,800.00	5,625	11,644	1,800.00	20,959	11,644	1,800.00	20,959
\$110	5,057	1,320.00	6,675	5,244	1,320.00	6,922	160	1,320.00	211	160	1,320.00	211
\$100	3,350	1,200.00	4,020	3,575	1,200.00	4,290	0	1,200.00	0	0	1,200.00	0
\$75	637	900.00	573	643	900.00	579	1,735	900.00	1,562	1,735	900.00	1,562
\$55	1,337	660.00	882	1,341	660.00	885	0	660.00	0	0	660.00	0
Total (1)(A)	20,808		39,325	21,989		42,123	21,308		52,691	21,308		52,691
(B) \$375	5,289	4,500.00	\$23,801	4,703	4,500.00	\$21,614	0	4,500.00	\$0	0	4,500.00	\$0
\$450	0	5,400.00	0	0	5,400.00	0	4,805	5,400.00	25,947	4,805	5,400.00	25,947
Total (1)(B)	5,289		23,801	4,703		21,614	4,805		25,947	4,805		25,947
Total 2-E	26,097		\$63,126	26,692		\$63,287	26,113		\$78,638	26,113		\$78,638

(In Thousands of Dollars)

Project: 2-F Reenlistment Bonus

FY 2005	Estimate	\$387,906
FY 2004	Estimate	\$370,484
FY 2003	Estimate	\$336,214
FY 2002	Actual	\$320,370

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 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 \$60,000. While there is authority for \$60,000 payment, the Navy has no plans of making a payment of this amount.

Distribution SRB – This pilot proposal would authorize payment of a differentially higher SRB to members willing to reenlist for orders to particular types of duty. If the member is in a critical skill, the Distribution SRB acts as a "kicker" to the existing SRB level; if the member's skill does not receive an SRB, this program would establish one. The differentials will vary based on the relative difficulty of manning sea and shore billets in that skill. It is expected that distribution of SRB will improve voluntary manning for Sea Duty (and arduous shore duty) as well as overall retention in those skills.

Part II - Justification of Funds Requested

The rates include pay raises.

Twenty most undermanned critical skills:

Fire Controlman (FC)	Nuclear Field (ET, MM, EM)
Electronic Technician, Surface Warfare (ETSW)	Aviation Support Equipment (AS)
Cryptologic Technician Collection (CTR)	Intelligence Specialist (IS)
Aviation Structural Mechanic Structural (AMS)	Aerographer's Mate (AG)
Data Processing Technician (DP)	Cryptologic Technician, Technical (CTT)
Aviation Structural Mechanic Equipment (AME)	Aviation Ordnanceman (AO)
Mineman (MN)	Electronic Warfare Technician (EW)
Air Traffic Controller (AC)	Fire Control Technician (FT)
Cryptologic Technician, Surface (STG)	Cryptologic Technician Interpreter (CTI)
	Missile Technician (MT)

Computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Selective												
Initial Payments	17,065	\$11,204.22	\$191,200	18,251	\$9,424.14	\$172,000	18,147	\$10,600.10	\$192,360	17,957	\$10,960.29	\$196,814
Anniversary Payments	49,765	2,577.51	128,270	57,088	2,788.92	159,214	62,534	2,752.49	172,124	66,787	2,741.43	183,092
Distribution SRB			900			5,000			6,000			8,000
Total 2-F	66,830		\$320,370	75,339		\$336,214	80,681		\$370,484	84,744		\$387,906

(In Thousands of Dollars)

	FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations	49,765	\$128,270	40,574	\$109,088	28,392	\$77,233	17,391	\$45,027	10,686	\$26,421						
FY 2002 New Anniversary ADV / REM	17,065	191,200	16,514	50,126	16,442	49,891	14,179	42,840	10,398	30,028	9,816	24,378				
FY 2003 New Anniversary ADV / REM			18,251	172,000	17,700	45,000	17,621	44,789	15,198	38,455	11,426	28,249	10,809	23,932		
FY 2004 New Anniversary ADV / REM					18,147	192,360	17,596	50,436	17,518	50,200	15,109	43,105	11,578	32,628	11,978	27,808
FY 2005 New Anniversary ADV / REM							17,957	196,814	17,405	51,625	17,329	51,383	14,946	44,123	12,006	34,585
FY 2006 New Anniversary ADV / REM									17,777	201,466	17,225	52,868	17,150	52,620	14,791	45,185
FY 2007 New Anniversary ADV / REM											17,685	207,239	17,133	54,409	17,058	54,154
FY 2008 New Anniversary ADV / REM													17,535	212,473	16,984	55,806
FY 2009 New Anniversary ADV / REM															17,466	218,832
Total																
New	17,065	191,200	18,251	172,000	18,147	192,360	17,957	196,814	17,777	201,466	17,685	207,239	17,535	212,473	17,466	218,832
Anniversary	49,765	128,270	57,088	159,214	62,534	172,124	66,787	183,092	71,205	196,729	70,905	199,983	71,616	207,712	72,817	217,538
Distribution		900		5,000		6,000		8,000		0		0		0		0
Total SRB	66,830	\$320,370	75,339	\$336,214	80,681	\$370,484	84,744	\$387,906	88,982	\$398,195	88,590	\$407,222	89,151	\$420,185	90,283	\$436,370

(In Thousands of Dollars)

Project: 2-G Enlistment Bonus

FY 2005	Estimate	\$91,967
FY 2004	Estimate	\$84,488
FY 2003	Estimate	\$88,706
FY 2002	Actual	\$100,000

Part I - Purpose and Scope

Funds requested provide for an Enlistment Bonus (37 U.S.C. 308A), payable to a member who enlists for a minimum of five years or extends active duty obligation at least one year beyond the normal enlistment in a designated skill. Eligible skills are characterized by an enlistment rate less than that required to ensure adequate first term manning. The Enlistment Bonus Program is unique in that the bonus is contractually obligated at the time of enlistment into the Delayed Entry Program (DEP), but is not paid until the successful completion of all training leading to designation in the skill. In the case of nuclear field candidates, payment of the bonus occurs 24 to 36 months after enlistment in the DEP.

Part II - Justification of Funds Requested

This bonus is payable upon completion of training. Most training pipelines for Enlistment Bonus recipients are approximately two years. The enlisted signing bonus will further enhance recruiting efforts to enlist personnel to serve in skill areas designated as critical.

Computation of funding requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) New Payments												
(A) \$1,000	0	\$1,000.00	\$0	1,351	\$1,000.00	\$1,351	1,201	\$1,000.00	\$1,201	0	\$1,000.00	\$0
\$1,500	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
\$2,000	172	2,000.00	344	627	2,000.00	1,254	700	2,000.00	1,400	682	2,000.00	1,364
\$2,500	0	2,500.00	0	0	2,500.00	0	0	2,500.00	0	0	2,500.00	0
\$3,000	1,530	3,000.00	4,590	629	3,000.00	1,887	610	3,000.00	1,830	1,099	3,000.00	3,297
\$3,500	0	3,500.00	0	0	3,500.00	0	0	3,500.00	0	0	3,500.00	0
\$3,750	0	3,750.00	0	0	3,750.00	0	0	3,750.00	0	0	3,750.00	0
\$4,000	2,185	4,000.00	8,740	790	4,000.00	3,160	788	4,000.00	3,152	1,420	4,000.00	5,680
\$5,000	574	5,000.00	2,870	838	5,000.00	4,190	845	5,000.00	4,225	694	5,000.00	3,470
\$6,000	652	6,000.00	3,912	229	6,000.00	1,374	234	6,000.00	1,404	598	6,000.00	3,588
\$7,000	299	7,000.00	2,093	265	7,000.00	1,855	275	7,000.00	1,925	511	7,000.00	3,577
\$7,500	0	7,500.00	0	0	7,500.00	0	0	7,500.00	0	0	7,500.00	0
\$8,000	285	8,000.00	2,280	235	8,000.00	1,880	201	8,000.00	1,608	342	8,000.00	2,736
\$10,000	42	10,000.00	420	114	10,000.00	1,140	126	10,000.00	1,260	35	10,000.00	350
\$11,000	151	11,000.00	1,661	0	11,000.00	0	0	11,000.00	0	110	11,000.00	1,210
\$12,000	35	12,000.00	420	0	12,000.00	0	0	12,000.00	0	20	12,000.00	240
Total (1)(A)	5,925		27,330	5,078		18,091	4,980		18,005	5,511		25,512
(B) GENDETS	4,650	1,000.00	4,650	3,600		3,600	0		0	0		0
(C) Signing Bonus			0			0			0			0
Total (1)	10,575		\$31,980	8,678		\$21,691	4,980		\$18,005	5,511		\$25,512

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Residual Payments												
(A) \$1,000	0	\$1,000.00	\$0	0	\$1,000.00	\$0	0	\$1,000.00	\$0	0	\$1,000.00	\$0
\$1,500	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
\$2,000	0	2,000.00	0	2,866	2,000.00	5,732	3,310	2,000.00	6,620	3,010	2,000.00	6,020
\$2,500	0	2,500.00	0	0	2,500.00	0	0	2,500.00	0	0	2,500.00	0
\$2,750	0	2,750.00	0	0	2,750.00	0	0	2,750.00	0	0	2,750.00	0
\$3,000	307	3,000.00	921	3,897	3,000.00	11,691	1,162	3,000.00	3,486	1,062	3,000.00	3,186
\$3,250	0	3,250.00	0	0	3,250.00	0	0	3,250.00	0	0	3,250.00	0
\$3,500	108	3,500.00	378	13	3,500.00	46	0	3,500.00	0	0	3,500.00	0
\$4,000	416	4,000.00	1,664	444	4,000.00	1,776	1,800	4,000.00	7,200	1,801	4,000.00	7,204
\$4,500	0	4,500.00	0	0	4,500.00	0	0	4,500.00	0	0	4,500.00	0
\$5,000	624	5,000.00	3,120	465	5,000.00	2,325	1,454	5,000.00	7,270	1,426	5,000.00	7,130
\$6,000	1,051	6,000.00	6,306	652	6,000.00	3,912	686	6,000.00	4,116	696	6,000.00	4,176
\$7,000	1,443	7,000.00	10,101	343	7,000.00	2,401	896	7,000.00	6,272	830	7,000.00	5,810
\$7,500	8	7,500.00	60	0	7,500.00	0	0	7,500.00	0	0	7,500.00	0
\$8,000	552	8,000.00	4,416	602	8,000.00	4,816	1,020	8,000.00	8,160	1,070	8,000.00	8,560
\$9,000	611	9,000.00	5,499	153	9,000.00	1,377	0	9,000.00	0	0	9,000.00	0
\$9,500	0	9,500.00	0	0	9,500.00	0	0	9,500.00	0	0	9,500.00	0
\$10,000	372	10,000.00	3,720	415	10,000.00	4,150	903	10,000.00	9,030	951	10,000.00	9,510
\$11,000	737	11,000.00	8,107	1,114	11,000.00	12,254	140	11,000.00	1,540	194	11,000.00	2,134
\$12,000	1,035	12,000.00	12,420	1,085	12,000.00	13,020	747	12,000.00	8,964	725	12,000.00	8,700
\$13,000	536	13,000.00	6,968	30	13,000.00	390	30	13,000.00	390	40	13,000.00	520
\$14,000	84	14,000.00	1,176	20	14,000.00	280	20	14,000.00	280	25	14,000.00	350
\$15,000	47	15,000.00	705	25	15,000.00	375	30	15,000.00	450	30	15,000.00	450
\$16,000	27	16,000.00	432	25	16,000.00	400	25	16,000.00	400	25	16,000.00	400
\$17,000	16	17,000.00	272	20	17,000.00	340	20	17,000.00	340	20	17,000.00	340
\$18,000	12	18,000.00	216	15	18,000.00	270	15	18,000.00	270	15	18,000.00	270
\$19,000	16	19,000.00	304	5	19,000.00	95	5	19,000.00	95	5	19,000.00	95
\$20,000	16	20,000.00	320	5	20,000.00	100	5	20,000.00	100	5	20,000.00	100
Total (2)(A)	8,018		67,105	12,194		65,750	12,268		64,983	11,930		64,955
(B) GENDETS	402		915	1,265		1,265	1,500		1,500	1,500		1,500
Total (2)	8,420		68,020	13,459		67,015	13,768		66,483	13,430		66,455
Total 2-G	18,995		\$100,000	22,137		\$88,706	18,748		\$84,488	18,941		\$91,967

(In Thousands of Dollars)

	FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations	8,420	\$68,020	2,104	\$17,102												
FY 2002																
Initial Payments	10,575	31,980														
Residual Payments			11,355	49,913	2,618	17,413										
Installments																
FY 2003																
Initial Payments			8,678	21,691												
Residual Payments					11,150	49,070	2,554	17,406								
Installments																
FY 2004																
Initial Payments					4,980	18,005										
Residual Payments							10,876	49,049	2,612	17,957						
Installments																
FY 2005																
Initial Payments							5,511	25,512								
Residual Payments									11,123	50,604	2,509	17,344				
Installments																
FY 2006																
Initial Payments									5,199	23,723						
Residual Payments											10,686	48,876	2,509	17,344		
Installments																
FY 2007																
Initial Payments											5,713	26,181				
Residual Payments													10,686	48,876	2,509	17,344
Installments																
FY 2008																
Initial Payments													5,713	26,181		
Residual Payments															10,686	48,876
Installments																
FY 2009																
Initial Payments															5,713	26,181
Residual Payments																
Installments																
Total																
Initial Payments	10,575	31,980	8,678	21,691	4,980	18,005	5,511	25,512	5,199	23,723	5,713	26,181	5,713	26,181	5,713	26,181
Residual Payments	8,420	68,020	13,459	67,015	13,768	66,483	13,430	66,455	13,735	68,561	13,195	66,220	13,195	66,220	13,195	66,220
Installments		0		0		0		0		0		0		0		0
Total EB	18,995	\$100,000	22,137	\$88,706	18,748	\$84,488	18,941	\$91,967	18,934	\$92,284	18,908	\$92,401	18,908	\$92,401	18,908	\$92,401

(In Thousands of Dollars)

Project: 2-G-1 Educational Benefits

FY 2005 Estimate	\$10,046
FY 2004 Estimate	\$10,046
FY 2003 Estimate	\$9,958
FY 2002 Actual	\$23,680

Part I - Purpose and Scope

Funds are for payment to the Department of Defense Education Benefits Fund, 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 are made by the Veterans Administration from funds transferred from the trust account. The Navy College Fund Program attracts members for three and four year commitments primarily into undermanned hard to fill ratings.

Part II - Justification of Funds Requested

The Navy College Fund is a critical element in Navy's recruiting strategy. The purpose of the Navy College Fund is to expand the recruiting market to include college bound youth. The allure of a college education dominates the plans of 60-80% of all high school seniors and represents a major obstruction to the recruiter. The Navy College Fund will provide a source of high quality recruits, primarily in the critical skill sea intensive ratings. By providing the recruiters with a tool to address this market, many college bound youth who would not otherwise have considered the Navy, are exposed to the educational opportunities and programs that the Navy provides. This portion of the Navy College Fund Program provides an additional source of high quality recruits. The program is directed at the 17-35 year old, non-prior service recruits in aptitude category I or II (minimum ASVAB AFQT of 50) with a high school diploma. Enrollment in the Montgomery G.I. Bill is required.

Computation of fund is requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Navy College Fund Program												
(4 Year Commitment) \$30K	148	\$987.00	\$146	0	757.00	\$0	0	757.00	\$0	0	757.00	\$0
(4 Year Commitment) \$40K	4,873	3,383.00	16,485	4,710	1,444.00	6,801	7,066	903.00	6,381	7,066	903.00	6,381
(4 Year Commitment) \$50K	1,076	6,551.00	7,049	788	4,006.00	3,157	1,182	3,101.00	3,665	1,182	3,101.00	3,665
Total 2-G-1	6,097		\$23,680	5,498		\$9,958	8,248		\$10,046	8,248		\$10,046

(In Thousands of Dollars)

Project: 2-R Loan Repayment Program

FY 2005 Estimate	\$100
FY 2004 Estimate	\$100
FY 2003 Estimate	\$100
FY 2002 Actual	\$100

Part I - Purpose and Scope

The Loan Repayment Program (LRP) is authorized by P.L. 99-145, Section 2171. The LRP is an enlistment incentive designed to increase test scope category I-III. The LRP repays loans up to the maximum ceiling of \$10,000. Only Guaranteed Student Loans (GSL)/Stafford Loans, Federally Insured Student Loans (FISL), National Direct Student Loans (NDSL)/Perkins Loans, or any loan covered under Title IV of the Higher Education Act of 1965, Parts B and E, are authorized for payment under the Department of Navy LRP.

Part II - Justification of Funds Requested

The LRP is a major enlistment incentive program.

Fund requirements for this incentive program are provided in the following table:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Navy College Loan Repayment	\$100	\$100	\$100	\$100
Total 2-R	\$100	\$100	\$100	\$100

(In Thousands of Dollars)

Project: 2-U Basic Allowance for Housing - Domestic

FY 2005 Estimate \$2,511,748
 FY 2004 Estimate \$2,355,412
 FY 2003 Estimate \$2,087,317
 FY 2002 Actual \$2,009,960

Part I - Purpose and Scope

Congress approved in the FY 1998 National Defense Authorization Act the payment of a Basic Allowance for Housing (BAH) to service members. The BAH combines housing payments formerly provided by the Basic Allowance for Quarters (BAQ) and the Variable Housing Allowance (VHA). The FY 2000 National Defense Authorization Act directed the BAH transition to market-based rates be accelerated and completed during FY 2000. Payment to service members is authorized by revisions to 37 U.S.C. 403.

Part II - Justification of Funds Requested

The FY 2003 program reflects funding required to accelerate the market-based housing rates effective January 2003. The FY 2004 and FY 2005 estimates include a projected annual rate increase of 3.9%. However, future housing rate adjustments may result as contractor generated survey data of actual housing cost becomes available. Additional funds have been budgeted to reduce out-of-pocket expenses to 7.5% in FY 2003, 3.5% in FY 2004, and 0.0% in FY 2005.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) With Dependents												
Pay Grade E-9	2,476	\$15,185.94	\$37,600	2,332	\$16,491.42	\$38,458	2,466	\$17,987.83	\$44,358	2,348	\$19,291.31	\$45,296
E-8	4,883	13,902.84	67,888	4,732	15,100.38	71,455	4,851	16,321.38	79,175	4,876	17,517.12	85,413
E-7	15,856	13,042.96	206,809	15,299	14,219.82	217,549	16,296	15,387.70	250,758	16,205	16,516.85	267,656
E-6	31,589	12,217.53	385,940	30,537	13,300.62	406,161	31,692	14,476.79	458,798	32,198	15,542.42	500,435
E-5	32,579	10,800.48	351,869	32,826	11,845.37	388,836	34,685	12,773.51	443,049	34,762	13,704.88	476,409
E-4	18,927	10,359.42	196,073	18,777	11,379.67	213,676	19,638	12,256.29	240,689	19,560	13,137.22	256,964
E-3	9,026	10,272.00	92,715	9,163	11,379.02	104,266	8,660	12,341.80	106,880	8,300	13,226.14	109,777
E-2	3,007	10,272.00	30,888	2,720	11,379.78	30,953	2,610	12,396.17	32,354	2,832	13,281.43	37,613
E-1	1,465	10,359.42	15,177	1,073	11,379.31	12,210	1,256	12,285.49	15,431	1,411	13,170.09	18,583
Subtotal (1)	119,808		1,384,959	117,459		1,483,564	122,154		1,671,492	122,492		1,798,146
BAH Differential	10,153		21,234	10,482		20,196	10,482		20,984	10,482		21,802
Total (1)	129,961		\$1,406,193	127,941		\$1,503,760	132,636		\$1,692,476	132,974		\$1,819,948

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Without Dependents												
Pay Grade E-9	240	\$12,101.04	\$2,904	216	\$13,037.04	\$2,816	225	\$14,376.11	\$3,235	214	\$15,401.87	\$3,296
E-8	612	11,230.14	6,873	569	12,170.47	6,925	572	13,697.55	7,835	574	14,675.96	8,424
E-7	2,524	10,258.17	25,892	2,324	11,147.59	25,907	2,414	12,437.03	30,023	2,388	13,325.38	31,821
E-6	7,828	9,501.96	74,381	7,178	10,307.33	73,986	7,276	11,552.30	84,055	7,332	12,377.93	90,755
E-5	18,437	8,960.88	165,212	17,676	9,750.62	172,352	18,200	10,895.77	198,303	17,928	11,672.86	209,271
E-4	15,416	7,778.55	119,914	14,423	8,403.11	121,198	14,524	9,387.91	136,350	14,287	10,066.42	143,819
E-3	5,056	7,778.50	39,328	4,889	8,403.15	41,083	4,540	9,477.53	43,028	4,311	10,159.59	43,798
E-2	982	7,778.55	7,639	828	8,403.38	6,958	782	9,503.84	7,432	819	10,186.81	8,343
E-1	200	7,778.55	1,556	144	8,402.78	1,210	156	9,256.41	1,444	167	9,928.14	1,658
Total (2)	51,295		443,699	48,247		452,435	48,689		511,705	48,020		541,185
(3) Partial Allowance - Bachelor												
Pay Grade E-9	9	223.20	2	11	181.82	2	11	181.82	2	11	181.82	2
E-8	22	183.60	4	23	173.91	4	23	173.91	4	23	173.91	4
E-7	132	144.00	19	129	147.29	19	134	141.79	19	132	143.94	19
E-6	666	118.68	79	655	119.08	78	664	118.98	79	669	118.09	79
E-5	4,229	104.28	441	4,346	104.23	453	4,505	104.33	470	4,418	104.36	461
E-4	25,566	97.20	2,485	25,810	97.21	2,509	26,082	97.19	2,535	25,468	97.18	2,475
E-3	30,460	93.60	2,851	31,625	93.60	2,960	29,183	93.62	2,732	27,590	93.58	2,582
E-2	20,139	86.40	1,740	18,207	86.40	1,573	16,781	86.41	1,450	17,944	86.38	1,550
E-1	14,867	82.80	1,231	10,672	82.83	884	12,183	82.82	1,009	13,639	82.78	1,129
Total (3)	96,090		8,852	91,478		8,482	89,566		8,300	89,894		8,301
(4) Inadequate Family Housing												
Pay Grade E-9	0	3,796.49	0	0	4,122.86	0	0	4,496.96	0	0	4,822.83	0
E-8	21	3,475.71	73	21	3,775.10	79	19	4,080.35	78	19	4,379.28	83
E-7	22	3,260.74	72	22	3,554.96	78	22	3,846.93	85	20	4,129.21	83
E-6	14	3,054.38	43	18	3,325.16	60	23	3,619.20	83	21	3,885.61	82
E-5	120	2,700.12	324	120	2,961.34	355	123	3,193.38	393	127	3,426.22	435
E-4	122	2,589.86	316	118	2,844.92	336	122	3,064.07	374	127	3,284.31	417
E-3	138	2,568.00	354	138	2,844.76	393	149	3,085.45	460	145	3,306.54	479
E-2	21	2,568.00	54	21	2,844.95	60	20	3,099.04	62	19	3,320.36	63
E-1	0	2,568.00	0	0	2,844.83	0	0	3,071.37	0	0	3,292.52	0
Total (4)	458		1,236	458		1,361	478		1,535	478		1,642
Total 2-U			\$1,859,980			\$1,966,038			\$2,214,016			\$2,371,076

(In Thousands of Dollars)

Project: 2-U-1 Basic Allowance for Housing – Overseas

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5) With Dependents												
Pay Grade E-9	58	\$27,413.79	\$1,590	48	\$26,791.67	\$1,286	56	\$24,982.14	\$1,399	59	\$25,271.19	\$1,491
E-8	115	24,643.48	2,834	113	24,707.96	2,792	131	21,160.31	2,772	117	22,717.95	2,658
E-7	484	23,254.13	11,255	479	20,461.38	9,801	559	20,771.02	11,611	491	21,498.98	10,556
E-6	1,166	22,384.22	26,100	1,085	20,188.94	21,905	1,265	20,241.90	25,606	1,185	20,671.73	24,496
E-5	1,305	22,596.93	29,489	1,050	20,996.19	22,046	1,224	21,079.25	25,801	1,326	20,858.97	27,659
E-4	604	22,087.75	13,341	517	20,479.69	10,588	603	20,857.38	12,577	614	20,379.48	12,513
E-3	109	20,174.31	2,199	93	19,118.28	1,778	108	19,194.44	2,073	112	18,419.64	2,063
E-2	9	17,222.22	155	7	17,142.86	120	8	18,250.00	146	10	14,500.00	145
E-1	2	12,500.00	25	4	6,250.00	25	4	6,000.00	24	1	7,000.00	7
Total (5)	3,852		86,988	3,396		70,341	3,958		82,009	3,915		81,588
(6) Without Dependents												
Pay Grade E-9	15	24,466.67	367	16	18,562.50	297	18	17,000.00	306	13	19,307.69	251
E-8	54	18,370.37	992	46	17,434.78	802	54	16,203.70	875	48	17,437.50	837
E-7	261	16,341.00	4,265	217	15,894.01	3,449	253	15,893.28	4,021	234	15,461.54	3,618
E-6	935	12,320.86	11,520	934	12,115.63	11,316	1,089	12,177.23	13,261	839	12,153.75	10,197
E-5	1,953	11,311.32	22,091	1,329	11,927.82	15,852	1,551	11,945.20	18,527	1,753	11,948.09	20,945
E-4	1,448	10,140.88	14,684	1,298	9,618.35	12,485	1,513	10,148.05	15,354	1,298	11,043.91	14,335
E-3	758	10,456.46	7,926	499	12,062.12	6,019	581	10,984.51	6,382	680	11,410.29	7,759
E-2	113	9,548.67	1,079	53	12,698.11	673	62	9,951.61	617	102	10,588.24	1,080
E-1	8	8,500.00	68	4	11,250.00	45	5	8,800.00	44	7	8,857.14	62
Total (6)	5,545		62,992	4,396		50,938	5,126		59,387	4,974		59,084
2-U-1 Subtotal	9,397		149,980	7,792		121,279	9,084		141,396	8,889		140,672
Total 2-U / 2-U-1			\$2,009,960			\$2,087,317			\$2,355,412			\$2,511,748

(In Thousands of Dollars)

Project: 2-J Station Allowances - Overseas

FY 2005 Estimate	\$182,874
FY 2004 Estimate	\$183,450
FY 2003 Estimate	\$155,244
FY 2002 Actual	\$201,864

Part I - Purpose and Scope

Funds requested provide for payments of a per diem allowance (37 U.S.C. 405) for cost of living, housing and temporary lodging for members assigned to certain permanent duty stations outside the continental United States as prescribed in the Joint Federal Travel Regulations.

Part II - Justification of Funds Requested

The numbers for Cost of Living Allowance (COLA) are based on actual experience adjusted to reflect changes in overseas strength.

Computation of fund requirements is provided in the following table:

	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Cost Of Living	48,817	\$3,626.01	\$177,011	44,789	\$2,936.70	\$131,532	44,789	\$3,560.90	\$159,489	44,789	\$3,544.00	\$158,732
Temporary Lodging			24,853			23,712			23,961			24,142
Total 2-J	48,817		\$201,864	44,789		\$155,244	44,789		\$183,450	44,789		\$182,874

(In Thousands of Dollars)

Project: 2-K CONUS Cost of Living Allowance (COLA)

FY 2005 Estimate	\$8,022
FY 2004 Estimate	\$8,022
FY 2003 Estimate	\$8,022
FY 2002 Actual	\$5,206

Part I - Purpose and Scope

The funds requested will provide for payment of a Cost of Living Allowance (COLA) to sailors who are assigned to high cost areas in the Continental United States (CONUS). High cost areas are grouped as Military Housing Areas (MHA) where the cost of goods and services exceeds 108 percent of the national cost of living average. 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.

Part II – Justification of Funds Requested

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

Detailed cost computations are provided by the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
CONUS Cost of Living Allowance (COLA)	6,911	\$753.25	\$5,206	10,232	\$784.00	\$8,022	9,896	\$810.65	\$8,022	9,570	\$838.21	\$8,022
Total 2-K	6,911		\$5,206	10,232		\$8,022	9,896		\$8,022	9,570		\$8,022

(In Thousands of Dollars)

Project: 2-L Clothing Allowance

FY 2005 Estimate	\$185,797
FY 2004 Estimate	\$181,216
FY 2003 Estimate	\$177,403
FY 2002 Actual	\$190,183

Part I – Purpose and Scope

Funds requested will provide enlisted personnel with prescribed clothing as authorized by the Secretary of Defense under provisions of (37 U.S.C. 418). Included are:

- (1) Initial clothing upon enlistment, advancement to chief petty officer (pay grade E-7) and civilian clothing allowance when authorized by competent orders.
- (2) Basic maintenance allowance is payable to members upon completion of six months active duty and accrues during the remainder of the first three years of continuous service. Standard or special maintenance allowance is payable to a member upon completion of 36 months of active duty and continues during the remainder of continuous active duty.
- (3) Supplementary clothing allowances are payable to members assigned to special duty where additional items of clothing are required.

Part II - Justification of Funds Requested

Initial clothing allowances are based on planned numbers of accessions by type of accession at rates prescribed by the Secretary of Defense. Clothing maintenance allowances are computed based on past experience for numbers of members entitled and rates prescribed by the Secretary of Defense. Supplementary clothing allowances are based on numbers planned for assignment to qualifying special duties multiplied by the rates prescribed by the Secretary of Defense.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Initial												
(A) Military												
Male	39,425	\$1,226.70	\$48,363	29,545	\$1,202.85	\$35,538	32,188	\$1,223.30	\$39,376	31,568	\$1,245.32	\$39,312
Female	8,011	1,601.19	12,827	6,711	1,569.40	10,532	6,042	1,596.08	9,644	7,798	1,624.81	12,670
Prior Service	1,287	1,327.81	1,709	1,985	1,302.50	2,585	1,417	1,323.95	1,876	1,415	1,347.78	1,907
OCS, Newport	659	1,245.56	821	400	1,287.50	515	415	1,293.98	537	455	1,318.68	600
On Advancement E-7	5,435	985.25	5,355	5,183	1,011.38	5,242	4,589	1,028.55	4,720	5,380	1,047.21	5,634
Navy Unit Bands	257	989.11	254	240	1,014.86	244	240	1,032.11	248	240	1,050.69	252
Total (1)(A)	55,074		\$69,329	44,064		\$54,656	44,891		\$56,401	46,856		\$60,375

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(B) Civilian	618	\$1,356.51	\$838	850	\$1,412.13	\$1,200	850	\$1,460.14	\$1,241	850	\$1,509.79	\$1,283
Winter and Summer	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
Total (1)(B)	618		838	850		1,200	850		1,241	850		1,283
Total (1)	55,692		70,167	44,914		55,856	47,741		57,642	47,706		61,658
(2) Replacement Allowances												
(A) Basic												
Male	81,924	291.60	23,889	71,632	291.60	20,888	69,142	296.56	20,505	69,163	301.90	20,880
Female	17,213	342.00	5,887	12,235	342.00	4,184	12,371	347.81	4,303	12,197	354.07	4,319
Total (2)(A)	99,137		29,776	83,867		25,072	81,513		24,808	81,360		25,199
(B) Standard			0			0			0			0
Male	157,249	414.00	65,101	165,335	414.00	68,449	166,077	421.04	69,925	162,969	428.62	69,852
Female	22,459	486.00	10,915	22,722	486.00	11,043	22,726	494.26	11,233	22,653	503.16	11,398
Total (2)(B)	179,708		76,016	188,057		79,492	188,803		81,158	185,622		81,250
(C) Special			0			0			0			0
Male	18,783	594.00	11,157	19,624	608.40	11,939	20,269	618.74	12,541	20,007	629.88	12,602
Female	1,353	730.00	988	1,836	748.80	1,375	1,836	761.53	1,398	1,831	775.24	1,419
Total (2)(C)	20,136		12,145	21,460		13,314	22,105		13,939	21,838		14,021
Total (2)	298,981		117,937	293,384		117,878	292,421		119,905	288,820		120,470
(3) Supplementary	6,280	331.04	2,079	5,041	331.04	1,669	5,041	331.04	1,669	5,041	331.04	1,669
(4) Up-Front Purchases			0			2,000			2,000			2,000
Total 2-L	360,954		\$190,183	343,339		\$177,403	343,203		\$181,216	341,567		\$185,797

(In Thousands of Dollars)

Project: 2-M Family Separation Allowance

FY 2005 Estimate	\$27,725
FY 2004 Estimate	\$27,693
FY 2003 Estimate	\$30,574
FY 2002 Actual	\$29,332

Part I - Purpose and Scope

Funds requested provide an allowance to enlisted members with dependents (37 U.S.C. 427) for added separation expenses when the conditions listed below are met:

- (1) The movement of dependents to an overseas permanent duty station is not authorized and the member must maintain two homes.
- (2) The movement of dependents to the permanent duty station or a place near the station is not authorized at government expense under the Joint Travel Regulations and the member's dependents do not reside at or near that station.
- (3) The member is on duty on board a ship away from the home port of the ship for a continuous period of more than 30 days.
- (4) The member is on temporary duty or temporary additional duty away from his permanent station for a continuous period of more than 30 days and the member's dependents do not reside at or near the member's temporary or temporary additional duty station.

Part II - Justification of Funds Requested

Family Separation Allowances are determined by multiplying the planned number of members eligible by the statutory rates.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) On Permanent Change of Station with Dependents Not Authorized / Government Quarters Not Available												
Pay Grade E-9	12	\$5,849.16	\$70	12	\$6,077.28	\$73	8	\$6,204.90	\$50	8	\$6,335.21	\$51
E-8	18	6,164.29	111	18	6,404.70	115	12	6,539.20	78	12	6,676.52	80
E-7	73	5,153.52	376	73	5,354.51	391	41	5,466.95	224	41	5,581.76	229
E-6	171	4,768.91	815	171	4,954.90	847	115	5,058.95	582	115	5,165.19	594
E-5	167	4,361.68	728	167	4,531.79	757	107	4,626.96	495	107	4,724.12	505
E-4	46	3,608.55	166	46	3,749.28	172	32	3,828.01	122	32	3,908.40	125
E-3	17	3,579.62	61	17	3,719.23	63	11	3,797.33	42	11	3,877.08	43
E-2	4	2,704.40	11	4	2,809.87	11	3	2,885.74	9	3	2,946.34	9
Total (1)	508		\$2,338	508		\$2,429	329		\$1,602	329		\$1,636

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) On Permanent Change of Station with Dependents Not Authorized	4,868	\$1,200.00	\$5,842	4,868	\$1,200.00	\$5,842	3,752	\$1,200.00	\$4,502	3,752	\$1,200.00	\$4,502
(3) On Board Ship More Than 30 Days	9,950	1,200.00	11,940	9,950	1,200.00	11,940	9,260	1,200.00	11,112	9,258	1,200.00	11,110
(4) On Temporary Duty More Than 30 Days with Dependents Not Residing Near Temporary Duty Station	7,677	1,200.00	9,212	8,636	1,200.00	10,363	8,731	1,200.00	10,477	8,731	1,200.00	10,477
Total 2-M	23,003		29,332	23,962		30,574	22,072		27,693	22,070		27,725

(In Thousands of Dollars)

Project: 2-N Separation Payments

FY 2005	Estimate	\$177,075
FY 2004	Estimate	\$180,251
FY 2003	Estimate	\$197,169
FY 2002	Actual	\$151,415

Part I - Purpose and Scope

Funds requested will provide for the following separation payments:

- (1) Lump Sum Terminal Leave payments for unused accrued leave at time of discharge, or death under provisions of (37 U.S.C. 501), and (10 U.S.C. 701). Funding request includes a legislative proposal to allow service members to sell back leave in conjunction with reenlistment, not just within three months prior to expiration of active service.
- (2) Severance Pay Disability – Payment to members separated (not retired) for physical disability under provisions of (10 U.S.C. 1212).
- (3) Involuntary - Half Severance Pay is 5% of the product of members years active service plus fractions of years based on full months and 12 times monthly basic pay is authorized to members not fully qualified for retention and denied reenlistment or continuation.

Involuntary - Full Severance Pay is 10% of the product of members years active service plus fractions of years based on full months and 12 times monthly basic pay is authorized to members involuntarily separated from active duty who are fully qualified for retention, but are denied reenlistment or continuation.

- (4) Voluntary - Special Separation Benefits ((SSB) 10 U.S.C. 1174A) will pay members a lump-sum amount equal to 15% of their annual basic pay multiplied by their years of service. The authority for this program expired on 31 December 2001.

Voluntary Separation Incentive ((VSI) 10 U.S.C. 1175) will pay members 2.5% of their annual basic pay, multiplied by their years of service. Payments will be annual and last for twice the number of years of service. The authority for this program expired on 31 December 2001.

- (5) Discharge Gratuity donation not to exceed \$25, to member separated with a dishonorable, bad conduct, or undesirable discharge for reasons of security, unfitness, etc., under provisions of (10 U.S.C. 771A).
- (6) 15 Year Early Retirement Program (ERP) for members on active duty with more than 15 but less than 20 years of service. The FY 1993 Defense Authorization Act approved an active duty early retirement program for use during the force drawdown. The authority to use the early retirement program expires on 1 October 2003.
- (7) \$30,000 Lump Sum Bonus: The FY 2000 National Defense Authorization Act provides to service members who entered the uniformed service on or after 1 August 1986 the option to retire under the pre-1986 military retirement plan (50% retirement benefit at 20 years of service, with full COLA) or to accept a one-time \$30,000 Lump Sum Bonus and to remain under the redux retirement plan (40% retirement benefit at 20 years of service, with partial COLA). Sailors are permitted to select between the two retirement programs within 180 days of completing 15 years of service. Sailors who elect to accept the Lump Sum Bonus are obligated to serve the remaining five years to become retirement eligible. Those who do not complete the required service are required to repay a pro-rated amount based on the unserved amount of the obligation.

(In Thousands of Dollars)

Part II-Justification of Funds Requested

Separation Payments are computed on the basis of the number eligible for payment at the average rates derived from past experience. Effective 1 January 2003, a minimum pay raise of 4.1% is budgeted for all pay grades with targeted pay raises for mid-grade Petty Officers. FY 2004 includes an average 4.1% pay raise and FY 2005 includes a 3.4% pay raise effective 1 January.

Computation of fund requirements is provided in the following table:

	FY 2002				FY 2003				FY 2004				FY 2005			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(1) Lump Sum Terminal Leave Payments																
Pay Grade E-9	177	17	\$2,338.31	\$414	234	16	\$2,387.58	\$559	228	16	\$2,460.51	\$561	227	16	\$2,557.39	\$581
E-8	492	18	1,984.32	976	639	17	2,015.41	1,288	617	17	2,067.74	1,276	607	17	2,157.55	1,310
E-7	1,887	19	1,852.61	3,496	2,540	18	1,887.78	4,795	2,492	18	1,938.81	4,832	2,513	18	2,010.03	5,051
E-6	3,882	19	1,522.78	5,911	5,515	19	1,572.31	8,671	4,967	19	1,643.06	8,161	4,134	19	1,750.79	7,238
E-5	6,712	19	1,197.92	8,040	9,665	18	1,240.69	11,991	9,811	18	1,286.40	12,621	9,545	18	1,336.02	12,752
E-4	7,276	18	952.12	6,928	11,024	18	994.16	10,960	12,149	18	1,027.45	12,482	11,600	18	1,064.49	12,348
E-3	3,635	18	763.63	2,776	5,258	18	801.68	4,215	5,200	17	829.73	4,315	4,556	17	859.10	3,914
E-2	2,096	15	594.13	1,245	2,340	15	622.56	1,457	2,019	15	643.80	1,300	2,182	15	665.17	1,451
E-1	1,791	8	271.89	487	1,952	8	285.48	557	2,041	8	295.30	603	2,129	8	305.09	650
Total (1)	27,948			\$30,273	39,167			\$44,493	39,524			\$46,151	37,493			\$45,295

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Severance Pay, Disability	779	\$26,820.03	\$20,893	1,106	\$27,959.31	\$30,923	1,102	\$29,036.30	\$31,998	1,070	\$30,026.17	\$32,128
(3) Severance Pay, Non-Disability												
Involuntary – Half Pay	413	12,128.33	5,009	495	12,627.87	6,251	493	13,111.56	6,464	479	13,551.15	6,491
Involuntary – Full Pay	170	20,368.00	3,463	200	21,259.01	4,252	200	22,040.00	4,408	194	22,819.59	4,427
Total (3)	583		8,472	695		10,503	693		10,872	673		10,918
(4) Voluntary Separation												
SSB			0			0			0			0
VSI			0			0			0			0
VSI Trust Fund			3,669			4,200			2,900			2,900
Total (4)			3,669			4,200			2,900			2,900
(5) Discharge Gratuity	333	24.00	8	410	24.00	10	410	24.00	10	410	24.00	10
(6) 15 Year Retirement Program	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
(7) \$30,000 Lump Sum Bonus			88,100			107,040			88,320			85,824
Total 2-N			\$151,415			\$197,169			\$180,251			\$177,075

(In Thousands of Dollars)

Project: 2-O Special Compensation for Certain Combat - Related Disabled Uniformed Services Retirees

FY 2005 Estimate	\$71,000
FY 2004 Estimate	\$64,000
FY 2003 Estimate	\$15,000
FY 2002 Estimate	\$0

Part I - Purpose and Scope

Section 636 of the FY 2003 National Defense Authorization Act (10 USC Section 1413a) authorizes special compensation for uniformed services retirees who completed at least 20 years of service creditable for computing the amount of retired pay to which the member is entitled, and who incurred a qualifying combat-related disability. A combat related-disability is:

- 1) any disability rated 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 the performance of duty under conditions simulating war, or through the instrumentality of war.

Part II - Justification of Funds Requested

The amount of the special compensation would be equal to the amount of veteran's disability compensation to which the retiree would be entitled based solely for the combat-related disability without regard to section 5304 and 5305 of title 38, United States Code. This provision is effective no later than 180 days after enactment (start of entitlement June 1, 2003 – Payable July 1, 2003).

Fund requirements for this incentive program are provided in the following table:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Special Compensation for Certain Combat-Related Disabled Uniform Services Retirees	\$0	\$15,000	\$64,000	\$71,000
Total 2-O	\$0	\$15,000	\$64,000	\$71,000

(In Thousands of Dollars)

Project: 2-P Social Security – Employer’s Share

FY 2005 Estimate \$608,908
 FY 2004 Estimate \$594,271
 FY 2003 Estimate \$562,343
 FY 2002 Actual \$548,490

Part I – Purpose and Scope

Funds requested represent the government's contribution (as an employer) as required by the Federal Insurance Contribution Act under provision of (26 U.S.C. 3101, 3111), and P.L. 98-21 "Social Security Amendment of 1983." The request also reflects the impact of P.L. 99-576 which provides for removal from taxable income the \$1,200 member contribution required for participation in the basic benefit program of the new G.I. Bill effective 1 January 1986.

Part II – Justification of Funds Requested

Social Security costs are 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. The Old Age, Survivor and Disability Income (OASDI) rate is 6.2% and the Hospital Insurance (HI) is 1.45%. There is no wage cap on the 1.45% medical contribution. The government's contribution is based on the percentage rate set by law on member's salary for a calendar year. Taxable income ceilings for OASDI are as follows:

Calendar Year 2003 - 7.65% on first \$89,100
 Calendar Year 2004 - 7.65% on first \$93,300
 Calendar Year 2005 - 7.65% on first \$97,200

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Social Security Tax – Employer’s Contribution	325,579	\$1,684.66	\$548,490	315,420	\$1,782.84	\$562,343	316,613	\$1,876.96	\$594,271	313,976	\$1,939.35	\$608,908
Total 2-P	325,579		548,490	315,420		562,343	316,613		594,271	313,976		608,908
Total Obligations			13,416,885			14,965,709			16,003,096			16,535,541
Less Reimbursables			61,426			88,403			89,261			92,133
Total Direct Obligations			13,355,459			14,877,306			15,913,835			16,443,408

Budget Activity 3

Pay and Allowances of Cadets / Midshipmen

Pay and Allowances of Midshipmen
 Schedule of Increases and Decreases
 (In Thousands of Dollars)

		Amount
FY 2003 Direct Program		\$51,052
Increases:		
Basic Pay		1,434
Annualization of FY 2003 Pay Raise	407	
Increase in Workyears	18	
FY 2004 Pay Raise of 4.1%	1,009	
Social Security Tax		110
Increase in Workyears	2	
Annualization of FY 2003 Pay Raise	31	
FY 2004 Pay Raise of 4.1%	77	
Basic Subsistence		255
Increase due to Inflation of Midshipmen BAS Daily Rate	253	
Increase in Workyears	2	
Total Increases		1,799
FY 2004 Direct Program		\$52,851

(In Thousands of Dollars)

Project: 3-B Midshipmen

FY 2005 Estimate	\$54,561
FY 2004 Estimate	\$52,851
FY 2003 Estimate	\$51,052
FY 2002 Actual	\$50,490

Part I - Purpose and Scope

Funds requested are to provide for basic pay under the provisions of 37 U.S.C. 203(C)(1); Commuted Rations Allowance under the provisions of 37 U.S.C. 422; for employer's contribution of FICA as provided by the Federal Insurance Contribution Act (26 U.S.C. 3101 and 3111); and for Nuclear Accession Bonus (37 U.S.C. 312B).

Part II - Justification of Funds Requested

Funds required are determined by applying statutory rates to the projected workyears. Funding has been provided to link midshipmen pay to 35 percent of ensign (O-1) pay, as authorized by section 612 of the FY 2001 National Defense Authorization Act. Provision is made for an average 4,157 midshipmen in FY 2003, 4,159 in FY 2004, and 4,159 in FY 2005.

Subsistence rates are \$5.75 per day for FY 2003, \$5.90 per day for FY 2004 and \$6.05 per day for FY 2005.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Basic Pay	4,281	\$8,685.35	\$37,182	4,157	\$9,078.66	\$37,740	4,159	\$9,418.75	\$39,173	4,159	\$9,755.20	\$40,572
(2) Subsistence												
(A) Subsistence Allowance	4,281	2,037.61	8,723	4,157	2,098.75	8,725	4,159	2,159.41	8,981	4,159	2,208.46	9,185
(B) Operational Rations	0	0	0	0	0	0	0	0	0	0	0	0
Total (2)			8,723			8,725			8,981			9,185
(3) Social Security Tax – Employer’s Contribution	4,281	666.90	2,855	4,157	694.52	2,887	4,159	720.50	2,997	4,159	746.30	3,104
(4) Nuclear Accession Bonus	173	10,000.00	1,730	170	10,000.00	1,700	170	10,000.00	1,700	170	10,000.00	1,700
Total Obligations			50,490			51,052			52,851			54,561
Less Reimbursable Obligations			0			0			0			0
Total Direct Obligations			50,490			51,052			52,851			54,561
Total 3-B			\$50,490			\$51,052			\$52,851			\$54,561

Budget Activity 4

Subsistence of Enlisted Personnel

Subsistence of Enlisted Personnel
Schedule of Increases and Decreases
(In Thousands of Dollars)

		Amount
FY 2003 Direct Program		\$913,555
Increases:		
1 January 2003 BAS .5% Annualization	20	
1 January 2004 BAS 2.5%	15,930	
Increase in operation rations due to change in food prices and inflation	80	
Increase in Augmentation Rations Daily Rate	452	
Increase in Sale of Meal Rate/BDFA Cost of Food Variance	691	
Increase due to change in Inventory	29	
Increase in BDFA Rates Due to Change in Food Prices and Inflation	7,237	
Increase in Contract Messes, Hospital and Military Sealift Command Due to Daily Rate	218	
Increase in Food Service Re-Engineering Initiatives	748	
Increase in BAS Workyears	3,291	
Total Increases		28,696
Decreases:		
Decrease Due to BAS Collections (BAS Reform)	-8,923	
Decrease in Surveys / Spoilage Due to Lower Receipts with Charge	-203	
Decrease in SIK Workyears	-1,588	
Total Decreases		-10,714
FY 2004 Direct Program		\$931,537

(In Thousands of Dollars)

Project: 4-A Basic Allowance for Subsistence

FY 2005 Estimate	\$0
FY 2004 Estimate	\$0
FY 2003 Estimate	\$0
FY 2002 Actual	\$139,126

Part I - Purpose and Scope

The funds requested will provide enlisted members a cash subsistence allowance (37 U.S.C. 402) under the following circumstances:

- (1) A government mess is available for use, but member is authorized to mess separately at their own expense
- (2) For each day charged as leave
- (3) At a duty station that does not have a government mess available
- (4) Receiving commuted rations, but assigned duties requiring them to purchase one or more meals from other than a government mess

Part II - Justification of Funds Requested

Funds required are based on the average number of enlisted personnel entitled to receive the several types of allowances. Distribution of personnel is developed using actual execution data. The daily rates of subsistence on a cash basis are as follows:

	FY 2002	FY 2003	FY 2004	FY 2005
Commuted and Leave Rations	\$7.66	\$0.00	\$0.00	\$0.00
Rations In Kind Unavailable	\$8.63	\$0.00	\$0.00	\$0.00
Augmentation Rations	\$.39	\$0.00	\$0.00	\$0.00

Section 603 of the FY 2001 National Defense Authorization Act (NDAA) repeals the transition of the Basic Allowance for Subsistence (BAS) program, effective 1 October 2001, and increases the BAS rate in effect by the amount of increases in food costs, as determined by growth in the Department of Agriculture Moderate Food Plan. Funds requested will provide all enlisted military members a BAS payment, except when they are attending basic military training (boot camp), or in a non-pay status. Section 604 of the FY 2001 NDAA authorized a monthly supplemental allowance, not to exceed \$500, to members who qualify for food stamps. The value of either the member's Basic Allowance for Housing or the "in-kind" benefit for members residing in military housing must be included as income in determining eligibility.

Computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) When Authorized To Mess Separately	119,752	\$704.72	\$84,392	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
(2) Leave Rations	28,232	704.72	19,896	0	0.00	0	0	0.00	0	0	0.00	0
(3) When Rations In Kind Not Available	31,207	793.96	24,777	0	0.00	0	0	0.00	0	0	0.00	0
(4) Augmentation Rations	(1,041)	35.88	37	0	0.00	0	0	0.00	0	0	0.00	0
(5) Partial BAS	(126,145)	79.12	9,981	0	0.00	0	0	0.00	0	0	0.00	0
(6) Family Subsistence Allowance			43			0			0			0
Total Obligations	179,191		139,126	0		0	0		0	0		0
Less Reimbursables			917									
Total Direct Obligations			\$138,209			\$0			\$0			\$0

(In Thousands of Dollars)

Project: 4-B Subsistence-In-Kind

FY 2005 Estimate \$0
 FY 2004 Estimate \$0
 FY 2003 Estimate \$0
 FY 2002 Estimate \$88,049

Part I - Purpose and Scope

The funds requested will provide for Subsistence-In-Kind furnished to active duty enlisted personnel (10 U.S.C. 6081A), (10 U.S.C. 6087). Funds are included for the testing of new food items, for the replacement of emergency rations, and the rotation of operational rations. The additional cost of subsisting submarine enlisted personnel is included in supplemental allowances to identify the cost which is in excess of that required for surface ships. Funding for food service re-engineering initiatives began in FY 2001 to provide for the use of pre-cooked/pre-prepared bulk foods and the movement of subsistence from delivery vehicles to ship storerooms. Funds to cover losses of subsistence inventories are also included.

Part II - Justification of Funds Requested

Funds required are based on the number of rations to be furnished enlisted personnel entitled to be subsisted at government expense. The distribution of personnel by category is projected based on actual execution data. The inventory adjustment line includes the inventory amounts for new commissionings offset by decommissionings. The daily rate of subsistence in the general messes are:

	FY 2002	FY 2003	FY 2004	FY 2005
Ashore CONUS	6.52	0.00	0.00	0.00
Ashore Overseas	7.72	0.00	0.00	0.00
Afloat	7.28	0.00	0.00	0.00

	<u>FY 2002</u> Personnel Statistics	<u>FY 2003</u> Personnel Statistics	<u>FY 2004</u> Personnel Statistics	<u>FY 2005</u> Personnel Statistics
Enlisted Strength (Workyears)	325,579	315,420	316,613	313,976
On Monetary Allowance	179,191	173,600	174,257	172,806
Special Rations	2,349	2,973	2,985	2,960
Total Deductions	181,540	176,573	177,242	175,766
Navy Enlisted Entitled To Be Subsisted	144,039	138,847	139,371	138,210
Plus Other Services Entitled to be Subsisted in Navy General Messes	10,421	10,420	10,409	10,404
Minus Navy Enlisted Entitled to be Subsisted in Other Services General Messes	3,111	3,111	3,096	3,096
Total Enlisted to be Subsisted	151,349	146,156	146,684	145,518

Distribution of Balance Entitled to be Subsisted in General Messes

	FY 2002			FY 2003			FY 2004			FY 2005		
	Gross Number	% Fed	Net Number	Gross Number	% Fed	Net Number	Gross Number	% Fed	Net Number	Gross Number	% Fed	Net Number
CONUS												
Navy	44,899	44.758%	20,096	0	0.000%	0	0	0.000%	0	0	0.000%	0
Others	3,505		3,505	0	0.000%	0	0	0.000%	0	0	0.000%	0
Total	48,404		23,601	0		0	0		0	0		0
Overseas												
Navy	6,116	48.900%	2,991	0	0.000%	0	0	0.000%	0	0	0.000%	0
Others	1,378		1,378	0	0.000%	0	0	0.000%	0	0	0.000%	0
Total	7,494		4,369	0		0	0		0	0		0
Afloat												
Navy	89,913	76.500%	68,783	0	0.000%	0	0	0.000%	0	0	0.000%	0
Others	5,538		5,538	0	0.000%	0	0	0.000%	0	0	0.000%	0
Total	95,451		74,321	0		0	0		0	0		0
Total	151,349		102,291	0		0	0		0	0		0

(In Thousands of Dollars)

	FY 2002				FY 2003				FY 2004				FY 2005			
	Number	Rate Daily	Rate Annual	Amount	Number	Rate Daily	Rate Annual	Amount	Number	Rate Daily	Rate Annual	Amount	Number	Rate Daily	Rate Annual	Amount
Subsistence in General Messes																
CONUS																
Navy	20,096	5.98	550.16	\$11,056	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0
Others	3,505			1,928	0			0	0			0	0			0
Total	23,601			12,984	0			0	0			0	0			0
Overseas																
Navy	2,991	7.68	706.56	\$2,113	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0
Others	1,378			974	0			0	0			0	0			0
Total	4,369			3,087	0			0	0			0	0			0
Afloat																
Navy	68,783	6.79	624.68	\$42,967	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0
Others	5,538			3,459	0			0	0			0	0			0
Total	74,321			46,426	0			0	0			0	0			0
Total (1)	102,291			62,497	0			0	0			0	0			0
(2) Operational Rations																
(A) Flight / Boat Rations				2				0				0				0
(B) Emergency Rations				6				0				0				0
(C) Rotation of Operational Rations				884				0				0				0
Total (2)				892				0				0				0
(3) Augmentation Rations																
Supplemental Allowances	40,675	\$0.47	\$43.24	\$1,759	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0	0	\$0.00	\$0.00	\$0

(In Thousands of Dollars)

	FY 2002			FY 2003				FY 2004				FY 2005				
	Number	Rate Daily	Rate Annual	Amount	Number	Rate Daily	Rate Annual	Amount	Number	Rate Daily	Rate Annual	Amount	Number	Rate Daily	Rate Annual	Amount
(4) Other Programs																
(A) Food Service Re-Engineering Initiative				\$8,568				\$0				\$0				\$0
(B) Contract Messes	976	7.74	712.27	695	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0
Hospital	730	8.16	750.45	548	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0
MSC	639	7.71	709.72	454	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0
Coast Guard	4	7.86	722.94	3	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0
Total (4)(B)	2,349			1,700	0			0	0			0	0			0
(C) Inventory Adjustment				29				0				0				0
(D) Surveys / Spoilage				827				0				0				0
(E) Sale Of Meal Rate BDFC Cost of Food Variance				471				0				0				0
(F) Foreign Currency Fluctuation				0				0				0				0
(G) Sale Of Meals – Bulk Subsistence				11,306				0				0				0
Total (4)				22,901				0				0				0
Total 4-B				88,049				0				0				0
Total Obligations				227,175				0				0				0
Less Reimbursables (BAS and SIK)				12,223				0				0				0
Total Direct Obligations				\$214,952	0			\$0	0			\$0	0			\$0

Note: FY 2002 reflects cost for 3 months due to BAS transition ending 1 October 2001. New format beginning 1 January 2002.

(In Thousands of Dollars)

Project: 4-A Basic Allowance for Subsistence

FY 2005 Estimate	\$927,641
FY 2004 Estimate	\$931,537
FY 2003 Estimate	\$913,555
FY 2002 Estimate	\$690,729

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 United States Code, 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 excused as unavoidable, (Title 37 U.S.C. Section 503)

4-B Subsistence-In-Kind

The funds requested will provide for Subsistence-In-Kind furnished active duty enlisted personnel (10 U.S.C. 6081A), (10 U.S.C. 6087). Funds are included for the testing of new food items, for the replacement of emergency rations, and the rotation of operational rations. The additional cost of subsisting submarine enlisted personnel is included in supplemental allowances to identify the cost which is in excess of that required for surface ships. Funding for food service re-engineering initiatives began in FY 2001 to provide for the use of pre-cooked/pre-prepared bulk foods and the movement of subsistence from delivery vehicles to ship store rooms. Funds to cover losses of subsistence inventories are also included.

4-C Family Subsistence Supplemental Allowance (FSSA)

Section 604 of the FY 2001 National Defense Authorization Act requires the Secretary of Defense to establish a program to pay a monthly supplemental allowance, not to exceed \$500, to members who qualify for food stamps using state income eligibility standards. The value of either the member's Basic Allowance for Housing (BAH) or value of the "in-kind" benefit for members residing in military housing must be included as income in determination of eligibility.

Part II - Justification of Funds Requested

Section 603 of the FY 2001 National Defense Authorization Act (NDAA) repeals the transition of the Basic Allowance for Subsistence (BAS) program, effective 1 October 2001, and increases the BAS rate in effect by the amount of increases in food costs, as determined by growth in the Department of Agriculture Moderate Food Plan. The BAS rate increased 3.7%, starting January 2002 and is budgeted for a 3.0% increase January 2003, and 3.5% each January thereafter. Funds requested will provide all enlisted military members a BAS payment, except when they are attending basic military training (boot camp), or in a non-pay status. Section 604 of the FY 2001 NDAA authorized a monthly supplemental allowance, not to exceed \$500, to members who qualify for food stamps. The value of either the member's Basic Allowance for Housing or the "in-kind" benefit for members residing in military housing must be included as income in determining eligibility.

Computation of fund requirements is provided in the following table:

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Basic Allowance For Subsistence												
(A) When Authorized To Mess Separately	284,291	\$2,174.40	\$618,162	271,993	\$2,910.09	\$791,524	273,020	\$2,968.35	\$810,419	303,605	\$3,042.54	\$923,730
(B) When Rations-In-Kind Not Available	30,930	2,362.50	73,072	32,975	3,150.00	103,871	33,100	3,150.00	104,265	0	0.00	0
(C) BAS II			0	333	5,820.18	1,938	334	5,936.70	1,983	298	6,085.08	1,813
(D) Augmentation of Commuted Rations Allowed for Meals Taken Separately	(1,465)	108.00	158	(1,419)	146.70	208	(1,425)	150.39	214	(1,413)	154.20	218
(E) Less Collections			225,710			330,418			339,341			340,651
Total (1)	315,221		465,682	304,968		567,123	306,120		577,540	303,605		585,110
(2) Subsistence-In-Kind												
(A) Subsistence-In-Mess												
(1) Trainee / Non-Pay Status	10,358	1,632.54	16,910	10,119	2,489.30	25,189	10,159	2,551.02	25,916	10,073	2,598.80	26,178
(2) Members Taking Meals in Mess	91,933	1,833.37	168,547	96,564	2,751.24	265,671	95,939	2,819.83	270,532	90,041	2,870.90	258,499
Total (2)(A)	102,291		185,457	106,683		290,860	106,098		296,448	100,114		284,677
(B) Operational Rations												
(1) MREs			1,239			1,692			1,729			1,767
(2) Unitized Rations			1,389			1,898			1,940			1,983
(3) Other Package Operational Rations			19			27			28			29
Total (2)(B)			2,647			3,617			3,697			3,779
(C) Augmentation Rations / Other Programs												
(1) Augmentation Rations	40,675	128.31	5,219	39,405	171.55	6,760	39,548	183.00	7,237	39,292	182.50	7,171
(2) Other Regionalization			0			0			0			0
(3) Other Messing			67,970			89,989			91,499			91,932
Total (2)(C)	40,675		73,189	39,405		96,749	39,548		98,736	39,292		99,103
Total (2)	142,966		\$261,293	146,088		\$391,226	145,646		\$398,881	139,406		\$387,559

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(3) Family Subsistence Supplemental Allowance			\$159			\$500			\$500			\$500
Subtotal 4-A			727,134			958,849			976,921			\$973,169
Less Reimbursables			36,405			45,294			45,384			45,528
Total 4-A			\$690,729			\$913,555			\$931,537			\$927,641

Budget Activity 5

Permanent Change of Station Travel

Permanent Change of Station Travel
 Schedule of Increases and Decreases
 (In Thousands of Dollars)

		Amount
FY 2003 Direct Program		\$712,307
Increases:		
Additional Planned Officer Accession, Enlisted Separation, Officer and Enlisted Organized Unit Moves	15,422	
Increased Cost of Commercially Procured Services Due to 1.5% Projected Inflation	2,052	
Annualization of FY 2003 Pay Raise	1,534	
FY 2004 Pay Raise	3,189	
Implementation of Officer Overseas Tour Extension Benefits	32	
Total Increases		22,229
Decreases:		
Decrease Due to Fewer Enlisted Accession, Officer Separation, Officer and Enlisted Operational, Rotational, and Training Moves	-30,324	
Decreased Cost of industrially Funded Services Due to 1.7% Projected Inflation	-4,390	
Decreased Cost of MTMC Cargo Operations (Port Handling) Due to 20.0% Projected Inflation	-304	
Decreased Cost of MTMC Global POV Services Due to 15.6% Projected Inflation	-995	
Decreased Cost of MTMC Liner Ocean Transportation Due to -2.6% Projected Inflation	-298	
Total Decreases		-36,311
FY 2004 Direct Program		\$698,225

Summary of Project Requirement Moves
(In Thousands of Dollars)

	FY 2002		FY 2003		FY 2004		FY 2005	
	No. Moves	Amount	No. Moves	Amount	No. Moves	Amount	No. Moves	Amount
(1) Accession Travel	56,637	\$53,639	47,949	\$57,515	49,414	\$59,115	50,760	\$61,400
(2) Training Travel	18,759	59,244	17,687	57,261	16,689	54,924	16,957	57,164
(3) Operational Travel Between Duty Stations	34,407	159,063	36,192	175,199	34,240	168,055	34,706	173,682
(4) Rotational Travel To and From Overseas	27,502	266,124	26,680	264,329	25,264	255,429	25,588	263,534
(5) Separation Travel	36,849	81,831	46,388	104,196	46,373	106,978	44,515	103,359
(6) Travel Of Organized Units	5,232	14,188	5,098	24,665	6,053	25,000	3,969	20,171
(7) IPCOT / OTEIP		7,247		7,247		7,424		7,623
(8) Non-Temporary Storage		10,830		11,477		11,354		11,189
(9) Temporary Lodging Expense		11,079		13,928		13,446		13,650
Total Obligations	179,386	663,245	179,994	715,807	178,033	701,725	176,495	711,772
Less Reimbursables		3,863		3,500		3,500		3,500
Total Direct Obligations		\$659,382		\$712,307		\$698,225		\$708,272

Summary of Requirements by Types of Costs
(In Thousands of Dollars)

	FY 2002		FY 2003		FY 2004		FY 2005	
	No. Moves	Amount	No. Moves	Amount	No. Moves	Amount	No. Moves	Amount
(1) Travel Of Military Members <u>1/</u>								
Mileage and Per Diem	190,182	\$100,333	184,624	\$106,999	183,351	\$107,713	180,097	\$108,964
AMC	5,629	5,177	5,673	5,724	5,467	5,607	5,514	5,746
Commercial Air	23,582	15,921	25,221	16,337	24,237	15,939	24,532	16,391
Total (1)		121,431		129,060		129,259		131,098
(2) Travel of Dependents (Family)								
Mileage	54,874	24,664	58,164	26,291	57,240	26,297	54,976	25,675
AMC	2,278	1,812	2,360	2,073	2,189	1,974	2,246	2,043
Commercial Air	26,891	18,938	30,169	21,892	28,222	20,834	28,727	21,487
Total (2)		45,414		50,256		49,105		49,205
(3) Transportation of Household Goods								
M Tons – MSC	27,619	2,535	35,567	2,551	34,067	2,377	33,910	2,409
S Tons – AMC	13,799	36,582	15,703	44,701	13,742	39,763	13,875	40,772
Household Goods Land	81,722	214,522	87,950	231,992	81,140	227,663	83,871	228,555
ITGBL	15,528	86,888	17,222	91,471	16,138	87,279	16,400	89,912
Commercial Air	1,111	1,746	1,180	1,830	1,104	1,776	1,130	1,808
Total (3)		342,273		372,545		358,858		363,456
(4) Dislocation Allowance	45,276	83,895	47,881	93,657	46,111	92,166	45,233	93,833
(5) Trailer Allowance	236	686	258	745	271	811	240	709
(6) Global POV	10,624	32,115	11,463	29,557	10,548	31,440	10,850	32,827
(7) Non-Temporary Storage		10,830		11,477		11,354		11,189
(8) Cargo Operations		8,275		7,335		7,862		8,182
(9) Temporary Lodging Expense		11,079		13,928		13,446		13,650
(10) IPCOT / OTEIP		7,247		7,247		7,424		7,623
Total Obligations		663,245		715,807		701,725		711,772
Less Reimbursables		3,863		3,500		3,500		3,500
Total Direct Obligations		\$659,382		\$712,307		\$698,225		\$708,272

(In Thousands of Dollars)

Project: Permanent Change of Station Travel

Part I - Purpose and Scope

For expenses incident to Permanent Change of Station Travel of military personnel, individually or as part of organized units. PCS travel costs include Monetary Allowance in Lieu of Transportation (MALT); transportation by common carrier (rail, bus, air, or water, including Air Mobility Command (AMC) and Military Sealift Command (MSC)); per diem allowances; actual and necessary expenses and cost of subsistence while in a travel status, issue of meal tickets in lieu of subsistence; travel of dependents and transportation of baggage and household goods; port handling charges for personnel, their household goods, baggage and privately owned automobiles passing through CONUS Military Traffic Management Command (MTMC) terminals; payments of dislocation allowances; authorized transportation of dependents and personal and household effects of deceased military personnel; costs of contract packing, crating, handling and temporary storage of household goods; cost of non-temporary storage of household goods; cost of trailer allowances; travel incident to organizational movements on permanent change of station whether for training or non-training purposes; expenses incident to PCS movement of any military group traveling under one order from the same point of origin to the same destination; minor supplies and services incident to organizational PCS movements, expenses and allowances incident to separation travel; discharge or release; and temporary lodging expense. Also included is all authorized temporary duty travel directly related to and an integral part of PCS movements.

All authorized PCS travel expenses provided for under this budget program shall be charged to the same subprogram account cited in PCS travel order of the military member. The only exception is cost of contract commercial storage of household goods on a non-temporary basis. Included are approved rate changes for the working capital fund services and projected annual inflation for commercially procured services. The term "CONUS" (Continental United States) referred to herein applies to the United States territory, including the adjacent territorial waters located within the North American continent between Canada and Mexico.

Part II - Justification of Funds Requested

The budget request includes pay raise increases to dislocation allowances of 4.7% for 2003 effective 1 January 2003, 2.0% for 2004 effective 1 January 2004 and 3.4% for 2005 effective 1 January 2005. Authorized price changes for commercial and working capital fund services are also included.

(In Thousands of Dollars)

Project: 5-A Accession Travel

FY 2005 Estimate	\$61,400
FY 2004 Estimate	\$59,115
FY 2003 Estimate	\$57,515
FY 2002 Actual	\$53,639

Part I - Purpose and Scope

- (A) Officers: Covers PCS movements of (1) officers appointed to a commissioned grade from civil life, military academies, reserve and NROTC 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 or basic flying training).
- (B) Enlisted: Covers 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.
- (C) Officer Candidates: Covers PCS movements of (1) individuals selected as academy midshipmen upon entry into the academy and (2) individuals who travel to the academy but fail to pass the physical entrance examinations and return home.

Part II - Justification of Funds Requested

PCS moves for members entering active duty. Accession moves are directly related to the number of personnel entering or returning to active Naval service. The number of personnel planned to be accessed is determined by the number of personnel who are expected to separate from active Naval service and by planned increases or decreases in personnel strength in a given fiscal year. Average rates are based on statistical data, ratios and percentages that have been generated from actual PCS moves during prior accounting periods adjusted for projected cost increases/decreases.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers												
(1) Travel of Military Member	3,297	\$847.13	\$2,793	4,759	\$976.60	\$4,648	4,594	\$993.28	\$4,563	4,686	\$1,010.84	\$4,737
(2) Travel of Dependents	943	665.19	627	1,309	674.82	883	1,263	685.99	866	1,289	697.51	899
(3) Transportation of Household Goods												
(A) Land / ITGBL	2,149	3,260.35	7,006	3,532	3,274.11	11,564	3,410	3,323.23	11,332	3,478	3,373.06	11,732
(B) Overseas			148			196			178			183
Total (3)			\$7,154			\$11,760			\$11,510			\$11,915

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(4) Dislocation Allowance	1,442	\$2,457.66	\$3,544	2,545	\$2,588.18	\$6,587	2,457	\$2,657.87	\$6,530	2,506	\$2,739.28	\$6,865
(5) Trailer Allowance	1	2,042.61	2	2	2,061.00	4	2	2,091.91	4	2	2,123.29	4
(6) Global POV												
(A) Full Service	58	3,022.82	175	68	2,578.46	175	66	2,980.70	197	67	3,025.41	203
(B) Partial Service	17	2,402.42	41	19	2,049.27	39	19	2,368.95	45	19	2,404.49	46
Total (6)			216	87		214	85		242	86		249
(7) Cargo Operations (HHG, M. Tons)	283	41.15	12	285	25.39	7	276	30.47	8	281	30.92	9
Total Officers			14,348			24,103			23,723			24,678
Enlisted												
(1) Travel of Military Member	52,105	567.45	29,567	41,955	612.43	25,695	43,585	628.66	27,400	44,839	634.29	28,441
(2) Travel of Dependents	2,237	500.71	1,120	1,767	500.88	885	1,812	501.06	908	1,851	509.33	943
(3) Transportation of Household Goods												
(A) Land / ITGBL	5,019	1,404.77	7,051	3,923	1,440.86	5,652	3,978	1,491.02	5,931	4,061	1,515.13	6,153
(B) Overseas			264			223			221			228
Total (3)			7,315			5,875			6,152			6,381
(4) Dislocation Allowance	197	1,530.29	301	131	1,611.56	211	106	1,654.95	175	106	1,705.64	181
(5) Trailer Allowance			0	0	0.00	0			0	2	0.00	0
(6) Global POV												
(A) Full Service	158	3,022.82	478	111	2,578.46	286	97	2,980.70	289	98	3,023.56	296
(B) Partial Service	45	2,402.42	108	31	2,049.27	64	27	2,368.95	64	28	2,403.02	67
Total (6)			586			350			353			363
(7) Cargo Operations (HHG, M. Tons)	993	21.15	21	676	13.14	9	592	15.94	9	599	16.19	10
Total Enlisted			\$38,910			\$33,025			\$34,997			\$36,319

(In Thousands of Dollars)

	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer Candidates												
(1) Travel of Military Member												
Midshipmen	1,235	308.23	381	1,235	313.17	387	1,235	319.74	395	1,235	326.43	403
Total Officer Candidates	1,235		381	1,235		387	1,235		395	1,235		403
Total 5-A			\$53,639			\$57,515			\$59,115			\$61,400

(In Thousands of Dollars)

Project: 5-B Training Travel

FY 2005 Estimate	\$57,164
FY 2004 Estimate	\$54,924
FY 2003 Estimate	\$57,261
FY 2002 Actual	\$59,244

Part I - Purpose and Scope

- (A) Officers: Covers PCS movements of (1) officers and warrant officers from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction, of 20 weeks duration or more; and (2) officer and warrant officer school graduates and eliminees from school to their next permanent CONUS duty station (excludes academy graduates, OCS, NROTC graduates and others chargeable to accession travel).
- (B) Enlisted: Covers PCS movements of (1) enlisted personnel from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction, of 20 weeks duration or more; (2) enlisted school graduates and eliminees from school to their next CONUS permanent duty station; and (3) enlisted personnel ordered to training leading to a commission if such training period is of 20 weeks duration or more.

Part II - Justification of Funds Requested

Estimates are based on planned training input for officer and enlisted personnel necessary to maintain needed skill levels and educational requirements.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers												
(1) Travel of Military Member	6,569	\$549.41	\$3,609	5,922	\$624.92	\$3,701	5,533	\$635.48	\$3,516	5,674	\$646.78	\$3,670
(2) Travel of Dependents	3,006	516.02	1,551	2,710	522.67	1,416	2,532	531.50	1,346	2,596	540.98	1,404
(3) Transportation of Household Goods												0
(A) Land / ITGBL	5,565	2,796.58	15,563	5,018	2,821.60	14,159	4,688	2,863.93	13,426	4,808	2,906.89	13,976
(B) Overseas			72			65			62			62
Total (3)			15,635			14,224			13,488			14,038
(4) Dislocation Allowance	5,497	2,457.66	13,510	4,956	2,588.18	12,824	4,631	2,657.87	12,309	4,749	2,739.28	13,009
(5) Trailer Allowance	4	1,514.93	6	3	1,528.57	5	3	1,551.50	5	3	1,574.77	5

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(6) Global POV												
(A) Full Service	81	\$3,022.82	\$245	73	2,578.46	188	68	2,980.70	203	70	3,025.41	212
(B) Partial Service	23	2,354.37	55	21	2,049.27	43	19	2,368.95	45	20	2,404.49	48
Total (6)			300			231			248			260
(7) Cargo Operations (HHG, M. Tons)	71	28.19	2	72	17.40	1	67	20.87	1	69	21.19	1
Total Officers			34,613			32,405			30,913			32,387
Enlisted												
(1) Travel of Military Member	12,190	428.56	5,224	11,765	479.78	5,645	11,156	487.90	5,443	11,283	496.60	5,603
(2) Travel of Dependents	3,316	444.80	1,475	3,200	450.59	1,442	3,034	458.23	1,390	3,069	466.45	1,432
(3) Transportation of Household Goods			0						0			0
(A) Land / ITGBL	5,538	1,972.08	10,921	5,346	1,989.64	10,637	5,069	2,019.49	10,237	5,127	2,049.78	10,509
(B) Overseas			64			73			64			66
Total (3)			10,985			10,710			10,301			10,575
(4) Dislocation Allowance	4,521	1,530.29	6,918	4,364	1,611.56	7,033	4,138	1,654.95	6,848	4,185	1,705.64	7,138
(5) Trailer Allowance	4	3,586.28	14	4	3,618.55	14	4	3,672.83	15	4	3,727.92	15
(6) Global POV									0			0
(A) Full Service	4	3,022.82	12	4	2,578.46	10	4	2,980.70	12	4	3,025.41	12
(B) Partial Service	1	2,402.42	2	1	2,049.27	2	1	2,368.95	2	1	2,404.49	2
Total (6)			14			12			14			14
(7) Cargo Operations (HHG, M. Tons)	8	63.40	1	7	39.12	0	7	46.94	0	7	47.65	0
Total Enlisted			24,631			24,856			24,011			24,777
Total 5-B			\$59,244			\$57,261			\$54,924			\$57,164

(In Thousands of Dollars)

Project: 5-C Operational Travel

FY 2005 Estimate	\$173,682
FY 2004 Estimate	\$168,055
FY 2003 Estimate	\$175,199
FY 2002 Actual	\$159,063

Part I - Purpose And scope

- (A) Officers: Covers PCS movements of (1) officers, and warrant officers to and from permanent duty stations located within the United States; (2) officers and warrant officers to and from permanent duty stations located within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances and privately owned vehicles of officers and warrant officers who are interned, missing, or captured when no transoceanic travel is involved. Oceanic travel by member from homeport to join deployed unit is proper.
- (B) Enlisted: Covers PCS movements of (1) enlisted personnel to and from permanent duty stations located within the United States; (2) enlisted personnel to and from permanent duty stations within an overseas area when no transoceanic travel is involved, and (3) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of enlisted personnel who are interned, missing, or captured when no transoceanic travel is involved. Oceanic travel by member from homeport to join deployed unit is proper.

Part II - Justification of Funds Requested

Operational moves are PCS moves for individuals going from one duty station to another within the same theater without transoceanic travel (e.g., CONUS to CONUS or European to European). Operational moves also include individuals reassigned within a given theater resulting from force structure changes. Operational moves are primarily a function of requirements to balance grade and skill inventories with vacancies. Average rates are based on statistical data, ratios and percentages that have been generated from actual PCS moves during prior accounting periods adjusted for projected price changes.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers												
(1) Travel of Military Member	6,155	\$644.65	\$3,968	6,867	\$732.40	\$5,029	6,417	\$744.77	\$4,779	6,579	\$757.99	\$4,987
(2) Travel of Dependents	3,299	865.72	2,856	3,679	877.04	3,227	3,438	891.76	3,066	3,525	907.49	3,199
(3) Transportation of Household Goods												
(A) Land / ITGBL	4,804	4,699.50	22,576	5,359	4,741.79	25,411	5,008	4,812.92	24,103	5,134	4,885.11	25,080
(B) Overseas			376			497			436			458
Total (3)			\$22,952			\$25,908			\$24,539			\$25,538

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(4) Dislocation Allowance	4,184	\$2,457.66	\$10,283	4,668	\$2,588.18	\$12,082	4,362	\$2,657.87	\$11,594	4,472	\$2,739.87	\$12,253
(5) Trailer Allowance	9	1,636.61	15	10	1,651.34	17	9	1,676.11	15	9	1,701.25	15
(6) Global POV												
(A) Full Service	125	3,022.82	378	139	2,578.46	358	130	2,980.70	387	133	3,025.41	402
(B) Partial Service	35	2,402.42	84	39	2,049.27	80	37	2,368.95	88	38	2,404.49	91
Total (6)			462			438			475			493
(7) Cargo Operations (HHG, M. Tons)	206	24.32	5	255	15.00	4	238	18.00	4	244	18.27	4
Total Officers			40,541			46,705			44,472			46,489
Enlisted												
(1) Travel of Military Member	28,252	793.00	22,404	29,325	886.31	25,991	27,823	901.29	25,077	28,127	917.31	25,801
(2) Travel of Dependents	11,351	819.33	9,300	11,782	829.13	9,769	11,178	842.74	9,420	11,300	857.15	9,686
(3) Transportation of Household Goods												
(A) Land / ITGBL	15,545	4,045.53	62,888	16,136	4,081.94	65,866	15,310	4,143.17	63,432	15,477	4,205.32	65,086
(B) Overseas			5,569			6,936			6,168			6,332
Total (3)			68,457			72,802			69,600			71,418
(4) Dislocation Allowance	11,496	1,530.29	17,592	11,932	1,611.56	19,229	11,321	1,654.95	18,736	11,445	1,705.64	19,521
(5) Trailer Allowance	55	2,834.19	156	58	2,859.69	166	55	2,902.59	160	55	2,946.13	162
(6) Global POV												
(A) Full Service	162	3,022.82	490	168	2,578.46	433	159	2,980.70	474	161	3,025.41	487
(B) Partial Service	46	2,402.42	111	47	2,049.27	96	45	2,368.95	107	45	2,404.49	108
Total (6)			601			529			581			595
(7) Cargo Operations (HHG, M. Tons)	447	26.84	12	500	16.58	8	475	19.89	9	480	20.19	10
Total Enlisted			118,522			128,494			123,583			127,193
Total 5-C			\$159,063			\$175,199			\$168,055			\$173,682

(In Thousands of Dollars)

Project: 5-D Rotational Travel

FY 2005 Estimate	\$263,534
FY 2004 Estimate	\$255,429
FY 2003 Estimate	\$264,329
FY 2002 Actual	\$266,124

Part I - Purpose and Scope

- (A) Officers: Covers PCS movements of (1) officers and warrant officers from permanent duty stations in CONUS to permanent duty stations overseas; (2) officers and warrant officers from permanent duty stations overseas to permanent duty stations in CONUS; (3) officers and warrant officers from permanent duty stations in an overseas area to permanent duty stations in another overseas area when transoceanic travel is involved; and (4) dependents, household goods, personal effects, trailer allowances and privately owned vehicles of officers and warrant officers who are interned, missing, or captured when transoceanic travel is involved.
- (B) Enlisted: Covers PCS movements of (1) enlisted personnel from permanent duty stations in CONUS to permanent duty station overseas; (2) enlisted personnel from duty stations overseas to permanent duty stations in CONUS; (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, trailer allowances and privately owned vehicles of enlisted personnel who are interned, missing, or captured when transoceanic travel is involved.

Part II - Justification of Funds Requested

Rotational travel moves are PCS moves for personnel going from CONUS to an overseas assignment, or returning from an overseas assignment to CONUS. Rotational moves are a function of overseas strength in accompanied (long tour) areas and in unaccompanied (short tour) areas. Average rates are based on statistical data, ratios and percentages that have been generated from actual PCS moves during prior accounting periods adjusted for projected price changes.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers												
(1) Travel of Military Member	5,412	\$1,267.27	\$6,858	5,264	\$1,389.85	\$7,316	4,919	\$1,412.60	\$6,949	5,044	\$1,436.47	\$7,246
(2) Travel of Dependents	3,334	1,765.02	5,885	3,243	1,794.32	5,819	3,030	1,822.65	5,523	3,107	1,851.77	5,753
(3) Transportation of Household Goods												
(A) Land / ITGBL	8,718	4,162.96	36,293	8,481	4,200.43	35,624	7,923	4,263.43	33,779	8,125	4,327.39	35,160
(B) Overseas			12,012			13,818			12,147			12,642
Total (3)			48,305			49,442			45,926			47,802
(4) Dislocation Allowance	4,245	\$2,457.66	\$10,433	4,129	\$2,588.18	\$10,687	3,858	\$2,657.87	\$10,254	3,956	\$2,739.87	\$10,839

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5) Trailer Allowance	4	\$5,802.29	\$23	4	\$5,854.51	\$23	4	\$5,942.33	\$24	4	\$6,031.46	\$24
(6) Global POV												
(A) Full Service	2,212	3,022.82	6,686	2,152	2,578.46	5,549	2,010	2,980.70	5,991	2,061	3,025.41	6,235
(B) Partial Service	624	2,402.42	1,499	607	2,049.27	1,244	567	2,368.95	1,343	581	2,404.49	1,397
Total (6)			8,185			6,793			7,334			7,632
(7) Cargo Operations (HHG, M. Tons)	6,964	30.01	209	6,747	18.52	125	6,304	22.22	140	6,464	22.55	146
Total Officers			79,898			80,205			76,150			79,442
Enlisted												
(1) Travel of Military Member	22,090	1,226.59	27,095	21,416	1,336.27	28,618	20,345	1,358.28	27,634	20,544	1,381.23	28,376
(2) Travel of Dependents	10,660	1,545.30	16,473	10,335	1,573.11	16,258	9,818	1,597.90	15,688	9,914	1,623.27	16,093
(3) Transportation of Household Goods												
(A) Land / ITGBL	28,810	2,682.59	77,285	27,931	2,706.73	75,602	26,534	2,747.33	72,898	26,794	2,788.54	74,716
(B) Overseas			20,619			23,373			21,022			21,543
Total (3)			97,904			98,975			93,920			96,259
(4) Dislocation Allowance	11,510	1,530.29	17,614	11,159	1,611.56	17,983	10,601	1,654.95	17,544	10,705	1,705.64	18,259
(5) Trailer Allowance	17	2,492.92	42	16	2,515.36	40	16	2,553.09	41	16	2,591.38	41
(6) Global POV												
(A) Full Service	7,136	3,022.82	21,571	6,918	2,578.46	17,838	6,572	2,980.70	19,589	6,637	3,025.41	20,080
(B) Partial Service	2,013	2,402.42	4,836	1,951	2,049.27	3,998	1,854	2,368.95	4,392	1,872	2,404.49	4,501
Total (6)			26,407			21,836			23,981			24,581
(7) Cargo Operations (HHG, M. Tons)	22,486	30.73	691	21,813	18.96	414	20,722	22.75	471	20,925	23.09	483
Total Enlisted			186,226			184,124			179,279			184,092
Total 5-D			\$266,124			\$264,329			\$255,429			\$263,534

(In Thousands of Dollars)

Project: 5-E Separation Travel

FY 2005 Estimate \$103,359
 FY 2004 Estimate \$106,978
 FY 2003 Estimate \$104,196
 FY 2002 Actual \$81,831

Part I - Purpose and Scope

- (A) Officers: Covers PCS movements of (1) officers and warrant officers upon release or separation from the service from last permanent duty station to home of record or entry into service or to home of selection when authorized by law; and (2) dependents, household goods, trailer allowances and personal effects of officers and warrant officers who are deceased.
- (B) Enlisted: Covers PCS movements of (1) enlisted personnel upon release or separation from the service from 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) dependents, household goods, trailer allowances and personal effects of enlisted personnel who are deceased.
- (C) Officer Candidates: Covers PCS movement upon separation of academy midshipmen or aviation cadets to home of record or point of entry into service.

Part II - Justification of Funds Requested

Estimates are based on planned personnel losses and retirements.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers												
(1) Travel of Military Member	3,957	\$432.63	\$1,712	5,018	\$488.81	\$2,453	5,159	\$496.96	\$2,564	4,570	\$505.73	\$2,311
(2) Travel of Dependents	2,380	479.93	1,142	3,019	485.63	1,466	3,103	493.19	1,530	2,749	501.31	1,378
(3) Transportation of Household Goods												
(A) Land / ITGBL	3,598	3,207.56	11,541	4,565	3,236.61	14,775	4,693	3,284.93	15,416	4,157	3,334.23	13,860
(B) Overseas			1,303			1,900			1,844			1,660
Total (3)			12,844			16,675			17,260			15,520
(4) Dislocation Allowance	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
(5) Trailer Allowance	10	\$1,254.16	\$12	13	\$1,252.91	\$16	14	\$1,271.71	\$18	12	\$1,290.78	\$15

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(6) Global POV												
(A) Full Service	270	\$3,022.82	\$816	343	\$2,578.46	\$884	352	\$2,980.70	\$1,049	312	\$3,025.41	\$944
(B) Partial Service	76	2,402.42	183	97	2,049.27	199	99	2,368.95	235	88	2,404.49	212
Total (6)			999			1,083			1,284			1,156
(7) Cargo Operations (HHG, M. Tons)	3,719	26.35	98	4,718	16.25	77	4,845	19.51	95	4,293	19.80	85
Total Officers			16,807			21,770			22,751			20,465
Enlisted												
(1) Travel of Military Member	32,633	369.66	12,063	41,098	396.43	16,292	40,942	417.58	17,097	39,673	424.95	16,859
(2) Travel of Dependents	9,533	486.64	4,639	12,024	475.70	5,720	11,978	483.32	5,789	11,607	491.22	5,702
(3) Transportation of Household Goods												
(A) Land / ITGBL	16,148	2,734.38	44,155	20,022	2,783.79	55,737	19,947	2,825.50	56,360	19,328	2,867.91	55,431
(B) Overseas			1,274			1,722			1,631			1,602
Total (3)			45,429			57,459			57,991			57,033
(4) Dislocation Allowance	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
(5) Trailer Allowance	76	3,101.76	236	97	3,134.90	304	96	3,181.91	305	93	3,229.65	300
(6) Global POV												
(A) Full Service	675	3,022.82	2,040	795	2,578.46	2,050	792	2,980.70	2,361	768	3,025.41	2,324
(B) Partial Service	190	2,402.42	456	224	2,049.27	459	223	2,368.95	528	216	2,404.49	519
Total (6)			2,496			2,509			2,889			2,843
(7) Cargo Operations (HHG, M. Tons)	7,297	11.64	85	8,514	7.18	61	8,483	8.62	73	8,219	8.75	72
Total Enlisted			64,948			82,345			84,144			82,809
Officer Candidates												
(1) Travel of Military Member			0			0			0			0
Midshipmen	259	294.80	76	272	299.52	81	272	305.81	83	272	312.23	85
Total Officer Candidates			76			81			83			85
Total 5-E			\$81,831			\$104,196			\$106,978			\$103,359

(In Thousands of Dollars)

Project: 5-F Travel of Organized Units

FY 2005 Estimate \$20,171
 FY 2004 Estimate \$25,000
 FY 2003 Estimate \$24,655
 FY 2002 Actual \$14,188

Part I - Purpose and Scope

- (A) Officers: Covers PCS movements, CONUS or overseas, of officers and warrant officers directed to move as members of an organized unit movement.
- (B) Enlisted: Covers PCS movements, CONUS or overseas, of enlisted personnel directed to move as members of an organized unit movement.

Part II - Justification of Funds Requested

Organized unit moves are PCS moves associated with transferring the families and belongings of personnel assigned to units which are relocated from one station to another. These moves are a function of known changes in projected force positioning due to operational requirements. Average rates are based on a point-to-point pricing of each unit move utilizing statistical data, ratios, and percentages that have been generated from actual PCS moves during a given period.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers												
(1) Travel of Military Member	932	\$324.98	\$303	1,412	\$369.71	\$522	1,193	\$373.24	\$445	1,076	\$382.62	\$412
(2) Travel of Dependents	453	505.41	229	689	509.99	351	577	521.75	301	525	527.51	277
(3) Transportation of Household Goods												
(A) Land / ITGBL	440	1,568.92	690	679	1,560.06	1,059	559	1,616.84	904	517	1,606.91	831
(B) Overseas			41			71			55			53
Total (3)			731			1,130			959			884
(4) Dislocation Allowance	390	2,457.66	958	591	2,588.18	1,530	500	2,657.87	1,329	450	2,739.87	1,233
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV												
(A) Full Service	38	3,022.82	115	62	2,578.46	160	48	2,980.71	143	47	3,025.42	142
(B) Partial Service	11	2,402.42	26	18	2,049.27	37	14	2,368.95	33	13	2,404.49	31
Total (6)			\$141			\$197			\$176			\$173

(In Thousands of Dollars)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(7) Cargo Operations (HHG, M. Tons)	34	\$7.61	\$0	62	\$4.70	\$0	47	\$5.64	\$0	47	\$5.72	\$0
Total Officers			2,362			3,730			3,210			2,979
Enlisted												
(1) Travel of Military Member	4,779	290.45	1,388	8,315	322.46	2,681	10,178	325.65	3,314	6,495	333.67	2,167
(2) Travel of Dependents	2,536	675.49	1,713	4,409	685.09	3,021	5,476	598.38	3,277	3,444	708.44	2,440
(3) Transportation of Household Goods												
(A) Land / ITGBL	2,401	1,748.71	4,199	4,181	1,764.80	7,379	4,159	1,713.63	7,127	3,266	1,818.14	5,938
(B) Overseas			105			212			92			161
Total (3)			4,304			7,591			7,219			6,099
(4) Dislocation Allowance	1,957	1,530.29	2,995	3,405	1,611.56	5,487	4,138	1,654.95	6,848	2,660	1,705.64	4,537
(5) Trailer Allowance	29	3,035.11	88	50	3,061.37	153	69	3,272.90	226	39	3,153.91	123
(6) Global POV												
(A) Full Service	361	3,022.82	1,091	630	2,578.46	1,624	248	2,980.70	739	492	3,025.41	1,489
(B) Partial Service	102	2,402.42	245	178	2,049.27	365	70	2,368.95	166	139	2,404.49	334
Total (6)			1,336			1,989			905			1,823
(7) Cargo Operations (HHG, M. Tons)	262	7.62	2	616	4.70	3	224	5.64	1	482	5.73	3
Total Enlisted			11,826			20,925			21,790			17,192
Total 5-F			\$14,188			\$24,655			\$25,000			\$20,171

(In Thousands of Dollars)

Project: 5-G Non-temporary Storage

FY 2005 Estimate	\$11,189
FY 2004 Estimate	\$11,354
FY 2003 Estimate	\$11,477
FY 2002 Actual	\$10,830

Part I - Purpose and Scope

Covers the cost of household goods placed in storage at government expense or moved to another destination under the provisions of 37 U.S.C. 406 when a member is ordered to a duty station to which the shipment of household goods is not authorized.

Part II - Justification of Funds Requested

Entitlement for non-temporary storage exists when personal property shipment is not authorized or elected. The number planned is determined by historical actual data of members that exercised the entitlement. Average rates are also based on statistical data adjusted for projected cost increases/decreases.

Fund requirements are provided in the following table:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Non-temporary Storage	\$10,830	\$11,477	\$11,354	\$11,189
Total 5-G	\$10,830	\$11,477	\$11,354	\$11,189

(In Thousands of Dollars)

Project: 5-H Temporary Lodging Expense

FY 2005 Estimate	\$13,650
FY 2004 Estimate	\$13,446
FY 2003 Estimate	\$13,928
FY 2002 Actual	\$11,079

Part I - Purpose and Scope

For reimbursement of expenses incurred as a result of a PCS move, not to exceed \$180 per day for up to ten days under the provisions of 37 U.S.C. 404D. Limited to five days within CONUS when member moves from CONUS to overseas.

Part II - Justification of Funds Requested

Defrays some of the expenses of temporary lodging incurred when relocating between permanent duty stations. Ratios and percentages of personnel to use the entitlement are based on statistical data of previous entitlements used in actual moves. Average rates are based on statistical data from actual PCS moves during prior accounting periods.

Fund requirements are provided in the following table:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Temporary Lodging Expense	\$11,079	\$13,928	\$13,446	\$13,650
Total 5-H	\$11,079	\$13,928	\$13,446	\$13,650

(In Thousands of Dollars)

Project: 5-I In-place Consecutive Overseas Tour

FY 2005 Estimate	\$6,016
FY 2004 Estimate	\$5,898
FY 2003 Estimate	\$5,782
FY 2002 Actual	\$5,782

Part I - Purpose and Scope

Covers the cost of members/dependents travel in connection with leave taken between consecutive in-place overseas duty assignments.

Part II - Justification of Funds Requested

This entitlement is for In-place Consecutive Overseas Tour leave travel and transportation allowances for the member and command sponsored dependents who are authorized to accompany the member at the duty stations.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers	116	\$7,462.54	\$866	112	\$7,574.47	\$848	112	\$7,725.96	\$865	112	\$7,880.48	\$883
Enlisted	894	5,498.62	4,916	884	5,581.10	4,934	884	5,692.73	5,033	884	5,806.58	5,133
Total 5-I	1,010		\$5,782	996		\$5,782	996		\$5,898	996		\$6,016

(In Thousands of Dollars)

Project: 5-J Overseas Tour Extension Incentives Program (OTEIP)

FY 2005 Estimate	\$1,607
FY 2004 Estimate	\$1,526
FY 2003 Estimate	\$1,465
FY 2002 Actual	\$1,465

Part I - Purpose and Scope

The OTEIP is offered to eligible enlisted personnel for extension of their current planned rotation date for 12 months or more outside the continental United States. Beginning in fiscal year 2004, the OTEIP program will be offered to officers in the same manner offered to enlisted members.

Part II - Justification of Funds Requested

Entitlement to the Overseas Tour Extension Incentive 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.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer			\$0			\$0	19	1,688.36	\$32	48	\$1,722.13	83
Enlisted	898	\$1,631.10	\$1,465	885	\$1,655.26	\$1,465	885	\$1,688.36	\$1,494	885	\$1,722.13	\$1,524
Total 5-J	898		1,465	885		1,465	904		1,526	933		1,607
Total Obligations			663,245			715,807			701,725			711,772
Less Reimbursable Obligations			3,863			3,500			3,500			3,500
Total Direct Obligations			\$659,382			\$712,307			\$698,225			\$708,272

Budget Activity 6

Other Military Personnel Costs

Other Military Personnel Costs
 Schedule of Increases and Decreases
 (In Thousands of Dollars)

FY 2003 Direct Program			Amount
Increases:			\$59,518
Unemployment Compensation		23,129	
Increase in number of beneficiaries	24,817		
Decrease in Department of Labor Rate	-1,688		
Total Increases			23,129
Decrease			
Survivors' Benefits		-90	
Decrease in Department of Veterans Affairs Estimates	-90		
Interest on Savings Deposit		-100	
Decrease in amount earning interest	-100		
Education Benefits		-5,376	
Decrease in floating five (5) year amortization	-5,376		
Special Compensation for Severly Disabled		-4,000	
Decrease in Department of Veteran Affairs Estimate due to establishment of Combat-Related Disabled Uniformed Services Retirees in Budget Activity 2	-4,000		
Total Decrease			-9,566
FY 2004 Direct Program			\$73,081

(In Thousands of Dollars)

Project: 6-A	<u>Apprehension of Military Deserters, Absentees, and Escaped Military Prisoners</u>	FY 2005 Estimate	\$825
		FY 2004 Estimate	\$825
		FY 2003 Estimate	\$825
		FY 2002 Actual	\$847

Part I - Purpose and Scope

Funds requested will provide for expenses in connection with the apprehension of deserters, absentees, and escaped military prisoners and for their delivery to military control, including the 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 and reimbursement for expenses incurred; and cost of transportation, lodging and subsistence of a guard sent in pursuit of an absentee member.

Part II - Justification of Funds Requested

Prior year costs are utilized as the basis for developing the estimates. The estimate reflects rewards of \$50.00 for apprehension and \$75.00 for apprehension and return to military control. The estimate also reflects financial responsibility for guard/escort travel in connection with the member's further return to permanent duty station.

The following estimate is provided:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Apprehension	\$847	\$825	\$825	\$825
Total 6-A	\$847	\$825	\$825	\$825

(In Thousands of Dollars)

Project: 6-B Interest on Savings Deposits

FY 2005 Estimate	\$209
FY 2004 Estimate	\$209
FY 2003 Estimate	\$309
FY 2002 Actual	\$329

Part I - Purpose and Scope

Funds requested will provide payment of interest for service members participating in the Servicemen's Savings Deposit Program.

Part II - Justification of Funds Requested

The Servicemen's Savings Deposit Program was reinstated for the participants in Operation Desert Shield/Storm and those serving in the area of Operation Joint Endeavor and Joint Forge. This program allows members to deposit their money into the savings program and be reimbursed 10% interest on all deposits.

The following estimate is provided:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Interest on Savings Deposits	\$329	\$309	\$209	\$209
Total 6-B	\$329	\$309	\$209	\$209

(In Thousands of Dollars)

Project: 6-C Death Gratuities

FY 2005 Estimate	\$1,470
FY 2004 Estimate	\$1,470
FY 2003 Estimate	\$1,470
FY 2002 Actual	\$1,440

Part I - Purpose and Scope

Funds requested will provide for payment of death gratuities to beneficiaries of military personnel (10 U.S.C. 1475 - 1480). The death gratuity payment is \$6,000 effective 2 August 1990.

Part II - Justification of Funds Requested

Fund requirements are based on actual experience as to the number of deaths multiplied by the death gratuity payment.

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers	40	\$6,000.00	\$240	40	\$6,000.00	\$240	40	\$6,000.00	\$240	40	\$6,000.00	\$240
Enlisted	198	6,000.00	1,188	203	6,000.00	1,218	203	6,000.00	1,218	203	6,000.00	1,218
Midshipmen	2	6,000.00	12	2	6,000.00	12	2	6,000.00	12	2	6,000.00	12
Total 6-C	240		\$1,440	245		\$1,470	245		\$1,470	245		\$1,470

(In Thousands of Dollars)

Project: 6-D Unemployment Compensation

FY 2005 Estimate	\$58,691
FY 2004 Estimate	\$57,794
FY 2003 Estimate	\$34,665
FY 2002 Actual	\$51,988

Part I - Purpose and Scope

Funds requested 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 as amended by (Section 301,P.L. 102-164). Generally, eligibility is defined as active service in the Armed Forces whereupon an individual was discharged under honorable conditions, and had completed his first full term of active service; or was discharged before completing his first term under an early release program, because of hardship, for medical reasons, or for 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 payable in a benefit year is based on estimated losses, factored to exclude retirements for other than honorable conditions as defined by Section 8521(A) of (Title 5, U.S. Code, as amended).

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Unemployment Compensation	12,648	\$4,110.47	\$51,988	8,293	\$4,180.05	\$34,665	14,230	\$4,061.42	\$57,794	14,126	\$4,154.85	\$58,691
Subtotal 6-D	12,648		\$51,988	8,293		\$34,665	14,230		\$57,794	14,126		\$58,691

(In Thousands of Dollars)

Project: 6-E Survivors' Benefits

FY 2005 Estimate	\$774
FY 2004 Estimate	\$853
FY 2003 Estimate	\$943
FY 2002 Actual	\$2,850

Part I - Purpose and Scope

Funds requested will provide for payments of restored Social Security benefits to widows and orphans of military personnel. These benefits were withdrawn under P.L. 97-35. P.L. 97-35 terminated the "mother's" benefit when the last child in custody of the surviving spouse reached age 16, rather than 18, and affected the "school child" by either eliminating benefit payments or by requiring a reduction in benefits. Section 156 of P.L. 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.

Part II - Justification of Funds Requested

Cost estimates are based on actual experience.

The following estimate is provided:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Survivors' Benefits	\$2,850	\$943	\$853	\$774
Total 6-E	\$2,850	\$943	\$853	\$774

(In Thousands of Dollars)

Project: 6-F Educational Benefits

FY 2005 Estimate	\$1,370
FY 2004 Estimate	\$1,370
FY 2003 Estimate	\$6,746
FY 2002 Actual	\$8,009

Part I - Purpose and Scope

Funds are for payment to the Department of Defense Education Benefits Fund, 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 are made by the Veterans Administration from funds transferred from the trust account.

Part II – Justification of Funds Requested

P.L. 101-510 allows service members who were on active duty 30 September 1990 and involuntarily separated after 3 February 1991, the opportunity to enroll in the Montgomery G.I. Bill. The FY 1993 Defense Authorization Act allows members exercising the VSI/SSB options to convert from the Veterans Educational Assistance Program (VEAP) to the Montgomery G.I. Bill as a result of changes in the law. The services will be required to make additional contributions to the DoD Educational Benefits Fund.

The following estimate is provided:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Montgomery G.I. Bill				
(A) Involuntary Separates	\$1,348	\$1,370	\$1,370	\$1,370
(B) Unfunded Liability	6,661	5,376	0	0
Total Amortization	8,009	6,746	1,370	1,370
Total 6-F	\$8,009	\$6,746	\$1,370	\$1,370

(In Thousands of Dollars)

Project: 6-G Adoption Expenses

FY 2005 Estimate	\$236
FY 2004 Estimate	\$236
FY 2003 Estimate	\$236
FY 2002 Actual	\$216

Part I - Purpose and Scope

Funds requested will provide reimbursement for qualifying adoption expenses under the provisions of (10 U.S.C. Chapter 53, Section 1053).

Part II - Justification of Funds Requested

All active duty individuals who initiate adoption proceedings are eligible to receive reimbursement for expenses related to the adoption of children under 18 years of age. Reimbursement, which is made only after the adoption is final, is limited to not more than \$2,000 to a member of the armed forces or, to two such members who are spouses of each other, for expenses incurred in the adoption of a child. A maximum of not more than \$5,000 in any calendar year may be paid to any member or two such members who are spouses.

The following estimate is provided:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Adoption Expenses	\$216	\$236	\$236	\$236
Total 6-G	\$216	\$236	\$236	\$236

(In Thousands of Dollars)

Project: 6-H Special Compensation for Severely Disabled

FY 2005 Estimate	\$5,433
FY 2004 Estimate	\$5,433
FY 2003 Estimate	\$9,433
FY 2002 Actual	\$9,852

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 70%, (2) receive 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 purpose of computing retired pay. FY 2002 NDAA expands eligibility and increases payment levels.

Part II - Justification of Funds Requested

Cost estimate provided by Department of Veterans Affairs.

The following estimate is provided:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Special Compensation for Severely Disabled	\$9,852	\$9,433	\$5,433	\$5,433
Total 6-H	\$9,852	\$9,433	\$5,433	\$5,433

(In Thousands of Dollars)

Project: 6-I Transportation Subsidy

FY 2005 Estimate	\$3,950
FY 2004 Estimate	\$4,391
FY 2003 Estimate	\$4,391
FY 2002 Actual	\$2,899

Part I - Purpose and Scope

Executive Order 13150 on Federal Workforce Transportation, dated 21 April 2000, requires that by no later than 1 October 2000, federal agencies shall implement a transit pass fringe benefit program for qualified federal employees in the National Capital Region (NCR). Washington Headquarters Service (WHS) has been designated to run the within NCR transit pass program for DoD and has been working closely with the Department of Transportation to ensure that costs will be identified to the major command level. In addition, funding is being provided for a transit pass fringe benefit program for areas Outside the NCR (ONCR). This benefit applies to both mass transit and qualified vanpool participants.

Part II - Justification of Funds Requested

Under this program, participating employees will receive, in addition to their current compensation, "transit passes" in amounts equal to personal commuting costs, not to exceed \$100 per month (26 U.S.C. 132 (F)(2)).

Computation of fund requirements is provided in the following table:

	FY 2002			FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers	1,015	\$1,200.00	\$1,218	1,537	\$1,200.00	\$1,845	1,537	\$1,200.00	\$1,845	1,383	\$1,200.00	\$1,659
Enlisted	1,401	1,200.00	1,681	2,122	1,200.00	2,546	2,122	1,200.00	2,546	1,909	1,200.00	2,291
Total 6-I	2,416		2,899	3,659		4,391	3,659		4,391	3,292		3,950

(In Thousands of Dollars)

Project: 6-K Partial Dislocation Allowance

FY 2005 Estimate	\$500
FY 2004 Estimate	\$500
FY 2003 Estimate	\$500
FY 2002 Actual	\$200

Part I - Purpose and Scope

The FY 2002 National Defense Authorization Act (NDAA) authorized a partial dislocation allowance. A partial dislocation allowance is paid to a member who is ordered to vacate government family style quarters due to: privatization, renovation, or any reason other than a permanent change of station (PCS) move. Members are not entitled to the allowance for local moves from government quarters upon separation/retirement.

Part II - Justification of Funds Requested

Under this program, participating employees will receive \$500.00 upon receiving orders to vacate government family style quarters

The following estimate is provided:

	<u>FY 2002</u> Amount	<u>FY 2003</u> Amount	<u>FY 2004</u> Amount	<u>FY 2005</u> Amount
Partial Dislocation Allowance	\$200	\$500	\$500	\$500
Total 6-K	\$200	\$500	\$500	\$500
Total Obligations	\$78,630	\$59,518	\$73,081	\$73,458
Less Reimbursable Obligations	0	0	0	0
Total Direct Obligations	\$78,630	\$59,518	\$73,081	\$73,458

Section 5

Special Analyses

Section 5
Navy Military Strength Assigned Outside DoD
(End Strength)

	FY 2002			FY 2003			FY 2004			FY 2005		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
<u>Assigned Outside DoD</u>												
Non-Reimbursable Personnel												
Executive Office of the President	11	4	15	9	7	16	9	7	16	9	7	16
Office of the Vice President	0	9	9	0	10	10	0	10	10	0	10	10
State Department	4	5	9	5	17	22	5	17	22	5	17	22
State Department (U.N. Truce Supervision)	4	0	4	8	0	8	7	0	7	7	0	7
Justice Department	0	0	0	1	0	1	1	0	1	1	0	1
Energy Department	4	0	4	1	0	1	0	0	0	0	0	0
National Drug Interdiction Program	5	5	10	5	5	10	5	5	10	5	5	10
DoD Project Office	0	0	0	15	2	17	15	2	17	15	2	17
Central Intelligence Agency	6	2	8	2	0	2	0	0	0	0	0	0
Classified Activities	2	1	3	0	0	0	0	0	0	0	0	0
Commerce Department	0	0	0	0	0	0	0	0	0	0	0	0
Dept of Transportation (Coast Guard)	1	0	1	0	0	0	0	0	0	0	0	0
Subtotal Non-reimbursable Program	37	26	63	46	41	87	42	41	83	42	41	83
Reimbursable Personnel												
Executive Office of the President	0	0	0	0	0	0	0	0	0	0	0	0
Arms Control and Disarmament Agency	7	0	7	7	0	7	6	0	6	6	0	6
State Department	0	0	0	0	0	0	0	0	0	0	0	0
DoT (Maritime)	0	0	0	0	0	0	0	0	0	0	0	0
DoT (FAA)	1	0	1	1	0	1	1	0	1	1	0	1
DoT (Ccoast Guard)	36	0	36	38	0	38	38	0	38	38	0	38
DoT (Merchant Marine)	2	1	3	2	1	3	2	0	2	2	0	2
NASA	34	0	34	34	0	34	34	0	34	34	0	34
Office of Physician to Congress	5	9	14	5	9	14	5	9	14	5	9	14
Classified Activities	8	5	13	9	3	12	8	3	11	8	3	11
Energy Department (DoE)	2	0	2	2	0	2	1	0	1	1	0	1
Naval Home	1	0	1	1	0	1	2	1	3	2	1	3
Subtotal Reimbursable Personnel	96	15	111	99	13	112	97	13	110	97	13	110
Total Outside DoD	133	41	174	145	54	199	138	54	191	138	54	192

	FY 2002			FY 2003			FY 2004			FY 2005		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
Assigned to DoD Activities												
Reimbursable Personnel												
Working Capital Fund												
WCF – Navy	721	1,368	2,089	863	1,327	2,190	818	1,300	2,118	818	1,309	2,127
WCF – Defense	218	168	386	244	184	428	243	184	427	243	184	427
WCF Total	939	1,536	2,475	1,107	1,511	2,618	1,061	1,484	2,545	1,061	1,493	2,554
State Department (CBs)	1	116	117	1	128	129	1	128	129	1	128	129
National Science Foundation	0	0	0	0	0	0	0	0	0	0	0	0
Foreign Military Sales	89	118	207	86	114	200	86	114	200	86	114	200
Subtotal DoD Reimbursable Personnel	1,029	1,770	2,799	1,194	1,753	2,947	1,148	1,726	2,874	1,148	1,735	2,883
Total Non-reimbursable Personnel	37	26	63	46	41	87	41	41	83	42	41	83
Total Reimbursable Personnel	1,125	1,785	2,910	1,293	1,766	3,059	1,245	1,739	2,984	1,245	1,748	2,993
Grand Total	1,162	1,811	2,973	1,339	1,807	3,146	1,326	1,780	3,067	1,287	1,789	3,076

Reimbursable Program
Military Personnel, Navy
(In Thousands of Dollars)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>Subsistence (SIK)</u>	\$44,865	\$41,456	\$41,447	\$41,456
Sale of Meals – Bulk Subsistence	44,865	41,456	41,456	41,456
<u>Medical</u>	0	0	0	0
<u>Other Non-strength Related</u>	100	100	100	100
Other Military Costs	100	100	100	100
<u>Strength Related</u>	199,151	290,705	295,358	303,967
Officers	130,099	194,964	198,660	204,262
Basic Pay	(77,741)	(127,211)	(133,830)	(136,566)
Retired Pay Accrual	(23,556)	(34,856)	(36,268)	(36,873)
Enlisted	61,326	88,303	89,161	92,033
Basic Pay	(39,723)	(63,107)	(63,707)	(65,669)
Retired Pay Accrual	(12,036)	(17,291)	(17,265)	(17,731)
Subsistence (BAS)	3,763	3,838	3,937	4,072
PCS Travel	3,863	3,500	3,500	3,500
Total Program	\$244,016	\$332,161	\$336,805	\$345,423
 *Includes the following anticipated reimbursements from the DHP Trust Fund:				
Over 65	0	\$113,824	\$115,570	\$119,707