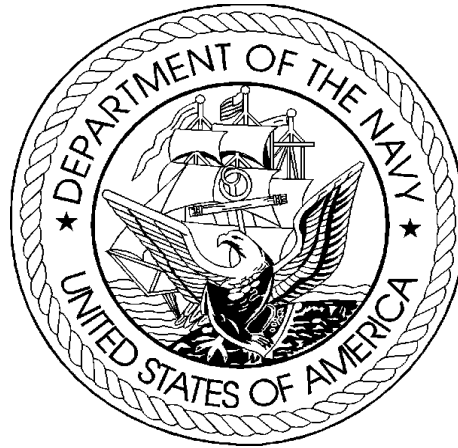


DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2007
BUDGET ESTIMATES SUBMISSION



JUSTIFICATION OF ESTIMATES
FEBRUARY 2006

MILITARY PERSONNEL, NAVY

**Fiscal Year 2007 Budget Estimates
Budget Appendix Extract Language**

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; for members of the Reserve Officers' Training Corps; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$23,271,011,000. (10 U.S.C. 600, 683-4, 701-4, 744, 956, 1035, 1037, 1047-49, 1212, 1475-80, 2421, 2634, 5413-14, 5441-42, 5444, 5446, 5450-51, 5454, 5501, 5503, 6081-86, 6221, 6911-12, 6960, 6969; 26 U.S.C. 3121; chapters 3, 5, 7, 9, and 10 of title 37, United States Code; Department of Defense Appropriations Act, 2006.)



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PROGRAM ASSESSMENT

Department of Defense Recruiting

The DoD recruiting program is designed to attract young people who might wish to serve in the armed forces. DoD brings in about 200,000 recruits each year through radio, TV, internet, and other advertising, along with on-the-street recruiters, using an attractive compensation package and an opportunity to serve our nation.

PERFORMING

Moderately Effective

- **The recruiting environment is more difficult, resulting in increased costs for bonuses and other incentives.** Advertising is also more expensive. Some services missed their goals in Fiscal Year 2005. Additional recruiters and funds were applied to the program.
- **DoD has a renewed emphasis on monitoring this program.** Performance goals for recruiters are updated monthly to meet targets provided by the manpower planners. DoD provides monthly public reports on its performance and grades itself in its Balanced Scorecard and in quarterly OMB updates.

We are taking the following actions to improve the performance of the program:

- Increasing the potential incentives available to new recruits.
- Developing measurements of the impact of different recruiting tools - e.g. Is it more effective to increase advertising or pay higher bonuses to get the quality and quantity of needed recruits?
- [Details and Current Status of this program assessment.](#)
- [How all Federal programs are assessed.](#)
- [Learn more about Department of Defense Recruiting.](#)



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PROGRAM ASSESSMENT

Defense Housing

DoD's housing program provides housing to military service members and their families. DoD does this in two ways -- by providing housing allowances (BAH) to service members (who find housing in the private sector or in privatized housing on-base) or by providing members DoD-owned housing.

PERFORMING

Moderately Effective

- **The purpose of the program is clearly defined - - to provide quality housing for our service members.**
- **The program has clear and ambitious goals.** At the end of 2005, DoD had eliminated over 85,000 inadequate units, fewer than projected. At the end of 2005, DoD owned approximately 88,000 inadequate housing units, higher than was projected. DoD continues to address the unique challenges of bringing private and public sectors together to meet the goals of the program.
- **DoD should reduce the federal role by privatizing more government-owned housing.** DoD has reduced the federal role in housing by increasing allowances - - by eliminating service member's average out-of-pocket expenses for housing.

We are taking the following actions to improve the performance of the program:

- Working toward meeting yearly targets so that DoD can eliminate all inadequate housing by 2007.
- Privatizing government-owned housing, where feasible, so that military service members and their families can live in quality housing and reduce the role of government in housing.

- [Details and Current Status of this program assessment.](#)
- [How all Federal programs are assessed.](#)
- [Learn more about Defense Housing.](#)



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PROGRAM ASSESSMENT

Military Force Management

The Department of Defense (DOD) employs nearly 1.4 million active duty and 900,000 reserve and Guard service members. Ensuring DoD has the personnel it needs in the right place at the right time requires managing a combination of compensation and other tools to assure recruiting and retention success.

PERFORMING

Effective

- **DoD has been able to meet its personnel needs for the Global War on Terror while maintaining operations in hundreds of other countries by offering challenging work, excellent training, and a competitive compensation package.**
- **Retention of experienced personnel remains well above goal.** Retention in all active and reserve components exceeded yearly goals.
- **The military services have not been able to quickly increase recruiting.** Because they have sufficient tools to address the problem, they are adjusting resources to ensure recruiting success.

We are taking the following actions to improve the performance of the program:

- Developing additional efficiency measures to determine the impacts of each individual recruiting and retention tool in the Department's "toolkit".
- Examining the entire system of compensation initiatives to determine what the correct mix of cash and noncash incentives should be.

- [Details and Current Status of this program assessment.](#)
- [How all Federal programs are assessed.](#)
- [Learn more about Military Force Management.](#)

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Section 1

Summary of Requirements by Budget Program

SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM - ACTIVE FORCES

	FY 2005 <u>Actual</u>	FY 2006 <u>Estimate</u>	FY 2007 <u>Estimate</u>
<u>DIRECT BASELINE PROGRAM FUNDING</u>			
Pay and Allowances of Officers	6,044,815	5,789,545	5,993,204
Pay and Allowances of Enlisted Personnel	16,777,226	14,950,345	15,452,241
Pay and Allowances of Cadets / Midshipmen	55,651	56,350	56,412
Subsistence of Enlisted Personnel	922,503	911,030	914,525
Permanent Change of Station Travel	788,833	738,098	732,849
Other Military Personnel Costs	<u>79,718</u>	<u>114,852</u>	<u>121,780</u>
Total Direct Baseline Program Funding	24,668,746	22,560,220	23,271,011
<u>REIMBURSABLE BASELINE PROGRAM FUNDING</u>			
Pay and Allowances of Officers	215,770	193,548	207,126
Pay and Allowances of Enlisted Personnel	96,617	84,859	97,161
Pay and Allowances of Cadets / Midshipmen			
Subsistence of Enlisted Personnel	44,200	44,505	45,862
Permanent Change of Station Travel	3,197	2,979	3,256
Other Military Personnel Costs			
Total Reimbursable Baseline Program Funding	359,784	325,891	353,405
<u>TOTAL BASELINE PROGRAM FUNDING</u>			
Pay and Allowances of Officers	6,260,585	5,983,093	6,200,330
Pay and Allowances of Enlisted Personnel	16,873,843	15,035,204	15,549,402
Pay and Allowances of Cadets / Midshipmen	55,651	56,350	56,412
Subsistence of Enlisted Personnel	966,703	955,535	960,387
Permanent Change of Station Travel	792,030	741,077	736,105
Other Military Personnel Costs	<u>79,718</u>	<u>114,852</u>	<u>121,780</u>
Total Baseline Program Funding	25,028,530	22,886,111	23,624,416
<u>GWOT Supplemental Funding (FY 2005 P.L. 109-13 and FY 2006 P.L. 109-48)</u>			
Pay and Allowances of Officers	140,984		
Pay and Allowances of Enlisted Personnel	328,278		
Pay and Allowances of Cadets and Midshipmen			
Subsistence of Enlisted Personnel	10,394		
Permanent Change of Station Travel	5,328		
Other Military Personnel Costs	<u>77,824</u>	<u>144,000</u>	
Total Program Funding	562,808	144,000	
<u>Hurricane Katrina Evacuation--FY2005 and FY2006</u>			
Pay and Allowances of Officers			
Pay and Allowances of Enlisted Personnel			
Pay and Allowances of Cadets and Midshipmen			
Subsistence of Enlisted Personnel	13,221		
Permanent Change of Station Travel	49,079	49,032	
Other Military Personnel Costs			
Total Program Funding	62,300	49,032	
<u>TOTAL PROGRAM FUNDING</u>			
Pay and Allowances of Officers	6,401,569	5,983,093	
Pay and Allowances of Enlisted Personnel	17,202,121	15,035,204	
Pay and Allowances of Cadets / Midshipmen	55,651	56,350	
Subsistence of Enlisted Personnel	990,318	955,535	
Permanent Change of Station Travel	846,437	790,109	
Other Military Personnel Costs	157,542	258,852	
Total Direct Baseline Program Funding	25,653,638	23,079,143	
Medicare-Eligible Retiree Health Fund Contribution, (Army, Navy, etc.)		2,028,599	2,074,177
TOTAL MILITARY PERSONNEL PROGRAM COST	25,653,638	25,107,742	25,698,593

LEGISLATIVE PROPOSALS:

The following legislative proposals are included in the above estimate and submitted for FY 2007:

Legislative Proposals (Dollars in Thousands):
\$0.2M for BAH for Dependents

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 individuals account: students, trainees, transients, patients, prisoners, holdees, and midshipmen. The Navy has budgeted for less end strength in FY 2006 and FY 2007. FY 2006 and FY 2007 programmed strength declines to 352,700 and 340,700 respectively. As the Navy becomes more technical, efficiencies can be gained resulting in a smaller and more capable, ready, work force. Through transformational concepts for employment of forces; changes in assignment practices; retirement of older, manpower intensive platforms; and substitution with civilian or contractor personnel, Navy has reduced its requirements for military manpower. In FY 2006, members received a 3.1% pay raise. The FY 2007 budget provides funding for a 2.2% across-the-board pay raise effective 1 January 2007. The budget also includes funding for additional increases for selective warrant officers and mid-grade senior enlisted personnel effective 1 April 2007. Funding requested in the FY 2007 President's budget submission supports an end strength of 362,941 in FY 2005, 352,700 in FY 2006 and 340,700 in FY 2007.

The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance the cost of TRICARE benefits accrued by uniformed service members. Previously, the military personnel accounts were required to pay the accrued costs, using annual appropriations. Since these costs are actually borne in support of the Department of Defense, they will be shown as part of the DoD discretionary total. Ten new accounts corresponding to each of the existing military personnel accounts have been created to show the cost of these payments. Beginning in 2006, the appropriations requested for the military personnel accounts exclude funding to make the retiree health accrual payments. Total obligations on behalf of military personnel include both the amounts requested for appropriation and amounts paid from the permanent, indefinite authority.

The Department is committed to reducing the unexpended/unobligated balances occurring annually in the military personnel appropriations. As part of the FY 2007 budget formulation, the military personnel budget estimates were reduced by over \$300 million for historical unexpended/unobligated balances. These reductions were based on the methodology used by the General Accountability Office. The FY 2007 Military Personnel, Navy budget estimates, were reduced by \$2.3 million as a result. In addition to the funding reductions, the Service Components and the Defense Finance and Accounting Service have been directed to work together to:

- develop the lowest, achievable percentage level of unobligated/unexpended
- develop a Financial Improvement Plan with specific tasks that will be performed to reduce the unobligated/unexpended balances,
- add the necessary personnel resources to improve execution data collection, and
- closely monitor, through metrics reporting the progress, to reduce MILPERS appropriation unobligated/unexpended balances to the lowest, achievable percentage level by the end of each appropriation's 5 year availability.

Basic Allowance for Housing (BAH) programs have been funded to eliminate Sailor's out-of-pocket (OOP) expenses in FY 2005. Additional funding has been budgeted for BAH costs associated with privatization (Public-Private Venture) of approximately 7,158 family housing units in FY 2006, and 8,961 family housing units in FY07. Additional funding have been budgeted for PPV Bachelor Quarters (BQ) of 1,032 in FY 2006 and 4,186 in FY 2007 to support the Homeport Ashore Mission.

FY 2005 gains include: 3 Arleigh Burke destroyers (DDG), 1 amphibious transport dock (LPD-17), and 2 nuclear powered attack submarines (SSN). FY 2005 reductions include: 2 cruisers (CG), 1 command ship (AGF-3), 4 destroyers (DD), and 1 amphibious transport dock (LPD-4). In FY 2005, Navy aviation gains include the transition to 1 F/A-18E (VFA) squadron and 3 F/A-18F (VFA) squadrons. FY 2005 aviation reductions include the transition from 3 F-14 A/B (VF) squadrons and the disestablishment of 1 F/A-18C (VFA) squadron, 2 S-3B (VS) squadrons and the F-14 A/B/D FRS in Oceana, VA.

FY 2006 gains include: 3 Arleigh Burke destroyers (DDG), 2 amphibious transport dock (LPD-17), and 1 nuclear powered attack submarines (SSN). FY 2006 reductions include: 1 cruiser (CG), 1 amphibious transport dock (LPD-4), 4 Minehunters (MHC) and 1 nuclear powered attack submarine (SSN). In FY 2006, Navy aviation gains include the transition to 2 F/A-18E (VFA) squadrons and 1 F/A-18F (VFA) squadron. FY 2006 aviation reductions include the transition from 2 F-14 D (VF) squadrons, the transition of 1 F/A-18C (VFA) squadron and 3 S-3B (VS) squadrons.

FY 2007 force structure gains include 2 Arleigh Burke destroyers (DDG), 1 Littoral Combat Ship (LCS), 1 amphibious helicopter dock (LHD-8), 1 amphibious transport dock (LPD-17), and 1 nuclear powered attack submarine (SSN). FY 2007 reductions include: 4 Minehunter Crews (MHC), 1 amphibious helicopter assault (LHA), 3 amphibious transport dock (LPD-4), and 1 nuclear powered attack submarines (SSN). In FY 2007, Naval Aviation gains include the transition to 1 F/A-18E (VFA) squadron, the establishment of the first VTUAV (Firescout) detachment for deployment aboard LCS, and the establishment of 2 MH-60S (HSC Expeditionary) squadrons. FY 2007 aviation reductions include the transition from 1 F/A-18C (VFA) squadron and the disestablishment of 3 S-3B (VS) squadrons.

Shaping and aligning the force profile is an important component of this budget. In FY 2003, the Navy far exceeded its retention and recruit quality goals for enlisted personnel. In addition, officer retention was the highest in over a decade. Attrition rates remain at historical lows with retention of quality officer and enlisted personnel exceeding the high levels experienced in FY 2001 and FY 2002. While reenlistment rates remain high and attrition rates low, personnel misalignment and force imbalance still persist. In order to correct for assets and deficiencies in the force profile and meet the Navy's mission, we must expand the number and type of targeted separation incentives (force shaping tools). This will enable us to continue to recruit, retain and deliver the right Sailors at the right time to the right place in the most cost-effective manner.

MILITARY PERSONNEL, NAVY
PERFORMANCE MEASURES AND EVALUATION SUMMARY

Activity: Active Military Personnel

Activity Goal: Maintain the correct Active Military Personnel to execute the National Strategy.

Description of Activity: The Active Military Personnel appropriations provide resources necessary to compensate military personnel required to man approved force structure and support infrastructure, which include pay, allowances, individual clothing, subsistence, and permanent change of station.

PERFORMANCE MEASURES:

	<u>FY 2005 Actual</u>	<u>FY 2006 Planned</u>	<u>FY 2007 Planned</u>
Average Strength	372,256	352,729	346,759
End Strength	362,941	352,700	340,700
Authorized End Strength	365,900	352,700	

/1 FY 2005 supplemental average strength includes 4056 Mobilized Reserve Component in support of OEF/OIF.

Recruiting

	<u>FY2005 Actual</u>	<u>FY 2006 Planned</u>	<u>FY2007 Planned</u>
1. Numeric goals			
Accession Goal	37,635	36,456 *	35,000
Accessions Attained	37,703		
New Contract Objective	33,941	37,452 **	35,000
New Contracts Attained	34,403		

- Total recruiting accession mission is compared to actual accessions for the fiscal year. The percent of goal accomplished is the measurement.

* Original goal was 37,456. FY-06 Enlisted Recruiting Goals and Policies-Revision 5, dated 3 Jan 2006 , reduced goal to 36,456.

** Original goal (37,456) was reduced by 4 for DEPPers converting to officer program. There has not been a cut corresponding to the accession cut.

2. Quality Goals

- HSDG percent	95.0%	95.0%	95.0%
Actual	96.0%		
- Test Score Category I-III %	70.0%	70.0% *	70.0%
Actual	70.4%		

a. High School Diploma Graduate (HSDG) percent measures the number of non-prior service accessions who meet Tier I (HSDG) educational criteria relative to the total number of non-prior service accessions in a fiscal year. Navy has established this quality goal above the DoD minimum of 90% because these recruits generally have lower first-term attrition than do Tier II (alternate High School Credential or High School Graduate) and Tier III (Non-High School Graduate) recruits.

b. Test Score Category I-III (CAT I-III) percent measures the number of non-prior service accessions who score at or above the 50th percentile on the Armed Forces Qualification Test (AFQT) relative to the total number of non-prior service accessions in a fiscal year. Navy has established this quality goal above the DoD minimum of 60% because CAT I-III recruits are generally better able to meet the challenges associated with the highly technical Navy of the 21st Century than are those who score lower on the AFQT. Navy does not currently assess CAT IV recruits

Section 3

Summary Charts

MILITARY PERSONNEL, NAVY
SUMMARY OF MILITARY PERSONNEL STRENGTH - ACTIVE FORCES

	<u>FY 2005 Actuals</u>		<u>FY 2006 Planned</u>		<u>FY 2007 Planned</u>	
	<u>Average Strength</u>	<u>End Strength 30-Sep-05</u>	<u>Average Strength</u>	<u>End Strength 30-Sep-06</u>	<u>Average Strength</u>	<u>End Strength 30-Sep-07</u>
DIRECT PROGRAM						
Officers	53,391	51,851	50,970	50,753	50,841	50,027
Enlisted	307,939	304,223	294,502	295,028	288,944	283,942
Academy (Cadets/Midshipmen)	<u>4,228</u>	<u>4,380</u>	<u>4,149</u>	<u>4,100</u>	<u>3,963</u>	<u>4,000</u>
Sub-Total	365,558	360,454	349,621	349,881	343,748	337,969
REIMBURSABLE PROGRAM						
Officers	1,076	975	1,260	1,142	1,177	1,068
Enlisted	<u>1,666</u>	<u>1,512</u>	<u>1,848</u>	<u>1,677</u>	<u>1,834</u>	<u>1,663</u>
Sub-Total	2,742	2,487	3,108	2,819	3,011	2,731
TOTAL PROGRAM						
Officers	54,467	52,826	52,230	51,895	52,018	51,095
Enlisted	309,605	305,735	296,350	296,705	290,778	285,605
Academy (Cadets/Midshipmen)	<u>4,228</u>	<u>4,380</u>	<u>4,149</u>	<u>4,100</u>	<u>3,963</u>	<u>4,000</u>
TOTAL PROGRAM	368,300	362,941	352,729	352,700	346,759	340,700
FY 2005 Supplemental (P.L. 109-13) 1/						
Officers	886					
Enlisted	<u>3170</u>					
Supplemental Funded Strength	4056					
REVISED TOTAL PROGRAM						
Officers	55,353	52,826	52,230	51,895	52,018	51,095
Enlisted	312,775	305,735	296,350	296,705	290,778	285,605
Academy (Cadets/Midshipmen)	<u>4,228</u>	<u>4,380</u>	<u>4,149</u>	<u>4,100</u>	<u>3,963</u>	<u>4,000</u>
Revised Total Program	372,356	362,941	352,729	352,700	346,759	340,700

1/ FY2005 average strength includes 886 officers and 3170 enlisted mobilized Reserve Component personnel in support of OEF/OIF.

Military Personnel, Navy
End Strength by Grade - Active Forces
Total Program

	FY 2005		FY 2006		FY 2007	
	Total	Reimbursables	Total	Reimbursables	Total	Reimbursables
Commissioned Officers						
0-10 Admiral	8	0	8	0	8	0
0-9 Vice Admiral	25	2	25	2	25	2
0-8 Rear Admiral (UH)	77	1	77	1	77	1
0-7 Rear Admiral (LH)	103	12	108	14	108	12
0-6 Captain	3,350	123	3,171	144	3,155	133
0-5 Commander	6,961	226	6,803	265	6,869	255
0-4 Lieutenant Commander	10,415	265	10,517	310	10,647	305
0-3 Lieutenant	17,598	272	17,513	319	17,067	277
0-2 Lieutenant (JG)	6,635	38	6,084	45	5,699	44
0-1 Ensign	6,089	17	6,074	20	5,898	18
TOTAL	51,261	956	50,380	1,120	49,553	1,047
Warrant Officers						
W-5 Warrant Officer	43	0	37	0	47	0
W-4 Warrant Officer	256	7	261	8	273	7
W-3 Warrant Officer	678	5	799	6	736	6
W-2 Warrant Officer	588	7	418	8	486	8
TOTAL	1,565	19	1,515	22	1,542	21
Total Officer Personnel	52,826	975	51,895	1,142	51,095	1,068
Enlisted Personnel						
E-9 Master Chief Petty Officer	2,977	24	2,913	27	2,850	25
E-8 Senior Chief Petty Officer	7,426	80	7,292	89	7,126	84
E-7 Chief Petty Officer	23,759	281	23,375	312	22,820	310
E-6 1st Class Petty Officer	53,277	522	51,803	578	50,379	585
E-5 2nd Class Petty Officer	73,274	450	72,129	499	69,825	486
E-4 3rd Class Petty Officer	60,923	134	57,536	149	56,204	150
E-3 Seaman	51,975	21	45,753	23	45,759	23
E-2 Seaman Apprentice	16,137	0	21,420	0	18,135	0
E-1 Seaman Recruit	15,987	0	14,484	0	12,507	0
Total Enlisted	305,735	1,512	296,705	1,677	285,605	1,663
Total Officer and Enlisted	358,561	2,487	348,600	2,819	336,700	2,731
Midshipmen	4,380		4,100		4,000	
TOTAL STRENGTH	362,941	2,487	352,700	2,819	340,700	2,731

Military Personnel, Navy
Average Strength by Grade - Active Forces
Total Program

	FY 2005		FY 2006		FY 2007	
	Total	Reimbursables	Total	Reimbursables	Total	Reimbursables
Commissioned Officers						
0-10 Admiral	8	0	8	0	8	0
0-9 Vice Admiral	26	2	25	2	25	2
0-8 Rear Admiral (UH)	78	1	77	1	77	1
0-7 Rear Admiral (LH)	112	13	109	15	112	13
0-6 Captain	3,540	136	3,294	159	3,167	147
0-5 Commander	7,369	249	7,110	292	7,029	281
0-4 Lieutenant Commander	10,767	292	10,405	342	10,552	336
0-3 Lieutenant	18,087	300	17,590	352	17,508	305
0-2 Lieutenant (JG)	7,398	42	6,483	50	5,981	48
0-1 Ensign	6,307	19	5,535	22	5,972	20
TOTAL	53,692	1054	50636	1235	50431	1153
Warrant Officers						
W-5 Warrant Officer	28	0	47	0	40	0
W-4 Warrant Officer	299	8	291	9	282	8
W-3 Warrant Officer	614	6	711	7	767	7
W-2 Warrant Officer	720	8	545	9	498	9
TOTAL	1661	22	1594	25	1587	24
Total Officer Personnel	55353	1076	52230	1260	52018	1177
Enlisted Personnel						
E-9 Master Chief Petty Officer	3,104	26	2,903	30	2,899	28
E-8 Senior Chief Petty Officer	6,815	88	7,068	98	7,143	93
E-7 Chief Petty Officer	23,745	310	22,707	344	23,024	342
E-6 1st Class Petty Officer	55,536	575	53,231	637	51,627	645
E-5 2nd Class Petty Officer	74,979	496	71,993	550	70,541	536
E-4 3rd Class Petty Officer	60,548	148	58,207	164	55,413	165
E-3 Seaman	56,820	23	51,254	25	48,284	25
E-2 Seaman Apprentice	18,923	0	16,836	0	19,126	0
E-1 Seaman Recruit	12,305	0	12,151	0	12,721	0
Total Enlisted	312,775	1,666	296,350	1,848	290,778	1,834
Total Officer and Enlisted	368,128	2,742	348,580	3,108	342,796	3,011
Midshipmen	4,228		4,149		3,963	
TOTAL STRENGTH	372,356	2,742	352,729	3,108	346,759	3,011

MILITARY PERSONNEL, NAVY
ACTIVE DUTY STRENGTH BY MONTH 1/

	FY 2005				FY 2006				FY 2007			
	Actual				Estimate				Estimate			
	Off	Enl	Cadet	Total	Off	Enl	Cadet	Total	Off	Enl	Cadet	Total
September	54,208	314,681	4,308	373,197	52,826	305,735	4,380	362,941	51,895	296,705	4,100	352,700
October	54,070	314,291	4,305	372,666	52,668	303,841	4,371	360,880	51,737	294,677	4,097	350,511
November	53,946	313,866	4,300	372,112	52,574	303,401	4,365	360,340	51,676	293,605	4,092	349,373
December	53,906	312,249	4,290	370,445	52,508	302,336	4,341	359,185	51,719	292,807	4,071	348,597
January	53,730	311,292	4,267	369,289	52,329	298,782	4,320	355,431	51,571	291,679	4,053	347,303
February	53,428	310,167	4,260	367,855	52,007	295,968	4,310	352,285	51,367	290,936	4,046	346,349
March	53,241	308,261	4,245	365,747	51,352	292,913	4,302	348,567	51,090	289,897	4,041	345,028
April <u>2/</u>	53,122	307,151	4,231	364,504	51,170	290,310	4,289	345,769	51,034	289,186	4,030	344,250
May	54,149	305,505	3,260	362,914	51,858	287,503	3,257	342,618	52,320	288,425	3,005	343,750
June	54,039	305,368	4,451	363,858	51,383	289,488	3,239	344,110	52,232	288,311	2,988	343,531
July	53,685	305,637	4,413	363,735	51,038	291,849	4,166	347,053	51,912	287,811	4,060	343,783
August	53,293	305,588	4,394	363,275	50,630	294,081	4,118	348,829	51,620	286,640	4,015	342,275
September	52,826	305,735	4,380	362,941	51,895	296,705	4,100	352,700	51,095	285,605	4,000	340,700
Average Strength	55,353	312,775	4,228	372,356	52,230	296,350	4,149	352,729	52,018	290,778	3,963	346,759
Active Duty Special Work												
Average Strength	214	248	0.0	462	240	373	0.0	613	215	349	0.0	564
Dollars in Millions	23.6	13.8	0.0	37.4	29	21.9	0.0	50.4	25.5	19.6	0.0	45.1

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

Gains and Losses By Source and Type -Active Forces
Officers

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Begin Strength	54,208	52,826	51,895
Gains			
Naval Academy	756	784	786
Reserve Officer Training Corps	838	812	778
Senior ROTC	46	51	35
Scholarship	792	761	743
Health Professions Scholarships	303	322	280
Reserve Officer Candidates	0	0	0
Other Enlisted Commissioning Programs	1,305	1,366	1,404
Voluntary Active Duty	150	108	52
Direct Appointments	299	407	328
Warrant Officer Programs	189	194	222
Other	0	0	0
Gain Adjustment	18	0	0
Total Gains	3,858	3,993	3,850
Losses			
Expiration of Contract / Obligation	447	352	362
Normal Early Release	112	88	91
Retirement	2,258	2,178	1,993
Disability	0	0	0
Non-disability	0	0	0
TERA	0	0	0
Voluntary Separation - VSI	0	502	0
Voluntary Separation - SSB	0	0	0
Involuntary Separation - Reserve Officers	50	25	37
Involuntary Separation - Regular Officers	106	95	78
Reduction-in-Force	0	0	0
Attrition	1,787	1,338	1,413
Other	78	90	111
Loss Adjustment	402	256	565
Total Losses	5,240	4,924	4,650
End Strength	52,826	51,895	51,095

Gains and Losses by Source and Type - Active Forces

Enlisted

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Begin Strength	314,681	305,735	296,705
Gains			
Non-prior Service Enlistments	34,511	32,380	29,106
Male	(28,664)	(25,024)	(22,848)
Female	(5,847)	(7,356)	(6,258)
Prior Service Enlistments	463	1,150	1,120
National Call to Service	1,842	2,340	3,000
Reenlistments	33,651	34,053	34,351
Reserve	0	0	0
Navy Reserve (2/3 x 6) Program	64	36	0
Officer Candidate Programs	899	1,340	1,337
Returned from Dropped Rolls	3,280	3,566	3,004
Gain Adjustment	230	12	0
Total Gains	74,940	74,877	71,918
Losses			
Expiration of Term of Service (ETS)	18,843	19,687	18,632
Normal Early Release	0	0	0
Programmed Early Release	0	0	0
Separations - VSI	0	0	0
Separations - SSB	0	0	0
To Commissioned Officer	1,025	1,030	1,113
To Warrant Officer	149	148	205
Reenlistment	33,651	34,053	34,351
Retirement	9,246	8,853	8,428
TERA	0	0	0
Other	0	0	0
Dropped from Rolls (Deserters)	1,830	1,406	1,358
Attrition (Adverse Causes)	9,590	9,134	9,671
Attrition (Other)	8,605	8,403	7,948
Reserve Components	229	1184	1312
Other Losses	0	0	0
Loss Adjustment	718	9	0
Total Losses	83,886	83,907	83,018
End Strength	305,735	296,705	285,605

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 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Begin Strength	4,308	4,380	4,100
Gains			
Entering Midshipmen	1,226	1,011	1,125
Total Gains	1,226	1,011	1,125
Losses			
Attrition	189	270	212
Graduates	965	1,021	1,013
Total Losses	1,154	1,291	1,225
End Strength	4,380	4,100	4,000

MILITARY PERSONNEL, NAVY
SUMMARY OF ENTITLEMENTS BY SUB ACTIVITY
(\$ in Thousands)

	FY 2005			FY 2006			FY 2007		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
1. Basic Pay	3,261,142	8,049,707	11,310,849	3,203,743	7,905,599	11,109,342	3,262,932	7,983,057	11,245,989
2. Retired Pay Accrual	896,815	2,213,671	3,110,486	848,992	2,094,984	2,943,976	864,677	2,115,509	2,980,186
2a. Defense Health Program Accrual (Over 65)	288,233	1,682,857	1,971,090	0	0	0	0	0	0
3. Basic Allowance for Housing	975,093	2,907,926	3,883,019	917,095	2,729,595	3,646,690	1,058,250	3,126,811	4,185,061
A. With Dependents - Domestic	660,751	2,035,794	2,696,545	637,870	2,011,373	2,649,243	745,824	2,323,292	3,069,116
B. Without Dependents - Domestic	230,992	666,549	897,541	205,553	537,195	742,748	235,873	619,409	855,282
C. Substandard Family Housing - Domestic	0	0	0	0	0	0	0	0	0
D. Partial - Domestic	85	7,260	7,345	88	7,416	7,504	90	7,469	7,559
E. With Dependents - Overseas	50,839	92,690	143,529	45,408	83,099	128,507	47,184	84,545	131,729
F. Without Dependents - Overseas	32,426	105,633	138,059	28,176	90,512	118,688	29,279	92,096	121,375
4. Subsistence	119,940	990,318	1,110,258	116,963	955,535	1,072,498	118,701	960,387	1,079,088
A. Basic Allowance for Subsistence	119,940	635,162	755,102	116,963	613,845	730,808	118,701	613,611	732,312
1. Authorized to Mess Separately	119,940	633,079	753,019	116,963	611,789	728,752	118,701	611,558	730,259
2. Leave Rations	0	0	0	0	0	0	0	0	0
3. Rations-In-Kind Not Available	0	0	0	0	0	0	0	0	0
4. BAS II	0	1,863	1,863	0	1,834	1,834	0	1,829	1,829
5. Augmentation for Separate Meals	0	220	220	0	222	222	0	224	224
6. Partial BAS	0	0	0	0	0	0	0	0	0
B. Subsistence-In-Kind	0	355,128	355,128	0	341,190	341,190	0	346,276	346,276
1. Subsistence in Messes	0	280,530	280,530	0	265,137	265,137	0	265,797	265,797
2. Special Rations	0	0	0	0	0	0	0	0	0
3. Operational Rations	0	1,044	1,044	0	1,515	1,515	0	1,071	1,071
4. Augmentation Rations	0	3,621	3,621	0	5,394	5,394	0	5,923	5,923
5. Other Programs	0	69,933	69,933	0	69,144	69,144	0	73,485	73,485
C. FSSA	0	28	28	0	500	500	0	500	500
5. Incentive Pay, Hazardous Duty, and Aviation Career	180,447	99,733	280,180	170,837	108,875	279,712	176,448	110,364	286,812
A. Flying Duty Pay	121,245	15,649	136,894	139,501	17,723	157,224	145,126	18,136	163,262
1. Aviation Career	74,080	15,428	89,508	77,159	17,561	94,720	76,613	17,974	94,587
2. Crew Members	123	0	123	156	0	156	156	0	156
3. Noncrew Member	31	221	252	36	162	198	36	162	198
4. Aviation Continuation Pay	47,011	0	47,011	62,150	0	62,150	68,321	0	68,321
5. Career Enlisted Flyer Pay	0	0	0	0	0	0	0	0	0
B. Submarine Duty Pay	26,303	57,868	84,171	26,902	59,833	86,735	26,890	60,490	87,380
C. Submarine Support Incentive Pay	1,286	0	1,286	0	0	0	0	0	0
D. Parachute Jumping Pay	1,908	7,126	9,034	1,752	6,640	8,392	1,752	6,640	8,392
E. Demolition Pay	1,744	6,183	7,927	1,480	5,591	7,071	1,480	5,591	7,071
F. Special Warfare Officer Pay	3,367	0	3,367	0	0	0	0	0	0
G. Surface Warfare Officer Pay	23,567	0	23,567	0	0	0	0	0	0
H. Other Pays	1,027	12,907	13,934	1,202	19,088	20,290	1,200	19,507	20,707
6. Special Pays	280,858	887,755	1,168,613	329,896	911,835	1,241,731	346,480	927,681	1,274,161
A. Medical Pay	154,083	0	154,083	152,177	0	152,177	156,604	0	156,604
B. Dental Pay	25,732	0	25,732	41,217	0	41,217	42,833	0	42,833
C. Optometrists Pay	268	0	268	641	0	641	653	0	653

MILITARY PERSONNEL, NAVY
SUMMARY OF ENTITLEMENTS BY SUB ACTIVITY
(\$ in Thousands)

	FY 2005			FY 2006			FY 2007		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
D. Veterinarians	0	0	0	0	0	0	0	0	0
E. Board Certified Pay for Non-Physician Health	1,636	0	1,636	1,800	0	1,800	2,280	0	2,280
F. Nurses Pay	1,724	0	1,724	4,762	0	4,762	5,342	0	5,342
G. Nuclear Officer Incentive Pay	52,902	0	52,902	47,395	0	47,395	47,321	0	47,321
H. Nuclear Accession Bonus	0	1,520	1,520	0	2,952	2,952	0	2,952	2,952
I. Scientific/Engineering Bonus	0	0	0	0	0	0	0	0	0
J. CEC Accession Bonus	0	0	0	0	0	0	0	0	0
K. Responsibility Pay	763	0	763	814	0	814	814	0	814
L. Sea and Foreign Duty, Total	26,008	282,340	308,348	25,195	310,904	336,099	24,834	304,587	329,421
1. Sea Duty	26,008	277,336	303,344	25,195	305,600	330,795	24,834	299,265	324,099
2. Duty at Certain Places	0	0	0	0	0	0	0	0	0
3. Overseas Extension Pay	0	5,004	5,004	0	5,304	5,304	0	5,322	5,322
M. Diving Duty Pay	3,828	12,473	16,301	3,450	12,270	15,720	3,450	12,270	15,720
N. Foreign Language Proficiency Pay	355	3,646	4,001	411	3,281	3,692	5,276	23,520	28,796
O. Hostile Fire Pay	10,055	65,726	75,781	1,987	899	2,886	2,182	899	3,081
P. Hardship Duty Pay	1,534	8,300	9,834	1,463	6,152	7,615	1,463	6,152	7,615
Q. Judge Advocate Continuation Pay	1,140	0	1,140	2,000	0	2,000	2,000	0	2,000
R. Reenlistment Bonus	0	344,202	344,202	0	341,795	341,795	0	339,532	339,532
1. Regular	0	174,591	174,591	0	154,563	154,563	0	159,830	159,830
2. Selective	0	169,611	169,611	0	187,232	187,232	0	179,702	179,702
S. Special Duty Assignment Pay	0	78,455	78,455	0	89,984	89,984	0	88,929	88,929
T. Enlistment Bonus	0	68,652	68,652	0	81,000	81,000	0	74,397	74,397
U. Education/Loan Repayment	0	9,575	9,575	0	10,700	10,700	0	10,940	10,940
V. High Deployment Per Diem Allowance	0	0	0	0	0	0	0	0	0
W. Submarine Support Incentive Pay	0	0	0	2,576	0	2,576	2,293	0	2,293
X. Special Warfare Pay	0	6,270	6,270	5,719	10,197	15,916	5,930	9,505	15,435
Y. Surface Warfare Officer Pay	0	0	0	36,684	0	36,684	38,000	0	38,000
Z. Other Special Pay	830	6,596	7,426	1,605	41,701	43,306	5,205	53,998	59,203
7. Allowances	119,661	596,721	716,382	90,062	479,911	569,973	92,302	480,802	573,104
A. Uniform or Clothing Allowances	2,007	169,000	171,007	2,227	158,117	160,344	2,146	154,958	157,104
1. Initial Issue	1,407	51,470	52,877	1,721	45,784	47,505	1,668	42,961	44,629
a. Military	1,257	50,238	51,495	1,596	44,528	46,124	1,540	41,678	43,218
b. Civilian	150	1,232	1,382	125	1,256	1,381	128	1,283	1,411
2. Additional	600	0	600	506	0	506	478	0	478
3. Basic Maintenance	0	24,582	24,582	0	22,118	22,118	0	22,295	22,295
4. Standard Maintenance	0	79,145	79,145	0	73,609	73,609	0	72,741	72,741
5. Supplementary	0	13,803	13,803	0	14,606	14,606	0	14,961	14,961
6. Civilian Clothing Maintenance	0	0	0	0	2,000	2,000	0	2,000	2,000
B. Station Allowances Overseas	101,204	325,914	427,118	74,393	241,228	315,621	76,305	244,150	320,455
1. Cost-of-Living	91,641	303,107	394,748	66,578	216,792	283,370	68,289	219,418	287,707
2. Temporary Lodging	9,563	22,807	32,370	7,815	24,436	32,251	8,016	24,732	32,748
C. Family Separation Allowance	14,122	86,852	100,974	10,865	66,168	77,033	11,221	66,994	78,215
1. On PCS, No Government Quarters	2,068	5,894	7,962	1,226	1,527	2,753	1,582	2,323	3,905

MILITARY PERSONNEL, NAVY
SUMMARY OF ENTITLEMENTS BY SUB ACTIVITY
(\$ in Thousands)

	FY 2005			FY 2006			FY 2007		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
2. On PCS, Dependent Not Authorized	2,325	21,666	23,991	1,629	15,942	17,571	1,629	15,951	17,580
3. Afloat	3,345	33,837	37,182	2,664	19,911	22,575	2,664	19,923	22,587
4. On TDY	6,384	25,455	31,839	5,346	28,788	34,134	5,346	28,797	34,143
D. Personal Money Allowance, General & Flag Officer	45	2	47	44	2	46	44	2	46
E. CONUS COLA	2,283	14,953	17,236	2,533	14,396	16,929	2,586	14,698	17,284
8. Separation Payments	31,859	147,948	179,807	62,716	204,628	267,344	33,187	199,473	232,660
A. Terminal Leave Pay	14,828	36,988	51,816	21,363	52,672	74,035	20,781	47,468	68,249
B. Lump Sum Readjustment Pay	1,022	0	1,022	1,755	0	1,755	2,225	0	2,225
C. Donations	0	10	10	0	10	10	0	10	10
D. Severance Pay, Disability	1,229	16,911	18,140	1,760	16,916	18,676	1,799	16,880	18,679
E. Severance Pay, Nonpromotion	11,780	0	11,780	5,948	0	5,948	4,992	0	4,992
F. Severance Pay, Invol Half (5%)	0	4,071	4,071	0	8,663	8,663	0	8,651	8,651
G. Severance Pay, Invol Full (10%)	0	20,718	20,718	0	44,287	44,287	0	44,174	44,174
H. Severance Pay, VSI	0	3,400	3,400	28,500	3,600	32,100	0	3,600	3,600
I. Severance Pay, SSB	0	0	0	0	0	0	0	0	0
J. 15-Year Temporary Early Retirement	0	0	0	0	0	0	0	0	0
K. \$30,000 Lump Sum Bonus	3,000	65,850	68,850	3,390	78,480	81,870	3,390	78,690	82,080
9. Social Security Tax Payment	247,521	615,803	863,324	242,789	599,777	842,566	247,353	605,705	853,058
9a. Special Compensation for Combat-Related Disabled	0	0	0	0	0	0	0	0	0
10. Permanent Change of Station Travel	261,701	584,736	846,437	268,898	521,211	790,109	264,702	471,403	736,105
11. Other Military Personnel Costs	18,091	139,451	157,542	69,857	188,995	258,852	38,142	83,638	121,780
A. Apprehension of Deserters	127	423	550	167	558	725	167	558	725
B. Interest on Uniformed Services Savings Deposit	232	348	580	162	244	406	164	247	411
C. Death Gratuities	8,646	19,978	28,624	1,025	3,536	4,561	591	2,745	3,336
D. Unemployment Compensation	0	96,790	96,790	0	103,505	103,505	0	70,386	70,386
E. Survivor Benefits	270	1,527	1,797	438	1,023	1,461	406	948	1,354
F. SGLI	6,368	14,857	21,225	31,660	73,873	105,533	0	0	0
G. Education Benefits	0	1,716	1,716	0	2,107	2,107	0	5,109	5,109
H. Adoption Expenses	142	90	232	211	135	346	211	135	346
I. Transportation Subsidy	2,033	2,807	4,840	2,037	2,812	4,849	1,911	2,638	4,549
J. TSP	11	37	48	23	77	100	23	77	100
K. Partial Dislocation Allowance	262	878	1,140	336	1,125	1,461	237	795	1,032
L. Senior ROTC (Non-Scholarship)	0	0	0	1,646	0	1,646	1,668	0	1,668
M. Senior ROTC (Scholarship)	0	0	0	19,058	0	19,058	19,272	0	19,272
N. Junior ROTC	0	0	0	13,094	0	13,094	13,492	0	13,492
12. Cadets/Midshipmen	55,651	0	55,651	56,350	0	56,350	56,412	0	56,412
Military Personnel Appropriation Total	6,737,012	18,916,626	25,653,638	6,378,198	16,700,945	23,079,143	6,559,586	17,064,830	23,624,416
13. Less Reimbursables	217,950	141,834	359,784	194,822	131,069	325,891	208,295	145,110	353,405
Military Personnel Appropriation Total, Direct	6,519,062	18,774,792	25,293,854	6,183,376	16,569,876	22,753,252	6,351,291	16,919,720	23,271,011

Military Personnel, Navy
 Analysis of Appropriation Changes and Supplemental Requirements
 FY 2006
 (\$ in Thousands)

	FY 2006 President's Budget	Congressional Action	Appropriation	Internal Realignment/ Reprogramming	Subtotal	Hurricane Supplemental	Title IX Funds	Anticipated Reprogramming	FY 2006 Col FY07 President's Budget
Pay and Allowances of Officers									
Basic Pay	3,234,081	-82,389	3,151,692	52,051	3,203,743				3,203,743
Retired Pay Accrual	857,031	-8,263	848,768	224	848,992				848,992
Incentive Pay	219,122	-2,317	216,805	-45,968	170,837				170,837
Special Pay	288,224	-3,064	285,160	44,780	329,940				329,940
Basic Allowance for Housing	963,929	-9,900	954,029	-36,934	917,095				917,095
Basic Allowance for Subsistence	121,720	-1,299	120,421	-3,458	116,963				116,963
Station Allowances Overseas	78,292	-897	77,395	-3,002	74,393				74,393
CONUS Cost of Living Allowances	2,462	-25	2,437	96	2,533				2,533
Uniform Allowances	2,173	-113	2,060	167	2,227				2,227
Family Separation Allowances	10,865	-223	10,642	223	10,865				10,865
Separation Payments	98,879	-24,269	74,610	-11,894	62,716				62,716
Social Security Tax-Employer's Contribution	244,979	-2,360	242,619	170	242,789				242,789
Total Obligations	6,121,757	-135,119	5,986,638	-3,545	5,983,093	0	0	0	5,983,093
Less Reimbursements	193,548	0	193,548		193,548				193,548
Total Direct Obligations	5,928,209	-135,119	5,793,090	-3,545	5,789,545	0	0	0	5,789,545
Pay and Allowances of Enlisted									
Basic Pay	8,068,225	-201,702	7,866,523	9,999	7,876,522			29,077	7,905,599
Retired Pay Accrual	2,138,078	-21,262	2,116,816		2,116,816			-21,832	2,094,984
Incentive Pay	108,878	-1,365	107,513		107,513			1,362	108,875
Special Pay	404,667	-4,599	400,068		400,068			-11,710	388,358
Special Duty Assignment Pay	89,984	-1,006	88,978		88,978			1,006	89,984
Reenlistment Bonus	351,992	-3,945	348,047		348,047			-6,252	341,795
Enlistment Bonus	81,000	-1,023	79,977		79,977			1,023	81,000
Navy College Fund	6,500	-86	6,414		6,414			86	6,500
Loan Repayment Program	4,200	-42	4,158		4,158			42	4,200
Basic Allowance for Housing	2,628,976	-27,182	2,601,794		2,601,794			127,801	2,729,595
Station Allowances Overseas	266,018	-3,064	262,954		262,954			-21,726	241,228
CONUS Cost of Living Allowances	12,065	-121	11,944		11,944			2,452	14,396
Clothing Allowances	163,484	-2,060	161,424		161,424			-3,307	158,117
Family Separation Allowances	66,168	-1,023	65,145		65,145			1,023	66,168
Separation Payments	285,891	-31,598	254,293		254,293			-49,665	204,628
Social Security Tax-Employer's Contribution	612,220	-6,082	606,138		606,138			-6,361	599,777
Total Obligations	15,288,346	-306,160	14,982,186	9,999	14,992,185	0	0	43,019	15,035,204
Less Reimbursements	84,859		84,859		84,859				84,859
Total Direct Obligations	15,203,487	-306,160	14,897,327	9,999	14,907,326	0	0	43,019	14,950,345
Pay and Allowances for Midshipmen									
Academy Midshipmen	56,108	-561	55,547	803	56,350				56,350
Total Obligations	56,108	-561	55,547	803	56,350	0	0	0	56,350
Less Reimbursements	0		0	0	0	0	0	0	0
Total Direct Obligations	56,108	-561	55,547	803	56,350	0	0	0	56,350
Subsistence of Enlisted Personnel									
Basic Allow for Subsistence	663,385	-7,431	655,954		655,954			-42,109	613,845
Subsistence-in-Kind	366,523	-10,043	356,480	-9,034	347,446			-6,256	341,190
FSSA	500	-5	495	5	500				500
Total Obligations	1,030,408	-17,479	1,012,929	-9,029	1,003,900	0	0	-48,365	955,535
Less Reimbursements	49,851	0	49,851		49,851			-5,346	44,505

Military Personnel, Navy
 Analysis of Appropriation Changes and Supplemental Requirements
 FY 2006
 (\$ in Thousands)

	FY 2006 President's Budget	Congressional Action	Appropriation	Internal Realignm/ Reprogramming	Subtotal	Hurricane Supplemental	Title IX Funds	Anticipated Reprogramming	FY 2006 Col FY07 President's Budget
Total Direct Obligations	980,557	-17,479	963,078	-9,029	954,049	0	0	-48,365	911,030
Permanent Change of Station Travel									
Accession Travel	67,016	-809	66,207	-7,982	58,225				58,225
Training Travel	72,913	-1,186	71,727	-1,241	70,486				70,486
Operational Travel	186,317	-3,549	182,768	4,307	187,075	49,032			236,107
Rotational Travel	281,104	-3,376	277,728	8,909	286,637				286,637
Separation Travel	104,252	-1,431	102,821	-3,537	99,284				99,284
Travel of Organized Units	19,160	-851	18,309	1,097	19,406				19,406
Non-Temporary Storage	6,350	-64	6,286	748	7,034				7,034
IPCOT/OTEIP	7,686	-77	7,609	-1,546	6,063				6,063
Temporary Lodging Expense	7,699	-77	7,622	-755	6,867				6,867
Total Obligations	752,497	-11,420	741,077	0	741,077	49,032	0	0	790,109
Less Reimbursements	2,979		2,979		2,979			0	2,979
Total Direct Obligations	749,518	-11,420	738,098	0	738,098	49,032	0	0	787,130
Other Personnel Costs									
Apprehension of Military Deserters									
Absentees & Escaped Military									
Prisoners	825	-8	817	-92	725				725
Interest on Uniform Svcs Savings (MIA)	209	-2	207	299	506				506
Death Gratuities	3,236	-32	3,204	37	3,241		1,320		4,561
Unemployment Compensation	66,358	-664	65,694	664	66,358		37,147		103,505
Survivors' Benefits	1,139	-11	1,128	333	1,461				1,461
SGLI	0		0		0		105,533		105,533
Education Benefits	1,799	-18	1,781	326	2,107				2,107
Transportation Subsidy	3,951	-40	3,911	938	4,849				4,849
Adoption Expenses	446	-4	442	-96	346				346
Partial Dislocation Allowance	2,461	-25	2,436	-975	1,461				1,461
Senior ROTC	1,646	-16	1,630	16	1,646				1,646
Scholarship ROTC	19,058	-191	18,867	191	19,058				19,058
JROTC	13,094	-131	12,963	131	13,094				13,094
Total Obligations	114,222	-1,142	113,080	1,772	114,852	0	144,000	0	258,852
Less Reimbursements	0		0	0	0			0	0
Total Direct Obligations	114,222	-1,142	113,080	1,772	114,852	0	144,000	0	258,852
Total MPN Obligations	23,363,338	-471,881	22,891,457	0	22,891,457	49,032	144,000	-5,346	23,079,143
Less Reimbursements	331,237	0	331,237	0	331,237	0	0	-5,346	325,891
Total Direct MPN Obligations	23,032,101	-471,881	22,560,220	0	22,560,220	49,032	144,000	0	22,753,252

Section 4

Detail of Military Personnel Entitlements

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(\$ In Thousands)

	<u>BA 1</u>	<u>BA 2</u>	<u>BA 3</u>	<u>BA 4</u>	<u>BA 5</u>	<u>BA 6</u>	<u>Amount</u>
FY 2006 Direct Program	5,789,545	14,950,345	56,350	911,030	787,130	258,852	22,753,252
INCREASES							
Pricing Increases	261,296	811,204	2,132	23,142	8,545	3,633	1,109,952
Annualization of FY 2006 Pay Raise 3.1% (Effective 1 January 2006)	26,896	81,300	260		807		109,263
Basic Pay	20,059	60,354	241				80,654
Retired Pay Accrual	5,316	15,994					21,310
FICA	1,521	4,617	19				6,157
Separation Payments (Lump Sum Leave)		335					335
Dislocation Allowance					807		807
FY 2007 Pay Raise 2.2% (Effective 1 January 2007)	70,278	212,660	779		1,731		285,448
Basic Pay	52,414	157,700	724				210,838
Retired Pay Accrual	13,890	41,791					55,681
FICA	3,974	12,064	55				16,093
Separation Payments (Lump Sum Leave)		1,105					1,105
Dislocation Allowance					1,731		1,731
Annualization of FY 2006 Inflation 1.9% (Effective 1 January 2006)				4,397			4,397
Basic Allowance for Subsistence				4,397			4,397
Inflation Rate							
Basic Allowance for Subsistence	1,953		145	18,745			20,843
FY 2007 BAS Inflation of 1.9% Effective Jan 1 2007	1,953			13,189			15,142
Increase in Basic Allowance for Subsistence - Workyears			145				145
Increase in SIK BDFR Rates				5,478			5,478
Increase in SIK Augmentation Rations Rate				78			78
Clothing Allowance	3	2,528					2,531
Initial - Rate (1.5%)		696					696
Replacement - Rate (1.5%)		1,832					1,832
Civilian Clothing - Rate (2.2%)	3						3
Permanent Change of Station (PCS) Travel					6,007		6,007
Commercially Procured Services - 2.1% Projected Inflation					5,008		5,008
Industrially Funded Services - 2.1% Projected Inflation					999		999
BAH Rates	149,183	443,001					592,184
Domestic - Rate (5.9%)	146,304	436,326					582,630
Overseas - Consistent with FCF rates	2,879	6,675					9,554

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(\$ In Thousands)

	<u>BA 1</u>	<u>BA 2</u>	<u>BA 3</u>	<u>BA 4</u>	<u>BA 5</u>	<u>BA 6</u>	<u>Amount</u>
Other Pricing Increases							
Incentive Pay	2,313						2,313
Aviation Career Continuation Pay - Rate	2,313						2,313
Special Pay	7,431	21,833	948				30,212
Medical Variable	298						298
Medical Board Certified	453						453
Medical Incentive	86						86
Medical Multi Year Special Pay	59						59
Dental Additional	51						51
Dental Board Certified	11						11
Dental Multi Year Special Pay	351						351
Dental CSRB	975						975
Pharmacy Special Pay	17						17
Psychologist Non Physician Pay	130						130
Psychologist Non Physician Pay CSRB	425						425
Foreign Language Proficiency Pay - Rate	3,546	17,513					21,059
EOD/Seal Master Diver (CSRB) - Rate		4,320					4,320
Nurse Accession Bonus	500						500
Nurse Incentive Pay	59						59
Nuclear Bonus			948				948
Nuclear Officer Incentive Pay	3						3
Surface Warfare Officer Continuation Pay	10						10
Special Warfare - SPECOPS CSRB	42						42
Special Warfare - SOCOM CSRB	55						55
Special Warfare - CSAB	360						360
Reenlistment Bonus		4,832					4,832
New Payment Aggregate- Rate		4,808					4,808
Anniversary Payment Aggregate - Rate		24					24
Enlistment Bonus		31,243					31,243
Anniversary Payment - Rate		3,879					3,879
New Payment - Rate		27,364					27,364
Overseas Station Allowance	2,507	7,987					10,494
COLA due to FCF rates	2,243	7,178					9,421
Temporary Lodging Allowance - Rate	264	809					1,073
CONUS COLA - Rate	53	302					355
Family Separation Allowance	53	85					138
FSA I - Rate	53	85					138

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(\$ In Thousands)

	<u>BA 1</u>	<u>BA 2</u>	<u>BA 3</u>	<u>BA 4</u>	<u>BA 5</u>	<u>BA 6</u>	<u>Amount</u>
Separation Payments	626	5,038					5,664
Failure of Promotion - Rate	108						108
Lump Sum Leave - Rate	431	3,316					3,747
Lump Sum Leave to Reservists - Rate	48						48
Severance Pay Disability - Rate	39	417					456
Severance Pay Non-Disability - Rate		1,305					1,305
Special Duty Assignment Pay - Rate		149					149
Educational Benefits - National Call to Service		246					246
\$350/month - Rate		102					102
\$950/month - Rate		7					7
12 Month Enlistments - Rate		81					81
36 Month Enlistments - Rate		56					56
Other Military Personnel Costs						3,633	3,633
Education Benefits						3,002	3,002
Death Gratuity						108	108
Partial DLA - Rate						48	48
JROTC Uniform Replacement						244	244
JROTC Uniform Alterations/Renovations						31	31
Senior ROTC Uniforms, Issue-in-Kind						11	11
Senior ROTC Uniforms, Commutation-in-Lieu of						12	12
Senior ROTC Pay and Allowances						4	4
Senior ROTC Summer Training Subsistence						2	2
Scholarship ROTC Uniforms, Issue-in-Kind						48	48
Scholarship ROTC Uniforms, Commutation-in-Lieu of						14	14
Scholarship ROTC Pay and Allowances						80	80
Scholarship ROTC Summer Training Subsistence						29	29
Program Increases	27,810	31,527	390	4,792	9,417	11,201	85,137
Strength Related	12,005		390		9,417		21,812
Additional Accession - Midshipmen					48		48
Additional Training					4,268		4,268
Additional Operational					4,980		4,980
Additional Organized Unit Moves					121		121
Base Pay Grade Mix	8,953						8,953
RPA- Pay Grade Mix	2,373						2,373
FICA- Pay Grade Mix	679						679
Nuclear Bonus- Workyears			390				390
New or Projected Increase to Programs/Compensation	3,700						3,700
Special Pays - Intelligence Officer CSRB	3,700						3,700

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(\$ In Thousands)

	<u>BA 1</u>	<u>BA 2</u>	<u>BA 3</u>	<u>BA 4</u>	<u>BA 5</u>	<u>BA 6</u>	<u>Amount</u>
Other							
Incentive Pay	3,858	1,493					5,351
Aviation Career Continuation Pay	3,858						3,858
Demolition Duty - Number		1					1
Flying Duty - Number		254					254
Flying Duty Crew - Number		159					159
Flight Deck Duty - Number		422					422
Submarine Pay - Number		657					657
Special Pay	7,522	27,200					34,722
Medical Variable	830						830
Medical Additional	1,080						1,080
Medical Incentive	967						967
Medical Multi Year Special	722						722
Dental Additional	55						55
Dental Multi Year Special Pay	257						257
Optometrists Multi Year Retention Bonus	12						12
Pharmacy Special Pay	24						24
Nurse Incentive Pay	21						21
Enlisted Supervisor Retention Pay - Number		14,380					14,380
Foreign Language Proficiency Pay	1,319	2,726					4,045
Imminent Danger Pay - Number	195						195
Assignment Incentive Pay - Number		4,950					4,950
SOCOM Assignment Incentive Pay - Number	9	27					36
Surface Warfare Officer Continuation Pay	610						610
Surface Warfare Officer CSRB	1,164						1,164
Overseas Tour Extension Program - Number		18					18
Special Warfare (SPECOPS CSRB) - Number	158	5,099					5,257
Special Warfare Incentive Pay - Number	99						99
Reenlistment bonus - New Payment Number		459					459
Other SIK				4,792			4,792
SIK Augmentation Rations Rate				451			451
SIK Messing				4,341			4,341
Loan Repayment Program - Number		1,394					1,394
Education Benefits - \$950/Month		30					30
Family Separation Allowance - Number	303	741					1,044
Separation Payments	422	210					632
30K Lump Sum Bonus - Number		210					210
Reservist LSL Payment	422						422

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(\$ In Thousands)

	<u>BA 1</u>	<u>BA 2</u>	<u>BA 3</u>	<u>BA 4</u>	<u>BA 5</u>	<u>BA 6</u>	<u>Amount</u>
Other Military Personnel Costs						11,201	11,201
Interest on Savings due to participation						5	5
Unemployment Compensation due to participants						11,029	11,029
JROTC Uniform Alterations/Renovations (1.033 cadets)						18	18
JROTC Uniform Replacement (171 cadets)						105	105
Scholarship ROTC Stipend						5	5
Scholarship ROTC Uniforms, Issue-in-Kind (33 midshipmen)						16	16
Scholarship Pay and Allowances (640 mandays)						19	19
Scholarship Summer Training Subsistence (640 mandays)						4	4
TOTAL INCREASES	289,106	842,731	2,522	27,934	17,962	14,834	1,195,089
DECREASES							
Pricing Decreases	-588	-17,170	0	0	-57,641	-10,920	-86,319
Other Pricing Decreases							
Special Pay	-588	-17,170					-17,758
Save Pay	-120						-120
Surface Warfare Officer CSRB	-468						-468
Enlisted Supervisor Retention Pay - Rate		-11,380					-11,380
Special Warfare SOCOM CSRB - Rate		-5,790					-5,790
Other Military Pays						-10,920	-10,920
Unemployment Compensation due to rate change						-10,920	-10,920
Inflation Rate					-8,609		-8,609
Industrially Funded Services Due to Decrease in Number					-3,282		-3,282
Commercially Procured Services Due to Decrease in Number					-5,327		-5,327
Decrease due to Funds for Hurricane Katrina in FY06 Vice FY07					-49,032		-49,032

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(\$ In Thousands)

	<u>BA 1</u>	<u>BA 2</u>	<u>BA 3</u>	<u>BA 4</u>	<u>BA 5</u>	<u>BA 6</u>	<u>Amount</u>
Program Decreases	-84,859	-323,665	-2,460	-24,439	-14,602	-140,986	-591,011
Strength Related							
Basic Pay	-30,732	-145,639	-1,874				-178,245
Workyears	-30,732	-145,639	-1,874				-178,245
Retired Pay Accrual	-8,189	-38,637					-46,826
Workyears	-8,189	-38,637					-46,826
FICA	-2,259	-11,140	-144				-13,543
Workyears	-2,259	-11,140	-144				-13,543
BAH	-9,907	-48,156					-58,063
Domestic - Number	-9,907	-44,511					-54,418
Overseas - Number		-3,645					-3,645
BAS - Workyears	-475		-442	-18,087			-19,004
SIK				-6,352			-6,352
Decrease in SIK Workyears				-6,352			-6,352
Other Strength Related		-3,124					-3,124
Basic Pay - Workyears		-2,329					-2,329
Retired Pay Accrual - Workyears		-617					-617
FICA - Workyears		-178					-178
Other							
Incentive Pay	-560	-4					-564
Flying Duty- Commissioned Officers	-546						-546
Submarine Duty Pay - Number	-12						-12
Career Sea Pay - Number		-4					-4
Flight Deck Duty	-2						-2
Special Pay	-1,481	-6,336					-7,817
Submarine Support Incentive Pay number	-283						-283
Special Warfare - SOCOM CSRB	-503						-503
Medical Board Certified	-68						-68
Dental Board Certified	-15						-15
Dental Variable	-69						-69
Pharmacy Accession Bonus	-30						-30
Psychologist Non Physician Pay	-75						-75
Career Sea Pay - Number	-361	-6,336					-6,697
Nuclear Officer Incentive Pay	-77						-77
Special Duty Assignment Pay - Number		-1,204					-1,204
Reenlistment Bonus - Anniversary Payment - Number		-7,554					-7,554
Enlistment Bonus - Anniversary Payment - Number		-26,183					-26,183
Enlistment Bonus - New Payment - Number		-11,663					-11,663
Education Benefits		-1,430					-1,430
50K Program - Number		-396					-396
350/Month - Number		-1,034					-1,034

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES - SUMMARY
(\$ In Thousands)

	<u>BA 1</u>	<u>BA 2</u>	<u>BA 3</u>	<u>BA 4</u>	<u>BA 5</u>	<u>BA 6</u>	<u>Amount</u>
Overseas Station Allowance	-595	-5,065					-5,660
COLA - Number	-532	-4,552					-5,084
TLA - Number	-63	-513					-576
Clothing Allowance	-84	-5,687					-5,771
Initial - Number	-56	-3,519					-3,575
Replacement - Number		-2,168					-2,168
Additional member entitled		-28					-28
Separation Payments	-30,577	-11,843					-42,420
Lump Sum Leave - Number	-1,013	-9,960					-10,973
Reduction of Voluntary Separation - Targeted Incentive Pay	-28,500						-28,500
Severance Pay - Number		-453					-453
Severance Pay Non-Disability - Number		-1,430					-1,430
Failure to Promote	-1,064						-1,064
Other Military Personnel Costs						-140,986	-140,986
Death Gratuities due to participants						-13	-13
Enhanced Death Gratuities participants						-1,320	-1,320
Survivor Benefits						-107	-107
Unemployment Compensation due to percentage of takers						-33,228	-33,228
Transportation Subsidy						-300	-300
Servicemans Group Life Insurance						-105,533	-105,533
Partial DLA decrease due to percentage of takers						-477	-477
Senior ROTC Pay and Allowances for 196 less mandays						-6	-6
Senior ROTC Summer Training Subsistence for 196 less mandays						-1	-1
Scholarship ROTC Uniforms, Commutation in Lieu for 1 less Midshipmen						-1	-1
Permanent Change of Station (PCS) Travel					-14,602		-14,602
Decrease Accessions - Officer					-362		-362
Decrease Accessions - Enlisted					-2,523		-2,523
Decrease in Rotational					-5,720		-5,720
Decrease in Separation - Enlisted					-5,997		-5,997
TOTAL DECREASES	-85,447	-340,835	-2,460	-24,439	-72,243	-151,906	-677,330
FY 2007 Direct Program	5,993,204	15,452,241	56,412	914,525	732,849	121,780	23,271,011

Budget Activity 1

Pay and Allowances of Officers

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Pay and Allowances of Officers
(\$ in Thousands)

		<u>AMOUNT</u>
FY 2006 Direct Program		5,789,545
Increases		
Pricing Increases:		
Annualization of FY 2006 Pay Raise 3.1% (Effective 1 January 2006)		26,896
Basic Pay	20,059	
RPA	5,316	
FICA	1,521	
FY 2007 Pay Raise 2.2% (Effective 1 January 2007)		70,278
Basic Pay	52,414	
RPA	13,890	
FICA	3,974	
Inflation Rate		1,956
BAS Rate Growth of 1.9%	1,953	
Clothing - Civilian Clothing Rate of 2.2%	3	
BAH Rates		149,183
FY 2007 Housing Rate Growth of 5.9%	146,304	
BAH Overseas Rates Consistent with FCF Rates	2,879	
Other Pricing Increases		
Incentive Pays		12,983
Aviation Career Continuation Pay	2,313	
Special Pays		7,431
Medical Variable	298	
Medical Board Certified	453	
Medical Incentive	86	
Medical Multi Year Special	59	
Dental Additional	51	
Dental Board Certified	11	
Dental MYSP	351	
Dental CSRB	975	
Pharmacy Special Pay	17	
Nurse Accession Bonus	500	
Nurse Incentive Pay	59	
Psychologist Non Physician Pay	130	
Psychologist Non Physician Pay CSRB	425	
Nuclear Officer Incentive Pay	3	
Foreign Language Proficiency Pay	3,546	
Surface Warfare Officer Continuation Pay	10	
Special Warfare - SPECOPS CSRB	42	
Special Warfare - SOCOM CSRB	55	
Special Warfare - CSAB	360	

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Pay and Allowances of Officers
(\$ in Thousands)

		<u>AMOUNT</u>
CONUS COLA	53	
OSA		2,507
COLA due to FCF rates	2,243	
TLA rates	264	
FSA - Rate for FSA I		53
Separation Pays		626
Lump Sum Leave - Rate	431	
Reservists LSL Payment	48	
Failure of Promotion	108	
Severance Pay Disability	39	
Total Pricing Increases		261,296
Program Increases		
New or Projected Increases to Programs/Compensation		3,700
Special Pays - Intelligence Officer CSRB	3,700	
Other		24,110
Strength Related		
Basic Pay		12,005
Increase in Pay Grade Mix	8,953	
RPA		
Increase in Pay Grade Mix	2,373	
FICA		
Increase in Pay Grade Mix	679	
Incentive Pays		3,858
Aviation Career Continuation Pay	3,858	
Special Pays		7,522
Medical Variable	830	
Medical Additional	1,080	
Medical Incentive	967	
Medical Multi Year Special	722	

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Pay and Allowances of Officers
(\$ in Thousands)

				<u>AMOUNT</u>
Dental Additional	55			
Dental MYSP	257			
Optometrists Multi Year Retention Bonus	12			
Pharmacy Special Pay	24			
Nurse Incentive Pay	21			
Immient Danger Pay	195			
Foreign Language Proficiency Pay	1,319			
SOCOM Assignment Incentive Pay	9			
Surface Warfare Officer Continuation Pay	610			
Surface Warfare Officer CSRB	1,164			
Special Warfare - SPECOPS CSRB	158			
Special Warfare Incentive Pay	99			
FSA 1 - number entitled		303		
Separation Pays		422		
Reservists LSL Payment	422			
Total Program Increases			27,810	
Total Increases				289,106
Pricing Decreases				
Other			-588	
Special Pays		-588		
Save Pay	-120			
Surface Warfare Officer CSRB	-468			
Total Pricing Decreases			-588	
Program Decreases				
Strength Related			-51,562	
Basic Pay		-30,732		
Workyears	-30,732			
RPA		-8,189		
Workyears	-8,189			
FICA		-2,259		
Workyears	-2,259			

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Pay and Allowances of Officers
(\$ in Thousands)

			<u>AMOUNT</u>
BAS		-475	
Workyears	-475		
BAH		-9,907	
Domestic Number	-9,907		
Other			-33,297
Incentive Pays		-560	
Flying Duty - Commissioned Officers	-546		
Submarine Duty Pay number	-12		
Flight Deck Duty	-2		
Special Pay		-1,481	
Submarine Support Incentive Pay number	-283		
Special Warfare - SOCOM CSRB	-503		
Medical Board Certified	-68		
Dental Board Certified	-15		
Dental Variable	-69		
Pharmacy Accession Bonus	-30		
Psychologist Non Physician Pay	-75		
Career Sea Pay	-361		
Nuclear Officer Incentive Pay	-77		
OSA		-595	
COLA member entitled	-532		
TLA member entitled	-63		
Separation Pay		-30,577	
Lump Sum Leave - Number	-1,013		
Failure to Promote	-1,064		
Reduction of Voluntary Separation - Targeted Incentive Pay	-28,500		
Clothing		-84	
Initial member entitled	-56		
Additional member entitled	-28		
Total Program Decreases			-84,859
Total Decreases			-85,447
FY 2007 Direct Program			5,993,204

(In Thousands Of Dollars)

Project: Basic Pay - Officer	FY 2007 Estimate	\$3,262,932
	FY 2006 Estimate	\$3,203,743
	FY 2005 Actual	\$3,261,142

Part I - Purpose And Scope

Funds requested to provide for basic compensation for officers on active duty according to rank and length of service under provisions of Title 37 U.S.C. 201, 203, 204, 205. The estimate excludes those officers on active duty at the seat of government and at headquarters responsible for reserve affairs (Title 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 (Title 10 U.S.C. 12301).

Part II - Justification Of Funds Requested

FY 2005 is based on an end strength of 52,826 and 55,353 workyears. FY 2006 is based on an end strength of 51,895 and 52,230 workyears. FY 2007 is based on an end strength of 51,095 and 52,018 workyears. Costs are calculated on the basis of grade distribution and average rates experienced. FY 2005 includes 3.5% across the board pay raise effective 1 January 2005. FY 2005 and FY 2006 includes a 3.5% and a 3.1% across the board pay raises effective 1 January 2005 and 1 January 2006. The FY 2007 budget provides funding for a 2.2% across-the-board pay raise effective 1 January 2007. The budget also includes funding for additional increases for selective warrant officers and mid-grade senior enlisted personnel effective 1 April 2007.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Admiral	8	148,048.75	1,184	8	152,667.25	1,221	8	156,361.63	1,251
Vice Admiral	26	144,561.38	3,759	25	149,224.00	3,731	25	152,821.92	3,821
Rear Admiral (UH)	78	130,961.09	10,215	77	135,175.62	10,409	77	138,440.92	10,660
Rear Admiral (LH)	112	116,114.18	13,005	109	119,860.20	13,065	112	122,751.27	13,748
Captain	3,540	97,695.51	345,842	3,294	100,800.45	332,037	3,167	103,251.32	326,997
Commander	7,369	78,800.01	580,677	7,110	81,289.46	577,968	7,029	83,255.40	585,202
Lieutenant Commander	10,767	66,671.18	717,849	10,405	68,796.72	715,830	10,552	70,462.28	743,518
Lieutenant	18,087	54,285.35	981,859	17,590	56,199.78	988,554	17,508	57,562.76	1,007,809
Lieutenant Junior Grade	7,398	42,902.51	317,393	6,483	44,554.52	288,847	5,981	45,633.96	272,937
Ensign	6,307	31,682.13	199,819	5,535	32,836.49	181,750	5,972	33,651.10	200,964
Warrant Officer 5	28	73,003.07	2,044	47	75,194.51	3,534	40	80,555.75	3,222
Warrant Officer 4	299	66,253.51	19,810	291	68,382.81	19,899	282	72,341.63	20,400
Warrant Officer 3	614	55,109.84	33,837	711	56,873.95	40,437	767	60,863.15	46,682
Warrant Officer 2	720	47,012.79	33,849	545	48,551.70	26,461	498	51,649.42	25,721
Warrant Officer 1	0	0.00	0	0	0.00	0	0	0.00	0
Total Basic Pay - Officer	55,353		3,261,142	52,230		3,203,743	52,018		3,262,932

(In Thousands Of Dollars)

Project: Retired Pay Accrual -Officer	FY 2007 Estimate	\$864,677
	FY 2006 Estimate	\$848,992
	FY 2005 Actual	\$896,815

Part I - Purpose And Scope

Funds requested provide for the Department of Defense's contribution to it's 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% of the average of high 3 years of monthly base pay to 50% of 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 percentage of 27.5% in FY 2005, 26.5% in FY 2006 and 26.5% in FY 2007.
- (b) 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 2005			FY 2006			FY 2007		
Base Pay (1-A)			3,261,142			3,203,743			3,262,932
Less Fines & Forfeitures			0			0			0
Base Pay Subject To RPA			3,261,142			3,203,743			3,262,932
	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Retired Pay Accrual	55,353	16,201.74	896,815	52,230	16,254.87	848,992	52,018	16,622.65	864,677
Total Retired Pay Accrual -Office	55,353		896,815	52,230		848,992	52,018		864,677

(In Thousands Of Dollars)

Project: Defense Health Program- Officer

FY 2007 Estimate	\$0
FY 2006 Estimate	\$0
FY 2005 Actual	\$288,233

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. (Title 10 U.S.C. 1100)

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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Defense Health (Officers)									
DHP Over 65	53,735	5,363.98	288,233	0	0.00	0	0	0.00	0
DHP Under 65	0	0.00	0	0	0.00	0	0	0.00	0
Total - (1)	53,735		288,233	0		0	0		0
Total Defense Health Program- Officer	53,735		288,233	0		0	0		0

(In Thousands Of Dollars)

Project: Incentive Pay For Hazardous Duty-Officer	FY 2007 Estimate	\$176,448
	FY 2006 Estimate	\$170,837
	FY 2005 Actual	\$180,447

Part I - Purpose And Scope

Funds requested provide payment to officers for the following types of duty:

(1A and 1B) Aviation Career Incentive Pay (ACIP) (37 U.S.C. 301a) - Financial incentive for members to serve as military aviators throughout a military career. Started in 1974. Last rate changes made by FY 1998 NDAA (to establish \$840 rate level) and by FY 1999 NDAA to facilitate payment of ACIP to warrant officers. Payment ranges from \$125 to \$840 per month, determined by years of aviation service.

(1C) Aviation Career Continuation Pay (ACCP) (37 U.S.C. 301b)-financial incentive to retain qualified, experienced aviators who have completed their Active Duty Service Obligation (ADSO) to remain on active duty for a specified period of additional service. First authorized by NDAA FY 1990. Last changed by FY 2000 NDAA to give the Services the discretion to pay ACCP to aviators in other than critically short aviation subspecialties; in amounts up to \$25,000 for each year of service agreement, regardless of the length of the contract; through 25 years of aviation service; and to aviators up to grade 0-6.

(1D) Flying Duty Crew Members (37 U.S.C. 301(a)(1)) - for performance of hazardous duty involving frequent and regular aerial flight as a crew member, and to induce members (other than aviators) to volunteer for flying duty assignments as crew members and to retain the required number of skilled crewmembers to man mission requirements. Payment ranges from \$125 to \$250 per month, determined by grade.

(1E) Flying Duty Non-Crew Members (37 U.S.C. 301(a)(2)) - for performance of hazardous duty involving frequent and regular aerial flight, and to induce members to volunteer for, and remain in, flying duty assignments as other than crew members. The FY 1998 NDAA increased the rate from \$110 to \$150 per month. Payment is a flat \$150 per month.

(2) Submarine duty (37 U.S.C. 301c) - 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. The FY 2002 NDAA removed the rate table from law and vested authority in the Secretary of the Navy to set submarine pay rates within a cap of \$1,000 per month.

(3) Parachute jumping (37 U.S.C. 301(a)(3)) - duty involving parachute jumping as an essential part of military duty. Payment is a flat \$150 per month, except for duty involving High Altitude Low Opening (HALO) jumps which receive \$225 per month.

(4) Duty inside a high or low pressure chamber (37 U.S.C. 301(a)(5),(6),(7)) - duty involving acceleration or deceleration experiments, or thermal stress experiments. Payment is a flat \$150 per month.

(5) Demolition Duty (37 U.S.C. 301(a)(4)) - duty involving the demolition of explosives as a primary duty including training for such duty. Payment is a flat \$150 per month.

(6) Flight Deck Duty (37 U.S.C. 301(a)(8)) - duty involving participation in flight operations on ships from which aircraft are launched. Payment is a flat \$150 per month.

(7) Toxic Material Pay (37 U.S.C. 301(a)(9),(10)) - duty involving exposure to highly toxic fuels, pesticides or laboratory work that utilizes live, dangerous viruses or bacteria. Payment is a flat \$150 per month.

(8) Visit, Board, Search and Seizure (VBSS) (37 U.S.C. 301(a)(11)) - Maritime Interdiction Operations - for the performance of hazardous duty involving regular participation as a member of a team conducting VBSS operations aboard vessels in support of maritime interdiction operations. Payment is a flat \$150 per month.

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 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 \$67,000 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 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.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Flying Duty - Commissioned Officers									
Regular (2) years	2,054	1,500.00	3,081	2,145	1,500.00	3,218	2,040	1,500.00	3,060
Regular (2-3) years	955	1,872.00	1,788	936	1,872.00	1,752	864	1,872.00	1,617
Regular (3-4) years	938	2,256.00	2,116	891	2,256.00	2,010	840	2,256.00	1,895
Regular (4-6) years	1,471	2,472.00	3,636	1,575	2,472.00	3,893	1,598	2,472.00	3,950
Regular (6-14) years	4,263	7,800.00	33,251	4,500	7,800.00	35,100	4,517	7,800.00	35,233
Regular (14-22) years	2,580	10,080.00	26,006	2,733	10,080.00	27,549	2,707	10,080.00	27,287
Regular (> 22) years	237	7,020.00	1,664	138	7,020.00	969	219	7,020.00	1,537
Regular (> 23) years	175	5,940.00	1,040	202	5,940.00	1,200	102	5,940.00	606
Regular (> 24) years	193	4,620.00	892	162	4,620.00	748	176	4,620.00	813
Regular (> 25) years	149	3,000.00	447	187	3,000.00	561	152	3,000.00	456
Total - (1A)	13,015		73,921	13,469		77,000	13,215		76,454
(1B) Flying Duty - Warrant Officers									
2 Years	4	1,500.00	6	4	1,500.00	6	4	1,500.00	6
2 - 3 Years	6	1,872.00	11	6	1,872.00	11	6	1,872.00	11
3 - 4 Years	2	2,256.00	5	2	2,256.00	5	2	2,256.00	5
4 - 6 Years	5	2,472.00	12	5	2,472.00	12	5	2,472.00	12
6 - 18 Years	16	7,800.00	125	16	7,800.00	125	16	7,800.00	125
Total - (1B)	33		159	33		159	33		159
(1C) Aviation Career Continuation Pay									
Pilots	1,771	19,130.00	33,879	2,154	19,942.43	42,956	2,292	20,004.36	45,850
Flight Officers	1,089	12,058.63	13,132	1,579	12,155.79	19,194	1,670	13,455.69	22,471
Total - (1C)	2,860		47,011	3,733		62,150	3,962		68,321
(1D) Crew Members	49	2,519.23	123	62	2,519.23	156	62	2,519.23	156
(1E) Non-Crew Members	17	1,800.00	31	20	1,800.00	36	20	1,800.00	36
Total - (Group) (1)	15,974		121,245	17,317		139,501	17,292		145,126

	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Submarine Pay for Officers									
09 - Vice Admiral	0	4,273.00	0	0	4,273.00	0	0	4,273.00	0
08 - Rear Admiral (UH)	1	4,273.00	4	1	4,273.00	4	1	4,273.00	4
07 - Rear Admiral (LH)	5	4,273.00	21	6	4,273.00	26	5	4,273.00	21
06 - Captain	219	9,782.00	2,142	220	9,782.00	2,152	220	9,782.00	2,152
05 - Commander	377	10,067.00	3,795	380	10,067.00	3,825	381	10,067.00	3,836
04 - Lieutenant Commander	582	9,496.00	5,527	585	9,496.00	5,555	585	9,496.00	5,555
03 - Lieutenant	1,058	8,396.00	8,883	1,117	8,396.00	9,378	1,114	8,396.00	9,353
02 - Lieutenant (JG)	765	3,681.00	2,816	769	3,681.00	2,831	769	3,681.00	2,831
01 - Ensign	839	3,225.00	2,706	844	3,225.00	2,722	843	3,225.00	2,719
W5 - Warrant Officer	3	5,125.00	15	3	5,125.00	15	3	5,125.00	15
W4 - Warrant Officer	11	5,125.00	56	11	5,125.00	56	11	5,125.00	56
W3 - Warrant Officer	19	5,125.00	97	19	5,125.00	97	19	5,125.00	97
W2 - Warrant Officer	47	5,122.00	241	47	5,122.00	241	49	5,122.00	251
W1 - Warrant Officer	0	0.00	0	0	0.00	0	0	0.00	0
Total - (2)	3,926		26,303	4,002		26,902	4,000		26,890
(3) Parachute Jumping (Officer)									
Parachute Jumping	817	2,335.37	1,908	750	2,336.00	1,752	750	2,336.00	1,752
(4) Duty inside a high/low pressure chamber									
Hi/Lo Pressure Chamber	66	1,800.00	119	70	1,800.00	126	70	1,800.00	126
(5) Demolition Duty (Officer)									
Demolition Duty	969	1,800.00	1,744	822	1,800.00	1,480	822	1,800.00	1,480
(6) Flight Deck Duty	486	1,800.00	875	579	1,800.00	1,042	578	1,800.00	1,040
(7) Toxic Material Pay	2	1,800.00	4	1	1,800.00	2	1	1,800.00	2
(8) Visit, Board, Search and Seizure *	16	1,800.00	29	18	1,800.00	32	18	1,800.00	32
(9) Submarine Support Incentive Pay *	116	11,090.00	1,286	0	0.00	0	0	0.00	0

	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(10A) Surface Warfare Pay *									
(A) SWOCP	1,319	9,998.10	13,187	0	0.00	0	0	0.00	0
(B) SWO CSRB									
(1) SWO Post DH	501	14,744.72	7,387	0	0.00	0	0	0.00	0
(2) SWO SR	185	16,178.38	2,993	0	0.00	0	0	0.00	0
(3) SWO 25+ YOS	0	0.00	0	0	0.00	0	0	0.00	0
(4) SWO JR	0	0.00	0	0	0.00	0	0	0.00	0
Total - (B)	686		10,380	0		0	0		0
Total - (Group) (10)	2,005		23,567	0		0	0		0
(11) Special Warfare Pay *									
A. Special Warfare Inc. Pay	147	14,061.22	2,067	0	0.00	0	0	0.00	0
B. SPECOPS CSRB	0	0.00	0	0	0.00	0	0	0.00	0
C. SPECWAR SOCOM CSRB	31	41,935.38	1,300	0	0.00	0	0	0.00	0
D. SPECWAR CSAB	0	0.00	0	0	0.00	0	0	0.00	0
Total - (11)	178		3,367	0		0	0		0
Total Incentive Pay For Hazardous Duty-Officer	24,555		180,447	23,559		170,837	23,531		176,448

* Visit, Board, Search and Seizure is displayed separately. Previously, it was included in Pressure Chamber Duty Pay.

* Starting in FY06, Submarine Support Incentive Pay was moved from Incentive Pay to Special Pay, consistent with Title 37 Chapter 5

* Starting in FY06, Surface Warfare Pay and Special Warfare Pay was moved from Incentive Pay to Special Pay, consistent with Title 37 Chapter 5

(In Thousands Of Dollars)

Project: Special Pay-Officer

FY 2007 Estimate	\$346,524
FY 2006 Estimate	\$329,940
FY 2005 Actual	\$280,903

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 (37 U.S.C. 302 (a) - 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 and ranges from \$1,200 to \$12,000 per year.

(b) Additional special pay (37 U.S.C. 302 (a) - an annual payment which varies with length of creditable service 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. Flat \$15,000 for a 12-month active duty service agreement.

(c) Board certified pay (37 U.S.C. 302 (a) - a monthly payment which varies with length of creditable service paid to medical corps officers who become certified or re-certified as having successfully met specified post-graduate education, training and experience requirements in a medical or osteopathic specialty. Payment ranges from \$2,500 to \$6,000 per year.

(d) Medical incentive pay (37 U.S.C. 302 (b) - for medical corps officers, 0-6 and below, who meet certain criteria, and who agree to remain on active duty for a period of one year for up to \$50,000 and who are not undergoing medical or osteopathic internship, initial residency, subspecialty or fellowship training.

(e) Multiyear specialty pay (MSP) (37 U.S.C. 301d) - 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 for up to \$50,000 per year.

(2) Dentists pay:

(a) Variable special pay (37 U.S.C. 302b) - 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 and ranges from \$3,000 to \$12,000 per year.

(b) Additional special pay (37 U.S.C. 302b) - 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. Payment ranges from \$4,000 to \$15,000 per year.

(c) Board certified pay (37 U.S.C. 302b) - a monthly payment which varies with length of creditable service paid to dental corps officers who attain board certification or board certification equivalency requirements. Payment ranges from \$2,500 to \$6,000 per year.

(d) Accession bonus (37 U.S.C. 302h) - 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 for up to \$30,000.

(e) Multiyear specialty pay (MSP) (37 U.S.C. 301e) - MSP is a bonus payable to a dental corps officer who has at least eight 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 for up to \$40,000 per year.

(f) Dental Critical Skills Retention Bonus (CSR) (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSR to an eligible member over a career, not payable past completion of 25 years of active duty.

(3) Optometrists pay (37 U.S.C. 302a)

(a) Special pay (37 U.S.C. 302a) - a monthly pay of \$100 to officers on active duty designated as optometrists.

(b) Multiyear retention bonus (37 U.S.C. 302a) - an annual payment of \$6,000 per year of contract for designated officers who agree to remain on active duty as an optometrist. First authorized by 1990 NDAA for an annual bonus not to exceed \$15,000, payable to officers drawing optometrist regular special pay who have completed initial ADSO for education and training and who execute a 12 month active duty service agreement.

(4) Pharmacy accession bonus:

(a) Accession bonus (37 U.S.C. 302j) - authorized payment not to exceed \$30,000 to eligible commissioned officers who sign a written agreement to serve on active duty in exchange for receiving the accession bonus.

(b) Special pay (37 U.S.C. 302i) - 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, for up to \$30,000, who agrees to accept a commission as an officer and remain on active duty for a period of not less than three years.

(b) Incentive - for nurse anesthetists who agree to remain on active duty for a period of one year or more. Up to \$50,000 payable for a 12-month agreement .

(6) Psychologists diplomate /non physician

(a) 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 and awarded a diploma as a diplomate in psychology. Payment ranges from \$2,000 to \$5,000 dependent on years of creditable service.

(b) Critical Skills Retention Bonus (CSRB) (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

(7) 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.

(8) Save pay (37 U.S.C. 907) - stipulates that a Warrant Officer who accepts an appointment as a commissioned officer in a pay grade above W-4 be paid the greater of:

(1) the pay and allowance to which he is entitled as such commissioned officer;

(2) the pay and allowances to which he would be entitled if he were in the last warrant officer grade he held before his appointment as such a commissioned officer; or

(3) in the case of an officer who was formerly an enlisted member, the pay and allowances to which he would be entitled if he were in the last enlisted grade he held before his appointment as an officer.

(9) 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.

(10) 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.

(11) Nuclear Officer Incentive Pay (37 U.S.C. 312, 312b and 312c) :

(a) an annual bonus not to exceed \$30,000 paid to officers below the pay grade of 0-7 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 \$20,000 paid to officers who complete nuclear power training.

(c) an annual bonus not to exceed \$22,000 (\$14,000 for LDOs) paid to officers below the pay grade of 0-7 who are qualified to supervise, operate, and maintain naval nuclear propulsion plants.

(12) Sea pay (37 U.S.C. 305a) :

(a) Career sea pay (CSP) - a variable amount paid monthly up to \$700 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. CSP 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 CSP which increases existing sea pay rates in order to restore incentive values of sea pay and expands 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 CSP who have served more than 36 consecutive months on sea duty payable on the 37th consecutive month.

(13) 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. The FY03 Emergency Wartime Supplemental temporarily increased the monthly rate from \$150 to \$225 from October 1, 2002 through September 30, 2003. The FY04 NDAA extended the authority for the temporary increased rate (\$225) through December 31, 2004. The FY05 NDAA further extended the increase through 2005 and will serve to make the increase permanent in FY06.

(14) 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. The FY05 NDAA increased the monthly cap from \$300 to \$1,000 per month for members entitled to basic pay and a one-time bonus not to exceed \$6,000 for Reserve component members who fulfill a 12 month certification period.

(15) Judge advocate continuation pay (JACP) (37 U.S.C. 321) - authorizes up to \$60,000 per uniformed judge advocate. The Navy plan consists of three phases: (1) \$30,000 payment at augmentation with three years obligated service; (2) \$15,000 payment upon promotion to O4 (2 years obligated service); and (3) \$15,000 payment upon reaching 10 years of active commissioned service as a JAG (2 years obligated service).

(16) Hardship duty (37 U.S.C. 305) - paid to members at specified duty locations and special missions effective January 2001 not to exceed \$750 monthly.

(17) SOCOM Assignment Incentive Pay (AIP) (37 U.S.C. 307a) - to provide a monthly incentive to a member who performs service, while entitled to basic pay, in an assignment designated by the Secretary concerned. Used to encourage members to volunteer for difficult-to-fill jobs or assignments in less desirable locations. First authorized by FY 2003 NDAA. The monthly statutory maximum payable is \$3,000.

(18) Submarine Support Incentive Pay (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

(19a) Surface Warfare Officer (SWO) Continuation Pay (37 U.S.C. 319) - financial incentive for SWO's selected for Department Head (DH) to agree to remain on active duty to complete that tour. Payment is up to \$50,000 as a one-time bonus for eligible officers.

(19b) Surface Warfare Officer Critical Skills Retention Bonus (CSRB) (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First Authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

(20a) Special Warfare Officer Incentive Pay (37 U.S.C. 318) - financial incentive for qualified, experienced Special Warfare officers to remain on duty beyond their initial ADSO. Up to \$15,000 per year payable to eligible officers.

(20b) Special Operations CSRB (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

(21a) Special Warfare Special Operations Command (SOCOM) CSRB (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

(21b) Special Warfare Critical Skills Accession Bonus (CSAB) (37 U.S.C. 324) - broad authority that gives service secretaries authority to offer up to \$60,000 to an individual who agrees to accept a commission and serve on active duty in a designated critical skill for the period specified in the agreement. First authorized by the FY 2002 NDAA.

(22) Intelligence Officers (INTEL) CSRB (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

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 2003. Other special pays are computed by applying statutory or average rates to the average number of personnel programmed to be eligible.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Physicians									
Variable	4,079	7,723.34	31,504	3,969	7,756.00	30,784	4,076	7,829.00	31,911
Additional	3,307	15,000.00	49,605	2,964	15,000.00	44,460	3,036	15,000.00	45,540
Board Certified	2,162	3,704.64	8,009	2,031	4,279.00	8,691	2,015	4,504.00	9,076
Medical Incentive	1,941	25,006.70	48,538	2,008	22,482.00	45,144	2,051	22,524.00	46,197
Multi Year Pay	1,350	12,168.15	16,427	1,087	21,249.00	23,098	1,121	21,302.00	23,880

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Total - (1)	12,839		154,083	12,059		152,177	12,299		156,604
(2) Dentists									
Variable	1,230	7,107.73	8,743	1,171	7,722.00	9,042	1,162	7,722.00	8,973
Additional	972	10,731.48	10,431	1,040	10,833.00	11,266	1,045	10,882.00	11,372
Board Certified	253	5,430.83	1,374	256	5,287.00	1,353	253	5,331.00	1,349
Accession Bonus	3	30,000.00	90	20	60,000.00	1,200	20	60,000.00	1,200
Saved Pay	0	0.00	0	0	0.00	0	0	0.00	0
MYSP	395	12,896.20	5,094	507	28,513.00	14,456	516	29,194.00	15,064
Critical Skills Retention Bonus	0	0.00	0	325	12,000.00	3,900	325	15,000.00	4,875
Total - (2)	2,853		25,732	3,319		41,217	3,321		42,833
(3) Optometrists									
Special Pay	128	1,200.00	154	129	1,200.00	155	129	1,200.00	155
Multi Year Retention Bonus	19	6,000.00	114	81	6,000.00	486	83	6,000.00	498
Total - (3)	147		268	210		641	212		653
(4) Pharmacy Pay									
Accession Bonus	0	30,000.00	0	4	30,000.00	120	3	30,000.00	90
Special Pay	45	7,111.11	320	125	8,096.00	1,012	128	8,228.00	1,053
Total - (4)	45		320	129		1,132	131		1,143
(5) Nurses Bonus									
Accession Bonus	101	5,000.00	505	100	20,000.00	2,000	100	25,000.00	2,500
Incentive Pay	112	10,883.93	1,219	130	21,246.00	2,762	131	21,695.00	2,842
Total - (5)	213		1,724	230		4,762	231		5,342
(6) Psyche Diplomat & Non Physicians									
Psyche Diplomat & Non Physician Pay	386	4,238.34	1,636	201	4,728.00	950	185	5,433.00	1,005
Critical Skills Retention Bonus	0	0.00	0	85	10,000.00	850	85	15,000.00	1,275
Total - (6)	386		1,636	286		1,800	270		2,280

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(7A) Personal Money Allowance									
0-10 Admiral	1	4,000.00	4	1	4,000.00	4	1	4,000.00	4
0-9 Vice Admiral	9	2,200.00	20	9	2,200.00	20	9	2,200.00	20
0-8 Rear Admiral (UH)	1	2,700.00	3	1	2,700.00	3	1	2,700.00	3
0-7 Rear Admiral (LH)	36	500.00	18	34	500.00	17	34	500.00	17
Total - (7A)	47		45	45		44	45		44
(7B) Special Allowances	0	2,520.00	0	5	2,520.00	13	5	2,520.00	13
Total - (Group) (7)	47		45	50		57	50		57
(8) Save Pay	434	1,000.00	434	370	1,000.00	370	250	1,000.00	250
(9) Responsibility Pay	584	1,307.29	763	603	1,349.92	814	603	1,349.92	814
(10) Diving Duty Pay	1,463	2,616.39	3,828	1,295	2,663.85	3,450	1,295	2,663.85	3,450
(12) Nuclear Officer Incentive Pay	3,450	15,333.91	52,902	3,089	15,343.00	47,395	3,084	15,344.00	47,321
(13A) Career Sea Pay (Officers)									
06 - Captain	209	4,031.16	843	201	4,031.16	810	198	4,031.16	798
05 - Commander	792	3,249.69	2,574	757	3,249.69	2,460	746	3,249.69	2,424
04 - Lieutenant Commander	1,921	2,499.69	4,802	1,836	2,499.69	4,589	1,808	2,499.69	4,519
03 - Lieutenant	2,903	1,850.62	5,372	2,774	1,850.62	5,134	2,731	1,850.62	5,054
02 - Lieutenant (JG)	3,475	1,429.27	4,967	3,321	1,429.27	4,747	3,272	1,429.27	4,677
01 - Ensign	2,412	1,430.82	3,451	2,306	1,430.82	3,299	2,271	1,430.82	3,249
W-5 Warrant Officer	2	6,486.00	13	2	6,486.00	13	2	6,486.00	13
W-4 Warrant Officer	67	6,663.96	446	64	6,663.96	426	63	6,663.96	420
W-3 Warrant Officer	146	5,823.50	850	140	5,823.91	815	138	5,823.94	804
W-2 Warrant Officer	375	5,184.94	1,944	358	5,184.94	1,856	353	5,184.94	1,830
W-1 Warrant Officer	0	0.00	0	0	0.00	0	0	0.00	0
Total - (13A)	12,302		25,262	11,759		24,149	11,582		23,788
(13B) Premium Sea Pay	622	1,200.00	746	872	1,200.00	1,046	872	1,200.00	1,046
Total - (Group) (13)	12,924		26,008	12,631		25,195	12,454		24,834

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(14) Imminent Danger Pay	3,724	2,700.00	10,055	736	2,700.00	1,987	808	2,700.00	2,182
(15) Foreign Language Proficiency Pay (Off) Foreign Language Proficiency Pay	562	631.67	355	651	631.67	411	2,739	1,926.25	5,276
Total - (15)	562		355	651		411	2,739		5,276
(16) Judge Advocate Judge Advocate Cont Pay	81	14,074.07	1,140	142	14,084.51	2,000	142	14,084.51	2,000
(17) Hardship Duty Pay									
Location - 150	519	1,800.00	934	494	1,800.00	889	494	1,800.00	889
Location - 100	77	1,200.00	92	73	1,200.00	88	73	1,200.00	88
Location - 50	840	600.00	504	799	600.00	479	799	600.00	479
Mission	2	1,800.00	4	4	1,800.00	7	4	1,800.00	7
Total - (17)	1,438		1,534	1,370		1,463	1,370		1,463
(18) SOCOM Assignment Incentive Pay	11	6,909.09	76	10	9,000.00	90	11	9,000.00	99
(19) Submarine Support Incentive Pay *	0	0.00	0	227	11,350.00	2,576	202	11,350.00	2,293
(20A) Surface Warfare Pay *									
(A) SWOCP	0	0.00	0	1,313	10,003.81	13,135	1,374	10,010.92	13,755
(B) SWO CSRB									
(1) SWO Post DH	0	0.00	0	562	15,914.59	8,944	620	15,548.39	9,640
(2) SWO SR	0	0.00	0	444	16,756.76	7,440	444	16,756.76	7,440
(3) SWO 25+ YOS	0	0.00	0	0	0.00	0	0	0.00	0
(4) SWO JR	0	0.00	0	833	8,601.44	7,165	861	8,321.72	7,165
Total - (B)	0		0	1,839		23,549	1,925		24,245
Total - (Group) (20)	0		0	3,152		36,684	3,299		38,000

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(21) Special Warfare Pay *									
A. Special Warfare Inc. Pay	0	0.00	0	214	14,108.91	3,019	221	14,108.91	3,118
B. SPECOPS CSRB	0	0.00	0	133	10,526.31	1,400	148	10,810.81	1,600
C. SPECWAR SOCOM CSRB	0	0.00	0	31	41,935.48	1,300	19	44,842.11	852
D. SPECWAR CSAB	0	0.00	0	0	0.00	0	8	45,000.00	360
Total - (21)	0		0	378		5,719	396		5,930
(22) INTEL CSRB	0	0.00	0	0	0.00	0	185	20,000.00	3,700
Total Special Pay-Officer	41,201		280,903	40,937		329,940	43,352		346,524

* Starting in FY06, Submarine Support Incentive Pay was moved from Incentive Pay to Special Pay, consistent with Title 37 Chapter 5

* Starting in FY06, Surface Warfare Pay and Special Warfare Pay was moved from Incentive Pay to Special Pay, consistent with Title 37 Chapter 5

(In Thousands Of Dollars)

Project: Basic Allowance For Housing

FY 2007 Estimate	1058250
FY 2006 Estimate	917095
FY 2005 Actual	975093

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 2005 actuals include an annual rate increase of 3.9%. FY 2006 and FY 2007 estimates include projected annual rate increases of 8.6% and 5.9% respectively. However, future housing rate adjustments may result as contractor generated survey data of actual housing cost becomes available. Since Navy personnel are primarily located in high-cost coastal areas, which have historically experienced cost increases greater than the national average, we expect execution difficulties to continue. The Department continues to explore alternate funding options. Additional funds were budgeted to eliminate out-of-pocket expenses in FY2005.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) BAH Domestic - Officers with Dependents									
07 to 010 with Dependents	110	27260.6	2,999	147	26724.95	3,929	150	29941.89	4,491
06 with Dependents	2,695	24515.4	66,069	2,734	26340.28	72,014	2,726	28408.5	77,442
05 with Dependents	5,577	23653.24	131,914	4,557	25605.93	116,680	5,470	27435.13	150,070
04 with Dependents	7,756	21393.8	165,930	6,646	23177.29	154,030	7,604	24832.73	188,828
03 with Dependents	10,103	19087.25	192,838	8,809	20697.81	182,329	9,424	22108.49	208,341
02 with Dependents	2,896	17083.96	49,475	2,885	18635.62	53,764	2,859	19923.85	56,962
01 with Dependents	1,802	15268.79	27,514	1,787	16629.18	29,716	1,773	17796.05	31,552
Total - (1A)	30,939		636,739	27,565		612,462	30,006		717,686
(1B) BAH Domestic - Warrant Officers with Dependents									
W-5 Warrant Officer	26	19867.54	517	25	21027.96	526	24	22401.96	538
W-4 Warrant Officer	243	18701.25	4,544	236	20390.46	4,812	234	21832.33	5,109
W-3 Warrant Officer	466	18105.73	8,437	475	19673.71	9,345	480	21327.05	10,237
W-2 Warrant Officer	512	17809.48	9,118	543	19257.15	10,457	551	20982.22	11,561
W-1 Warrant Officer	0	0	0	15	16891	253	29	23335.66	677
Total - (1B)	1,247		22,616	1,294		25,393	1,318		28,122
(1C) BAH Differential	692	2016.86	1,396	7	2181.71	15	7	2324.29	16
Total - (Group) (1)	32,878		660,751	28,866		637,870	31,331		745,824

	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) BAH Domestic - Officers with Dependents									
(2A) BAH Domestic - Officers without Dependents									
07 - 010 without Dependents	2	32733.92	65	1	29467	29	1	31392	31
06 without Dependents	329	20776.88	6,836	276	22318.25	6,160	270	23776.55	6,420
05 without Dependents	777	19389.37	15,066	664	20962.22	13,919	650	22331.91	14,516
04 without Dependents	1,618	18682.53	30,228	1,128	20272.51	22,859	1,388	21597.13	29,977
03 without Dependents	5,227	16503.73	86,265	4,491	17993.58	80,809	4,548	19169.3	87,179
02 without Dependents	3,329	13961.04	46,476	2,727	15282.95	41,682	3,053	16281.55	49,708
01 without Dependents	3,760	11689.66	43,953	3,110	12760.28	39,681	3,503	13594.05	47,620
Total - (2A)	15,042		228,889	12,397		205,139	13,413		235,451
(2B) BAH Domestic - Warrant Officers without Dependents									
W-5 Warrant Officer	0	0	0	0	0	0	0	0	0
W-4 Warrant Officer	21	16496.47	346	5	17929.2	90	5	19100.8	96
W-3 Warrant Officer	50	15722.19	786	6	17241.17	103	6	18367.83	110
W-2 Warrant Officer	63	15414.39	971	13	16927.46	220	12	18033.58	216
W-1 Warrant Officer	0	0	0	0	0	0	0	0	0
Total - (2B)	134		2,103	24		413	23		422
Total - (Group) (2)	15,176		230,992	12,421		205,552	13,436		235,873
(3A) Officer Partial BAH									
07-10 Flag Officers	0	0	0	0	0	0	0	0	0
0-6 Captain	8	463.61	4	8	513.5	4	7	547	4
0-5 Commander	11	391	4	11	413.64	5	10	440.7	4
0-4 Lieutenant Commander	36	319.98	12	36	340.42	12	34	362.68	12
0-3 Lieutenant	123	268.15	33	118	284.47	35	116	303.05	35
0-2 Lieutenant (JG)	59	219.33	13	57	234.42	13	56	249.73	14
0-1 Ensign	125	155.37	19	121	164.71	20	118	175.47	21
Total - (3A)	362		85	351		89	341		90
(3B) Warrant Officer Partial BAH									
W-5 Warrant Officer	0	0	0	0	0	0	0	0	0
W-4 Warrant Officer	0	0	0	0	0	0	0	0	0
W-3 Warrant Officer	0	0	0	0	0	0	0	0	0
W-2 Warrant Officer	2	160.59	0	2	188	0	2	200	0
W-1 Warrant Officer	0	0	0	0	0	0	0	0	0
Total - (3B)	2		0	2		0	2		0
Total - (Group) (3)	364		85	353		89	343		90

	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) BAH Domestic - Officers with Dependents									
(4A) BAH - Inadequate Family Housing (Officers)									
07-10 Flag Officers	0	0	0	0	0	0	0	0	0
0-6 Captain	0	0	0	0	0	0	0	0	0
0-5 Commander	0	0	0	0	0	0	0	0	0
0-4 Lieutenant Commander	0	0	0	0	0	0	0	0	0
0-3 Lieutenant	0	0	0	0	0	0	0	0	0
0-2 Lieutenant (JG)	0	0	0	0	0	0	0	0	0
0-1 Ensign	0	0	0	0	0	0	0	0	0
Total - (4A)	0		0	0		0	0		0
(4B) BAH - Warrant Officers Inadequate Family Housing									
W-5 Warrant Officer	0	0	0	0	0	0	0	0	0
W-4 Warrant Officer	0	0	0	0	0	0	0	0	0
W-3 Warrant Officer	0	0	0	0	0	0	0	0	0
W-2 Warrant Officer	0	0	0	0	0	0	0	0	0
W-1 Warrant Officer	0	0	0	0	0	0	0	0	0
Total - (4B)	0		0	0		0	0		0
Total - (Group) (4)	0		0	0		0	0		0
SubTotal (1) (2) (3) (4)	48,418		891,828	41,640		843,511	45,110		981,787
(5A) BAH Overseas - Officers with Dependents									
07 - 010 with Dependents	1	54000	54	1	44284.04	44	1	46000	46
06 with Dependents	100	39200	3,920	100	34746.78	3,475	100	36110	3,611
05 with Dependents	302	35784.77	10,807	301	32160.22	9,680	301	33418.6	10,059
04 with Dependents	415	32257.83	13,387	415	28836.4	11,967	415	29963.86	12,435
03 with Dependents	583	28890.22	16,843	583	25697.67	14,982	583	26701.54	15,567
02 with Dependents	117	27325.79	3,197	119	24412.63	2,905	119	25369.75	3,019
01 with Dependents	48	27729.17	1,331	49	24405.41	1,196	49	25367.35	1,243
Total - (5A)	1,566		49,539	1,568		44,249	1,568		45,980
(5B) BAH OverSeas - Warrant Officers With Dependents									
W-5 Warrant Officer	1	23000	23	1	21719.57	22	1	22000	22
W-4 Warrant Officer	10	24000	240	10	21996.81	220	10	22900	229
W-3 Warrant Officer	22	26727.27	588	22	23408.37	515	22	24318.18	535
W-2 Warrant Officer	18	24944.44	449	18	22337.32	402	18	23222.22	418
W-1 Warrant Officer	0	0	0	0	0	0	0	0	0
Total - (5B)	51		1,300	51		1,159	51		1,204
Total - (Group) (5)	1,617		50,839	1,619		45,408	1,619		47,184

	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) BAH Domestic - Officers with Dependents									
(6A) BAH Overseas - Officers without Dependents									
07 - 010 without Dependents	0	0	0	0	0	0	0	0	0
06 without Dependents	30	30566.67	917	30	29307.55	879	30	30466.67	914
05 without Dependents	76	29723.68	2,259	76	25936.17	1,971	76	26960.53	2,049
04 without Dependents	170	27517.65	4,678	169	23785.42	4,020	169	24715.98	4,177
03 without Dependents	612	24135.62	14,771	612	21055.74	12,886	612	21879.08	13,390
02 without Dependents	263	23509.51	6,183	265	20029.82	5,308	265	20811.32	5,515
01 without Dependents	148	22831.08	3,379	147	19867.22	2,920	147	20646.26	3,035
Total - (6A)	1,299		32,187	1,299		27,984	1,299		29,080
(6B) BAH OverSeas - Warrant Officers Without Dependents									
W-5 Warrant Officer	0	0	0	0	0	0	0	0	0
W-4 Warrant Officer	1	30000	30	1	27128.63	27	1	28000	28
W-3 Warrant Officer	3	23333.33	70	3	18372.83	55	3	19000	57
W-2 Warrant Officer	6	23166.67	139	6	18301.06	110	6	19000	114
W-1 Warrant Officer	0	0	0	0	0	0	0	0	0
Total - (6B)	10		239	10		192	10		199
Total - (Group) (6)	1,309		32,426	1,309		28,176	1,309		29,279
SubTotal (5) (6)	2,926		83,265	2,928		73,584	2,928		76,463
Total Basic Allowance For Housing	51,344		975,093	44,568		917,095	48,038		1,058,250

(In Thousands Of Dollars)

Project: Basic Allowance For Subsistence-Officer	FY 2007 Estimate	\$118,701
	FY 2006 Estimate	\$116,963
	FY 2005 Actual	\$119,940

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 (BAS) is computed by multiplying the total officer workyear average by a fiscal year rate using the statutory rate of \$183.99 per month effective 01 January 2005, \$187.49 per month effective 01 January 2006 and \$191.05 effective 01 January 2007.

Section 602 of the FY 2001 National Defense Authorization Act (NDAA) repeals the transition of the BAS program, effective October 1, 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Basic Allowance For Subsistence	54,978	2,181.60	119,940	52,230	2,239.38	116,963	52,018	2,281.92	118,701
Total Basic Allowance For Subsistence	54,978		119,940	52,230		116,963	52,018		118,701

(In Thousands Of Dollars)

Project: Station Allowances, Overseas-Officer	FY 2007 Estimate	\$76,305
	FY 2006 Estimate	\$74,393
	FY 2005 Actual	\$101,204

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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Station Allowances - Cost Of Living									
Cost Of Living	7,567	12,110.61	91,641	7,518	8,855.77	66,578	7,458	9,156.48	68,289
(2B) Station Allowances - Temporary Lodging									
Temporary Lodging	8,374	1,142.03	9,563	6,065	1,288.60	7,815	6,016	1,332.45	8,016
Total Station Allowances, Overseas-Officer	15,941		101,204	13,583		74,393	13,474		76,305

(In Thousands Of Dollars)

Project: Conus Cost Of Living Allowance (COLA)-Officer	FY 2007 Estimate	\$2,586
	FY 2006 Estimate	\$2,533
	FY 2005 Actual	\$2,283

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 (MHAs) 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. (37 U.S.C. 403b)

Part II - Justification Of Funds Requested

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

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) CONUS Cost Of Living (COLA)									
CONUS COLA	1,834	1,244.82	2,283	1,827	1,386.24	2,533	1,827	1,415.35	2,586
Total Conus Cost Of Living Allow	1,834		2,283	1,827		2,533	1,827		2,586

(In Thousands Of Dollars)

Project: Uniform Allowance-Officer	FY 2007 Estimate	\$2,146
	FY 2006 Estimate	\$2,227
	FY 2005 Actual	\$2,007

Part I - Purpose And Scope

Funds requested will provide for payment of an initial clothing allowance (U.S.C.415 and 416) to officers upon commissioning and an active 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 determined by multiplying the planned number of members eligible by the statutory rates.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1)Initial									
AOC	0	0.00	0	0	400.00	0	0	0.00	0
Reserves	1,990	400.00	796	2,478	400.00	991	2,355	400.00	942
Regular	1,153	400.00	461	1,513	400.00	605	1,495	400.00	598
Total - (1)	3,143		1,257	3,991		1,596	3,850		1,540
(2)Additional	3,000	200.00	600	2,531	200.00	506	2,390	200.00	478
(3)Civilian	92	1,634.30	150	75	1,666.99	125	75	1,702.00	128
Total Uniform Allowance-Officer	6,235		2,007	6,597		2,227	6,315		2,146

(In Thousands Of Dollars)

Project: Family Separation Allowance-Officer

FY 2007 Estimate	\$11,221
FY 2006 Estimate	\$10,865
FY 2005 Actual	\$14,122

Part I - Purpose And Scope

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

- (1) movement of dependents to an overseas permanent duty station is not authorized and the member must maintain two homes.
- (2) 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. The FY03 Emergency Wartime Supplemental temporarily increased the monthly rate from \$100 to \$250 from October 1, 2002 through September 30, 2003. The FY04 NDAA extended the authority for the temporary increase rate (\$250) through December 31, 2004. The FY05 NDAA further extended the increase through 2005 and will serve to make the increase permanent in FY06.
- (3) 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. The FY03 Emergency Wartime Supplemental temporarily increased the monthly rate from \$100 to \$250 from October 1, 2002 through September 30, 2003. The FY04 NDAA extended the authority for the temporary increase rate (\$250) through December 31, 2004. The FY05 NDAA further extended the increase through 2005 and will serve to make the increase permanent in FY06.
- (4) member is on temporary duty or temporary additional duty away from their 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. The FY03 Emergency Wartime Supplemental temporarily increased the monthly rate from \$100 to \$250 from October 1, 2002 through September 30, 2003. The FY04 NDAA extended the authority for the temporary increase rate (\$250) through December 31, 2004. The FY05 NDAA further extended the increase through 2005 and will serve to make the increase permanent in FY06.

In FY 2006/2007 there is currently a statutory requirement that makes post PCS dependents acquisitions entitled.

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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1)On Permanent Change of Station with Dependents Not Authorized/Government Quarters Not Allowed(Type 1)									
0-6 Captain	20	11,591.50	232	12	12,346.72	148	16	12,766.51	204
0-5 Commander	42	11,494.00	483	21	11,887.98	250	26	12,292.17	320
0-4 Lieutenant Commander	46	10,560.59	486	26	10,905.89	284	33	11,242.42	371
0-3 Lieutenant	73	8,930.95	652	42	9,309.48	391	52	9,626.00	501
0-2 Lieutenant (JG)	17	7,428.20	126	9	7,555.56	68	9	7,893.53	71
0-1 Ensign	3	6,374.85	19	2	9,245.76	18	2	9,560.01	19
W-5 Warrant Officer	1	3,118.04	3	1	7,462.09	7	1	7,714.98	8
W-4 Warrant Officer	2	10,880.78	22	3	9,938.29	30	4	10,246.19	41
W-3 Warrant Officer	2	7,182.06	14	1	8,356.39	8	1	8,640.50	9
W-2 Warrant Officer	4	7,850.81	31	3	7,415.16	22	5	7,667.28	38
W-1 Warrant Officer	0	0.00	0	0	0.00	0	0	0.00	0
Total - (4)	210		2,068	120		1,226	149		1,582
(2)On PCS With Dependents Not Authorized (Type 2A)	775	3,000.00	2,325	543	3,000.00	1,629	543	3,000.00	1,629
(3)On Board Ship More Than 30 Days (Type 2B)	1,115	3,000.00	3,345	888	3,000.00	2,664	888	3,000.00	2,664
(4)On Temporary Duty More Than 30 Days with Dependents Not Residing Near Temporary Duty Station	2,128	3,000.00	6,384	1,782	3,000.00	5,346	1,782	3,000.00	5,346
Total Family Separation Allowance-Officer	4,228		14,122	3,333		10,865	3,362		11,221

(In Thousands Of Dollars)

Project: Separation Payments-Officer

FY 2007 Estimate	\$33,187
FY 2006 Estimate	\$62,716
FY 2005 Actual	\$31,859

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. 12319.
- (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 that are separated for physical reasons under the provisions of (10 U.S.C. 1212).
- (5a) 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 are denied reenlistment or continuation.
- (5b) 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 but who are fully qualified for retention, but are denied reenlistment or continuation.
- (6) Voluntary- Force shaping separation incentives for military members in selected over manned skills:
 - a. a lump sum payment for members who have at least six years of service
 - b. an annuity and lump sum payment to members who have at least fifteen years

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 National 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.

(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 August 1, 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 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 experience. FY 2006 and FY 2007 includes a 3.1% and a 2.2% pay raise effective 1 January 2006 and 1 January 2007 respectively.

Computation of fund requirements is provided in the following table:

	FY 2005				FY 2006				FY 2007			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(1)Separation Pay - Lump sum Leave Payment(Officer)												
Flag Officers	38	33	6,253.31	238	39	29	8,834.36	345	39	29	9,028.72	352
0-6 Captain	451	25	5,284.26	2,383	527	21	7,466.65	3,935	430	21	7,630.92	3,281
0-5 Commander	567	23	5,343.65	3,030	630	15	7,544.49	4,753	526	15	7,702.92	4,052
0-4 Lieutenant Commander	766	21	4,094.49	3,136	797	14	5,794.25	4,618	829	14	5,915.93	4,904
0-3 Lieutenant	1,355	22	3,600.27	4,878	1,302	19	5,118.38	6,664	1,363	19	5,225.87	7,123
0-2 Lieutenant (JG)	235	19	2,315.52	544	161	16	3,306.44	532	137	16	3,375.88	462
0-1 Ensign	73	17	1,682.72	123	7	20	2,362.60	17	57	20	2,414.58	138
W-5 Warrant Officer		17	0.00	0	31	17	0.00	0	22	17	0.00	0
W-4 Warrant Officer	95	17	2,631.32	250	69	17	3,712.67	256	70	17	3,790.64	265
W-3 Warrant Officer	62	13	2,042.15	127	57	12	2,889.70	165	64	12	2,950.38	189
W-2 Warrant Officer	45	18	2,646.14	119	21	12	3,707.84	78	4	12	3,785.70	15
W-1 Warrant Officer	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0
Total - (1)	3,687			14,828	3641			21,363	3,541			20,781
(2)Separation Pay - Lump sum to Reserve Officers (RAD)	15		68,100.00	1,022	25		70,218.88	1,755	31		71,764.00	2,225
(3)Separation Pay - Severance Pay, Failure of Promotion	194		60,719.08	11,780	95		62,615.61	5,948	78		63,995.62	4,992
(4)Separation Pay - Severance Pay, Disability	18		68,250.00	1,229	25		70,398.60	1,760	25		71,953.76	1,799
(5)Separation Pay - Severance Pay, Non-Disability (Officer)												
Invol - Full Pay (10%)	0		0.00	0	0		0.00	0	0		0.00	0
Invol - Half Pay (5%)	0		0.00	0	0		0.00	0	0		0.00	0
Total - (5)	0			0	0			0	0			0
(6)Separation Pay - Voluntary Separation												
Targeted Separation Incentive	0		0.00	0	502		56,773.00	28,500	0		0.00	0
VSI	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
Total - (6)	0			0	502			28,500	0			0
(7)Separation Pay - 15 YR Retirement Program	0		0.00	0	0		0.00	0	0		0.00	0
(8)Separation Pay - \$30,000 Lump Sum Bonus	100		30,000.00	3,000	113		30,000.00	3,390	113		30,000.00	3,390
Total Separation Payments-Officer	4,014			31,859	4,401			62,716	3,788			33,187

(In Thousands Of Dollars)

Project: Social Security Tax-Officer	FY 2007 Estimate	\$247,353
	FY 2006 Estimate	\$242,789
	FY 2005 Actual	\$247,521

Part I - Purpose And Scope

Funds requested represent the government's contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA) 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 2005 - 7.65% on first \$90,000
Calendar year 2006 - 7.65% on first \$94,200
Calendar year 2007 - 7.65% on first \$96,600

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Social Security Tax - Employer's c	55,353	4,472	247,521	52,230	4,648	242,789	52,018	4,755	247,353
Total Social Security Tax-Officer	55,353		247,521	52,230		242,789	52,018		247,353
Total BA 1 Obligations			6,401,569			5,983,093			6,200,330
Less Reimbursables in BA 1			215,770			193,548			207,126
Total Direct BA 1 Obligations			6,185,799			5,789,545			5,993,204

Budget Activity 2

Pay and Allowances of Enlisted Personnel

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Pay and Allowances of Enlisted
(\$ in Thousands)

AMOUNT

FY 2006 Direct Program

\$14,950,345

Increases:

Pricing Increases

Annualization of FY 2006 Pay Raise 3.1% (Effective 1 January 2006)		81,300
Basic Pay	60,354	
Retired Pay Accrual	15,994	
FICA	4,617	
Separation Payments (Lump Sum Leave)	335	
 FY 2007 Pay Raise 2.2% (Effective 1 January 2007)		 212,660
Basic Pay	157,700	
Retired Pay Accrual	41,791	
FICA	12,064	
Separation Payments (Lump Sum Leave)	1,105	
 Inflation		 2,528
Clothing Allowances	2,528	
Initial Clothing - Rate (1.5%)	696	
Replacement Clothing - Rate (1.5%)	1,832	
 BAH - Rates		 443,001
BAH Domestic - Rate	436,326	
BAH Overseas - Rates	6,675	
 Other Pricing Increases	 5,038	 71,715
Separation Payments		
Lump Sum Leave - Rate	3,316	
Severance Pay - Rate	417	
Severance Pay Non-Disability - Rate	1,305	
 Special Pay	 21,833	
Foreign Language Proficiency Pay - Rate	17,513	
EOD/Seal Master Diver (CSRB) - Rate	4,320	

Reenlistment Bonus		4,832	
New Payment Aggregate - Rate	4,808		
Anniversary Payment Aggregate - Rate	24		
Overseas Station Allowance		7,987	
COLA - Rate	7,178		
Temporary Lodging Allowance - Rate	809		
CONUS COLA - Rate		302	
Family Separation Allowance - Rate, Type 1		85	
Enlistment Bonus		31,243	
New Payment - Rate	3,879		
Anniversary Payment - Rate	27,364		
Special Duty Assignment Pay - Rate		149	
Educational Benefits -		246	
Navy College Fund Program/National Call to Service -			
\$350/month - Rate	102		
\$950/month - Rate	7		
12 Month Enlistments - Rate	81		
36 Month Enlistments - Rate	56		
Total Pricing Increases:			\$811,204
Program Increases			
Other			31,527
Incentive Pay		1,493	
Flying Duty - Number	254		
Flying Duty Crew - Number	159		
Demolition Duty - Number	1		
Flight Deck Duty - Number	422		
Submarine Pay - Number	657		
Special Pay		27,200	
Enlisted Supervisor Retention Pay - Number	14,380		
Overseas Tour Extention Program - Number	18		
Foreign Language Proficiency Pay - Number	2,726		
Assignment Incentive Pay - Number	4,950		
SOCOM Assignment Incentive Pay - Number	27		
Special Warfare SOCOM CSRB - Number	5,099		

Reenlistment Bonus - New Payment Number	459		
Loan Repayment Program - Number	1,394		
Education Benefits - \$950/Month	30		
Family Separation Allowance - Number FSA Type I, II, III and IV	741		
Separations - 30K Lump Sum Bonus - Number	210		
Total Program Increases:		\$31,527	
Total Increases:			\$842,731
Decreases:			
Pricing Decreases			
Other		-17,170	
Special Pay		-17,170	
Enlisted Supervisor Retention Pay - Rate	-11,380		
Special Warfare SOCOM CRSB - Rate	-5,790		
Total Pricing Decreases:		-\$17,170	
Program Decreases			
Strength Related		-243,572	
Basic Pay - Workyears	-145,639		
Retired Pay Accrual - Workyears	-38,637		
FICA - Workyears	-11,140		
BAH Domestic - Number	-44,511		
BAH Overseas - Number	-3,645		
Other Strength Related		-3,124	
Basic Pay - Workyears	-2,329		
Retired Pay Accrual - Workyears	-617		
FICA - Workyears	-178		

Other			-76,969
Incentive Pay		-4	
Career Sea Pay - Number			
Special Pay		-6,336	
Career Sea Pay - Number			
Special Duty Assignment Pay - Number		-1,204	
Reenlistment Bonus - Anniversary Payment- Number		-7,554	
Enlistment Bonus			
New Payment - Numberr		-11,663	
Anniversary Payment - Number		-26,183	
Education Benefits		-1,430	
50K Program - Number	-396		
\$350/Month - Number	-1,034		
Overseas Station Allowance		-5,065	
COLA - Number	-4,552		
TLA - Number	-513		
Clothing Allowances		-5,687	
Initial Clothing - Number	-3,519		
Replacement Clothing - Number	-2,168		
Separation Payments		-11,843	
Severance Pay - Number	-453		
Severance Pay Non-Disability - Number	-1,430		
Lump Sum Leave - Number	-9,960		
Total Program Decreases:			-\$323,665
Total Decreases:			-\$340,835
FY 2007 Direct Program			\$15,452,241

(In Thousands Of Dollars)

Project: Basic Pay - Enlisted

FY 2007 Estimate	\$7,983,057
FY 2006 Estimate	\$7,905,599
FY 2005 Actual	\$8,049,707

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

FY 2005 is based on end strength of 305,735 and 312,775 workyears. FY 2006 is based on end strength of 296,705 and 296,350 workyears. FY 2007 is based on end strength of 285,605 and 290,778 workyears. Costs are calculated on the basis of grade distribution and average rates experienced. FY 2005 includes a 3.5% across the board pay raise effective 1 January 2005. FY 2006 includes a 3.1% across the board payraise effective 1 January 2006. The FY 2007 budget provides funding for a 2.2% across-the-board pay raise effective 1 January 2007. The budget also includes funding for additional increases for selective warrant officers and mid-grade senior enlisted personnel effective 1 April 2007.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
E9	3,104	58,603.78	181,906	2,903	60,609.17	175,948	2,899	61,980.78	179,682
E8	6,815	47,204.40	321,698	7,068	48,768.84	344,698	7,143	50,088.90	357,785
E7	23,745	40,084.34	951,803	22,707	41,316.66	938,177	23,024	42,729.14	983,796
E6	55,536	32,959.86	1,830,459	53,231	33,876.26	1,803,267	51,627	35,072.58	1,810,692
E5	74,979	26,206.24	1,964,918	71,993	27,032.87	1,946,177	70,541	27,798.12	1,960,907
E4	60,548	21,270.43	1,287,882	58,207	21,995.37	1,280,285	55,413	22,493.95	1,246,457
E3	56,820	18,038.87	1,024,969	51,254	18,597.37	953,190	48,284	19,054.04	920,005
E2	18,923	16,446.87	311,224	16,836	17,000.68	286,223	19,126	17,401.62	332,823
E1	12,305	14,209.48	174,848	12,151	14,618.89	177,634	12,721	15,007.47	190,910
Total Basic Pay - Enlisted	312,775		8,049,707	296,350		7,905,599	290,778		7,983,057

(In Thousands Of Dollars)

Project: Retired Pay Accrual (RPA) - Enlisted	FY 2007 Estimate	\$2,115,509
	FY 2006 Estimate	\$2,094,984
	FY 2005 Actual	\$2,213,671

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 requirement reform, which changes the current retirement system from 40% of the average of high 3 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:

- (a) The normal cost percent of 27.5% in FY 2005, 26.5% in FY 2006 and 26.5% in FY 2007.
- (b) 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 2005			FY 2006			FY 2007		
Base Pay (2-A)		8,049,707			7,905,599			7,983,057	
Less Fines & Forfeitures		0			0			0	
Base Pay Subject To RPA		8,049,707			7,905,599			7,983,057	
	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Retired Pay Accrual	312,775	7,077.52	2,213,671	296,350	7,069.29	2,094,984	290,778	7,275.34	2,115,509
Total Retired Pay Accrual (RPA) - Enlisted	312,775		2,213,671	296,350		2,094,984	290,778		2,115,509

(In Thousands Of Dollars)

FY 2007 Estimate \$0
FY 2006 Estimate \$0
FY 2005 Actual \$1,682,857

Project: Defense Health Program (DHP) Accrual - Enlisted

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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) DHP Over 65									
Enlisted	309,504	5,363.99	1,660,175	0	0.00	0	0	0.00	0
Midshipmen	4,228	5,364.60	22,682	0	0.00	0	0	0.00	0
Total - (1)	313,732		1,682,857	0		0	0		0
Total Defense Health Program (DHP) Accrual - Enlisted	313,732		1,682,857	0		0	0		0

(In Thousands Of Dollars)

Project: Incentive Pay For Hazardous Duty - Enlisted	FY 2007 Estimate	\$110,364
	FY 2006 Estimate	\$108,875
	FY 2005 Actual	\$99,733

Part I - Purpose And Scope

Funds requested provide for pay to enlisted personnel for the following types of duty (37 U.S.C. 301(a)(1-11) and 320):

- (1A) Career Enlisted Flyer Incentive Pay (37 U.S.C. 320) - duty involving frequent and regular participation in aerial flight as a crew or non-crew member.
- (1B) Flying Duty Crew Members (37 U.S.C. 301(a) (1)) - for performance of hazardous duty involving frequent and regular aerial flight as a crew member, and to induce members (other than aviators) to volunteer for flying duty assignments as crew members and to retain the required number of skilled crewmembers to man mission requirements. Payment ranges from \$110 to \$250 per month, determined by grade.
- (1C) Flying Duty Non-Crew Members (37 U.S.C. 301(a)(2)) - for performance of hazardous duty involving frequent and regular aerial flight, and to induce members to volunteer for, and remain in, flying duty assignments as other than crew members. The FY 1998 NDAA increased the rate from \$110 to \$150 per month.
- (2) Submarine duty (37 U.S.C. 301c) - 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. The FY 2002 NDAA removed the rate table from law and vested authority in the Secretary of the Navy to set submarine pay rates within a cap of \$1,000 per month.
- (3) Parachute jumping (37 U.S.C. 301(a) (3)) - duty involving parachute jumping as an essential part of military duty. Payment is a flat \$150 per month, except for duty involving High Altitude Low Opening (HALO) jumps which receive \$225 per month.
- (4) Toxic Material Pay (37 U.S.C. 301(a)(9),(10)) - duty involving exposure to highly toxic fuels, pesticides or laboratory work that utilizes live, dangerous viruses or bacteria. Payment is a flat \$150 per month.
- (5) Duty inside a high or low pressure chamber (37 U.S.C. 301(a) (5),(6),(7)) - duty involving acceleration or deceleration experiments, or thermal stress experiments. Payment is a flat \$150 per month.
- (6) Demolition Duty (37 U.S.C. 301(a)(4)) - duty involving the demolition of explosives as a primary duty including training for such duty. Payment is a flat \$150 per month.
- (7) Flight Deck Duty (37 U.S.C. 301(a)(8)) - duty involving participation in flight operations on ships from which aircraft are launched. Payment is a flat \$150 per month.
- (8) Visit, Board, Search and Seizure (VBSS) (37 U.S.C. 301(a)(11)) - Maritime Interdiction Operations - for the performance of hazardous duty involving regular participation as a member of a team conducting VBSS operations aboard vessels in support of maritime interdiction operations. Payment is a flat \$150 per month.
- (9) Incentive Bonus For Conversion (37 U.S.C. 326) - to provide an incentive for members to converts to, and serve for a period of not less than 3 years in, a military occupational specialty for which there is a shortage of trained qualified personnel. First authorized by the FY 2004 NDAA.

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 crewmembers are prescribed by pay grade and years of service dates. 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 \$2,700 per workyear.

Submarine Service Entry Date (SSED) for nuclear trained personnel is 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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Flying Duty - Career									
Under 4 yrs	1,450	1,800.00	2,610	1,755	1,800.00	3,159	1,668	1,800.00	3,002
4 - 8 yrs	984	2,700.00	2,657	1,448	2,700.00	3,910	1,689	2,700.00	4,560
8 - 14 yrs	928	4,200.00	3,898	990	4,200.00	4,158	990	4,200.00	4,158
Over 14 yrs	1,115	4,800.00	5,352	1,128	4,800.00	5,414	1,078	4,800.00	5,174
Total - (1A)	4,477		14,517	5,321		16,641	5,425		16,894
(1B) Flying Duty - Non Career									
E-9	3	2,880.00	9	3	2,880.00	9	3	2,880.00	9
E-8	8	2,880.00	23	11	2,880.00	32	11	2,880.00	32
E-7	32	2,880.00	92	33	2,880.00	95	34	2,880.00	98
E-6	118	2,580.00	304	120	2,580.00	310	120	2,580.00	310
E-5	133	2,280.00	303	130	2,280.00	296	135	2,280.00	308
E-4	80	1,980.00	158	81	1,980.00	160	145	1,980.00	287
E-3	12	1,800.00	22	10	1,800.00	18	20	1,800.00	36
E-2	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
Total - (1B)	386		911	388		920	468		1,080
(1C) Non-Crew (HDIP)	123	1,800.00	221	90	1,800.00	162	90	1,800.00	162
Total - (Group) (1)	4,986		15,649	5,799		17,723	5,983		18,136
(2) Submarine Pay									
E-9	280	5,100.00	1,428	348	5,100.00	1,775	350	5,100.00	1,785
E-8	690	4,980.00	3,436	679	4,980.00	3,381	684	4,980.00	3,406
E-7	2,050	4,860.00	9,963	2,118	4,860.00	10,293	2,130	4,860.00	10,352
E-6	3,910	4,425.00	17,302	4,136	4,414.00	18,256	4,148	4,414.00	18,309
E-5	5,484	2,858.00	15,673	5,470	2,887.00	15,792	5,465	2,887.00	15,777
E-4	3,775	1,461.00	5,515	3,965	1,584.00	6,281	3,929	1,584.00	6,224
E-3	1,880	1,007.00	1,893	1,307	996.00	1,302	1,887	996.00	1,879
E-2	901	907.00	817	951	906.00	862	953	906.00	863
E-1	397	900.00	357	501	900.00	451	505	900.00	455
Student	1,546		1,484	1,500		1,440	1,500		1,440
Total - (2)	20,913		57,868	20,975		59,833	21,551		60,490

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(3) Parachute Jumping (Enl)									
Parachute Jumping	3,223	2,211.00	7,126	3,003	2,211.00	6,640	3,003	2,211.00	6,640
(4) Toxic Material Pay (Enl)									
Toxic Material Pay	13	1,800.00	23	126	1,800.00	227	126	1,800.00	227
(5) Duty Inside HiLo Chamber (Enl)									
Test subjects in thermal stress experiments	243	1,800.00	437	213	1,800.00	383	211	1,800.00	380
(6) Demolition Duty (Enl)									
Demolition Duty	3,435	1,800.00	6,183	3,106	1,800.00	5,591	3,106	1,800.00	5,591
(7) Flight Deck Duty (Enl)									
Flight Deck Duty	6,754	1,800.00	12,157	7,383	1,800.00	13,289	7,617	1,800.00	13,711
(8) Visit, Board, Search and Seizure	161	1,800.00	290	161	1,800.00	290	161	1,800.00	290
(9) Incentive Bonus for Conversion	0	3,000	0	1,633	3,000	4,899	1,633	3,000	4,899
Total Incentive Pay For Hazardous Duty - Enlisted	39,728		99,733	40,766		108,875	41,758		110,364

(In Thousands Of Dollars)

Project: Special Pay - Enlisted	FY 2007 Estimate	\$413,885
	FY 2006 Estimate	\$388,358
	FY 2005 Actual	\$386,873

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. The FY 2001 NDAA authorized Career Sea Pay Reform, under which it allowed the Secretary of the Service concerned to establish a monthly maximum cap of \$750.

(b) Premium Sea Pay - \$100 per month paid to enlisted personnel who are entitled to career sea pay; have less than eight 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 with a monthly maximum cap of \$340.

(4) 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. Changed in 1997 to allow Services the option to offer a \$2,000 bonus for year's extension versus an \$80 per month payment.

(5) Nuclear Accession Bonus (37 U.S.C. 312b) - a bonus not to exceed \$20,000 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. Funding also provides an increase for Submarine Nuclear Accession Bonus to \$15,000. Surface Nuclear Accession Bonus remains at \$10,000.

(6) Imminent Danger Pay (37 U.S.C. 310) - a monthly amount of \$225 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 \$1000. The maximum amount of the bonus paid to a member may not exceed \$6,000 for the one-year period covered by the certification of the member. This pay improves linguistic readiness across the active and reserve components.

(8) Personal Money Allowance (37 U.S.C.. 414c) - paid to the master chief petty officer of the Navy to defray expenses incurred in connection with official duties.

(9A) Assignment Incentive Pay (AIP) (37 U.S.C. 307a) - 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. The monthly statutory maximum payable is \$3,000.

(9B) SOCOM Assignment Incentive Pay (AIP) (37 U.S.C. 307a) - to provide a monthly incentive to a member who performs service, while entitled to basic pay, in an assignment designated by the Secretary concerned. Used to encourage members to volunteer for difficult-to-fill jobs or assignments in less desirable locations. First authorized by FY 2003 NDAA. The monthly statutory maximum payable is \$3,000.

(10) Exposed Ordinance Disposal (EOD)/Seal/Master Diver CSRB (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

(11) Exposed Ordinance Disposal (EOD)/Seal/Master Driver CSRB (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active years.

(12) Enlisted Supervisor Retention Pay CSRB (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

(13) Special Warfare SOCOM CSRB (37 U.S.C. 323) - financial incentive to address skill-specific retention problems. First authorized by FY 2001 NDAA. Up to \$200,000 total payable in CSRB to an eligible member over a career, not payable past completion of 25 years of active duty.

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.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Career Sea Pay (Enlisted)									
E-9	776	5,821.32	4,517	717	7,300.48	5,234	701	7,300.48	5,118
E-8	1,777	5,381.52	9,563	1,643	6,925.36	11,378	1,607	6,925.36	11,129
E-7	6,596	5,051.28	33,318	6,096	6,359.28	38,766	5,962	6,359.28	37,914
E-6	15,181	4,161.48	63,175	14,031	5,192.81	72,860	13,722	5,192.81	71,256
E-5	23,981	2,936.76	70,426	22,165	3,552.00	78,730	21,677	3,552.00	76,997
E-4	30,512	1,730.88	52,813	28,201	2,009.33	56,665	27,581	2,009.33	55,419
E-3	17,972	875.88	15,741	16,611	926.32	15,387	16,246	926.32	15,049
E-2	9,181	671	6,159	8,485	777.45	6,597	8,298	777.45	6,451
E-1	4,006	600.00	2,404	3,703	609.10	2,255	3,619	609.10	2,204
Total - (1A)	109,982		258,116	101,652		287,872	99,413		281,537
(1B) Premium Sea Pay (Enlisted)									
Premium Sea Pay	16,017	1,200.00	19,220	14,773	1,200.00	17,728	14,773	1,200.00	17,728
Total - (Group) (1)	125,999		277,336	116,425		305,600	114,186		299,265
(2A) HDP Mission (Enl)									
HDP Mission	28	1,800.00	50	15	1,800.00	27	15	1,800.00	27
(2B) HDP Location (Enl)									
Location #1	2,697	1,800.00	4,855	338	1,800.00	608	338	1,800.00	608
Location #2	45	1,200.00	54	4,436	1,200.00	5,323	4,436	1,200.00	5,323
Location #3	5,569	600.00	3,341	323	600.00	194	323	600.00	194
Total - (2B)	8,311		8,250	5,097		6,125	5,097		6,125
Total - (Group) (2)	8,339		8,300	5,112		6,152	5,112		6,152
(3) Diving Duty Pay (Enl)									
Diving Duty Pay	4,740	2,631.44	12,473	4,663	2,631.44	12,270	4,663	2,631.44	12,270
(4) Overseas Extension Pay (Enl)									
Overseas Extension Pay	2,502	2,000.00	5,004	2,652	2,000.00	5,304	2,661	2,000.00	5,322

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5) Nuclear Accession Bonus (Enl) Nuclear Accession Bonus	152	10,000.00	1,520	209	14,125.00	2,952	209	14,125.00	2,952
(6) Imminent Danger Pay (Enl) Imminent Danger Pay	24,343	2,700.00	65,726	333	2,700.00	899	333	2,700.00	899
(7) Foreign Language Proficiency Pay (Enl) Foreign Language Proficiency Pay	2,379	1,532.38	3,646	2,141	1,532.38	3,281	3,920	6,000.00	23,520
(8) Personal Money Allowance (PMA) Personal Money Allowance	1	2,000.00	2	1	2,000.00	2	1	2,000.00	2
(9) Assignment Incentive Pay (Enl) A. Assignment Incentive Pay B. SOCOM Assignment Incentive Pay	1,645 20	3,900.00 9,000.00	6,416 180	6,726 30	3,900.00 9,000.00	26,231 270	7,995 33	3,900.00 9,000.00	31,181 297
Total - (9)	1,665		6,596	6,756		26,501	8,028		31,478
(10) EOD/Seal/Master Diver CSRB	0	0.00	0	0	0.00	0	360	12,000.00	4,320
(11) Enlisted Supervisor Retention Pay CSRB	0	0.00	0	241	63,070.54	15,200	469	38,805.97	18,200
(12) Special Warfare SOCOM CSRB	42	149,285.71	6,270	90	113,300.00	10,197	135	70,407.74	9,505
Total Special Pay - Enlisted	170,162		386,873	138,623		388,358	140,077		413,885

(In Thousands Of Dollars)

Project: Special Duty Assignment Pay And Proficiency Pay - Enlisted

FY 2007 Estimate	\$88,929
FY 2006 Estimate	\$89,984
FY 2005 Actual	\$78,455

Part I - Purpose And Scope

Special duty assignment pay (SDAP) - 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 Aircrewmembers	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 recruiters are Navy's professional sales force of proven recruiters, responsible for the training and supervision of fleet sailors assigned to recruiting duty.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) SDAP									
\$450/month	1,949	5,400.00	10,525	3,110	5,400.00	16,794	2,175	5,400.00	11,745
\$375/month	3,130	4,500.00	14,085	3,551	4,500.00	15,980	5,371	4,500.00	24,170
\$350/month	0	4,200.00	0	0	4,200.00	0	0	4,200.00	0
\$300/month	1,643	3,600.00	5,915	1,572	3,600.00	5,659	971	3,600.00	3,496
\$275/month	0	3,300.00	0	0	3,300.00	0	0	3,300.00	0
\$255/month	0	3,060.00	0	0	3,060.00	0	0	3,060.00	0
\$225/month	3,233	2,700.00	8,729	3,813	2,700.00	10,295	3,710	2,700.00	10,017
\$220/month	0	2,640.00	0	0	2,640.00	0	0	2,640.00	0
\$175/month	0	2,100.00	0	0	2,100.00	0	0	2,100.00	0
\$165/month	0	1,980.00	0	0	1,980.00	0	0	1,980.00	0
\$150/month	7,089	1,800.00	12,760	8,749	1,800.00	15,748	8,550	1,800.00	15,390
\$110/month	0	1,320.00	0	0	1,320.00	0	0	1,320.00	0
\$100/month	0	1,200.00	0	0	1,200.00	0	0	1,200.00	0
\$75/month	1,749	900.00	1,574	2,110	900.00	1,899	2,004	900.00	1,804
\$55/month	0	660.00	0	0	660.00	0	0	660.00	0
\$50/month	0	600.00	0	0	600.00	0	0	600.00	0
Total - (1)	18,793		53,588	22,905		66,375	22,781		66,622
(2) Recruiter									
Recruiter (\$375)	0	4,500.00	0	0	4,500.00	0	0	4,500.00	0
Recruiter (\$450)	4,605	5,400.00	24,867	4,372	5,400.00	23,609	4,131	5,400.00	22,307
Total - (2)	4,605		24,867	4,372		23,609	4,131		22,307
Total Special Duty Assignment Pay	23,398		78,455	27,277		89,984	26,912		88,929

(In Thousands Of Dollars)

Project: Reenlistment Bonus - Enlisted	FY 2007 Estimate	\$339,532
	FY 2006 Estimate	\$341,795
	FY 2005 Actual	\$344,202

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 sixteen 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 eighteen years is not used in the computation. The maximum payment is \$90,000. While there is authority for \$90,000 payment, the Navy has no plans of making a payment of this amount.

Part II - Justification Of Funds Requested

The rates include pay raises.

Twenty most undermanned critical skills:

Fire Controlman (FC)	Sonar Technician Surface (STG)
Electronic Technician, Subsurface Warfare (ETSS)	Nuclear Field (ET, MM, EM)
Cryptologic Technician Collection (CTR)	Gunner's Mate (GM)
Aviationwarfare Systems Tech (AW)	Operations Specialist (OS)
Dental Technician (DT)	Electronic Warfare Technician (EW)
Information Systems Technician (IT)	Legalman (LN)
Mineman (MM)	Electronic Warfare Tech (EW)
Air Traffic Controller (AC)	Hospital Corpsman (HM)
Cryptologic Technician Interpretive (CTI)	Cryptologic Technician Technical (CTT)
Master-At-Arms (MA)	Cryptologic Technician Maintenance (CTM)

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Reenlistment Bonus									
Initial Payment	17,037	10,247.75	174,591	14,629	10,565.52	154,563	14,672	10,893.54	159,830
Anniversary	59,979	2,784.31	167,000	69,576	2,691.04	187,232	65,526	2,742.45	179,702
Distribution	0	0.00	2,611	0	0.00	0	0	0.00	0
Total - (1)	77,016		344,202	84,205		341,795	80,198		339,532
Total Reenlistment Bonus - Enlisted	77,016		344,202	84,205		341,795	80,198		339,532

Reenlistment Bonus	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations	59,979	\$167,000	53,091	\$141,540	35,219	\$94,380	23,629	\$60,636	16,441	\$39,487	5,557	\$13,514	3,029	\$5,882
FY 2005 New Anniversary ADV / REM	17,037	174,591	16,485	45,692	16,230	44,978	13,836	35,739	9,302	24,393	8,065	19,773		
FY 2006 New Anniversary ADV / REM			14,629	154,563	14,077	40,344	13,734	39,348	11,971	34,148	7,994	21,670	6,803	17,230
FY 2007 New Anniversary ADV / REM					14,672	159,830	14,121	41,750	13,951	41,231	12,828	37,394	9,376	25,946
FY 2008 New Anniversary ADV / REM							14,681	164,885	14,130	43,100	14,020	42,749	13,429	40,196
FY 2009 New Anniversary ADV / REM									14,695	170,158	14,144	44,508	14,171	44,585
FY 2010 New Anniversary ADV / REM											15,542	185,536	14,990	48,614
FY 2011 New Anniversary ADV / REM													15,671	192,878
Total New Anniversary	17,037	174,591	14,629	154,563	14,672	159,830	14,681	164,885	14,695	170,158	15,542	185,536	15,671	192,878
Total SRB	59,979	167,000	69,576	187,232	65,526	179,702	65,320	177,473	65,795	182,359	62,608	179,608	61,798	182,453
Distribution SRB		2,611												
Total SRB	77,016	\$344,202	84,205	\$341,795	80,198	\$339,532	80,001	\$342,358	80,490	\$352,517	78,150	\$365,144	77,469	\$375,331

(In Thousands Of Dollars)

Project: Enlistment Bonus - Enlisted	FY 2007 Estimate	\$74,397
	FY 2006 Estimate	\$81,000
	FY 2005 Actual	\$68,652

Part I - Purpose And Scope

Funds requested provide for an enlistment bonus (37 U.S.C. 309) - 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

The 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 fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Enlistment Bonus - New Pay									
New Pay \$1,000	85	1,000.00	85	0	1,000.00	0	100	1,000.00	100
New Pay \$1,500	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
New Pay \$2,000	1,200	2,000.00	2,400	2,956	2,000.00	5,912	0	2,000.00	0
New Pay \$2,500	0	2,500.00	0	0	2,500.00	0	0	2,500.00	0
New Pay \$2,750	0	2,750.00	0	0	2,750.00	0	0	2,750.00	0
New Pay \$3,000	1,524	3,000.00	4,572	445	3,000.00	1,335	519	3,000.00	1,557
New Pay \$3,500	0	3,500.00	0	0	3,500.00	0	0	3,500.00	0
New Pay \$3,750	0	3,750.00	0	0	3,750.00	0	0	3,750.00	0
New Pay \$4,000	800	4,000.00	3,200	999	4,000.00	3,996	966	4,000.00	3,864
New Pay \$5,000	500	5,000.00	2,500	1,123	5,000.00	5,615	1,032	5,000.00	5,160
New Pay \$6,000	250	6,000.00	1,500	705	6,000.00	4,230	702	6,000.00	4,212
New Pay \$7,000	160	7,000.00	1,120	632	7,000.00	4,424	405	7,000.00	2,835
New Pay \$7,500	0	7,500.00	0	0	7,500.00	0	0	7,500.00	0
New Pay \$8,000	0	8,000.00	0	0	8,000.00	0	0	8,000.00	0
New Pay \$9,000	0	9,000.00	0	0	9,000.00	0	0	9,000.00	0
New Pay \$9,500	0	9,500.00	0	0	9,500.00	0	0	9,500.00	0
New Pay \$10,000	0	10,000.00	0	0	10,000.00	0	0	10,000.00	0
New Pay \$11,000	0	11,000.00	0	0	11,000.00	0	0	11,000.00	0
New Pay \$12,000	0	12,000.00	0	0	12,000.00	0	0	12,000.00	0
Signing Bonus	0	0	0	0	0	0	0	0	0
New Pay Gendet	0	0	0	0	0	0	0	0	0
Total - (1)	4,519		15,377	6,860		25,512	3,724		17,728

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Enlistment Bonus - Residuals									
Residuals \$1,000	0	1,000.00	0	0	1,000.00	0	0	1,000.00	0
Residuals \$1,500	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
Residuals \$2,000	1,320	2,000.00	2,640	1,500	2,000.00	3,000	0	2,000.00	0
Residuals \$2,500	0	2,500.00	0	0	2,500.00	0	0	2,500.00	0
Residuals \$2,750	0	2,750.00	0	0	2,750.00	0	0	2,750.00	0
Residuals \$3,000	1,205	3,000.00	3,615	3,133	3,000.00	9,399	160	3,000.00	480
Residuals \$3,500	0	3,500.00	0	0	3,500.00	0	0	3,500.00	0
Residuals \$3,750	0	3,750.00	0	0	3,750.00	0	0	3,750.00	0
Residuals \$4,000	142	4,000.00	568	496	4,000.00	1,984	327	4,000.00	1,308
Residuals \$5,000	901	5,000.00	4,505	498	5,000.00	2,490	356	5,000.00	1,780
Residuals \$6,000	956	6,000.00	5,736	624	6,000.00	3,744	489	6,000.00	2,934
Residuals \$7,000	587	7,000.00	4,109	374	7,000.00	2,618	310	7,000.00	2,170
Residuals \$7,500	0	7,500.00	0	0	7,500.00	0	0	7,500.00	0
Residuals \$8,000	1,014	8,000.00	8,112	470	8,000.00	3,760	498	8,000.00	3,984
Residuals \$9,000	155	9,000.00	1,395	113	9,000.00	1,017	298	9,000.00	2,682
Residuals \$9,500	0	9,500.00	0	0	9,500.00	0	0	9,500.00	0
Residuals \$10,000	1,040	10,000.00	10,400	363	10,000.00	3,630	495	10,000.00	4,950
Residuals \$11,000	426	11,000.00	4,686	853	11,000.00	9,383	502	11,000.00	5,522
Residuals \$12,000	287	12,000.00	3,444	805	12,000.00	9,660	600	12,000.00	7,200
Residuals \$13,000	146	13,000.00	1,898	15	13,000.00	195	50	13,000.00	650
Residuals \$14,000	55	14,000.00	770	15	14,000.00	210	46	14,000.00	644
Residuals \$15,000	25	15,000.00	375	155	15,000.00	2,325	250	15,000.00	3,750
Residuals \$16,000	26	16,000.00	416	25	16,000.00	400	60	16,000.00	960
Residuals \$17,000	8	17,000.00	136	23	17,000.00	391	27	17,000.00	459
Residuals \$18,000	15	18,000.00	270	16	18,000.00	288	26	18,000.00	468
Residuals \$19,000	0	19,000.00	0	6	19,000.00	114	20	19,000.00	380
Residuals \$20,000	10	20,000.00	200	44	20,000.00	880	92	20,000.00	1,840
Residuals \$24,000	0		0	0		0	30	24,000.00	720
Residuals \$26,000							10	26,000.00	260
Residuals \$28,000							80	28,000.00	2,240
Residuals \$30,000							75	30,000.00	2,250
Residuals \$32,000							15	32,000.00	480
Residuals \$34,000							10	34,000.00	340
Residuals \$36,000							5	36,000.00	180
Residuals \$38,000							1	38,000.00	38
Residuals \$40,000							200	40,000.00	8,000
Residuals Gendet									
Total - (2)	8,318		53,275	9,528		55,488	5,032		56,669
Total Enlistment Bonus - Enlisted	12,837		68,652	16,388		81,000	8,756		74,397

Enlistment Bonus	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations	8,318	\$53,275	3,335	\$12,762										
FY 2005 Initial Payments	4,519	15,377												
Residual Payments			6,193	42,726	1,623	17,109								
Installments														
FY 2006 Initial Payments			6,900	25,512										
Residual Payments					3,013	39,560	2,873	19,342						
Installments														
FY 2007 Initial Payments					3,724	17,728								
Residual Payments							6,531	43,968	2,499	25,923				
Installments														
FY 2008 Initial Payments							5,016	25,587						
Residual Payments									4,642	48,152	2,681	28,034		
Installments														
FY 2009 Initial Payments									6,484	31,422				
Residual Payments											4,982	52,094	3,225	29,107
Installments														
FY 2010 Initial Payments											6,680	31,969		
Residual Payments													5,992	54,080
Installments														
FY 2011 Initial Payments													7,218	35,310
Residual Payments														
Installments														
Total Initial Payments	4,519	15,377	6,900	25,512	3,724	17,728	5,016	25,587	6,484	31,422	6,680	31,969	7,218	35,310
Residual Payments	8,318	53,275	9,528	55,488	4,636	56,669	9,404	63,310	7,141	74,075	7,663	80,128	9,217	83,187
Installments		0		0		0		0		0		0		0
Total EB	12,837	\$68,652	16,428	\$81,000	8,360	\$74,397	14,420	\$88,897	13,625	\$105,497	14,343	\$112,097	16,435	\$118,497

(In Thousands Of Dollars)

Project: Educational Benefits - Enlisted

FY 2007 Estimate	\$5,346
FY 2006 Estimate	\$6,500
FY 2005 Actual	\$7,168

Part I - Purpose And Scope

Funds are for payment to the Department of Defense Education Benefits Funds, a trust fund. This program is governed by Title 38 U.S.C. Chapter 30. The program funds additional and supplemental benefit payments above a basic benefit to be budgeted by the Veterans Administration. This program is budgeted on an accrual basis by the Department of Defense. Actual benefit payments to individuals 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.

The FY 2004 National Defense Authorization Act (NDAA) authorized the implementation of the Navy's College First Program. This Pilot Program pays \$475 per month (assuming recruits in the first year of participation) to Delayed Entry Program (DEP) personnel pursuing post secondary education or vocational/technical training. The estimated average length of time in the program is six months.

The FY 2003 National Defense Authorization Act amended chapter 31 of title 10 USC to include the National Call to Service (NCS). Enlistment under NCS program will incur an eight-year military service obligation (MSO). NCS participants will be given the opportunity to select one of the following incentives upon enlistment: Education allowance for up to 12 months payable at the monthly rate for basic educational assistance allowances under Sec. 3015 (a) (1) title 38, USC, or educational allowance for up to 36 months payable at one-half of the monthly rate for basic educational assistance allowances under section 3015 (b) (1) of title 38, USC.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Navy College Fund Program (Enl)									
(4 Yr Commitment) \$30K	0	0.00	0	0	0.00	0	0	0.00	0
(4 Yr Commitment) \$40K	1	670.00	1	0	0.00	0	0	0.00	0
(4 Yr Commitment) \$50K	2,473	2,530.00	6,257	198	1,998.00	396	0	0.00	0
(3 Yr Commitment) \$25K	0	0.00	0	0	0.00	0	0	0.00	0
\$350/month	130	2,277.00	296	2,275	1,992.00	4,532	1,756	2,050.00	3,600
\$950/Month	3	6,847.00	21	40	6,021.00	241	45	6,183.00	278
Total - (1)	2,607		6,575	2,513		5,169	1,801		3,878

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) National Call to Service									
12 Month Enlistments	78	4,436.00	346	93	4,438.00	413	93	5,313.00	494
36 Month Enlistments	91	2,719.00	247	117	2,711.00	317	117	3,187.00	373
Total - (2)	169		593	210		730	210		867
(3) Navy College First	0	2,850.00	0	211	2,850.00	601	211	2,850.00	601
Total Educational Benefits - Enlisted	2,776		7,168	2,934		6,500	2,222		5,346

(In Thousands Of Dollars)

Project: Loan Repayment Program	FY 2007 Estimate	\$5,594
	FY 2006 Estimate	\$4,200
	FY 2005 Actual	\$2,407

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 \$65,000. Only guaranteed student loans (GSLI)/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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Navy College Loan Repayment (Enl)									
Navy College Loan Repayment	290	8,300.00	2,407	506	8,300.00	4,200	674	8,300.00	5,594
Total Loan Repayment Program	290		2,407	506		4,200	674		5,594

(In Thousands Of Dollars)

Project: Station Allowance, Overseas - Enlisted	FY 2007 Estimate	\$244,150
	FY 2006 Estimate	\$241,228
	FY 2005 Actual	\$325,914

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 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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Overseas Station Allowance (Enl)									
COLA	45,690	6,633.99	303,107	45,721	4,741.63	216,792	44,761	4,901.99	219,418
(1) Temporary Lodging (Enl)									
Temporary Lodging	22,540	1,011.85	22,807	23,799	1,026.76	24,436	23,299	1,061.50	24,732
Total Station Allowance, Overseas - Enlisted	68,230		325,914	69,520		241,228	68,060		244,150

(In Thousands Of Dollars)

Project: Basic Allowance For Housing - Enlisted

FY 2007 Estimate	3126811
FY 2006 Estimate	2729595
FY 2005 Actual	2907926

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. 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 2005. Payment to service members is authorized by revisions to 37 U.S.C. 403.

Part II - Justification Of Funds Requested

The FY 2005 actuals include an annual rate increase of 3.9%. FY 2006 and FY 2007 estimates include projected annual rate increases of 8.6% and 5.9% respectively. However, future housing rate adjustments may result as contractor generated survey data of actual housing cost becomes available. Since Navy personnel are primarily located in high-cost coastal areas, which have historically experienced cost increases greater than the national average, we expect execution difficulties to continue. The Department continues to explore alternate funding options. Additional funds were budgeted to eliminate out-of-pocket expenses in FY2005.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) BAH Domestic - Enlisted with Dependents									
E9 with Dependents	2528	18871.3	47707	2489	20527.6	51093	2446	22035.88	53900
E8 with Dependents	5354	17726.28	94907	5400	19295.07	104193	5310	20730.61	110080
E7 with Dependents	17132	17151.81	293845	14268	18675.63	266466	17507	20082.46	351584
E6 with Dependents	35030	16450.65	576266	32918	17914.59	589704	31930	19346.44	617738
E5 with Dependents	34584	14284.88	494028	32947	15390.9	507081	35637	16686.06	594648
E4 with Dependents	20367	13537.3	275714	16861	14515.11	244736	21127	15794.18	333684
E3 with Dependents	14008	13572.63	190125	13526	14697.15	198794	13148	15657.48	205865
E2 with Dependents	2432	13143.94	31966	2332	14283.67	33310	2267	15216.98	34497
E1 with Dependents	896	12806.93	11475	855	13772.53	11776	831	14672.44	12193
Total - (1A)	132331		2016033	121596		2007153	130203		2314189
(1B) BAH Differential (ENL)									
BAH Differential	8107	2437.43	19760	1617	2608.86	4219	1617	2779.32	4494
Total - (Group) (1)	140438		2035793	123213		2011372	131820		2318683

(1A) BAH Domestic - Enlisted with Dependents									
E9 with Dependents	2528	18871.3	47707	2489	20527.6	51093	2446	22035.88	53900
(2) BAH Domestic - Enlisted without Dependents									
E9 without Dependents	234	15399.5	3603	157	16825.64	2642	151	17925.04	2707
E8 without Dependents	629	14593.29	9179	380	15994.87	6078	363	17039.99	6186
E7 without Dependents	2680	13331.17	35728	1731	14558.71	25201	1659	15509.99	25731
E6 without Dependents	9983	12420.58	123995	5596	13535.32	75750	7359	14419.73	106115
E5 without Dependents	24268	11816.01	286751	19075	12915.78	246369	18738	13759.71	257823
E4 without Dependents	13728	10167.93	139585	9975	11123.3	110954	12077	11850.11	143114
E3 without Dependents	5641	10089.21	56913	5099	11020.47	56193	4947	11740.56	58081
E2 without Dependents	776	9335.61	7244	706	10129.26	7151	685	10791.11	7392
E1 without Dependents	432	8220.08	3551	1436	4775.52	6858	4578	3684.69	16869
Total - (2)	58371		666549	44155		537196	50557		624018
(3) BAH Domestic Partial (Enlisted)									
E-9	2	226.61	0	0	0	0	0	0	0
E-8	12	177.86	2	11	195.44	2	11	208.21	2
E-7	58	144.33	8	55	153.29	8	54	163.3	9
E-6	510	118.8	61	485	126.4	61	470	134.66	63
E-5	3212	105.9	340	3044	111.18	338	2958	118.44	350
E-4	19094	97.25	1857	18097	103.49	1873	17581	110.25	1938
E-3	31814	93.53	2976	30769	99.54	3063	28673	106.05	3041
E-2	14246	86.23	1228	13749	91.8	1262	12869	97.8	1259
E-1	9653	81.67	788	9314	86.89	809	8723	92.56	807
Total - (3)	78601		7260	75524		7416	71339		7469
(4) BAH Domestic Inadequate (Enl)									
E-9	0	4822.84	0	0	0	0	0	0	0
E-8	0	4379.28	0	0	0	0	0	0	0
E-7	0	4129.2	0	0	0	0	0	0	0
E-6	0	3885.6	0	0	0	0	0	0	0
E-5	0	3426.22	0	0	0	0	0	0	0
E-4	0	3284.3	0	0	0	0	0	0	0
E-3	0	3306.54	0	0	0	0	0	0	0
E-2	0	3320.43	0	0	0	0	0	0	0
E-1	0	3292.68	0	0	0	0	0	0	0
Total - (4)	0		0	0		0	0		0
SubTotal (1) (2) (3) (4)	277410		2709602	242892		2555984	253716		2950170

(1A) BAH Domestic - Enlisted with Dependents									
E9 with Dependents	2528	18871.3	47707	2489	20527.6	51093	2446	22035.88	53900
(5A) BAH Overseas - Enlisted with Dependents									
E9 with Dependents	71	24718.31	1755	72	19097.31	1375	70	19842.86	1389
E8 with Dependents	165	23769.7	3922	163	22217.22	3621	160	23087.5	3694
E7 with Dependents	669	22523.17	15068	656	20867.9	13689	642	21688.47	13924
E6 with Dependents	1487	20826.5	30969	1446	19165.57	27713	1415	19918.73	28185
E5 with Dependents	1478	19985.79	29539	1431	18369.95	26287	1401	19092.08	26748
E4 with Dependents	503	20538.77	10331	490	19184.42	9400	480	19937.5	9570
E3 with Dependents	56	18375	1029	56	16924.64	948	55	17581.82	967
E2 with Dependents	4	19250	77	4	16403.65	66	4	17000	68
E1 with Dependents	0	0	0	0	0	0	0	0	0
Total - (5A)	4433		92690	4318		83099	4227		84545
(5B) BAH Overseas - Enlisted without Dependents									
E9 without Dependents	27	26888.89	726	26	23502.17	611	25	24440	611
E8 without Dependents	39	24025.64	937	38	20498.91	779	37	21297.3	788
E7 without Dependents	227	23132.16	5251	224	20270	4540	219	21063.93	4613
E6 without Dependents	995	21614.07	21506	951	18769.86	17850	931	19506.98	18161
E5 without Dependents	2457	20571.84	50545	2431	17896.91	43507	2381	18599.75	44286
E4 without Dependents	1100	19322.73	21255	1103	16772.48	18500	1080	17431.48	18826
E3 without Dependents	273	18732.6	5114	274	16236.36	4449	268	16876.87	4523
E2 without Dependents	17	16588.24	282	17	14532.98	247	17	15117.65	257
E1 without Dependents	1	18000	18	2	14676.87	29	2	15500	31
Total - (5B)	5136		105634	5066		90512	4960		92096
Total Basic Allowance For Housing - Enlisted	286979		2907926	252276		2729595	262903		3126811

(In Thousands Of Dollars)

Project: CONUS Cost Of Living Allowance (COLA) - Enlisted

FY 2007 Estimate	\$14,698
FY 2006 Estimate	\$14,396
FY 2005 Actual	\$14,953

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 in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) CONUS Cost of Living Allowance (COLA) - Enl CONUS Cost of Living Allowance (COLA)	19,286	775.32	14,953	17,699	813.36	14,396	17,699	830.44	14,698
Total CONUS Cost Of Living Allowance (COLA) - Enlisted	19,286		14,953	17,699		14,396	17,699		14,698

(In Thousands Of Dollars)

Project: Clothing Allowance - Enlisted	FY 2007 Estimate	\$154,958
	FY 2006 Estimate	\$158,117
	FY 2005 Actual	\$169,000

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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(A)Initial Military									
Male	30,190	1,161.46	35,064	25,278	1,157.21	29,252	23,867	1,176.88	28,089
Female	6,107	1,416.19	8,649	6,801	1,371.69	9,329	5,756	1,395.01	8,030
Prior Service	426	1,230.24	524	1,088	1,215.12	1,322	1,058	1,235.78	1,307
OCS Newport	269	1,259.81	339	225	1,269.46	286	285	1,324.71	378
On Advancement E7	5,462	990.40	5,410	4,119	998.85	4,114	3,578	1,015.84	3,635
Navy Unit Bands	258	976.26	252	237	949.94	225	237	1,007.74	239
Total - (A)	42,712		50,238	37,748		44,528	34,781		41,678
(B)Enlisted Civilian Clothing									
Initial Civilian	850	1,449.08	1,232	850	1,478.06	1,256	850	1,509.10	1,283
Total (1)	43,562		51,470	38,598		45,784	35,631		42,961

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2A)Replacement Allowances									
(Basic) Male	70,372	291.60	20,520	64,125	288.00	18,468	63,687	292.90	18,654
(Basic) Female	13,759	295.20	4,062	12,517	291.60	3,650	12,278	296.56	3,641
Total - (2A)	84,131		24,582	76,642		22,118	75,965		22,295
(2B)Replacement Allowances									
(Std) Male	166,323	414.00	68,858	156,127	410.40	64,075	151,640	417.38	63,292
(Std) Female	24,424	421.20	10,287	23,028	414.00	9,534	22,441	421.04	9,449
Total - (2B)	190,747		79,145	179,155		73,609	174,081		72,741
(2C)Replacement Allowances									
(Spl) Male	17,504	597.60	10,460	18,837	602.21	11,344	19,031	612.45	11,656
(Spl) Female	2,356	626.40	1,476	2,546	625.58	1,593	2,572	636.21	1,636
Total - (2C)	19,860		11,936	21,383		12,937	21,603		13,292
Total (2)	294,738		115,663	277,180		108,664	271,649		108,328
(3)Supplementary Clothing (Enl)	5,640	331.04	1,867	5,041	331.04	1,669	5,041	331.04	1,669
(4)Up-Front Purchases		0.00	0		0.00	2,000		0.00	2,000
Total Clothing Allowance - Enlisted	343,940		169,000	320,819		158,117	312,321		154,958

(In Thousands Of Dollars)

Project: Family Separation Allowance - Enlisted

FY 2007 Estimate	\$66,994
FY 2006 Estimate	\$66,168
FY 2005 Actual	\$86,852

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 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Family Separation Allowance - Enlisted Type 1									
E-9	17	7,730.56	131	5	7,962.48	40	6	8,273.02	50
E-8	37	7,096.67	263	9	7,309.57	66	14	7,594.64	106
E-7	179	5,985.82	1,071	44	6,165.39	271	66	6,405.84	423
E-6	369	5,479.44	2,022	93	5,643.82	525	136	5,863.93	797
E-5	367	5,063.79	1,858	92	5,215.70	480	135	5,419.11	732
E-4	109	4,442.16	484	28	4,575.42	128	40	4,753.86	190
E-3	13	4,169.97	54	3	4,295.07	13	4	4,462.58	18
E-2	3	3,509.10	11	1	3,614.37	4	2	3,745.50	7
E-1	0	0.00	0	0	0.00	0	0	0.00	0
Total - (1)	1,094		5,894	275		1,527	403		2,323
(1) Family Separation Allowance - Enlisted Type 2									
PCS w/dep not auth/gov quarters not avail	7,222	3,000.00	21,666	5,314	3,000.00	15,942	5,317	3,000.00	15,951
Onboard > 30 days	11,279	3,000.00	33,837	6,637	3,000.00	19,911	6,641	3,000.00	19,923
TDY > 30 days	8,485	3,000.00	25,455	9,596	3,000.00	28,788	9,599	3,000.00	28,797
Total - (1)	26,986		80,958	21,547		64,641	21,557		64,671
Total Family Separation Allowance - Enlisted	28,080		86,852	21,822		66,168	21,960		66,994

(In Thousands Of Dollars)

Project: Separation Payments - Enlisted	FY 2007 Estimate	\$199,473
	FY 2006 Estimate	\$204,628
	FY 2005 Actual	\$147,948

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 - Force shaping separation incentives for military members in selected over manned skills:
a. a lump sum payment for members who have at least six years of service.
b. an annuity and lump sum payment to members who have at least fifteen years of service.

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. Force Shaping Tools were approved by OSD and will be forwarded for inclusion in the FY 2007 NDAA. Forces Shaping Tools will be used to incentivize members with more than 6 years of service to leave active duty, some short of retirement. It would consist of four tools: an annuity, a buy-out, 6 months of transition benefits and repeal of the expanded Selective Early Retirement authority.

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 August 1, 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 ob

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. FY 2005 includes a 3.5% pay raise effective 1 January 2005. FY 2006 includes a pay raise of 3.1% effective 1 January 2006. FY 2007 includes a targeted payraise ranging from 2.2% to 4.7% effective 1 January 2007.

Computation of fund requirements is provided in the following table:

	FY 2005				FY 2006				FY 2007			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(1)Lump Sum Terminal Leave Payments												
E-9	182	16	2,599.53	473	279	16	2,613.80	729	303	16	2,746.19	832
E-8	546	17	2,245.24	1,226	815	17	2,235.06	1,822	866	17	2,409.17	2,086
E-7	2,142	18	2,050.24	4,392	3,349	18	2,039.06	6,829	3,546	18	2,147.18	7,614
E-6	3,707	19	1,705.47	6,322	5,247	19	1,750.94	9,187	5,753	19	1,804.99	10,384
E-5	7,027	18	1,336.16	9,389	11,289	18	1,320.57	14,908	8,786	18	1,361.63	11,963
E-4	9,129	18	1,053.85	9,621	11,110	18	1,061.74	11,796	8,256	18	1,083.44	8,945
E-3	4,759	17	861.15	4,098	6,222	17	857.12	5,333	4,521	17	860.11	3,889
E-2	1,581	15	665.95	1,053	2,321	15	665.49	1,545	1,936	15	665.34	1,288
E-1	1,355	8	305.87	414	1,712	8	305.73	523	1,528	8	305.73	467
Total - (1)	30,428			36,988	42,344			52,672	35,495			47,468
(2)Severance Pay, Disability (Enl)	732		23,102.08	16,911	710		23,826.05	16,916	691		24,427.66	16,880
(3)Severance Pay, Non-Disability (Enl)												
Invol - Full Pay	1,117		18,547.72	20,718	2,315		19,130.46	44,287	2,252		19,615.29	44,174
Invol - Half Pay	332		12,262.87	4,071	685		12,647.19	8,663	667		12,970.69	8,651
Total - (3)	1,449			24,789	3,000			52,950	2,919			52,825
(4)Voluntary Separation (Enl)												
Targeted Separation Incentive Pay	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
VSI Trust Fund	0		0.00	3,400	0		0.00	3,600	0		0.00	3,600
Total - (4)	0			3,400	0			3,600	0			3,600
(5)Discharge Gratuity	410		24.00	10	410		24.00	10	410		24.00	10
(6)15 YR Retirement Program	0		0.00	0	0		0.00	0	0		0.00	0
(7)\$30,000 Lump Sum Bonus (Enl)	2,195		30,000.00	65,850	2,616		30,000.00	78,480	2,623		30,000.00	78,690
Total Separation Payments - Enlisted	35,214			147,948	49,080			204,628	42,138			199,473

(In Thousands Of Dollars)

Project: Social Security Tax - Employer's Share - Enlisted

FY 2007 Estimate	\$605,705
FY 2006 Estimate	\$599,777
FY 2005 Actual	\$615,803

Part I - Purpose And Scope

Funds requested represent the government's contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA) 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 2005 - 7.65% on first \$90,000
Calendar year 2006 - 7.65% on first \$94,200
Calendar year 2007 - 7.65% on first \$96,600

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Social Security Tax - Employer's contribution	312,775	1,984.82	620,802	296,350	2,040.75	604,776	290,778	2,100.24	610,704
MGIB Offset			-4,999			-4,999			-4,999
Total Social Security Tax - Employer's Share - Enlisted	312,775		615,803	296,350		599,777	290,778		605,705
Total BA 2 Obligations			14,294,195			12,305,609			12,422,591
Less Reimbursables in BA 2			96,617			84,859			97,161
Total Direct BA 2 Obligations			14,197,578			12,220,750			12,325,430

Budget Activity 3

Pay and Allowances of Cadets/Midshipmen

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Pay and Allowances of Cadets/Midshipmen
(\$ in Thousands)

		<u>Amount</u>
FY 2006 Direct Program		\$56,350
Increases:		
Pricing Increases:		
Annualization of FY 2006 Pay Raise 3.1% (Effective 1 January 2006)	260	
Base Pay	241	
FICA	19	
FY 2007 Pay Raise 2.2% (Effective 1 January 2007)	779	
Base Pay	724	
FICA	55	
Inflation Rate	145	
Increase in Basic Allowance for Subsistence Rate	145	
Nuclear Bonus - Rate	948	
Total Pricing Increases	2,132	
Total Increases		2,132
Decreases:		
Program Increases		
Nuclear Bonus - Workyears	390	
Total Program Increases	390	
Program Decreases:		
Strength Related	-2,460	
Decrease in Basic Pay Workyears	-1,874	
Decrease in Social Security Tax Workyears	-144	
Decrease in Basic Allowance for Subsistence Workyears	-442	
Total Program Decreases:	-2,460	
Total Decreases:		-2,070
FY 2007 Direct Program		\$56,412

(In Thousands Of Dollars)

Project: Midshipmen	FY 2007	Estimate	\$56,412
	FY 2006	Estimate	\$56,350
	FY 2005	Actual	\$55,651

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 (0-1) pay, as authorized by section 612 of the FY 2001 National Defense Authorization Act. Provision is made for an average 4,228 midshipmen in FY 2005, 4,149 in FY 2006, and 3,963 in FY 2007. Funding also provides an increase in FY 2007 for Submarine and Surface Nuclear Accession Bonuses to \$15,000.

Subsistence rates are \$6.35 per day for 2005, \$6.50 per day for 2006 and \$6.60 per day for 2007.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Basic Pay	4,228	9,759.96	41,265	4,149	10,071.99	41,789	3,963	10,315.37	40,880
(2) Subsistence Allowance	4,228	2,317.75	9,799	4,149	2,372.50	9,844	3,963	2,409.00	9,547
(3) Social Security Tax - Employer's	4,228	746.63	3,157	4,149	770.51	3,197	3,963	789.13	3,127
(4) Nuclear Accession Bonus	143	10,000.00	1,430	152	10,000.00	1,520	191	14,965.96	2,858
Total Obligations			55,651			56,350			56,412
Less Reimbursable Obligations			0			0			0
Total Direct Obligations			55,651			56,350			56,412
Total 3-B			55,651			56,350			56,412

Budget Activity 4

Subsistence of Enlisted Personnel

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Subsistence of Enlisted Personnel
(\$ in Thousands)

		<u>Amount</u>
FY 2006 Direct Program		\$911,030
Increases:		
Pricing Increases:		
Annualization of FY 2006 Inflation of 1.9% Effective Jan 1 2006	4,397	
Basic Allowance Subsistence		
Inflation Rate		
FY 2007 BAS Inflation of 1.9% Effective Jan 1 2007	13,189	
Increase in SIK BDFR Rates	5,478	
Increase in SIK Augmentation Rations Rate	78	
Total Pricing Increases		23,142
Program Increases:		
Other		
SIK Messing	4,341	
SIK Augmentation Rations	451	
Total Program Increases		4,792
Total Increases		27,934
Decreases:		
Program Decreases:		
Strength Related		
Decrease in SIK Workyears	-6,352	
Decrease in BAS Workyears	-18,087	
Total Program Decreases		-24,439
Total Decreases		-24,439
FY 2007 Direct Program		\$914,525

(In Thousands Of Dollars)

Project: Basic Allowance For Subsistence

FY 2007 Estimate	960387.045
FY 2006 Estimate	955534.97
FY 2005 Actual	990317.574

Part I - Purpose And Scope

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

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

Subsistence-in-Kind

The funds requested will provide for Subsistence-In-Kind furnished active duty enlisted personnel (37 U.S.C), (10 U.S.C. 6081a), (10 U.S.C.6087). Funds are included for 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. Funds to cover losses of subsistence inventories are also included.

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 October 1, 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 (BAH) 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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Basic Allowance for Subsistence									
(A) When Authorized to Mess Separately	303870	3168	962660	289483	3251.88	941364	284048	3313.65	941236
(B) When Rations-In-Kind Not Available	0	0	0	0	0	0	0	0	0
(C) BAS II	294	6336	1863	282	6503.76	1834	276	6627.3	1829
(D) Augmentation of Commuted Rations	(1392)	158.25	220	(1334)	166.47	222	(1309)	170.91	224
(E) Less Collections			329581			329575			329678
Total (1)	304164		635162	289765		613845	284324		613611

(2) Subsistence-In-Kind									
(A) Subsistence-In-Mess									
(1) Trainee/Non-Pay Status	6861	2550.84	17501	6585	2602.45	17137	6454	2657.2	17150
(2) Members Taking Meals In Mess	81526	3226.32	263029	74993	3306.98	248000	73639	3376.57	248647
Total(2)(A)	88387		280530	81578		265137	80093		265797
(B) Operational Rations									
(1) MREs			947			1265			965
(2) Unitized Rations			90			238			98
(3) Other Package Operational Rations			7			12			8
Total(2)(B)			1044			1515			1071
(C) Augmentation Rations/Other Programs									
(1) Augmentation Rations	10666	339.45	3620.5737	19704	273.75	5393.97	21352	277.4	5923.0448
(2) Other Regionalization			0			0			0
(3) Other Messing			69933			69144			73485
Total(2)(C)	10666		73553.5737	19704		74537.97	21352		79408.0448
Total(2)	99053		355127.574	101282		341189.97	101445		346276.045
(3) Family Subsistence Supplemental Allowance			28			500			500
Subtotal 4-A			990317.574			955534.97			960387.045
Less Reimbursables			44200			44505			45862
Total 4-A			946117.574			911029.97			914525.045

Budget Activity 5
Permanent Change of Station

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Permanent Change of Station (PCS) Travel
(\$ in Thousands)

		<u>Amount</u>
FY 2006 Direct Program		\$787,130
Increases:		
Pricing Increases:		
Annualized of FY 2006 Pay Raise of 3.1% Effective January 2006	807	
Dislocation Allowance	807	
FY 2007 Pay Raise 2.2% (Effective 1 January 2007)		1,731
Dislocation Allowance	1,731	
Inflation Rate		6,007
Commercially Procured Services Due to 2.1% Projected Inflation	5,008	
Industrially Funded Services Due to 2.1% Projected Inflation	999	
Total Pricing Increases		8,545
Program Increases		
Strength Related		
Additional Accession - Midshipmen	48	
Additional Training	4,268	
Additional Operational	4,980	
Additional Organized Unit Moves	121	
Total Program Increases		9,417
Total Increases		17,962
Pricing Decreases:		
Inflation Rate		-\$57,641
Industrially Funded Services Due to decrease in Number	-3,282	
Commercially Procured Services Due to decrease in Number	-5,327	
Decrease Due to Funds for Hurricane Katrina in FY06 vice FY07	-49,032	
Program Decreases:		
Other Program Decreases		
Permanent Change of Station (PCS) Travel		
Decrease Accessions - Officer	-362	
Decrease Accessions - Enlisted	-2,523	
Decrease in Rotational	-5,720	
Decrease in Separation - Enlisted	-5,997	
Total Program Decreases		-14,602
		-72,243
FY 2007 Direct Program		\$732,849

Summary of Project Requirement Moves
(In Thousands of Dollars)

	FY 2005		FY 2006		FY 2007	
	No.Moves	Amount	No.Moves	Amount	No.Moves	Amount
(1) Accession Travel <u>1/</u>	43,986	60,506	41,347	58,225	38,641	55,392
(2) Training Travel	13,066	66,492	13,579	70,486	14,041	74,363
(3) Operational Travel Between Duty Stations	36,655	245,504	32,435	187,075	32,498	193,731
(4) Rotational Travel To and From Overseas	25,238	304,430	23,155	286,637	22,286	279,737
(5) Separation Travel <u>1/</u>	48,922	105,275	48,033	99,284	44,449	93,326
(6) Travel Of Organized Units <u>2/</u>	10,099	45,674	4,173	19,406	4,102	19,521
(7) IPCOT / OTEIP		3,663		6,063		6,272
(8) Non-Temporary Storage		7,598		7,034		6,892
(9) Temporary Lodging Expense		7,295		6,867		6,871
(10) Hurricane Supplemental <u>3/</u>				49,032		
Total Obligations	177,966	846,437	162,722	790,109	156,017	736,105
Less Reimbursables		3,197		2,979		3,256
Total Direct Obligations	177,966	\$843,240	162,722	\$787,130	156,017	\$732,849

1/ Includes Academy Midshipmen
2/ Reflects Number of Family Moves
3/ Reflects Funds for Hurricane Katrina
Evacuation of Dependents

Summary of Requirements by Types of Cost Moves
(In Thousands of Dollars)

	FY 2005		FY 2006		FY 2007	
	No.Moves	Amount	No.Moves	Amount	No.Moves	Amount
(1) Travel Of Military Members <u>1/</u>						
(A) Mileage and Per Diem	188,084	136,703	166,910	122,926	160,133	120,980
(B) MAC	16,837	16,424	14,361	14,984	13,798	14,722
(C) Commercial Air	21,456	14,568	18,827	13,536	18,030	13,267
Total (1)	226,377	167,695	200,098	151,446	191,961	148,969
(2) Travel of Dependents (Family)						
(A) Mileage	61,283	40,907	52,455	37,006	50,918	36,641
(B) MAC	10,818	7,133	9,934	6,765	9,500	6,626
(C) Commercial Air	23,637	9,856	21,409	9,163	20,577	9,017
Total (2)	95,738	57,896	83,798	52,934	80,995	52,284
Goods						
(A) M Tons – MSC	2,118	139	1,980	131	1,887	106
(B) S Tons – MAC	12,680	64,933	11,671	60,961	11,196	59,709
(C) Household Goods Land	85,510	285,513	63,864	226,806	64,300	227,856
(D) ITGBL	12,279	79,620	13,034	76,349	10,585	74,506
(E) Commercial Air	5,378	23,032	4,462	21,216	4,297	20,839
Total (3)	117,965	453,237	95,011	385,463	92,265	383,016
(4) Dislocation Allowance	46,627	95,333	42,292	91,624	41,975	94,162
(5) Trailer Allowance	60	67	52	64	53	62
(6) Global POV	12,582	43,915	11,432	32,401	11,004	30,769
(7) Non-Temporary Storage		7,598		7,034		6,892
(8) Cargo Operations		9,738		7,181		6,808
(9) Temporary Lodging Expense		7,295		6,867		6,871
(10) IPCOT / OTEIP		3,663		6,063		6,272
(11) Hurricane Supplemental <u>2/</u>		0		49,032		0
Total Obligations	499,349	846,437	432,683	790,109	418,253	736,105
Less Reimbursables		3,197		2,979		3,256
Total Direct Obligations	499,349	\$843,240	432,683	\$787,130	418,253	\$732,849

1/ Includes Academy Midshipmen

2/ Reflects Funds for Hurricane Katrina Evacuation of Dependents

(In Thousands of Dollars)

Project: Accession Travel

FY 2007	Estimate	\$55,392
FY 2006	Estimate	\$58,225
FY 2005	Actuals	\$60,506

Part I - Purpose And Scope

(A) Officer 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 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 planned number of personnel 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer									
(1) Travel of Military Member	3,576	1,039.69	3,718	3,594	1,049.13	3,771	3,451	1,070.78	3,695
(2) Travel of Dependents	1,087	763.99	830	1,083	764.25	828	1,040	779.78	811
(3) Transportation of Household Goods									
(A) Land/ITGBL	1,824	2,458.17	4,484	3,021	3,215.71	9,715	2,900	3,283.63	9,523
(B) Overseas			1,000			863			804
Total(3)			5,484			10,578			10,327
(4) Dislocation Allowance	1,425	2,798.36	3,988	1,437	2,894.54	4,160	1,380	2,993.58	4,131
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	107	3,490.41	373	94	2,834.21	266	90	2,791.70	251
(B) Partial Service	21	2,774.06	58	18	2,252.54	41	25	2,821.19	71
TOTAL(6)			431			307			322
(7) Cargo Operations ((HHG), M, TONS)	3	19.45	0	3	13.67	0	3	20.26	0
Total Officer			14,451			19,644			19,286

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Project: Accession Travel									
Enlisted									
(1) Travel of Military Member	39,193	822.16	32,223	36,742	807.03	29,652	34,041	811.53	27,625
(2) Travel of Dependents	2,533	487.61	1,235	2,330	493.75	1,150	2,152	504.06	1,085
(3) Transportation of Household Goods									
(A) Land/ITGBL	5,627	1,642.86	9,244	2,447	1,876.28	4,591	2,270	1,907.37	4,330
(B) Overseas			2,957			2,836			2,666
TOTAL(3)			12,201			7,427			6,996
(4) Dislocation Allowance	346	43.99	15	319	142.88	46	296	159.76	47
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	9	3,490.41	31	3	2,834.21	8	3	2,791.70	8
(B) Partial Service	2	293.57	1	1	1,928.85	2	1	1,922.43	2
TOTAL(6)			32			10			10
(7) Cargo Operations ((HHG), M, TONS)	0	0.00	0	0	0.00	0	0	0.00	0
Total Enlisted			45,706			38,285			35,763
Officer Candidates									
(1) Travel of Military Member									
Midshipmen	1,217	286.76	349	1,011	292.70	296	1,149	298.93	343
Total Midshipmen			349			296			343
Total 5-A			60,506			58,225			55,392

(In Thousands of Dollars)

Project: Training Travel

FY 2007	Estimate	\$74,363
FY 2006	Estimate	\$70,486
FY 2005	Actuals	\$66,492

Part I - Purpose And Scope

(A) Officer 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 courses of instruction, or 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer									
(1) Travel of Military Member	5,508	1,029.34	5,670	6,277	1,049.93	6,590	6,504	1,071.98	6,972
(2) Travel of Dependents	2,573	786.19	2,023	2,932	801.92	2,351	3,038	818.76	2,487
(3) Transportation of Household Goods									
(A) Land/ITGBL	4,417	5,802.56	25,630	4,650	5,918.61	27,522	4,784	6,042.90	28,909
(B) Overseas			133			154			164
Total(3)			25,763			27,676			29,073
(4) Dislocation Allowance	3,328	2,798.36	9,313	3,793	2,894.54	10,979	3,930	2,993.58	11,765
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	19	3,490.41	66	22	2,834.21	62	23	2,791.70	64
(B) Partial Service	5	0.00	0	6	0.00	0	6	0.00	0
TOTAL(6)			66			62			64
(7) Cargo Operations ((HHG), M, TONS)	0	0.00	0	0	0.00	0	0	0.00	0
Total Officer			42,835			47,658			50,361

Project: Training Travel	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted									
(1) Travel of Military Member	7,558	801.50	6,058	7,302	817.53	5,970	7,537	834.69	6,291
(2) Travel of Dependents	1,950	565.11	1,102	1,884	576.41	1,086	1,945	588.52	1,145
(3) Transportation of Household Goods									
(A) Land/ITGBL	3,498	2,786.66	9,748	3,184	2,842.40	9,050	3,239	2,902.09	9,400
(B) Overseas			213			215			226
TOTAL(3)			9,961			9,265			9,626
(4) Dislocation Allowance	3,685	1,742.42	6,421	3,560	1,802.31	6,416	3,674	1,863.98	6,848
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	33	3,490.41	115	32	2,834.21	91	33	2,791.70	92
(B) Partial Service	9	0.00	0	6	0.00	0	9	0.00	0
TOTAL(6)			115			91			92
(7) Cargo Operations ((HHG), M, TONS)	0	0.00	0	0	0.00	0	0	0.00	0
Total Enlisted			23,657			22,828			24,002
Total (5B)			66,492			70,486			74,363

(In Thousands of Dollars)

Project: Operational Travel	FY 2007	Estimate	\$193,731
	FY 2006	Estimate	\$236,107
	FY 2005	Actuals	\$245,504

Part I - Purpose And Scope

(A) Officer 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 or 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, rates 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer									
(1) Travel of Military Member	6,878	1,215.61	8,361	6,861	1,239.92	8,507	6,875	1,265.96	8,703
(2) Travel of Dependents	3,798	907.71	3,447	3,789	925.86	3,508	3,797	945.30	3,589
(3) Transportation of Household Goods									
(A) Land/ITGBL	5,661	7,921.87	44,846	3,709	8,080.31	29,970	3,791	8,258.11	31,306
(B) Overseas			2,207			2,275			2,376
Total(3)			47,053			32,245			33,682
(4) Dislocation Allowance	5,306	2,798.36	14,848	5,293	2,894.54	15,321	5,304	2,993.58	15,878
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	74	3,490.41	258	74	2,834.21	210	74	2,791.70	207
(B) Partial Service	21	2,774.06	58	21	2,252.54	47	21	2,218.75	47
TOTAL(6)			316			257			254
(7) Cargo Operations ((HHG), M, TONS)	0	0.00	0	0	0.00	0	0	0.00	0
Hurricane Supplemental (Officer)			0			4,918			0
Total Officer			74,025			64,756			62,106

Project: Operational Travel	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted									
(1) Travel of Military Member	29,777	1,061.44	31,606	25,574	1,082.66	27,688	25,623	1,105.40	28,324
(2) Travel of Dependents	13,038	728.95	9,504	11,198	743.53	8,326	11,219	759.14	8,517
(3) Transportation of Household Goods									
(A) Land/ITGBL	22,861	4,411.11	100,842	14,507	4,504.02	65,340	14,778	4,602.98	68,023
(B) Overseas			996			861			891
TOTAL(3)			101,838			66,201			68,914
(4) Dislocation Allowance	15,394	1,742.42	26,823	13,221	1,802.31	23,828	13,246	1,863.98	24,690
(5) Trailer Allowance	11	1,395.55	15	10	1,423.46	14	10	1,453.36	15
(6) Global POV									
(A) Full Service	396	3,490.41	1,382	340	2,834.21	964	341	2,791.70	952
(B) Partial Service	112	2,774.06	311	96	2,252.54	216	96	2,218.51	213
TOTAL(6)			1,693			1,180			1,165
(7) Cargo Operations ((HHG), M, TONS)	0	0.00	0	0	0.00	0	0	0.00	0
Hurricane Supplemental (Enlisted)			0			44,114			0
Total Enlisted			171,479			171,351			131,625
Total (5C)			245,504			236,107			193,731

(In Thousands of Dollars)

Project: Rotational Travel	FY 2007	Estimate	\$279,737
	FY 2006	Estimate	\$286,637
	FY 2005	Actuals	\$304,430

Part I - Purpose And Scope

(A) Officer 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 in CONUS; (3) officers and warrant officers from permanent duty stations in an overseas area to permanent duty stations in other 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 PCS movements of: (1) enlisted personnel from permanent duty stations in CONUS us to permanent duty stations overseas; (2) enlisted personnel from permanent duty stations overseas to permanent duty stations in CONUS; (3) enlisted personnel from permanent duty stations in an overseas area to permanent duty stations in other 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer									
(1) Travel of Military Member	4,874	2,226.41	10,852	5,396	2,270.94	12,254	5,204	2,318.63	12,066
(2) Travel of Dependents	3,291	1,763.81	5,805	3,643	1,799.08	6,554	3,513	1,836.36	6,451
(3) Transportation of Household Goods									
(A) Land/ITGBL	5,845	5,522.24	32,277	6,801	5,493.71	37,363	6,559	5,609.08	36,790
(B) Overseas			18,576			21,339			20,659
Total(3)			50,853			58,702			57,449
(4) Dislocation Allowance	3,318	2,798.36	9,285	3,673	2,894.54	10,632	3,542	2,993.58	10,603
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	3,802	3,490.41	13,271	4,209	2,834.21	11,929	4,059	2,791.70	11,332
(B) Partial Service	1,072	2,774.06	2,974	1,187	2,252.54	2,674	1,145	2,218.75	2,540
TOTAL(6)			16,245			14,603			13,872
(7) Cargo Operations ((HHG), M, TONS)	0	0.00	0	0	0.00	0	0	0.00	0
Total Officer			93,040			102,745			100,441

Project: Rotational Travel	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted									
(1) Travel of Military Member	20,364	1,434.72	29,217	17,759	1,463.41	25,989	17,082	1,494.15	25,523
(2) Travel of Dependents	9,193	1,788.53	16,442	8,017	1,824.30	14,625	7,711	1,862.61	14,363
(3) Transportation of Household Goods									
(A) Land/ITGBL	23,664	2,909.22	68,844	20,328	2,989.37	60,768	19,553	3,052.15	59,679
(B) Overseas			50,548			45,845			44,143
TOTAL(3)			119,392			106,613			103,822
(4) Dislocation Allowance	11,393	1,742.42	19,851	9,935	1,802.31	17,906	9,557	1,863.98	17,814
(5) Trailer Allowance	4	215.18	1	4	219.48	1	4	224.09	1
(6) Global POV									
(A) Full Service	6,199	3,490.41	21,637	5,406	2,834.21	15,322	5,200	2,791.70	14,517
(B) Partial Service	1,748	2,774.06	4,849	1,525	2,252.54	3,435	1,467	2,218.51	3,255
TOTAL(6)			26,486			18,757			17,772
(7) Cargo Operations ((HHG), M, TONS)	63	19.45	1	55	13.67	1	53	20.26	1
Total Enlisted			211,390			183,892			179,296
Total 5-D			304,430			286,637			279,737

(In Thousands of Dollars)

Project: Separation Travel

FY 2007	Estimate	\$93,326
FY 2006	Estimate	\$99,284
FY 2005	Actuals	\$105,275

Part I - Purpose And Scope

(A) Officer 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 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer									
(1) Travel of Military Member	4,910	633.42	3,110	4,583	645.16	2,957	4,196	658.72	2,764
(2) Travel of Dependents	2,219	911.54	2,023	2,072	927.76	1,922	1,897	947.27	1,797
(3) Transportation of Household Goods									
(A) Land/ITGBL	4,091	4,597.82	18,810	3,330	5,410.91	18,018	3,049	5,524.34	16,844
(B) Overseas			1,326			1,243			1,135
Total(3)			20,136			19,261			17,979
(4) Dislocation Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(5) Trailer Allowance	21	975.72	20	20	995.24	20	18	1,016.14	18
(6) Global POV									
(A) Full Service	180	3,490.41	628	163	2,834.21	462	149	2,791.70	416
(B) Partial Service	37	2,774.06	103	33	2,252.54	74	31	2,218.75	69
TOTAL(6)			731			536			485
(7) Cargo Operations ((HHG), M, TONS)	4	19.45	0	4	13.67	0	3	20.26	0
Total Officer			26,020			24,696			23,043

Project: Separation Travel	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted									
(1) Travel of Military Member	43,847	473.84	20,776	43,177	484.26	20,909	40,014	494.43	19,784
(2) Travel of Dependents	11,503	889.41	10,231	11,334	909.18	10,305	10,504	928.28	9,751
(3) Transportation of Household Goods									
(A) Land/ITGBL	15,005	2,594.25	38,927	12,605	2,717.72	34,257	11,682	2,774.76	32,415
(B) Overseas			6,260			6,593			6,028
TOTAL(3)			45,187			40,850			38,443
(4) Dislocation Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(5) Trailer Allowance	23	1,284.08	30	23	1,309.76	30	21	1,337.26	28
(6) Global POV									
(A) Full Service	697	3,490.18	2,433	693	2,834.21	1,964	643	2,791.70	1,795
(B) Partial Service	196	2,774.06	544	196	2,252.54	441	181	2,218.75	402
TOTAL(6)			2,977			2,405			2,197
(7) Cargo Operations ((HHG), M, TONS)	26	19.45	1	26	13.67	0	24	20.26	0
Total Enlisted			79,202			74,499			70,203
Officer Candidates									
(1) Travel of Military Member									
Midshipmen	165	320.78	53	273	327.52	89	239	334.40	80
Total Midshipmen			53			89			80
Total 5-E			105,275			99,284			93,326

(In Thousands of Dollars)

Project: Travel Of Organized Units	FY 2007	Estimate	\$19,521
	FY 2006	Estimate	\$19,406
	FY 2005	Actuals	\$45,674

Part I - Purpose And Scope

(A) Officer covers PCS movements, CONUS or overseas, of officers and warrant officers directed to move as members or 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 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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer									
(1) Travel of Military Member	1,346	767.90	1,034	1,021	791.40	808	1,008	806.39	813
(2) Travel of Dependents	727	598.48	435	551	612.45	337	544	625.31	340
(3) Transportation of Household Goods									
(A) Land/ITGBL	999	1,656.90	1,655	725	1,698.41	1,231	718	1,729.55	1,242
(B) Overseas			641			465			473
Total(3)			2,296			1,696			1,715
(4) Dislocation Allowance	522	2,798.36	1,461	388	2,894.54	1,123	385	2,993.58	1,153
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	104	3,490.41	363	77	2,834.21	218	76	2,791.70	212
(B) Partial Service	29	2,774.06	80	22	2,252.54	50	21	2,218.75	47
TOTAL(6)			443			268			259
(7) Cargo Operations ((HHG), M, TONS)	3	0.00	0	2	31.99	0	2	0.00	0
Total Officer			5,669			4,232			4,280

Project: Travel Of Organized Units	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted									
(1) Travel of Military Member	18,871	777.38	14,670	7,340	812.98	5,967	7,210	830.06	5,985
(2) Travel of Dependents	9,372	514.19	4,819	3,622	535.68	1,940	3,558	546.96	1,946
(3) Transportation of Household Goods									
(A) Land/ITGBL	4,298	2,306.35	9,913	1,591	2,448.88	3,896	1,563	2,500.58	3,908
(B) Overseas			3,155			1,048			1,047
TOTAL(3)			13,068			4,944			4,955
(4) Dislocation Allowance	1,912	1,742.42	3,332	673	1,802.31	1,213	661	1,863.98	1,232
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	963	3,490.41	3,361	320	2,834.21	907	314	2,950.09	926
(B) Partial Service	272	2,774.06	755	90	2,252.54	203	89	2,218.75	197
TOTAL(6)			4,116			1,110			1,123
(7) Cargo Operations ((HHG), M, TONS)	0	0.00	0	0	0.00	0	0	0.00	0
Total Enlisted			40,005			15,174			15,241
Total 5-F			45,674			19,406			19,521

(In Thousands of Dollars)

Project: Nontemporary Storage

FY 2007	Estimate	\$6,892
FY 2006	Estimate	\$7,034
FY 2005	Actuals	\$7,598

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 Title 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:

	FY 2005	FY 2006	FY 2007
	Amount	Amount	Amount
Non-Temporary Storage	7,598	7,034	6,892
Total 5-G	7,598	7,034	6,892

(In Thousands of Dollars)

Project: Temporary Lodging Expense

FY 2007	Estimate	\$6,871
FY 2006	Estimate	\$6,867
FY 2005	Actuals	\$7,295

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. 404A. 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:

	FY 2005	FY 2006	FY 2007
	Amount	Amount	Amount
Non-Temporary Storage	7,295	6,867	6,871
Total 5-H	7,295	6,867	6,871

(In Thousands of Dollars)

Project: In-Place Consecutive Overseas Tour (IPCOT)

FY 2007	Estimate	\$4,687
FY 2006	Estimate	\$4,532
FY 2005	Actuals	\$2,998

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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers	143	9,375.00	1,341	61	9,562.50	583	64	9,763.31	625
Enlisted	243	6818.93	1,657	569	6,942.41	3,949	573	7,088.20	4,062
TOTAL 5-I	386		2,998	630		4,532	637		4,687

(In Thousands of Dollars)

Project: Overseas Tour Extension Incentives Program (OTEIP)

FY 2007	Estimate	\$1,585
FY 2006	Estimate	\$1,531
FY 2005	Actuals	\$665

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.

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 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
	28	1,688.36	47	42	1,722.13	72	48	1,747.96	84
Enlisted	366	1,688.36	618	847	1,722.13	1459	859	1,747.96	1,501
Total 5-J	394		665	889		1,531	907		1,585
Total BA 5 Obligations			846,437			790,109			736,105
Less Reimbursables in BA 5			3,197			2,979			3,256
Total Direct BA 5 Obligations			843,240			787,130			732,849

Budget Activity 6
Other Military Personnel Costs

**MILITARY PERSONNEL, NAVY
 SCHEDULE OF INCREASES AND DECREASES
 Other Military Personnel Costs
 (\$ in Thousands)**

		<u>Amount</u>
FY 2006 Direct Program		\$258,852
Increases:		
Pricing Increases:		
Other Pricing Increases		
Education Benefits	3,002	
Death Gratuity	108	
Partial DLA	48	
JROTC Uniform replacement	244	
JROTC Uniform alterations/renovations	31	
Senior ROTC Uniforms, Issue-in-Kind	11	
Senior ROTC Uniforms, Commutation in Lieu of	12	
Senior ROTC Pay and Allowances	4	
Senior ROTC Summer Training Subsistence	2	
Scholarship ROTC Uniforms, Issue-in-Kind	48	
Scholarship ROTC Uniforms, Commutation in Lieu of	14	
Scholarship ROTC Pay and Allowances	80	
Scholarship ROTC Summer Training Subsistence	29	
Total Pricing Increases		3,633
Program Increases:		
Other		
Interest on Savings due to participation	5	
Unemployment Compensation due to participants	11,029	
JROTC Uniform alterations/renovations for 1,033 cadets	18	
JROTC Uniform replacement for 171 cadets	105	
Scholarship ROTC Stipend	5	
Scholarship ROTC Uniforms, Issue-in-Kind for 33 midshipmen	16	
Scholarship Pay & Allowances for 640 mandays	19	
Scholarship Summer Training, Subsistence for 640 mandays	4	
Total Program Increases		11,201
Total Increases:		14,834

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
Other Military Personnel Costs
(\$ in Thousands)

Amount

Decreases:

Pricing Decreases:

Unemployment Compensation due to rate change -10,920

Total Pricing Decreases -10,920

Program Decreases:

Decrease in Death Gratuities participants -13

Decrease in Enhanced Death Gratuities participants (Supplemental GWOT) -1,320

Survivor Benefits -107

Decrease in Unemployment Compensation Participants (Supplemental GWOT) -33,228

Servicemans Group Life Insurance (Supplemental GWOT) -105,533

Transportation Subsidy -300

Partial DLA decrease due to percentage of takers -477

Senior ROTC Pay and Allowances for 196 less mandays -6

Senior ROTC Summer Training Subsistence for 196 less mandays -1

Scholarship ROTC Uniforms, Commutation in Lieu for 1 less Midshipman -1

Total Program Decreases -140,986

Total Decreases: -151,906

FY 2007 Direct Program \$121,780

(In Thousands Of Dollars)

Project: Apprehension Of Military Deserters, Absentees and Escaped Military Prisoners

FY 2007 Estimate	\$725
FY 2006 Estimate	\$725
FY 2005 Actual	\$550

Part I - Purpose And Scope

Funds requested 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 estimates. Estimates reflect rewards of \$50.00 for apprehension and \$75.00 for apprehension and return to military control. Estimates also reflect financial responsibility for guard/escort travel in connection with the member's further return to permanent duty station.

The following estimates are provided:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Apprehension			550			725			725
Total Apprehension Of Military Deserters, Absentees And Escaped Military Prisoners			550			725			725

(In Thousands Of Dollars)

Project: Interest On Savings Deposit

FY 2007 Estimate	\$411
FY 2006 Estimate	\$406
FY 2005 Actual	\$580

Part I - Purpose And Scope

Funds requested will provide payment of interest for service members participating in the Servicemen's Savings Deposit Program under the provisions of P.L. 8-586, 10 U.S.C. 1035 and DOD FMR 7A Ch 51.

Part II - Justification Of Funds Requested

The Servicemen's Savings Deposit Program was reinstated for participants in Operations Desert Shield/Storm, Joint Endeavor, Joint Forge, Enduring, and Iraqi Freedom. This program allows members to deposit up to \$10,000 of their allotted pays into the savings program and be reimbursed up to 10% interest on all deposits.

The following estimates are provided.

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Interest			580			406			411
Total Interest On Savings Deposit			580			406			411

(In Thousands Of Dollars)

Project: Death Gratuities

FY 2007 Estimate	\$3,336
FY 2006 Estimate	\$4,561
FY 2005 Actual	\$28,624

Part I - Purpose And Scope

Funds requested will provide for payment of death gratuities to beneficiaries of military personnel pursuant to 10 U.S.C. 1475-1480 as amended by H.R. 1281, dated March 22,1991. Section 643 of the National Defense Authorization Act for Fiscal Year 2005 indexed the value of death gratuity payments to annual increases in basic pay. The rate increased to \$12,420 effective January 1, 2004. An Enhanced Death Gratuity of \$88,000 was created by Public Law 109-13 for retroactive payment of death benefits that meet specific date and circumstance criteria outlined in 10 U.S.C. 1478. 38 U.S.C. FY2006 NDAA permanently increased death gratuities to \$100,000.

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. Retroactive payment is included in FY 2005, payments are computed retroactively to October 7, 2001.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Death Gratuities									
Officer	110	12,337.30	1,357	42	12,709.00	534	42	13,132.00	552
Enlisted	255	12,337.30	3,146	209	12,709.00	2,656	209	13,132.00	2,745
MidShipmen/NAVCADS	2	12,337.30	25	4	12,709.00	51	3	13,132.00	39
Total - (1)	367		4,528	255		3,241	254		3,336
(2) Enhanced Death Gratuities									
Officer	13	88,000.00	1,144	5	88,000.00	440	0	0.00	0
Enlisted	29	88,000.00	2,552	10	88,000.00	880	0	0.00	0
Total - (2)	42		3,696	15		1,320	0		0
(3) SGLI Retro Gratuity	136	150,000.00	20,400	0	0.00	0	0	0.00	0
Total Death Gratuities	545		28,624	270		4,561	254		3,336

FY 2006 total amount includes \$1,320 in Title IX bridge funding for the Global War on Terrorism

(In Thousands Of Dollars)

Project: Unemployment Compensation, Paid To Ex-Service Members

FY 2007 Estimate	\$70,386
FY 2006 Estimate	\$103,505
FY 2005 Actual	\$96,790

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 where upon an individual was discharged under honorable conditions and had completed their first full term of active service; or was discharged before completing their 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 funds requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Unemployment Compensation	16,631	5,819.85	96,790	17,905	5,780.76	103,505	13,612	5,170.88	70,386
Total Unemployment Compensation, Paid To Ex-Service Members			96,790			103,505			70,386

FY 2006 total amount includes \$37,147 in Title IX bridge funding for the Global War on Terrorism

(In Thousands Of Dollars)

Project: Survivor's Benefits

FY 2007 Estimate	\$1,354
FY 2006 Estimate	\$1,461
FY 2005 Actual	\$1,797

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 Public Law 97-35. Public Law 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 Public Law 97-377 modified by Section 943 of the DOD Authorization Act, FY 1984. P. L. 98-94, 97 stat, 614, restored these Social Security benefits to survivors of military members and directed the Department of Defense to budget for this requirement.

Part II - Justification Of Funds Requested

Cost estimates are based on actual experience.

The following estimate is provided:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Survivors Benefits			1,797			1,461			1,354
Total Survivor's Benefits			1,797			1,461			1,354

(In Thousands Of Dollars)

Project: Service Group Life Insurance (SGLI)

FY 2007 Estimate	\$0
FY 2006 Estimate	\$105,533
FY 2005 Actual	\$21,225

Part I - Purpose And Scope

The funds requested will provide for reimbursement payments to the Department of Veteran Affairs (VA) for military personnel deaths due to extra hazards of duty when actual mortality exceeds peacetime mortality (38 U.S.C. 1969). An Enhanced SGLI Gratuity of \$150,000 was created by Public Law 109-13 to provide retroactive/transitional benefits when specific date and circumstance criteria are met as outlined in 10 U.S.C. 1967. On December 1, 2005, all members eligible for SGLI became insured for traumatic injury protection (T-SGLI) of up to \$100,000. T-SGLI is designed to provide financial assistance to servicemembers during their recovery period from a serious traumatic injury. T-SGLI has a retroactive provision that provides any servicemember, who suffers a qualifying loss between Oct. 7, 2001, and Dec. 1, 2005, to receive benefits as a direct result of injuries incurred in Operations Enduring or Iraqi Freedom.

Part II - Justification Of Funds Requested

Funds requirements are based on the Veteran Affairs (VA) actuaries performance of a peacetime mortality study, based upon the most recent three years of service member claim experience.

The following estimate is provided:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Service Group Life Insurance (SGLI)	0	0.00	21,127	0	0.00	84,050	0	0.00	0
(2) Service Group Life Insurance (SGLI) Premium	10,000	9.75	98	0	0.00	0	0	0.00	0
(3) Traumatic Service Group Life Insurance (T-SGLI)	0	0.00	0	0	0.00	21,483	0	0.00	0
Total - Service Group Life Insurance (SGLI)	10,000		21,225	0		105,533	0		0

FY 2006 amount includes \$105,533 in Title IX bridge funding for the Global War on Terrorism

(In Thousands Of Dollars)

Project: Education Benefits

FY 2007 Estimate	\$5,109
FY 2006 Estimate	\$2,107
FY 2005 Actual	\$1,716

Part I - Purpose And Scope

Funds are for payment to the Department of Defense Education Benefits Fund, a trust fund. Title 38 U.S.C. Chapter 30 section 3011 governs this program. The program funds additional and supplemental benefit payments above the 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

Public Law 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 1998 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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Involuntary Separatees			1,463			1,770			1,799
Unfunded liability			253			337			3,310
Total Education Benefits			1,716			2,107			5,109

(In Thousands Of Dollars)

Project: Adoption Expenses

FY 2007 Estimate	\$346
FY 2006 Estimate	\$346
FY 2005 Actual	\$232

Part I - Purpose And Scope

Funds requested will provide reimbursement for qualifying adoption expenses under the provisions of Title 10 U.S.C. Chapter 53, Section 1052.

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 less than 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:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Adoption Expenses			232			346			346
Total Adoption Expenses			232			346			346

(In Thousands Of Dollars)

Project: Transportation Subsidy

FY 2007 Estimate \$4,549
 FY 2006 Estimate \$4,849
 FY 2005 Actual \$4,840

Part I - Purpose And Scope

Executive Order 13150 on federal workforce transportation, dated April 21, 2000, requires that by no later than October 1, 2000, federal agencies shall implement a transit pass fringe benefit program for qualified federal employees in the National Capital Region (NCR). Washington Headquarters 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 program for areas outside the NCR. 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 \$65 per month (26 U.S.C. 132(f)(2)). Compensation rose to \$100 per month in FY 2002 with an additional \$5.00 increase as of 01 January 2005.

Computation of fund requirements is provided in the following table.

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
National Capital Region	2,231	1,260.00	2,811	2,232	1,260.00	2,812	2,094	1,260.00	2,638
Outside National Capital Region	1,610	1,260.00	2,029	1,617	1,260.00	2,037	1,517	1,260.00	1,911
Total Transportation Subsidy			4,840			4,849			4,549

(In Thousands Of Dollars)

Project: Thrift Savings Plan (TSP)

FY 2007 Estimate	\$100
FY 2006 Estimate	\$100
FY 2005 Actual	\$48

Part I - Purpose And Scope

The funds requested will provide for agency contributions into the Thrift Savings Plan on behalf of the member when the member's initial enrollment into the program is delayed while in processing, and causes the member to lose the potential earnings on the requested contributions. 37 U.S.C. 211 and DOD FMR 7A states that the agency is responsible to the member for the losses.

Part II - Justification Of Funds Requested

Funds requirements are based on actual expenditure data provided by DFAS.

The following estimate is provided:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Thrift Savings Plan (TSP)			48			100			100
Total Thrift Savings Plan (TSP)			48			100			100

(In Thousands Of Dollars)

Project: Partial DLA

FY 2007 Estimate	\$1,032
FY 2006 Estimate	\$1,461
FY 2005 Actual	\$1,140

Part I - Purpose And Scope

Section 634 of the FY 2002 National Defense Authorization Act provided for a new element of compensations for certain members. This partial dislocation allowance is paid to a member ordered to occupy or vacate Government family-type quarters due to privatization, renovation or any other reason for the convenience of the Government 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, change in family size/status or due to member's misconduct.

Part II - Justification Of Funds Requested

JFTR U5630 B15 outlines the Partial DLA requirements and states that participating members will receive a one-time payment when they receive orders to vacate government family style quarters. Effective January 1, 2005 the Partial DLA payment was set at \$564.03. The FY 2002 NDAA section 1009 specifies that the rate increases shall be indexed to the annual increases in basic pay.

The following estimate is provided:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer	469	559.26	262	582	577.14	336	398	596.34	237
Enlisted	1,570	559.26	878	1,949	577.14	1,125	1,333	596.34	795
Total Partial DLA			1,140			1,461			1,032

RESERVE OFFICER TRAINING CANDIDATES (ROTC) ENROLLMENT

	<u>FY 2005 (Estimate)</u>			<u>FY 2006 (Estimate)</u>			<u>FY 2007 (Estimate)</u>		
	<u>Begin</u>	<u>Average</u>	<u>End</u>	<u>Begin</u>	<u>Average</u>	<u>End</u>	<u>Begin</u>	<u>Average</u>	<u>End</u>
<u>Senior ROTC (Excluding Scholarship Program)</u>									
First Year				850	900	950	850	900	950
Second Year				300	350	400	300	350	400
Total Basic ROTC				1,150	1,250	1,350	1,150	1,250	1,350
Third Year				80	90	100	80	90	100
Fourth Year				50	65	80	50	65	80
Total Adv ROTC				130	155	180	130	155	180
Total Senior ROTC Enrollment				1,280	1,405	1,530	1,280	1,405	1,530
<u>Scholarship Program</u>									
First Year				1,111	1,056	1,000	1,111	1,056	1,000
Second Year				1,099	1,115	1,130	1,084	1,107	1,130
Total Basic ROTC				2,210	2,171	2,130	2,195	2,163	2,130
Third Year				1,047	1,079	1,110	1,060	1,078	1,096
Fourth Year				1,126	1,127	1,127	1,119	1,135	1,150
Total Advanced ROTC				2,173	2,206	2,237	2,179	2,213	2,246
Total Scholarship Enrollment				4,383	4,377	4,367	4,374	4,376	4,376
<u>Total Enrollment</u>									
First Year				1,961	1,956	1,950	1,961	1,956	1,950
Second Year				1,399	1,465	1,530	1,384	1,457	1,530
Total Advanced ROTC				3,360	3,421	3,480	3,345	3,413	3,480
Third Year				1,127	1,169	1,210	1,140	1,168	1,196
Fourth				1,176	1,192	1,207	1,169	1,200	1,230
Total Advanced ROTC				2,303	2,361	2,417	2,309	2,368	2,426
Total ROTC Enrollment				5,663	5,782	5,897	5,654	5,781	5,906
Completed ROTC & Commissioned					975			938	

Completed ROTC Commission Deferred:

Note: ROTC enrollment data for Guaranteed Reserve Forced Duty (GRFD) scholarships for accessing officers into the Army Reserve and Army National Guard should be provided on a separate exhibit from that of the regular active duty ROTC program.

(In Thousands Of Dollars)

Project: Senior ROTC (Non-Scholarship Program)

FY 2007 Estimate	\$1,668
FY 2006 Estimate	\$1,646
FY 2005 Actual	\$0

Part I - Purpose And Scope

The funds requested provide for military personnel costs for students enrolled in the Naval Reserve Officers Training Corps Senior program authorized by 10 U.S.C., 2101-2111. Designated applicants perform summer training at a Naval installation and receive indoctrination in various Naval Science courses to enable them to enter the NROTC program in the fall. Active duty training costs vary between years due to the length of training and location of sites at which training is performed. NROTC members and designated applicants receive the same rate of pay as U.S. Naval Academy Midshipmen. Beginning with the FY 2006 Budget, funding for the NROTC program is transferred from Reserve Personnel, Navy appropriation.

Funds requested provide for the following:

Stipend - to provide an allowance of \$350 per month for MS III and \$400 per month for MS IV to students enrolled in Military Science MS III and MS IV courses in accordance with the provisions of 37 U.S.C. 209.

Uniforms, Issue-in-Kind - to provide for uniform issues, including replacement items.

Uniforms, Commutation-in-Lieu - to provide for commutation in lieu of uniforms. Students attending military institutions receive a monetary allowance in lieu of uniforms-in-kind to procure such uniforms from the institution.

Pay & Allowances - to provide basic pay and social security payments to members attending summer training.

Subsistence of Reserve Officer Candidates - to provide subsistence for members attending summer training.

Part II - Justification Of Funds Requested

Funds requested provide military personnel costs for students enrolled in the Reserve Officers Training Corps Senior program authorized by 10 U.S.C. 2101-2111. The

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Stipend									
MS III	0	0.00	0	68	3,220.00	219	68	3,220.00	219
MS IV	0	0.00	0	49	3,680.00	180	49	3,680.00	180
Total - (1)	0		0	117		399	117		399

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Uniform, Issue-In-Kind									
Non-Military Schools	0	0.00	0	703	688.84	484	703	703.30	494
Field Training	0	0.00	0	90	495.97	45	90	506.39	46
Total - (2)	0		0	793		529	793		540
(3) Uniforms, Commutations-in-Lieu									
Juniors	0	0.00	0	38	2,719.12	103	38	2,776.22	105
Freshmen/Sophomores	0	0.00	0	498	906.37	451	498	925.41	461
Total - (3)	0		0	536		554	536		566
(4) Pay & Allowances									
NROTC	0	0.00	0	2,324	30.00	70	2,128	30.96	66
Designated Applicants	0	0.00	0	2,160	30.00	65	2,160	30.96	67
Total - (4)	0		0	4,484		135	4,288		133
(5) Subsistence of Reserve Officer Candidates									
NROTC	0	0.00	0	2,324	6.65	15	2,128	7.00	15
Designated Applicants	0	0.00	0	2,160	6.65	14	2,160	7.00	15
Total - (5)	0		0	4,484		29	4,288		30
Total Senior ROTC (Non-Scholarship Program)	0		0	10,414		1,646	10,022		1,668

(In Thousands Of Dollars)

Project: Senior ROTC (Scholarship Program)	FY 2007 Estimate	\$19,272
	FY 2006 Estimate	\$19,058
	FY 2005 Actual	\$0

Part I - Purpose And Scope

The funds requested provide for military personnel costs for students enrolled in the Naval Reserve Officers Training Corps Scholarship program authorized by 10 U.S.C. 2101-2111. During the fiscal year, scholarships are offered to select students as authorized by 10 U.S.C. 2107. Active duty training costs vary between years due to the length of training and location of sites at which training is performed. NROTC members and designated applicants receive the same rate of pay as U.S. Naval Academy Midshipmen. Beginning with the FY 2006 Budget, funding for the NROTC program is transferred from Reserve Personnel, Navy appropriation.

Funds requested provide for the following:

Stipend - to provide an allowance of \$250 per month for MS I, \$300 per month for MS II, \$350 per month for MS III and \$400 per month for MS IV to students enrolled in Military Science courses in accordance with the provisions of 37 U.S.C. 209.

Uniforms, Issue-in-Kind - to provide uniform issues, including replacement items.

Uniforms, Commutation-in-Lieu - to provide commutation in lieu of uniforms. Students attending military institutions receive a monetary allowance in lieu of uniforms-in-kind to procure such uniforms from the institution.

Pay & Allowances - to provide basic pay and social security payments to members attending summer training.

Subsistence of Reserve Officer Candidates - to provide subsistence for members attending summer training.

Part II - Justification Of Funds Requested

Funds requested provide military personnel costs for students enrolled in the Reserve Officers Training Corps Senior program authorized by 10 U.S.C. 2101-2111. The

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Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Stipend									
MS I	0	0.00	0	1,056	2,300.00	2,429	1,056	2,300.00	2,429
MS II	0	0.00	0	1,115	2,760.00	3,077	1,107	2,760.00	3,055
MS III	0	0.00	0	1,079	3,220.00	3,474	1,078	3,220.00	3,471
MS IV	0	0.00	0	1,127	3,680.00	4,147	1,135	3,680.00	4,177
Total - (1)	0		0	4,377		13,127	4,376		13,132

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Uniforms, Issue-in-Kind									
Non-Military Schools	0	0.00	0	2,189	688.84	1,508	2,188	703.30	1,539
Field Training	0	0.00	0	1,515	495.97	751	1,548	506.39	784
Total - (2)	0		0	3,704		2,259	3,736		2,323
(3) Uniforms, Commutation-in-Lieu									
Juniors	0	0.00	0	140	2,719.12	381	140	2,776.22	389
Freshmen/Sophomores	0	0.00	0	295	906.37	267	294	925.41	272
Total - (3)	0		0	435		648	434		661
(4) Pay & Allowances	0	0.00	0	82,516	30.00	2,475	83,137	30.96	2,574
(5) Subsistence of Reserve Officer Candidates									
Subsistence	0	0.00	0	82,516	6.65	549	83,137	7.00	582
Total Senior ROTC (Scholarship Prpgram)	0		0	173,548		19,058	174,820		19,272

(In Thousands Of Dollars)

Project: Junior ROTC

FY 2007 Estimate	\$13,492
FY 2006 Estimate	\$13,094
FY 2005 Actual	\$0

Part I - Purpose And Scope

Funding provides for issue-in-kind uniforms and alteration/renovation thereof, for students enrolled in the Junior ROTC program at secondary education institutions as outlined in 10 U.S.C 2031. Beginning with the FY 2006 Budget, funding for the NROTC program is transferred from Reserve Personnel, Navy appropriation.

Funds requested provide for the following:

Uniforms, issue-in-kind - to provides uniforms, including replacement items, to members of the Junior ROTC program.

Subsistence of Junior Officer Candidates - to provide subsistence for members attending summer camp.

Part II - Justification Of Funds Requested

Funding provides for issue-in-kind uniforms and alteration/renovation thereof, for students enrolled in the Junior ROTC program at secondary education institutions as outlined in 10 U.S.C 2031.

Computation of fund requirements is provided in the following table:

	FY 2005			FY 2006			FY 2007		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Uniforms, Issue-in-Kind									
Initial Issue	0	0	0	0	647.02	0	0	660.6	0
Replacement	0	0	0	22,753	510.48	11,615	22,954	521.2	11,964
Alterations/Renovation	0	0	0	86,069	17.18	1,479	87,102	17.54	1,528
Total - (1)	0		0	108,822		13,094	110,056		13,492
(2) Subsistence of Junior Officer Candidates									
Non-Military Schools	0	0	0	0	0	0	0	0	0
Field Training	0	0	0	0	0	0	0	0	0
Total - (2)	0		0	0		0	0		0
Total Junior ROTC Program	0		0	108,822		13,094	110,056		13,492
Total BA 6 Obligations			157,542			258,852			121,780
Less Reimbursables in BA 6			0			0			0
Total Direct BA 6 Obligations			157,542			258,852			121,780

Section 5
Special Analysis

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

ASSIGNED OUTSIDE DOD	FY 05			FY 06			FY 07		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
NON-REIMBURSABLE PERSONNEL									
EXECUTIVE OFFICE OF THE PRESIDENT	11	4	15	11	13	24	11	11	22
OFFICE OF THE VICE PRESIDENT	0	8	8	0	10	10	0	10	10
STATE DEPARTMENT	6	12	18	11	22	33	11	22	33
STATE DEPARTMENT(U N TRUCE SUPERVISION)	2	0	2	7	0	7	7	0	7
JUSTICE DEPARTMENT	1	0	1	1	0	1	1	0	1
ENERGY DEPARTMENT	3	0	3	5	0	5	5	0	5
NATL DRUG INTERDICTION PROGAM	3	3	6	4	5	9	4	5	9
CLASSIFIED ACTIVITIES	0	0	0	0	0	0	0	0	0
DOD PROJECT OFFICE	15	2	15	15	2	17	15	2	17
CENTRAL INTELLIGENCE AGENCY	3	0	3	2	0	2	2	0	2
COMMERCE DEPT	0	0	0	0	0	0	0	0	0
DEPT OF TRANSP	0	0	0	6	0	6	6	0	6
DEPT OF HOMELAND SECURITY	0	0	0	4	0	4	4	0	4
SUB TOTAL NON REIMB PROGRAM	44	29	73	66	52	118	66	50	116
REIMBURSABLE PERSONNEL									
EXECUTIVE OFFICE OF THE PRESIDENT	0	0	0	0	0	0	0	0	0
ARMS CONT'L & DISARMAMENT AGENCY	0	0	0	0	0	0	0	0	0
STATE DEPARTMENT	0	0	0	0	0	0	0	0	0
DOT (MARITIME)	0	0	0	0	0	0	0	0	0
DOT (FAA)	1	0	1	1	0	1	1	0	1
DOT (COAST GUARD)	38	0	38	38	0	38	38	0	38
DOT(MERCHANT MARINE)	2	0	2	2	0	2	2	0	2
NASA	33	0	33	33	0	33	33	0	33
OFFICE OF PHYSICAN TO CONGRESS	5	9	14	5	9	14	5	9	14
CLASSIFIED ACTIVITIES	6	5	11	6	5	11	6	5	11
ENERGY DEPT (DOE)	1	0	1	1	0	1	1	0	1
NAVAL HOME	2	1	3	2	1	3	2	1	3
SUB-TOTAL REIMBURSABLE PERSONNEL	88	15	103	88	15	103	88	15	103
TOTAL OUTSIDE DOD	132	44	176	154	67	221	154	65	219
ASSIGNED TO DOD ACTIVITIES									
REIMBURSABLE PERSONNEL									
WORKING CAPITAL FUND									
	627	1104	1731	743	1253	1996	684	1239	1923
WCF-DEFENSE	173	151	324	224	167	391	209	167	376
WCF TOTAL	800	1255	2055	967	1420	2387	893	1406	2299
STATE DEPARTMENT (CB'S)	1	128	129	1	128	129	1	128	129
NATIONAL SCIENCE FOUNDATION	0	0	0	0	0	0	0	0	0
FOREIGN MILITARY SALES	86	114	200	86	114	200	86	114	200
SUB TOTAL DOD REIMBURSABLE PERSONNEL	887	1497	2384	1054	1662	2716	980	1648	2628
TOTAL NON-REIMBURSABLE PERSONNEL	44	29	73	66	52	118	66	50	116
TOTAL REIMBURSABLE PERSONNEL	975	1512	2487	1142	1677	2819	1068	1663	2731
GRANDTOTAL	1019	1541	2560	1208	1729	2937	1134	1713	2847

**MILITARY PERSONNEL, NAVY
REIMBURSABLE PROGRAM
(\$ in Thousands)**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
<u>Subsistence (SIK)</u>	\$40,132	\$40,626	\$41,716
Sale of Meals - Bulk Subsistence	40,132	40,626	41,716
<u>OTHER NON-STRENGTH</u>	\$100	\$100	\$100
Other Military Costs	100	100	100
<u>STRENGTH RELATED</u>	\$319,552	\$285,165	\$311,589
Officer	180,462	161,579	172,862
Basic Pay	(130,770)	(117,276)	(125,771)
Other Pays and Allowances	(49,692)	(44,303)	(47,091)
Enlisted	84,618	74,714	85,288
Basic Pay	(58,989)	(52,052)	(59,424)
Other Pays and Allowances	(25,629)	(22,662)	(25,864)
Retired Pay Accrual (Officer and Enlisted)	51,275	45,893	50,183
PCS Travel	3,197	2,979	3,256
TOTAL PROGRAM	\$359,784	\$325,891	\$353,405
 Includes the following anticipated reimbursements from the DHP Trust Fund (Over 65):	 \$125,788	 \$109,884	 \$135,221

MILITARY PERSONEL, NAVY
MONTHLY END STRENGTHS BY PAY GRADE
FY05

		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<u>Commissioned Officers</u>													
O-10	ADM	8	8	8	8	8	8	8	8	8	8	8	8
O-9	VADM	25	25	25	25	25	25	25	25	25	25	25	25
O-8	RADM(UH)	77	77	77	77	77	77	77	77	77	77	77	77
O-7	RADM(LH)	111	110	104	108	108	105	105	102	105	108	108	103
O-6	CAPT	3447	3457	3443	3428	3426	3423	3436	3419	3370	3402	3396	3350
O-5	CDR	6972	6970	6965	6934	6927	6924	6918	6891	6915	6935	6956	6961
O-4	LCDR	10499	10466	10447	10439	10453	10469	10468	10424	10448	10469	10468	10415
O-3	LT	17447	17411	17345	17534	17368	17322	17254	17199	18508	18253	17855	17598
O-2	LTJG	7367	7381	7502	7237	7159	7085	7072	8458	6930	6734	6749	6635
O-1	ENS	6515	6420	6381	6314	6253	6188	6141	5935	6043	6071	6075	6089
W-5	CWO	16	18	20	21	23	24	26	27	32	36	40	43
W-4	CWO	291	312	303	306	302	290	288	284	275	272	256	256
W-3	CWO	524	538	566	583	592	596	603	609	616	624	645	678
W-2	CWO	771	753	720	716	707	705	701	691	687	671	635	588
W-1	WO	0	0	0	0	0	0	0	0	0	0	0	0
Total Officers		54070	53946	53906	53730	53428	53241	53122	54149	54039	53685	53293	52826
<u>Enlisted Personnel</u>													
E-9	Master Chief Petty Officer	3116	3117	3117	3068	3060	3034	3033	3023	3100	3081	3043	2977
E-8	Senior Chief Petty Officer	6914	6895	6875	6829	6793	6738	6715	6674	6447	6415	6425	7426
E-7	Chief Petty Officer	24207	24103	23952	23786	23649	23481	23334	23171	22945	22699	22478	23759
E-6	Petty Officer First Class	54244	53814	55888	55448	55014	54495	54133	53722	56648	56163	55708	53277
E-5	Petty Officer Second Class	75659	75376	74565	74175	73867	73440	73131	72702	73842	73131	72468	73274
E-4	Petty Officer Third Class	61718	61232	60350	59799	59522	59085	58894	58449	60254	59296	58464	60923
E-3	Seaman	53965	54775	53775	55288	56841	58391	59889	61176	54976	55656	56930	51975
E-2	Apprentice	22419	22485	22115	20730	19162	17800	16982	16273	15890	15886	15716	16137
E-1	Recruit	12049	12069	11612	12169	12259	11797	11040	10315	11266	13310	14356	15987
Total Enlisted		314291	313866	312249	311292	310167	308261	307151	305505	305368	305637	305588	305735
<u>Cadets/Midshipment</u>		4305	4300	4290	4267	4260	4245	4231	3260	4451	4413	4394	4380
Total End Strength		372666	372112	370445	369289	367855	365747	364504	362914	363858	363735	363275	362941

MILITARY PERSONNEL, NAVY
MONTHLY END STRENGTHS BY PAY GRADE
FY06

		<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<u>Commissioned Officers</u>													
O-10	ADM	8	8	8	8	8	8	8	8	8	8	8	8
O-9	VADM	25	25	25	25	25	25	25	25	25	25	25	25
O-8	RADM(UH)	77	77	77	77	77	77	77	77	77	77	77	77
O-7	RADM(LH)	108	109	104	107	105	105	107	107	106	107	108	108
O-6	CAPT	3335	3338	3307	3272	3262	3263	3263	3239	3185	3207	3195	3171
O-5	CDR	6906	6907	6871	6839	6826	6817	6805	6770	6769	6784	6791	6803
O-4	LCDR	10345	10353	10328	10304	10318	10333	10328	10307	10342	10376	10433	10517
O-3	LT	17413	17726	17688	17773	17600	17059	17009	16957	18045	17786	17465	17513
O-2	LTJG	6849	6442	6572	6439	6380	6306	6292	7673	6206	6166	6151	6084
O-1	ENS	6017	5988	5944	5895	5812	5765	5662	5109	5040	4939	4831	6074
W-5	CWO	43	43	44	44	45	45	46	45	47	48	48	37
W-4	CWO	287	291	289	294	295	296	293	294	288	278	268	261
W-3	CWO	646	655	677	690	697	697	703	714	725	737	766	799
W-2	CWO	609	612	574	562	557	556	552	533	520	500	464	418
W-1	WO	0	0	0	0	0	0	0	0	0	0	0	0
Total Officers		52668	52574	52508	52329	52007	51352	51170	51858	51383	51038	50630	51895
<u>Enlisted Personnel</u>													
E-9	Master Chief Petty Officer	2957	2949	2933	2894	2848	2805	2773	2734	3053	3002	2947	2913
E-8	Senior Chief Petty Officer	7385	7371	7341	7252	7148	7051	6979	6893	6794	6682	6556	7292
E-7	Chief Petty Officer	23601	23507	23404	23171	22896	22633	22430	22216	21558	21264	22226	23375
E-6	Petty Officer First Class	52809	52424	53882	53529	53078	52615	52208	51774	55556	55081	53275	51803
E-5	Petty Officer Second Class	72754	72286	72670	72050	71589	71054	70514	69893	72160	71329	70439	72129
E-4	Petty Officer Third Class	60466	60159	59566	58525	57886	57229	56654	55981	58899	57511	56366	57536
E-3	Seaman	51947	52443	50671	51416	52456	53648	54548	55327	46093	47826	49804	45753
E-2	Apprentice	16090	16624	16794	16242	15443	14854	15117	15809	17390	18807	20080	21420
E-1	Recruit	15832	15638	15075	13703	12624	11024	9087	6876	7985	10347	12388	14484
Total Enlisted		303841	303401	302336	298782	295968	292913	290310	287503	289488	291849	294081	296705
	<u>Cadets/Midshipment</u>	4371	4365	4341	4320	4310	4302	4289	3257	3239	4166	4118	4100
Total End Strength		360880	360340	359185	355431	352285	348567	345769	342618	344110	347053	348829	352700

MILITARY PERSONNEL, NAVY
MONTHLY END STRENGTHS BY PAY GRADE
FY07

		<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<u>Commissioned Officers</u>													
O-10	ADM	8	8	8	8	8	8	8	8	8	8	8	8
O-9	VADM	25	25	25	25	25	25	25	25	25	25	25	25
O-8	RADM(UH)	77	77	77	77	77	77	77	77	77	77	77	77
O-7	RADM(LH)	114	113	107	108	109	110	111	109	108	109	108	108
O-6	CAPT	3156	3163	3148	3130	3128	3132	3142	3135	3089	3120	3140	3155
O-5	CDR	6782	6789	6773	6746	6745	6756	6760	6741	6766	6803	6834	6869
O-4	LCDR	10476	10476	10459	10449	10453	10479	10487	10448	10509	10539	10603	10647
O-3	LT	17393	17387	17359	17393	17283	17183	17125	17079	18324	17976	17542	17067
O-2	LTJG	6181	6085	6144	6001	5916	5724	5725	6974	5663	5650	5742	5699
O-1	ENS	5978	5984	6050	6044	6032	6012	5992	6147	6087	6031	5986	5898
W-5	CWO	36	36	36	37	36	36	35	35	38	41	44	47
W-4	CWO	273	273	274	275	281	277	282	283	280	280	276	273
W-3	CWO	796	807	797	783	767	755	742	730	735	745	738	736
W-2	CWO	442	453	462	495	507	516	523	529	523	508	497	486
W-1	WO	0	0	0	0	0	0	0	0	0	0	0	0
Total Officers		51737	51676	51719	51571	51367	51090	51034	52320	52232	51912	51620	51095
<u>Enlisted Personnel</u>													
E-9	Master Chief Petty Officer	2941	2921	2912	2896	2871	2850	2840	2825	2972	2942	2908	2850
E-8	Senior Chief Petty Officer	7368	7338	7332	7309	7270	7240	7215	7113	6820	6756	6686	7126
E-7	Chief Petty Officer	23554	23449	23410	23337	23208	23100	23069	22961	22676	22318	21948	22820
E-6	Petty Officer First Class	51748	51290	52416	52053	51608	51148	50741	50410	52506	52293	51994	50379
E-5	Petty Officer Second Class	72062	71511	70931	70501	70188	69840	69452	69075	69804	69215	68420	69825
E-4	Petty Officer Third Class	57212	56594	55841	55185	54892	54564	54343	54054	56057	55035	53951	56204
E-3	Seaman	44840	45550	45704	46972	48573	50334	51720	52987	48074	49242	50531	45759
E-2	Apprentice	21012	21346	20923	20114	18931	17840	17583	17752	18126	18183	18057	18135
E-1	Recruit	13940	13606	13338	13312	13395	12981	12223	11248	11276	11827	12145	12507
Total Enlisted		294677	293605	292807	291679	290936	289897	289186	288425	288311	287811	286640	285605
<u>Cadets/Midshipment</u>		4097	4092	4071	4053	4046	4041	4030	3005	2988	4060	4015	4000
Total End Strength		350511	349373	348597	347303	346349	345028	344250	343750	343531	343783	342275	340700