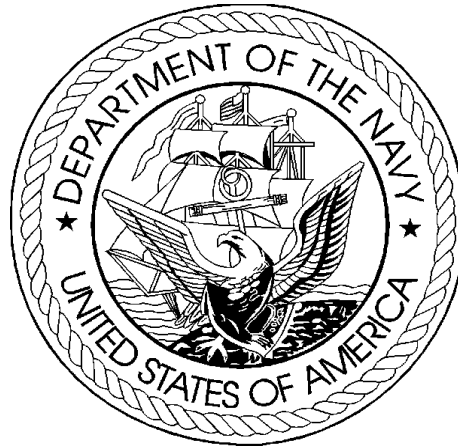


DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2005
BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 2004

MILITARY PERSONNEL, NAVY

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Section 1

Summary of Requirements by Budget Program

Military Personnel, Navy
Summary of Requirements by Budget Program - Active Forces
(\$ in Thousands)

	FY 2003 <u>Actual 1/</u>	FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
<u>DIRECT BASELINE PROGRAM FUNDING</u>			
Pay and Allowances of Officers	5,877,036	5,589,008	5,966,278
Pay and Allowances of Enlisted Personnel	16,035,569	15,871,866	16,576,150
Pay and Allowances of Cadets / Midshipmen	50,458	52,851	52,840
Subsistence of Enlisted Personnel	973,044	930,987	959,118
Permanent Change of Station Travel	786,533	719,605	832,070
Other Military Personnel Costs	<u>97,596</u>	<u>74,581</u>	<u>73,501</u>
Total Direct Baseline Program Funding	23,820,236	23,238,898	24,459,957
<u>REIMBURSABLE BASELINE PROGRAM FUNDING</u>			
Pay and Allowances of Officers	181,456	198,660	201,710
Pay and Allowances of Enlisted Personnel	107,482	89,261	89,579
Subsistence of Enlisted Personnel	46,991	45,384	49,737
Permanent Change of Station Travel	<u>16,247</u>	<u>3,500</u>	<u>2,980</u>
Total Reimbursable Baseline Program Funding	352,176	336,805	344,006
<u>TOTAL BASELINE PROGRAM FUNDING</u>			
Pay and Allowances of Officers	6,058,492	5,787,668	6,167,988
Pay and Allowances of Enlisted Personnel	16,143,051	15,961,127	16,665,729
Pay and Allowances of Cadets / Midshipmen	50,458	52,851	52,840
Subsistence of Enlisted Personnel	1,020,035	976,371	1,008,855
Permanent Change of Station Travel	802,780	723,105	835,050
Other Military Personnel Costs	<u>97,596</u>	<u>74,581</u>	<u>73,501</u>
Total Baseline Program Funding	24,172,412	23,575,703	24,803,963

Military Personnel, Navy
Summary of Requirements by Budget Program - Active Forces
(\$ in Thousands)

	FY 2003 <u>Actual 1/</u>	FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
<u>P. L. 108-106 FUNDING (FY 2004 ONLY)</u>			
Pay and Allowances of Officers	0	224,579	0
Pay and Allowances of Enlisted Personnel	0	468,830	0
Pay and Allowances of Cadets / Midshipmen	0	0	0
Subsistence of Enlisted Personnel	0	18,842	0
Permanent Change of Station Travel	0	99,603	0
Other Military Personnel Costs	<u>0</u>	<u>4,246</u>	<u>0</u>
Total P. L. 108-106 Program Funding	0	816,100	0
 <u>TOTAL PROGRAM FUNDING</u>			
Pay and Allowances of Officers	6,058,492	6,012,247	6,167,988
Pay and Allowances of Enlisted Personnel	16,143,051	16,429,957	16,665,729
Pay and Allowances of Cadets / Midshipmen	50,458	52,851	52,840
Subsistence of Enlisted Personnel	1,020,035	995,213	1,008,855
Permanent Change of Station Travel	802,780	822,708	835,050
Other Military Personnel Costs	<u>97,596</u>	<u>78,827</u>	<u>73,501</u>
Total Program Funding	24,172,412	24,391,803	24,803,963

LEGISLATIVE PROPOSALS:

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

Legislative Proposals (Dollars in Millions):

Survivor Benefits	\$0.3
Student Dependent Travel	\$0.3
College First Program	\$0.6
Responsibility Pay	\$0.8
Career Status Retention Bonus	\$0.5

1/ Includes \$1.8B from Supplemental appropriations in FY 2003 for Operations Noble Eagle, Enduring Freedom and Iraqi Freedom

Section 2

Introduction

Section 2
Military Personnel, Navy
Introduction – Active Forces

The Military Personnel, Navy (MPN) appropriation provides resources necessary to compensate military personnel required to man approved force structure and support infrastructure, including those officer and enlisted personnel within the individuals account: students, trainees, transients, patients, prisoners, holdees, and midshipmen. The Navy has budgeted for less end strength in FY 2005. FY 2005 programmed strength declines to 365,900 (7,900 fewer than FY 2004 level). 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 2005 members will receive a 3.5% pay raise. Funding requested in the FY 2005 Department of Navy's budget submission supports an end strength of 373,800 in FY 2004 and 365,900 in FY 2005.

The Navy continues to invest in retaining, recruiting, and training our sailors to create an environment that offers opportunity, promotes personal and professional growth and provides the kind of workforce needed for the 21st century Navy. We are growing a more senior force to lead and manage the increasingly technical 21st century Navy. We increased the overall number of E-4 to E-9s (Top 6) from 73.3% in FY 2004 to 74.0% in FY 2005 working toward a goal of 75.5% by FY 2007. This allows us to retain more of our experienced leaders and maintains advancement opportunity through FY 2007.

Basic Allowance for Housing (BAH) programs have been funded to reduce Sailor's out-of-pocket (OOP) expenses to 3.5% in FY 2004 and to eliminate them by FY 2005. Additional funding has also been budgeted for BAH costs associated with privatization of approximately 4,694 units in FY 2005.

FY 2004 force structure gains are 4 Arleigh Burke destroyers (DDG) and 1 nuclear powered attack submarine (SSN). FY 2004 reductions include 5 destroyers (DD), 2 cruisers (CG), 2 dock landing ships (LSD), and 1 nuclear powered attack submarine (SSN). FY 2004 aviation gains include 2 F/A-18E squadrons and 1 F/A-18F squadrons. FY 2005 battle force ships show a net reduction of four ships. FY 2005 gains include 3 Arleigh Burke destroyers (DDG), 2 amphibious transport docks (LPD-17), and 1 nuclear powered attack submarine (SSN). FY 2005 reductions include 2 cruisers (CG), 4 destroyers (DD), 1 amphibious transport dock (LPD), and 4 coastal patrol craft (PC). In FY 2005, Navy also gains 1 F/A-18E squadron and 2 F/A-18F squadrons while reducing 2 F-14 squadrons, 1 F/A-18C, and 1 S-3 (VS) squadron.

In addition, Navy continues to invest in its Sailors by improving the quality of service by implementing the full replacement value protection for household goods shipments under the permanent change of station program.

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 2003 Actual</u>	<u>FY 2004 Planned</u>	<u>FY 2005 Planned</u>
Average Strength	397,220 /1	381,693 /2	369,098
End Strength	382,235	373,800	365,900
Authorized End Strength	375,700		

/1 FY 2003 average strength includes 7,786 mobilized Reserve Component personnel in support of ONE/OEF/OIF.

/2 FY 2004 average strength includes 2,129 mobilized Reserve Component personnel in support of ONE/OEF/OIF.

The Navy has budgeted for less end strength in FY 2005. FY 2005 programmed strength declines to 365,900 (7,900 fewer than FY 2004 level). 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. The ability to manage the resizing is challenging and may require additional force shaping tools.

Recruiting

1. Numeric goals	41,359 (Goal +25/-100)	41,200	41,757
Actual	41,283		

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

2. Quality Goals			
- HSDG percent	94.0%	95.0%	95.0%
Actual	94.3%		
- Test Score Category I-IIIa percent	65.0%	67.0%	67.0%*
Actual	65.7%		

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-IIIa (CAT I-IIIa) 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-IIIa 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. * Does not account for the renormalizing of the Armed Services Vocational Aptitude Battery (ASVAB).

Section 3

Summary Charts

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

	<u>FY 2003 Actual</u>		<u>FY 2004 Planned</u>		<u>FY 2005 Planned</u>	
	<u>Average</u>	<u>End Strength</u>	<u>Average</u>	<u>End Strength</u>	<u>Average</u>	<u>End Strength</u>
	<u>Strength</u>	<u>30-Sep-03</u>	<u>Strength</u>	<u>30-Sep-04</u>	<u>Strength</u>	<u>30-Sep-05</u>
<u>DIRECT PROGRAM</u>						
Officers	56,337	53,744	53,124	52,374	53,014	51,639
Enlisted	333,668	321,149	314,854	314,453	309,108	307,365
Academy (Cadets/ Midshipmen)	<u>4,185</u>	<u>4,298</u>	<u>4,159</u>	<u>4,000</u>	<u>4,035</u>	<u>4,000</u>
Total Direct Program	394,190	379,191	372,137	370,827	366,157	363,004
<u>REIMBURSABLE PROGRAM</u>						
Officers	1,212	1,278	1,289	1,234	1,237	1,223
Enlisted	<u>1,778</u>	<u>1,766</u>	<u>1,759</u>	<u>1,739</u>	<u>1,704</u>	<u>1,665</u>
Total Reimbursable Program	2,990	3,044	3,048	2,973	2,941	2,888
<u>TOTAL PROGRAM</u>						
Officers	57,589	55,022	54,413	53,608	54,251	52,870
Enlisted	335,446	322,915	316,613	316,192	310,812	309,030
Academy (Cadets/ Midshipmen)	<u>4,185</u>	<u>4,298</u>	<u>4,159</u>	<u>4,000</u>	<u>4,035</u>	<u>4,000</u>
Total Program	397,220	382,235	375,185	373,800	369,098	365,900
<u>FY 2004 Emergency Supplemental</u>						
Officers			1,391	0		
Enlisted			<u>5,117</u>	<u>0</u>		
FY 2004 Supplementl Funded Strength			6,508	0		
<u>REVISED TOTAL PROGRAM</u>						
Officers	57,589	55,022	55,804	53,608	54,251	52,870
Enlisted	335,446	322,915	321,730	316,192	310,812	309,030
Academy (Cadets/ Midshipmen)	<u>4,185</u>	<u>4,298</u>	<u>4,159</u>	<u>4,000</u>	<u>4,035</u>	<u>4,000</u>
Revised Total Program	397,220 /1	382,235	381,693 /2	373,800	369,098	365,900

/1 FY 2003 average strength includes 1,761 officer and 6,025 enlisted mobilized Reserve Component personnel in support of ONE/OEF/OIF

/2 FY 2004 average strength includes 475 officer and 1,654 enlisted mobilized Reserve Component personnel in support of ONE/OEF/OIF

MILITARY PERSONNEL, NAVY
END STRENGTH BY GRADE - ACTIVE FORCES
TOTAL PROGRAM

	FY 2003		FY 2004		FY 2005	
	Total	Reimbursables	Total	Reimbursables	Total	Reimbursables
<u>Commissioned Officers</u>						
0-10 Admiral	8	1	8	0	8	0
0-9 Vice Admiral	25	2	25	1	25	1
0-8 Rear Admiral (Upper Half)	77	16	77	2	77	2
0-7 Rear Admiral (Lower Half)	104	159	108	15	108	15
0-6 Captain	3,483	291	3,516	154	3,389	152
0-5 Commander	7,057	358	6,999	275	7,015	279
0-4 Lieutenant Commander	10,523	382	10,746	349	10,691	343
0-3 Lieutenant	16,949	35	17,018	368	17,351	362
0-2 Lieutenant (Junior Grade)	7,879	8	7,291	36	6,727	35
0-1 Ensign	7,230	0	6,214	8	5,968	8
Total Commissioned Officers	53,335	1,252	52,002	1,208	51,359	1,197
<u>Warrant Officers</u>						
Warrant Officers	0	0	17	0	46	0
W-5 Warrant Officer	333	0	308	0	285	0
W-4 Warrant Officer	458	7	587	7	744	7
W-3 Warrant Officer	896	12	694	12	436	12
W-2 Warrant Officer	0	7	0	7	0	7
W-1 Warrant Officer						
Total Warrant Officers	1,687	26	1,606	26	1,511	26
Total Officer Personnel	55,022	1,278	53,608	1,234	52,870	1,223
<u>Enlisted Personnel</u>						
E-9 Master Chief Petty Officer	3,199	37	3,175	37	3,087	35
E-8 Senior Chief Petty Officer	7,159	81	7,004	82	6,862	79
E-7 Chief Petty Officer	24,771	333	24,616	338	24,852	324
E-6 1st Class Petty Officer	54,514	605	54,281	609	53,762	584
E-5 2nd Class Petty Officer	76,681	542	77,149	499	75,770	476
E-4 3rd Class Petty Officer	63,563	142	65,385	148	64,350	142
E-3 Seaman	57,479	26	51,111	26	46,483	25
E-2 Seaman Apprentice	22,910	0	21,416	0	20,843	0
E-1 Seaman Recruit	12,639	0	12,055	0	13,021	0
Total Enlisted	322,915	1,766	316,192	1,739	309,030	1,665
Total Officer and Enlisted	377,937	3,044	369,800	2,973	361,900	2,888
<u>Midshipmen</u>	4,298		4,000		4,000	
Total End Strength	382,235	3,044	373,800	2,973	365,900	2,888

MILITARY PERSONNEL, NAVY
AVERAGE STRENGTH BY GRADE - ACTIVE FORCES
TOTAL PROGRAM

	FY 2003		FY 2004		FY 2005	
	Total	Reimbursables	Total	Reimbursables	Total	Reimbursables
<u>Commissioned Officers</u>						
0-10 Admiral	9	0	8	0	8	0
0-9 Vice Admiral	31	1	25	1	25	1
0-8 Rear Admiral (Upper Half)	72	2	77	2	77	2
0-7 Rear Admiral (Lower Half)	112	16	109	15	113	16
0-6 Captain	3,790	149	3,555	158	3,499	160
0-5 Commander	7,830	272	7,414	294	7,284	292
0-4 Lieutenant Commander	11,474	348	10,758	373	10,678	319
0-3 Lieutenant	17,384	355	17,341	376	17,574	375
0-2 Lieutenant (Junior Grade)	7,649	35	7,975	36	7,210	36
0-1 Ensign	7,512	8	6,901	8	6,175	8
Total Commissioned Officers	55,863	1,186	54,163	1,263	52,643	1,209
<u>Warrant Officers</u>						
W-5 Warrant Officer	0	0	6	0	30	0
W-4 Warrant Officer	347	7	331	7	331	7
W-3 Warrant Officer	418	12	485	12	660	14
W-2 Warrant Officer	961	7	819	7	587	7
W-1 Warrant Officer	0	0	0	0	0	0
Total Warrant Officers	1,726	26	1,641	26	1,608	28
Total Officer Personnel	57,589	1,212	55,804	1,289	54,251	1,237
<u>Enlisted Personnel</u>						
E-9 Master Chief Petty Officer	3,271	37	3,185	37	3,064	37
E-8 Senior Chief Petty Officer	6,984	81	6,944	82	6,692	84
E-7 Chief Petty Officer	24,519	333	24,487	338	23,709	339
E-6 1st Class Petty Officer	56,397	611	54,928	616	54,108	612
E-5 2nd Class Petty Officer	78,226	548	76,645	512	75,411	455
E-4 3rd Class Petty Officer	70,304	142	65,743	148	63,691	151
E-3 Seaman	57,559	26	56,190	26	52,074	26
E-2 Seaman Apprentice	24,235	0	21,545	0	20,389	0
E-1 Seaman Recruit	13,951	0	12,063	0	11,674	0
Total Enlisted	335,446	1,778	321,730	1,759	310,812	1,704
Total Officer and Enlisted	393,035	2,990	377,534	3,048	365,063	2,941
<u>Midshipmen</u>	4,185		4,159		4,035	
Total Average Strength	397,220	2,990	381,693	3,048	369,098	2,941

MILITARY PERSONNEL, NAVY
ACTIVE DUTY STRENGTHS BY MONTHS - ACTIVE FORCES 1/

	FY 2003 Actual				FY 2004 Estimate				FY 2005 Estimate			
	Off	Enl	Cadet	Total	Off	Enl	Cadet	Total	Off	Enl	Cadet	Total
September	54,476	324,351	4,281	383,108	55,022	322,915	4,298	382,235	54,873	314,650	4,040	373,563
October	54,432	324,837	4,276	383,545	55,021	321,602	4,293	380,916	54,389	313,449	4,316	372,154
November	54,507	325,157	4,266	383,930	54,954	321,252	4,285	380,491	53,775	312,658	4,310	370,743
December <u>2/</u>	54,538	324,689	4,247	383,474	55,044	320,457	4,241	379,742	53,386	311,380	4,299	369,065
January	54,467	324,503	4,197	383,167	54,911	320,315	4,297	379,523	53,546	310,819	4,281	368,646
February	54,373	324,129	4,197	382,699	54,782	320,003	4,285	379,070	53,552	310,122	4,269	367,943
March	54,396	323,377	4,189	381,962	54,727	319,792	4,279	378,798	53,589	309,655	4,263	367,507
April	54,416	321,989	4,184	380,589	54,854	319,686	4,271	378,811	53,676	309,307	4,255	367,238
May	55,730	321,046	3,163	379,939	56,067	319,463	4,051	379,581	55,117	308,609	4,109	367,835
June	55,852	321,739	3,188	380,779	55,974	319,523	3,226	378,723	54,892	309,186	3,506	367,584
July	55,638	322,962	4,337	382,937	55,778	318,567	4,209	378,554	54,661	309,147	3,974	367,782
August	55,425	324,300	4,328	384,053	55,570	317,319	4,357	377,246	54,442	309,261	4,078	367,781
September	55,022	322,915	4,298	382,235	53,608	316,192	4,000	373,800	52,870	309,030	4,000	365,900
Average Strength <u>3/</u>	57,589	335,446	4,185	397,220	55,804	321,730	4,159	381,693	54,251	310,812	4,035	369,098
Active Duty Special Work												
Average Strength	299	321	0	620	275	293	0	568	275	359	0	634
Dollars in Millions	28.5	15.8	0.0	44.3	29.3	15.7	0.0	45.0	30.3	19.9	0.0	50.2

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

2/ FY 2004 includes actual end strength through December 2003.

3/ Includes average strength funded with Supplemental funds.

MILITARY PERSONNEL, NAVY
GAINS AND LOSSES BY SOURCE AND TYPE - ACTIVE FORCES

	<u>OFFICERS</u>		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Begin Strength	54,476	55,022	54,873
Gains			
Naval Academy	814	826	818
Reserve Officer Training Corps	914	868	870
Senior ROTC	(58)	(39)	(39)
Scholarship	(856)	(829)	(831)
Health Professions Scholarships	238	332	323
Reserve Officer Candidates	0	0	0
Other Enlisted Commissioning Programs	1,632	1,377	1,400
Voluntary Active Duty	2,561	2,407	2,302
Direct Appointments	317	495	455
Warrant Officer Programs	218	190	161
Other	0	0	0
Gain Adjustment	36	31	0
Total Gains	6,730	6,526	6,329
Losses			
Expiration of Contract / Obligation	336	353	353
Normal Early Release	84	88	88
Retirement	1,804	1,834	1,857
Disability	(120)	(120)	(120)
Non-disability	(1,684)	(1,714)	(1,737)
TERA	0	0	0
Voluntary Separation - VSI	0	0	0
Voluntary Separation - SSB	0	0	0
Involuntary Separation - Reserve Officers	33	43	43
Involuntary Separation - Regular Officers	59	71	71
Reduction-in-Force	0	0	0
Attrition	3,652	3,671	3,654
Other	116	123	123
Loss Adjustment	100	1757	2143
Total Losses	6,184	7,940	8,332
End Strength	55,022	53,608	52,870

MILITARY PERSONNEL, NAVY
GAINS AND LOSSES BY SOURCE AND TYPE - ACTIVE FORCES 1/

	<u>ENLISTED</u>		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Begin Strength	324,351	322,915	314,650
Gains			
Non-prior Service Enlistments	38,507	38,818	39,253
Male	(31,979)	(31,451)	(31,453)
Female	(6,528)	(7,367)	(7,800)
Prior Service Enlistments	948	1,307	1,601
Reenlistments	39,513	37,158	38,111
Reserve	100	100	100
Navy Reserve (2/3 x 6) Program	218	104	88
Officer Candidate Programs	1,474	1,417	1,441
Returned from Dropped Rolls	3,351	3,322	3,153
Gain Adjustment	48	627	0
Total Gains	84,159	82,853	83,747
Losses			
Expiration of Term of Service (ETS)	13,714	18,854	19,956
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	1,344	1,297	1,105
To Warrant Officer	187	160	120
Reenlistment	39,513	37,158	38,111
Retirement	9,811	10,298	10,039
TERA	0	0	0
Other	0	0	0
Dropped from Rolls (Deserters)	1,861	1,857	1,735
Attrition (Adverse Causes)	9,790	9,561	8,734
Attrition (Other)	8,779	9,276	9,368
Reserve Components	554	370	199
Other Losses	0	0	0
Loss Adjustment	42	745	0
Total Losses	85,595	89,576	89,367
End Strength	322,915	316,192	309,030

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

MILITARY PERSONNEL, NAVY
GAINS AND LOSSES BY SOURCE AND TYPE - ACTIVE FORCES

	<u>MIDSHIPMEN</u>		
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Begin Strength	4,281	4,298	4,000
Gains			
Entering Midshipmen	1,236	1,235	1,188
Total Gains	1,236	1,235	1,188
Losses			
Attrition	259	567	229
Graduates	960	966	959
Total Losses	1,219	1,533	1,188
End Strength	4,298	4,000	4,000

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

	FY 2003			FY 2004			FY 2005		
	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>
1. Basic Pay	3,144,188	7,872,670	11,016,858	3,122,227	7,964,927	11,087,154	3,160,423	8,016,715	11,177,138
2. Retired Pay Accrual	861,506	2,156,243	3,017,749	846,124	2,158,496	3,004,620	869,116	2,204,596	3,073,712
2a. Defense Health Program Accrual (Over 65)	232,472	1,388,464	1,620,936	251,707	1,481,099	1,732,806	289,527	1,686,914	1,976,441
3. Basic Allowance for Housing	850,999	2,357,406	3,208,405	858,380	2,408,890	3,267,270	915,574	2,555,677	3,471,251
A. With Dependents - Domestic	571,798	1,620,576	2,192,374	572,883	1,764,646	2,337,529	626,005	1,881,119	2,507,124
B. Without Dependents - Domestic	206,215	544,225	750,440	229,251	489,582	718,833	233,326	520,964	754,290
C. Substandard Family Housing - Domestic	0	1,466	1,466	0	1,570	1,570	0	1,673	1,673
D. Partial - Domestic	130	8,578	8,708	99	8,154	8,253	96	8,023	8,119
E. With Dependents - Overseas	45,264	107,104	152,368	32,536	84,063	116,599	32,564	83,460	116,024
F. Without Dependents - Overseas	27,592	75,457	103,049	23,611	60,875	84,486	23,583	60,438	84,021
4. Subsistence	115,513	1,020,035	1,135,548	115,998	995,213	1,111,211	116,645	1,008,855	1,125,500
A. Basic Allowance for Subsistence	115,513	624,161	739,674	115,998	608,312	724,310	116,645	613,780	730,425
1. Authorized to Mess Separately	115,513	511,412	626,925	115,998	510,933	626,931	116,645	611,721	728,366
2. Leave Rations	0	0	0	0	0	0	0	0	0
3. Rations-In-Kind Not Available	0	110,467	110,467	0	95,313	95,313	0	0	0
4. BAS II	0	2,060	2,060	0	1,847	1,847	0	1,842	1,842
5. Augmentation for Separate Meals	0	222	222	0	219	219	0	217	217
6. Partial BAS	0	0	0	0	0	0	0	0	0
B. Subsistence-In-Kind	0	395,643	395,643	0	386,401	386,401	0	394,575	394,575
1. Subsistence in Messes	0	291,952	291,952	0	285,047	285,047	0	283,417	283,417
2. Special Rations	0	0	0	0	0	0	0	0	0
3. Operational Rations	0	2,743	2,743	0	2,803	2,803	0	2,864	2,864
4. Augmentation Rations	0	100,948	100,948	0	98,551	98,551	0	108,294	108,294
5. Other Programs	0	0	0	0	0	0	0	0	0
C. Family Subsistence Supplemental Allowance (FSSA)	0	231	231	0	500	500	0	500	500
5. Incentive Pay, Hazardous Duty, and Aviation Career	190,118	100,795	290,913	193,498	105,914	299,412	205,214	110,276	315,490
A. Flying Duty Pay	139,762	31,389	171,151	140,986	33,553	174,539	140,831	33,503	174,334
1. Aviation Career, Officers	75,210	0	75,210	73,705	0	73,705	72,876	0	72,876
2. Crew Members	146	14,356	14,502	287	16,222	16,509	157	16,268	16,425
3. Noncrew Member	38	183	221	36	1,136	1,172	36	1,089	1,125
4. Aviation Continuation Pay	64,368	0	64,368	66,958	0	66,958	67,762	0	67,762
5. Career Enlisted Flyer Pay	0	16,850	16,850	0	16,195	16,195	0	16,146	16,146
B. Submarine Duty Pay	21,901	56,859	78,760	21,963	59,661	81,624	26,550	60,207	86,757

(\$ in Thousands)

	FY 2003			FY 2004			FY 2005		
	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>
C. Submarine Support Incentive Pay	2,001	0	2,001	2,380	0	2,380	2,048	0	2,048
D. Parachute Jumping Pay	1,771	6,217	7,988	1,748	6,220	7,968	1,752	6,079	7,831
E. Demolition Pay	1,688	5,643	7,331	1,490	5,578	7,068	1,480	5,085	6,565
F. Special Warfare Officer Pay	2,019	0	2,019	2,728	0	2,728	2,850	0	2,850
G. Surface Warfare Officer Continuation Pay	19,702	0	19,702	21,001	0	21,001	28,501	0	28,501
H. Other Pays	1,274	687	1,961	1,202	902	2,104	1,202	5,402	6,604
6. Special Pays	298,965	900,573	1,199,538	283,911	925,443	1,209,354	267,176	870,067	1,137,243
A. Medical Pay	170,761	0	170,761	157,853	0	157,853	147,646	0	147,646
B. Dental Pay	30,459	0	30,459	31,490	0	31,490	30,415	0	30,415
C. Optometrists Pay	689	0	689	857	0	857	953	0	953
D. Veterinarians	0	0	0	0	0	0	0	0	0
E. Board Certified Pay for Non-Physician Health	1,535	0	1,535	1,849	0	1,849	1,655	0	1,655
F. Nurses Pay	2,100	0	2,100	2,078	0	2,078	2,078	0	2,078
G. Nuclear Officer Incentive Pay	43,556	0	43,556	41,788	0	41,788	47,022	0	47,022
H. Nuclear Accession Bonus	0	2,350	2,350	0	2,150	2,150	0	2,150	2,150
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	805	0	805	814	0	814	1,614	0	1,614
L. Sea and Foreign Duty, Total	28,807	303,817	332,624	27,587	301,481	329,068	25,652	279,219	304,871
1. Sea Duty	28,807	296,557	325,364	27,587	296,557	324,144	25,652	274,295	299,947
2. Duty at Certain Places	0	0	0	0	0	0	0	0	0
3. Overseas Extension Pay	0	7,260	7,260	0	4,924	4,924	0	4,924	4,924
M. Diving Duty Pay	3,804	11,252	15,056	3,570	11,194	14,764	3,532	11,194	14,726
N. Foreign Language Proficiency Pay	332	2,737	3,069	472	2,392	2,864	499	2,392	2,891
O. Hostile Fire Pay	12,685	85,830	98,515	10,873	63,175	74,048	1,430	674	2,104
P. Hardship Duty Pay	1,145	6,813	7,958	1,463	8,032	9,495	1,463	8,032	9,495
Q. Judge Advocate Continuation Pay	1,087	0	1,087	2,000	0	2,000	2,000	0	2,000
R. Reenlistment Bonus	0	339,336	339,336	0	350,184	350,184	0	362,486	362,486
1. Regular	0	152,235	152,235	0	172,124	172,124	0	172,672	172,672
2. Selective	0	187,101	187,101	0	178,060	178,060	0	189,814	189,814
S. Special Duty Assignment Pay	0	62,901	62,901	0	78,701	78,701	0	77,538	77,538
T. Enlistment Bonus	0	80,109	80,109	0	84,488	84,488	0	85,526	85,526
U. Education/Loan Repayment	0	5,427	5,427	0	10,146	10,146	0	9,380	9,380
V. High Deployment Per Diem Allowance	0	0	0	0	0	0	0	0	0
W. Other Special Pay	1,200	1	1,201	1,217	13,500	14,717	1,217	31,476	32,693
7. Allowances	101,469	567,734	669,203	70,871	463,162	534,033	77,451	448,189	525,640
A. Uniform or Clothing Allowances	2,760	185,949	188,709	2,302	176,716	179,018	2,206	177,683	179,889
1. Initial Issue	2,141	60,490	62,631	1,792	52,805	54,597	1,731	55,502	57,233

(\$ in Thousands)

	FY 2003			FY 2004			FY 2005		
	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>
a. Military	2,022	59,290	61,312	1,676	51,589	53,265	1,614	54,270	55,884
b. Civilian	119	1,200	1,319	116	1,216	1,332	117	1,232	1,349
2. Additional	619	13,872	14,491	510	13,652	14,162	475	13,458	13,933
3. Basic Maintenance	0	26,447	26,447	0	25,782	25,782	0	24,839	24,839
4. Standard Maintenance	0	81,471	81,471	0	80,808	80,808	0	80,215	80,215
5. Supplementary	0	3,669	3,669	0	3,669	3,669	0	3,669	3,669
6. Civilian Clothing Maintenance	0	0	0	0	0	0	0	0	0
B. Station Allowances Overseas	79,525	270,894	350,419	59,141	209,321	268,462	66,810	230,296	297,106
1. Cost-of-Living	70,678	243,311	313,989	53,729	185,360	239,089	61,398	206,350	267,748
2. Temporary Lodging	8,847	27,583	36,430	5,412	23,961	29,373	5,412	23,946	29,358
C. Family Separation Allowance	17,043	102,141	119,184	6,597	66,831	73,428	5,727	29,556	35,283
1. On PCS, No Government Quarters	1,227	3,582	4,809	681	1,602	2,283	703	1,637	2,340
2. On PCS, Dependent Not Authorized	3,069	21,129	24,198	699	11,256	11,955	384	6,191	6,575
3. Afloat	5,340	51,339	56,679	1,929	27,780	29,709	1,721	7,776	9,497
4. On TDY	7,407	26,091	33,498	3,288	26,193	29,481	2,919	13,952	16,871
D. Personal Money Allowance, General & Flag Officer	45	2	47	48	2	50	48	2	50
E. CONUS COLA	2,096	8,748	10,844	2,783	10,292	13,075	2,660	10,652	13,312
8. Separation Payments	24,303	196,906	221,209	31,697	253,708	285,405	26,518	165,017	191,535
A. Terminal Leave Pay	14,554	32,092	46,646	14,276	46,084	60,360	13,328	38,037	51,365
B. Lump Sum Readjustment Pay	650	0	650	2,926	0	2,926	3,012	0	3,012
C. Donations	0	10	10	0	10	10	0	10	10
D. Severance Pay, Disability	620	13,826	14,446	2,849	36,854	39,703	2,603	26,489	29,092
E. Severance Pay, Nonpromotion	3,619	0	3,619	4,566	0	4,566	4,395	0	4,395
F. Severance Pay, Invol Half (5%)	0	4,026	4,026	0	6,607	6,607	0	6,689	6,689
G. Severance Pay, Invol Full (10%)	0	2,742	2,742	0	41,433	41,433	0	4,562	4,562
H. Severance Pay, VSI	0	4,200	4,200	0	2,900	2,900	0	3,400	3,400
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	4,860	140,010	144,870	7,080	119,820	126,900	3,180	85,830	89,010
9. Social Security Tax Payment	238,959	602,260	841,219	237,834	604,318	842,152	240,344	608,278	848,622
9a. Special Compensation for Combat-Related Disabled	0	0	0	0	64,000	64,000	0	0	0
10. Permanent Change of Station Travel	251,717	551,063	802,780	263,093	559,615	822,708	264,116	570,934	835,050
11. Other Military Personnel Costs	6,217	91,379	97,596	5,892	72,935	78,827	3,247	70,254	73,501
A. Apprehension of Deserters	0	904	904	0	825	825	0	825	825
B. Interest on Uniformed Services Savings Deposit	177	265	442	84	125	209	84	125	209

(\$ in Thousands)

	FY 2003			FY 2004			FY 2005		
	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Total</u>
C. Death Gratuities	402	1,158	1,560	2,292	3,936	6,228	540	2,496	3,036
D. Unemployment Compensation	0	66,866	66,866	0	58,733	58,733	0	59,943	59,943
E. Survivor Benefits	305	1,392	1,697	154	700	854	310	1,411	1,721
F. Education Benefits	0	7,121	7,121	0	1,370	1,370	0	1,370	1,370
G. Adoption Expenses	138	92	230	142	94	236	148	98	246
H. Special Compensation for Severely Disabled	3,144	10,524	13,668	1,250	4,183	5,433	0	0	0
I. Transportation Subsidy	1,936	2,672	4,608	1,845	2,549	4,394	1,659	2,292	3,951
J. Partial Dislocation Allowance	115	385	500	125	420	545	506	1,694	2,200
12.Cadets/Midshipmen	50,458	0	50,458	52,851	0	52,851	52,840	0	52,840
Military Personnel Appropriation Total	6,366,884	17,805,528	24,172,412	6,334,083	18,057,720	24,391,803	6,488,191	18,315,772	24,803,963
13. Less Reimbursables	189,421	162,755	352,176	200,376	136,429	336,805	203,171	140,835	344,006
Military Personnel Appropriation Total, Direct	6,177,463	17,642,773	23,820,236	6,133,707	17,921,291	24,054,998	6,285,020	18,174,937	24,459,957

MILITARY PERSONNEL, NAVY
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
FY 2004
(\$ in Thousands)

	FY 2004 President's Budget	Congressional Action	Appropriation	Internal Realignment/ Reprogramming	Subtotal	Supplemental 1/	Anticipated Reprogramming	FY 2004 Col FY 2005 President's Budget
Pay and Allowances of Officers								
Basic Pay	3,029,230	-4,000	3,025,230	4,400	3,029,630	92,597		3,122,227
Retired Pay Accrual	820,921	-1,084	819,837	1,195	821,032	25,092		846,124
Defense Health Program Accrual	247,898		247,898	1,495	249,393	2,314		251,707
Incentive Pay	181,696		181,696	0	181,696	11,802		193,498
Special Pay	245,318	192	245,510	0	245,510	38,449		283,959
Basic Allowance for Housing	830,513		830,513	-10,815	819,698	38,682		858,380
Basic Allowance for Subsistence	111,221		111,221	1,578	112,799	3,199		115,998
Station Allowances Overseas	49,735		49,735	0	49,735	9,406		59,141
CONUS Cost of Living Allowances	2,180		2,180		2,180	603		2,783
Uniform Allowances	1,905		1,905	306	2,211	91		2,302
Family Separation Allowances	4,314	134	4,448	7	4,455	2,142		6,597
Separation Payments	37,085		37,085	-395	36,690	-4,993		31,697
Social Security Tax-Employer's Contribution	230,716	-306	230,410	2,229	232,639	5,195		237,834
Total Obligations	5,792,732	-5,064	5,787,668	0	5,787,668	224,579		6,012,247
Less Reimbursements	198,660	0	198,660	0	198,660	0		198,660
Total Direct Obligations	5,594,072	-5,064	5,589,008	0	5,589,008	224,579		5,813,587
Pay and Allowances of Enlisted								
Basic Pay	7,833,599	-3,592	7,830,007	-12,783	7,817,224	147,703		7,964,927
Retired Pay Accrual	2,122,905	-974	2,121,931	-3,751	2,118,180	40,316		2,158,496
Defense Health Program Accrual	1,465,143		1,465,143	-4,909	1,460,234	20,865		1,481,099
Incentive Pay	101,680		101,680	1,085	102,765	3,149		105,914
Special Pay	341,698	5,502	347,200	3,431	350,631	51,295		401,926
Special Duty Assignment Pay	78,638		78,638	0	78,638	63		78,701
Reenlistment Bonus	370,484	-20,300	350,184	0	350,184			350,184
Enlistment Bonus	84,488		84,488	0	84,488			84,488
Navy College Fund	10,046		10,046	0	10,046			10,046
Loan Repayment Program	100		100	0	100			100
Basic Allowance for Housing	2,355,412	-9,300	2,346,112	-14,544	2,331,568	77,322		2,408,890
Station Allowances Overseas	183,450		183,450	0	183,450	25,871		209,321
CONUS Cost of Living Allowances	8,022		8,022	0	8,022	2,270		10,292
Clothing Allowances	181,216		181,216	-4,351	176,865	-149		176,716
Family Separation Allowances	27,693	12,969	40,662	14,465	55,127	11,704		66,831
Separation Payments	180,251	-26,000	154,251	22,416	176,667	77,041		253,708
Combat-Related Disabled	64,000		64,000	0	64,000			64,000
Social Security Tax-Employer's Contribution	594,271	-274	593,997	-1,059	592,938	11,380		604,318
Total Obligations	16,003,096	-41,969	15,961,127	0	15,961,127	468,830		16,429,957
Less Reimbursements	89,261	0	89,261	0	89,261	0		89,261
Total Direct Obligations	15,913,835	-41,969	15,871,866	0	15,871,866	468,830		16,340,696

MILITARY PERSONNEL, NAVY
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
FY 2004
(\$ in Thousands)

	FY 2004 President's Budget	Congressional Action	Appropriation	Internal Realignment/ Reprogramming	Subtotal	Supplemental 1/	Anticipated Reprogramming	FY 2004 Col FY 2005 President's Budget
Pay and Allowances for Midshipmen								
Academy Midshipmen	52,851		52,851		52,851			52,851
Total Obligations	52,851		52,851		52,851			52,851
Less Reimbursements	0		0		0			0
Total Direct Obligations	52,851		52,851		52,851			52,851
Subsistence of Enlisted Personnel								
Basic Allowance for Subsistence	577,540	-275	577,265	12,282	589,547	18,765		608,312
Subsistence-in-Kind	398,881	-275	398,606	-12,282	386,324	77		386,401
FSSA	500		500	0	500			500
Total Obligations	976,921	-550	976,371	0	976,371	18,842		995,213
Less Reimbursements	45,384	0	45,384	0	45,384	0		45,384
Total Direct Obligations	931,537	-550	930,987		930,987	18,842		949,829
Permanent Change of Station Travel								
Accession Travel	59,115		59,115	-795	58,320	-5,676		52,644
Training Travel	54,924		54,924	4,873	59,797	21,696		81,493
Operational Travel	168,055	-80	167,975	11,318	179,293	74,549	7,200	261,042
Rotational Travel	255,429	-140	255,289	3,638	258,927	2,331	7,200	268,458
Separation Travel	106,978		106,978	-19,795	87,183	5,747	7,200	100,130
Travel of Organized Units	25,000		25,000	99	25,099	4,220		29,319
Non-Temporary Storage	11,354		11,354	4,638	15,992	-3,930		12,062
IPCOT/OTEIP	7,424		7,424	-4,147	3,277	4,147		7,424
Temporary Lodging Expense	13,446		13,446	171	13,617	-3,481		10,136
Total Obligations	701,725	-220	701,505	0	701,505	99,603	21,600	822,708
Less Reimbursements	3,500		3,500		3,500			3,500
Total Direct Obligations	698,225	-220	698,005	0	698,005	99,603	21,600	819,208

MILITARY PERSONNEL, NAVY
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
FY 2004
(\$ in Thousands)

	<u>FY 2004 President's Budget</u>	<u>Congressional Action</u>	<u>Appropriation</u>	<u>Internal Realignment/ Reprogramming</u>	<u>Subtotal</u>	<u>Supplemental 1/</u>	<u>Anticipated Reprogramming</u>	<u>FY 2004 Col FY 2005 President's Budget</u>
Other Personnel Costs								
Apprehension of Military Deserters								
Absentees & Escaped Military								
Prisoners	825		825	0	825			825
Interest on Savings Deposits	209		209	0	209			209
Death Gratuities	1,470	1,500	2,970	-1,446	1,524	4,704		6,228
Unemployment Compensation	57,794		57,794	1,397	59,191	-458		58,733
Survivors' Benefits	853		853	1	854			854
Education Benefits	1,370		1,370	0	1,370			1,370
Transportation Subsidy	4,391		4,391	3	4,394			4,394
Adoption Expenses	236		236	0	236			236
Special Compensation for Severely Disabled	5,433		5,433	0	5,433			5,433
Partial Dislocation Allowance	500		500	45	545			545
Total Obligations	73,081	1,500	74,581	0	74,581	4,246		78,827
Less Reimbursements	0		0		0			0
Total Direct Obligations	73,081	1,500	74,581		74,581	4,246		78,827
Total Direct Obligations	23,263,601	-46,303	23,217,298	0	23,217,298	816,100	21,600	24,054,998

1/ The appropriation of supplemental funds by budget activity includes internal adjustments by budget line item.

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

		<u>AMOUNT</u>
FY 2004 Direct Program		\$24,054,998
Increases		
Basic Pay		110,709
Annualization of FY 2004 Pay Raise	101,327	
FY 2005 Pay Raise	303,981	
Decrease in Workyears	-352,640	
Increase Due to Change in Paygrade Mix	58,041	
Defense Health Program Accrual		243,635
Over 65		
Number	-48,189	
Rate	291,824	
Overseas Station Allowance		28,644
Decrease in Temporary Lodging Allowance	-15	
Increase in Cost of Living Allowance		
Rate	29,405	
Number	-746	
Incentive Pay		16,078
Increase in Aviation Career Continuation Pay (ACCP)		
Number	6,580	
Rate	-5,776	
Decrease in Aviation Career Incentive Pay (ACIP)		
Rate	-829	
Increase in Surface Warfare Officer Incentive Pay		
Number	1,611	
Rate	5,889	
Increase in Number Entitled to Parachute Jumping Pay		
Number	-155	
Rate	18	
Increase in Submarine Duty Pay		
Number	733	
Rate	4,400	
Decrease in Submarine Support Incentive Pay		
Number	-630	
Rate	298	

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

		<u>AMOUNT</u>
Increase in Special Warfare Incentive Pay		
Number	251	
Rate	-129	
Decrease in Demolition Duty Pay		
Number	-503	
Rate	0	
Decrease in Crew Member Pay		
Number	-130	
Increase in Lateral Conversion Bonus Number Entitled	4,500	
Decrease in Flight Deck Duty Number Entitled	-49	
Decrease in flying duty between career and non- career		
Number	-1	
Basic Allowance for Housing (BAH)		172,861
Annualization of FY 2004 Housing Rate Growth	51,974	
FY 2005 Housing Rate Growth	155,919	
Decrease in Overseas Housing Allowance		
Number	-10,643	
Rate	9,603	
Decrease in Work years	-33,992	
Basic Subsistence		9,606
1 Jan 2004 BAS Annualization	7,794	
1 Jan 2005 BAS 3.0%	23,381	
Decrease due to Deflation of Midshipmen BAS Daily Rate	147	
Increase in operation rations due to change in food prices and inflation	61	
Decrease in Augmentation Rations Daily Rate	-23	
Increase in Sale of Meal Rate/BDFA Cost of Food Variance	800	
Increase due to change in Inventory	109	
Increase in BDFA Rates Due to Change in Food Prices and Inflation	5,667	
Increase in Food Service Re-Engineering Initiatives	5,295	
Decrease in BAS Work years	-15,132	
Increase due to higher Receipt with Charge (RWC) - Surveys	47	
Decrease in SIK Work years	-8,495	
Decrease due to BAS Collections	-10,240	
Increase in Contract Messes, Hospital and Military Sealift Command due to daily rate	195	

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

		<u>AMOUNT</u>
Retired Pay Accrual		74,852
Annualization of FY 2004 Pay Raise	27,777	
FY 2005 Pay Raise	83,329	
Increase in Normal Cost Percentage from 27.1% to 27.5%	44,708	
Decrease in Work years	-96,923	
Increase Due to Change in Paygrade Mix	15,961	
FICA		8,056
Annualization of FY 2004 Pay Raise	7,695	
FY 2005 Pay Raise	23,083	
Result of Decrease in Work years	-27,132	
Increase Due to Change in Paygrade Mix	4,410	
CONUS COLA		237
Number	-200	
Rates	437	
Clothing Allowances		871
Decrease in Replacement Clothing Allowance		
Number	-3,479	
Rate	1,749	
Increase to Initial Clothing Allowance		
Number	2,034	
Rate	601	
Increase in Civilian Clothing Rate Due to Inflation of 1.3%	1	
Decrease in Additional Clothing Allowance	-35	
Permanent Change of Station		12,862
Decrease Due to Fewer Officer Accessions, Midshipmen Accessions, Enlisted Training, Enlisted Organized Units, Separations and Operational Moves	-74,561	
Decreased Cost of Commercially Procured Services Due to 1.3% Projected Inflation	-1,192	
Decreased Cost of MTMC Liner Ocean Transportation Due to -10.4% Projected Inflation	-134	
Additional Planned Enlisted Accession, Officer Training, Officer Organized Units, and Rotational Moves	77,298	
Increased Cost of Commercially Procured Services Due to 1.3% Projected Inflation	54	
Increased Cost of AMC, Cargo Services Due to 1.8% projected inflation	35	
Increased Cost of MTMC Cargo Operations (Port Handling) Due to 33.3% projected inflation	87	

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

		<u>AMOUNT</u>
Increased Cost of AMC, Channel Passenger Services Due to 1.8% projected inflation	71	
Increased Cost of MTMC Global POV Services Due to 17.1% projected inflation	2,133	
Annualization of FY 2004 Pay Raise	2,529	
FY 2005 Pay Raise	6,542	
Reenlistment Bonus		12,302
Increase in Distribution SRB	2,000	
Increase in New Payments		
Number	3,774	
Rates	5,980	
Increase in Anniversary Payments		
Number	-1,759	
Rates	2,307	
Enlistment Bonus		1,038
Increase number in New Payments	302	
Increase number in residual payments	736	
Total Increases		691,751
Decreases		
Family Separation Allowance		-38,145
Annualization of FY 2004 Pay Raise	15	
FY 2005 Pay Raise	42	
PCS With Dependent Not Authorized		
Rates	-315	
Onboard Ship More Than 30 Days		
Number	1,200	
Rates	-1,408	
On Temporary Duty More Than 30 Days		
Number	2,019	
Rates	-2,388	
Decrease in number entitled	-14,466	
Decrease in rates	-22,844	
Separation Payments		-93,870
Annualization of FY 2004 Pay Raise	606	
FY 2005 Pay Raise	1,815	
Increase in Reservists' Pay Rate	86	

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

		<u>AMOUNT</u>
Increase in Fail to Promote Rate	-171	
Increase in VSI Trust Fund	500	
Increase in Severance Pay, Disability		
Number	-10,093	
Rate	-518	
Decrease in Lump Sum Payments Number	-11,416	
Decrease in \$30,000 Lump Sum Bonus	-37,890	
Increase in Severance Pay Non Disability		
Number	-34,041	
Rate	-2,748	
Combat-Related Disabilities		-64,000
Other Military Personnel Costs		-5,326
Survivors' Benefits		
Increase in Department of Veterans Affairs estimate	867	
Unemployment Compensation		
Increase in Number of Members Entitled	8,586	
Decrease in Department of Labor Rate	-7,376	
Adoption Expenses		
Increase in number of payments	10	
Partial Dislocation Allowance		
Increase in number of payments	1,655	
Death Gratuities		
Decrease due to retroactive payments reflected in FY 2004	-3,192	
Transportation Subsidy		
Decrease in number	-443	
Special Compensation for Severely Disabled		
Program transferred to Military Retirement Fund	-5,433	
Special Pay		-83,522
Decrease in Imminent Danger Pay		
Number	-71,242	
Rate	-702	
Decrease in Career Sea Pay Number Entitled and Paygrade Mix	-24,197	
Increase in Nuclear Officer Incentive Pay		
Number	702	
Rate	4,532	
Decrease in Dental Multi Year Special Pay		
Number	-2,658	

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

		<u>AMOUNT</u>
Decrease in Dental Saved Pay Number Number	-12	

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

	<u>AMOUNT</u>
Decrease in Dental Accession Bonus Number	
Number	-150
Decrease in Dental Board Certified Pay	
Number	-253
Rate	32
Increase in Dental Additional Special Pay	
Number	1,830
Rate	-41
Increase in Dental Variable Special Pay	
Number	178
Rate	-1
Decrease in Medical Board Certified Pay	
Number	325
Rate	-572
Decrease in Medical Variable Special Pay	
Number	-688
Rate	-28
Decrease in Medical Incentive Pay	
Number	-11,595
Rate	5,189
Decrease in Medical Additional Special Pay	
Number	-2,430
Increase in Linguist Pay	
Number	27
Increase in Distribution Incentive Pay	17,976
Decrease in Multi Year Pay	
Number	2,172
Rate	-2,580
Increase in Multi Year Retention Bonus	
Number	96
Increase in Responsibility Pay	
Rate	800
Decrease in Diving Duty Pay	
Rate	-38
Decrease in Psyche Diplomat & Non Physician Pay	
Number	-294
Rate	100

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

		<u>AMOUNT</u>
Decrease in Special Duty Assignment Pay Number	-1,163	-1,163
Educational Benefits		-766
Increase number in 40K Program	-202	
Increase number in 50K Program	-1,164	
Increase number in Navy College Fund	600	
TOTAL DECREASES		-286,792
FY 2005 Direct Program		24,459,957

Section 4

Detail of Military Personnel Entitlements

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 2004 Direct Program		\$5,813,587
Increases:		
Basic Pay		49,778
Annualization of FY 2004 Pay Raise	25,071	
FY 2005 Pay Raise	75,213	
Decrease in Workyears	-78,865	
Increase Due to Change in Paygrade Mix	28,359	
Retired Pay Accrual		26,253
Annualization of FY 2004 Pay Raise	6,895	
FY 2005 Pay Raise	20,684	
Increase in normal cost percentage from 27.1% to 27.5%	12,641	
Decrease in Workyears	-21,765	
Increase Due to Change in Paygrade Mix	7,798	
Defense Health Program Accrual		37,820
Over 65		
Number	-4,929	
Rate	42,749	
Incentive Pay for Hazardous Duty		11,716
Decrease in Aviation Career Incentive Pay (ACIP)		
Number	-829	
Decrease in Crew Member		
Number	-130	
Increase in Aviation Career Continuation Pay (ACCP)		
Number	6,580	
Rate	-5,776	
Decrease in Demolition Duty		
Number	-10	
Rate	0	
Increase in Number Entitled to Parachute Jumping		
Number	-14	
Rate	18	

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

		<u>AMOUNT</u>
Increases (cont.):		
Increase in Submarine Duty Pay		
Number	401	
rate	4,186	
Decrease in Submarine Support Incentive Pay		
Number	-630	
rate	298	
Increase in Special Warfare Incentive Pay		
Number	251	
Rate	-129	
Increase in Surface Warfare Officer Incentive Pay		
Number	1,611	
Rate	5,889	
Basic Allowance for Subsistence		464
Decrease in Workyears	-3,091	
1 Jan 2004 BAS Annualization	889	
1 Jan 2005 BAS 3.0%	2,666	
Overseas Station Allowance		7,669
Cola		
Rate	7,669	
Basic Allowance for Housing (BAH)		38,598
Annualization of FY 2004 Housing Growth	11,268	
FY 2005 Housing Rate Growth	33,802	
Decrease in Workyears	-6,472	
No Change in Overseas Housing Allowance		
Number	-4,059	
Rate	4,059	
FICA		3,396
Annualization of FY 2004 Pay Raise	1,907	
FY 2005 Pay Raise	5,720	
Result of Decrease in Workyears	-6,388	
Increase Due to Change in Paygrade Mix	2,157	
Total Increases		175,694

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

		<u>AMOUNT</u>
Decreases:		
Special Pay		-16,735
Decrease in Medical Variable Special Pay		
Number	-688	
Rate	-28	
Decrease in Medical Additional Special Pay		
Number	-2,430	
Decrease in Medical Board Certified Pay		
Number	325	
Rate	-572	
Decrease in Medical Incentive Pay		
Number	-11,595	
Rate	5,189	
Decrease in Multi Year Pay		
Number	2,172	
Rate	-2,580	
Increase in Dental Variable Special Pay		
Number	178	
Rate	-1	
Increase in Dental Additional Special Pay		
Number	1,830	
Rate	-41	
Decrease in Dental Board Certified Pay		
Number	-253	
Rate	32	
Decrease in Dental Accession Bonus		
Number	-150	
Decrease in Dental Saved Pay		
Number	-12	
Decrease in Dental Multi Year Special Pay		
Number	-2,658	
Increase in Multi Year Retention Bonus		
Number	96	
Increase in Responsibility Pay		
Rate	800	
Decrease in Diving Duty Pay		
Rate	-38	
Increase in Nuclear Officer Incentive Pay		
Number	702	
Rate	4,532	
Decrease in Career Sea Pay Number Entitled		
Number	-1,935	
Decrease in Imminent Danger Pay		
Number	-8,966	
Rate	-477	

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

		<u>AMOUNT</u>
Decreases (cont.):		
Increase in Linguist Pay		
Number	27	
Decrease in Psyche Diplomat & Non Physician Pay		
Number	-294	
Rate	100	
Decrease in CONUS COLA		-123
Number	-200	
Rates	77	
Family Separation Allowance		-870
Annualization of FY 2004 Pay Raise	6	
FY 2005 Pay Raise	16	
PCS With Dependent Not Authorized		
Rates	-315	
Onboard Ship More Than 30 Days		
Number	1,200	
Rates	-1,408	
On Temporary Duty More Than 30 Days		
Number	2,019	
Rates	-2,388	
Clothing Allowances		-96
Increase in Civilian Clothing Rate Due to Inflation of 1.3%	1	
Decrease in Additional Clothing Allowance	-35	
Decrease to Initial Clothing Number Entitled	-62	
Separation Payments		-5,179
Annualization of FY 2004 Pay Raise	135	
FY 2005 Pay Raise	403	
Decrease in Lump Sum Payments Number	-1,486	
Increase in Reservists Pay		
Rate	86	
Decrease in Fail to Promote		
Rate	-171	
Decrease in Severance Pay, Disability		
Number	-331	
Rate	85	
Decrease in \$30,000 Lump Sum Bonus Number	-3,900	
Total Decreases		-23,003
FY 2005 Direct Program		\$5,966,278

(In Thousands Of Dollars)

Project: Basic Pay - Officer

FY 2005 Estimate	3,160,423
FY 2004 Estimate	3,122,227
FY 2003 Actual	3,144,188

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 and P.L. 97-37. The estimate excludes those officers on active duty at the seat of government and at headquarters responsible for reserve affairs (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 2004 is based on an end strength of 53,608 and 55,804 workyears. FY 2005 is based on an end strength of 52,870 and 54,251 workyears. Costs are calculated on the basis of grade distribution and average rates experienced. FY 2004 includes a pay raise ranging from 3.7% to 6.25% based on pay grade and years of service, with an overall average of 4.1%, and FY 2005 includes 3.5% across the board pay raise effective 1 January 2005.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Admiral	9	141,424.13	1,273	8	144,836.88	1,159	8	149,438.63	1,196
Vice Admiral	31	134,970.61	4,184	25	137,900.12	3,448	25	142,237.68	3,556
Rear Admiral (UH)	72	121,657.43	8,759	77	124,885.57	9,616	77	128,842.10	9,921
Rear Admiral (LH)	112	107,888.67	12,084	109	110,638.29	12,060	113	114,129.17	12,897
Captain	3,790	90,961.40	344,744	3,555	93,110.56	331,008	3,499	96,006.96	335,928
Commander	7,830	73,339.74	574,250	7,414	75,455.24	559,425	7,284	77,923.65	567,596
Lieutenant Commander	11,474	61,949.03	710,803	10,758	63,902.87	687,467	10,678	66,016.12	704,920
Lieutenant	17,384	50,221.66	873,053	17,341	51,807.53	898,394	17,574	53,515.61	940,483
Lieutenant Junior Grade	7,649	40,191.12	307,422	7,975	40,998.20	326,961	7,210	42,201.61	304,274
Ensign	7,512	29,773.31	223,657	6,901	30,327.66	209,291	6,175	31,212.11	192,735
Warrant Officer 5	-	-	-	6	70,144.83	421	30	72,389.23	2,172
Warrant Officer 4	347	60,125.57	20,864	331	63,227.85	20,928	331	65,716.81	21,752
Warrant Officer 3	418	50,955.17	21,299	485	52,922.94	25,668	660	54,782.53	36,156
Warrant Officer 2	961	43,492.31	41,796	819	44,421.16	36,381	587	45,718.81	26,837
Warrant Officer 1	-	-	-	0	-	-	0	-	-
Total Basic Pay	57,589		3,144,188	55,804		3,122,227	54,251		3,160,423

(In Thousands Of Dollars)

Project: Retired Pay Accrual (RPA) - Officer

FY 2005 Estimate	869,116
FY 2004 Estimate	846,124
FY 2003 Actual	861,506

Part I - Purpose And Scope

Funds requested provide for the Department of Defense's contribution to its military retirement fund, in accordance with Title 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 27.1% in FY 2004 and 27.5% in FY 2005
- (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:

	<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>		
Basic Pay	3,144,188			3,122,227			3,160,423		
Less Fines & Forfeitures	-			-			-		
Basic Pay Subject To RPA	3,144,188			3,122,227			3,160,423		
	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Retired Pay Accrual	57,589	14,959.56	861,506	55,804	15,162.42	846,124	54,251	16,020.28	869,116
Total Retired Pay Accrual	57,589		861,506	55,804		846,124	54,251		869,116

(In Thousands Of Dollars)

Project: Defense Health Program (DHP) Accrual - Officer	FY 2005 Estimate	289,527
	FY 2004 Estimate	251,707
	FY 2003 Actual	232,472

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) DHP Accrual Over 65 Officers	54,880	4,236.00	232,472	55,054	4,572.00	251,707	53,976	5,364.00	289,527
Total Defense Health Program Accrual	54,880		232,472	55,054		251,707	53,976		289,527

(In Thousands Of Dollars)

Project: Incentive Pay For Hazardous Duty - Officer	FY 2005 Estimate	205,214
	FY 2004 Estimate	193,498
	FY 2003 Actual	190,118

Part I - Purpose And Scope

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

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

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. Special warfare contribution pay is not to exceed \$15,000 per year. Surface warfare is not to exceed \$50,000 per bonus.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Flying Duty - Commissioned Officers									
Regular (2) years	2,038	1,500.00	3,057	2,429	1,500.00	3,644	2,433	1,500.00	3,650
Regular (2-3) years	908	1,872.00	1,700	820	1,872.00	1,535	1,002	1,872.00	1,876
Regular (3-4) years	870	2,256.00	1,963	834	2,256.00	1,882	799	2,256.00	1,803
Regular (4-6) years	1,799	2,472.00	4,447	1,492	2,472.00	3,688	1,557	2,472.00	3,849
Regular (6-14) years	4,257	7,800.00	33,205	4,394	7,800.00	34,273	4,395	7,800.00	34,281
Regular (14-22) years	2,759	10,080.00	27,811	2,520	10,080.00	25,402	2,355	10,080.00	23,738
Regular (> 22) years	188	7,020.00	1,320	204	7,020.00	1,432	232	7,020.00	1,629
Regular (> 23) years	160	5,940.00	950	156	5,940.00	927	176	5,940.00	1,045
Regular (> 24) years	99	4,620.00	457	123	4,620.00	568	141	4,620.00	651
Regular (> 25) years	58	3,000.00	174	65	3,000.00	195	65	3,000.00	195
Total - (1A)	13,136		75,084	13,037		73,546	13,155		72,717
(1B) Flying Duty - Warrant Officers									
2 Years	2	1,500.00	3	4	1,500.00	6	4	1,500.00	6
2 - 3 Years	2	1,872.00	4	6	1,872.00	11	6	1,872.00	11
3 - 4 Years	8	2,256.00	18	2	2,256.00	5	2	2,256.00	5
4 - 6 Years	3	2,472.00	7	5	2,472.00	12	5	2,472.00	12
6 - 18 Years	12	7,800.00	94	16	7,800.00	125	16	7,800.00	125
Total - (1B)	27		126	33		159	33		159
SubTotal (1A 1B)			75,210			73,705			72,876
(1C) Crew Members									
Crew Members	64	2,280.90	146	126	2,280.90	287	69	2,280.90	157
Total - (1C)	64		146	126		287	69		157
(1D) Non-Crew Members									
Non-Crew Members	21	1,800.00	38	20	1,800.00	36	20	1,800.00	36
Total - (1D)	21		38	20		36	20		36
(1E) Continuation Pay									

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Pilots	1,885	23,361.93	44,037	2,009	22,906.50	46,019	2,225	20,914.67	46,535
Flight Officers	1,326	15,332.52	20,331	1,309	15,996.31	20,939	1,411	15,043.85	21,227
Total - (1E)	3,211		64,368	3,318		66,958	3,636		67,762
Total - (Group) (1)	16,459		139,762	16,534		140,986	16,913		140,831
(2) Submarine Duty for Officers									
09 - Vice Admiral	-	4,260.00	-	1	4,260.00	4	-	4,273.00	-
08 - Rear Admiral (UH)	2	4,260.00	9	3	4,260.00	13	1	4,273.00	4
07 - Rear Admiral (LH)	3	4,260.00	13	3	4,260.00	13	5	4,273.00	21
06 - Captain	212	7,140.00	1,514	236	7,140.00	1,685	220	9,782.00	2,152
05 - Commander	358	7,140.00	2,556	378	7,140.00	2,699	380	10,067.00	3,825
04 - Lieutenant Commander	583	7,140.00	4,163	512	7,140.00	3,656	585	9,496.00	5,555
03 - Lieutenant	1,066	7,140.00	7,611	1,161	7,140.00	8,290	1,075	8,396.00	9,026
02 - Lieutenant (JG)	823	3,681.00	3,029	729	3,681.00	2,683	769	3,681.00	2,831
01 - Ensign	797	3,225.00	2,570	799	3,225.00	2,577	844	3,225.00	2,722
W5 - Warrant Officer	-	-	-	-	-	-	3	5,125.00	15
W4 - Warrant Officer	15	5,125.00	77	11	5,125.00	56	11	5,125.00	56
W3 - Warrant Officer	14	5,125.00	72	23	5,125.00	118	19	5,125.00	97
W2 - Warrant Officer	56	5,122.00	287	33	5,122.00	169	48	5,125.00	246
W1 - Warrant Officer	-	-	-	-	-	-	-	-	-
Total - (2)	3,929		21,901	3,889		21,963	3,960		26,550
(3) Submarine Support Incentive Pay									
Submarine Support Incentive Pay	171	11,700.00	2,001	238	10,000.00	2,380	175	11,700.00	2,048
Total - (3)	171		2,001	238		2,380	175		2,048
(4) Parachute Jumping (Officer)									
Parachute Jumping	919	1,927.37	1,771	902	1,937.43	1,748	895	1,957.54	1,752
Total - (4)	919		1,771	902		1,748	895		1,752
(5) Duty inside a high/low pressure chamber									
Hi/Lo Pressure Chamber	70	1,800.00	126	88	1,800.00	158	88	1,800.00	158
Total - (5)	70		126	88		158	88		158

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
(6) Demolition Duty (Officer) Demolition Duty	938	1,800.00	1,688	828	1,800.00	1,490	822	1,800.00	1,480
Total - (6)	938		1,688	828		1,490	822		1,480
(7) Flight Deck Duty Flight Deck Duty	638	1,800.00	1,148	580	1,800.00	1,044	580	1,800.00	1,044
Total - (7)	638		1,148	580		1,044	580		1,044
(8) Toxic Material Pay Toxic Material Pay	0	1,800.00	-	0	1,800.00	0	0	1,800.00	0
Total - (8)	0		-	0		0	0		0
(9) Surface Warfare Pay Surface Warfare Pay	1,640	12,013.37	19,702	1,799	11,673.89	21,001	1,937	14,714.00	28,501
Total - (9)	1,640		19,702	1,799		21,001	1,937		28,501
(10) Special Warfare Pay Special Warfare Pay	144	14,020.94	2,019	185	14,745.95	2,728	202	14,108.91	2,850
Total - (10)	144		2,019	185		2,728	202		2,850
Total Incentive Pay For Hazardous Duty	24,908		190,118	25,043		193,498	25,572		205,214

(In Thousands Of Dollars)

Project: Special Pay - Officer

FY 2005 Estimate	267,224
FY 2004 Estimate	283,959
FY 2003 Actual	299,010

Part I - Purpose And Scope

Funds requested provide for the following special pay:

- (1) Physicians pay (37 U.S.C. 302):
 - (a) Variable special pay - monthly payment to medical corps officers on active duty under a call or order to active duty for a period of not less than one year.
Amount paid varies with total length of creditable service.
 - (b) Additional special pay - an annual payment which varies with length of creditable service paid to medical corps officers who execute a written agreement to remain on active duty for a period of not less than one year and who are not undergoing medical or osteopathic internship, or initial residency.
 - (c) Board certified pay - a monthly payment which varies with length of creditable service paid to medical corps officers who become certified or re-certified as having successfully met specified post-graduate education, training and experience requirements in a medical or osteopathic specialty.
 - (d) Medical incentive pay - for medical corps officers, 0-6 and below, who meet certain criteria, and who agree to remain on active duty for a period of one year and who are not undergoing medical or osteopathic internship, initial residency, subspecialty or fellowship training.
 - (e) Multiyear specialty pay (MSP) (P.L. 101-150) - MSP is a bonus payable to medical corps officers who have 8 years of creditable service or no further post graduate medical training obligation and executes an agreement to serve an additional two to four years on active duty.
- (2) Dentists pay (37 U.S.C. 302b):
 - (a) Variable special pay - monthly payment to dental corps officers on active duty under a call or order to active duty for a period of not less than one year.
Amount paid varies with total length of creditable service.
 - (b) Additional special pay - an annual payment which varies with length of creditable service which is paid to dental corps officers who execute a written agreement to remain on active duty for a period of not less than one year and who are not undergoing dental internships or residency training.
 - (c) Board certified pay - a monthly payment which varies with length of creditable service paid to dental corps officers who attain board certification or board certification equivalency requirements.
 - (d) Accession bonus - a bonus paid to a dental school graduate who agrees to accept a commission as an officer and remain on active duty for a period of not less than four years.
 - (e) Multiyear specialty pay (MSP) -MSP is a bonus payable to a dental corps officer who has at least 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.
- (3) Optometrists pay (37 U.S.C. 302a)
 - (a) Special pay - a monthly pay of \$100 to officers on active duty designated as optometrists.
 - (b) Multiyear retention bonus - an annual payment of 6,000 per year of contract for designated officers who agree to remain on active duty as an optometrist.
- (4) Pharmacy accession bonus (37 U.S.C. 302j)
 - (a) Accession bonus - authorized payment not to exceed \$30,000 to eligible commissioned officers who sign a written agreement to serve on active duty in exchange for receiving the accession bonus.
 - (b) Special pay - payable to active duty officers designated as pharmacists who agree to remain on active duty for a period of one year or more.
- (5) Nurse pay (37 U.S.C. 302d and 302e)
 - (a) Accession bonus - a bonus paid to a person who is a registered nurse who agrees to accept a commission as an officer and remain on active duty for a period of not less than four years.
 - (b) Incentive - for nurse anesthetists who agree to remain on active duty for a period of one year or more.

- (6) Personal money allowances (37 U.S.C. 414)
- (a) Personal money allowances - paid to flag officers on active duty who are serving as chairman joint chiefs of staff, vice admirals, senior members of the military staff committee of the united states, admiral, or chief of naval operations.
 - (b) Special allowances (37 U.S.C. 414b) - paid to officers on active duty serving as commandant of midshipmen, u.s naval academy; superintendent, naval post graduate school; president, naval war college; superintendent, u.s naval academy, or director of naval intelligence.
- (7) Responsibility pay (37 U.S.C. 306) - an amount which varies by pay grade, payable to officers on active duty serving in secretary of the navy designated positions of unusual responsibility which are of a critical nature to the navy.
- (8) Diving duty pay (37 U.S.C. 304) - a monthly amount not to exceed \$240 paid to officers on active duty assigned to diving duty. Recipients of diving duty pay are required to maintain proficiency as divers and must actually perform diving duty.
- (9) Nuclear officer incentive pay (37 U.S.C. 312, 312b and 312c) :
- (a) An annual bonus not to exceed \$19,000 paid to officers below the pay grade of 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 \$2,000 paid to officers who complete nuclear power training.
 - (c) An annual bonus not to exceed \$12,500 paid to officers below the pay grade of 0-7 who are qualified to supervise, operate, and maintain naval nuclear propulsion plants.
- (10) Civil engineer corps (CEC) accession bonus - (37 U.S.C. 5) : a bonus not to exceed \$5,000 to an individual who is selected for CEC officer training and commissioned via officer candidate school and who executes a written agreement to participate in a program of training for duty in connection with CEC and agrees to accept a commission in the CEC.
- (11) Sea Pay (37 U.S.C. 305a) :
- (a) Career Sea Pay (CSP) - a variable amount paid monthly to officers on active duty who are permanently or temporarily serving on a ship, the primary mission of which is accomplished while underway, or while serving as a member of the off crew of a two-crewed submarine; or when serving on a ship, the primary mission of which is accomplished while in port, 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.
- (12) Imminent danger pay (37 U.S.C. 310) - a monthly payment of \$150 to officers on active duty who are in designated areas or to members who are exposed to hostile fire or explosion of hostile mines, or members who are in a foreign country in which member was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.
- (13) Foreign language proficiency pay (37 U.S.C. 316) - a monthly payment not to exceed \$300 made to qualified officers whose military specialty requires proficiency in a foreign language.
- (14) Psychologists diplomate pay/non physician board certified pay (37 U.S.C. 302c) - an annual payment for medical service corps officers who are health care providers, certified by a professional board of their specialty or awarded a diploma as a diplomate in psychology.
- (15) Hardship duty pay - paid to members at specified duty locations and special missions effective January 2001.
- (16) 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 active commissioned service as a JAG (2 years obligated service).

Part II - Justification Of Funds Requested

Special pay for physicians and dentists is computed by multiplying the statutory rates for members within each applicable longevity step. Costs for Career Sea Pay are based on average rates and grade distribution experienced in FY 2003. Other special pays are based on statutory rates prescribed for each entitlement as applicable.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Physicians Pay									
Variable	4,215	7,730.20	32,583	4,111	7,730.00	31,778	4,022	7,723.02	31,062
Additional	3,105	15,000.00	46,575	3,322	15,000.00	49,830	3,160	15,000.00	47,400
Board Certified	2,028	4,139.03	8,394	2,051	3,973.00	8,149	2,133	3,704.64	7,902
Medical Incentive	2,631	20,755.70	54,608	2,241	24,257.03	54,360	1,763	27,200.23	47,954
Multi Year Pay	1,176	10,340.80	12,161	1,113	12,341.00	13,736	1,289	10,339.80	13,328
Critical Skills Retention Bonus (CSRB)			16,440						
Total - (1)	13,155		170,761	12,838		157,853	12,367		147,646
(2) Dentists Pay									
Variable	1,305	7,181.00	9,371	1,326	7,106.00	9,423	1,351	7,105.85	9,600
Additional	1,035	10,763.00	11,140	1,012	10,763.00	10,892	1,182	10,728.43	12,681
Board Certified	265	5,285.00	1,401	271	5,285.00	1,432	223	5,428.57	1,211
Accession Bonus	38	30,000.00	1,140	45	30,000.00	1,350	40	30,000.00	1,200
Saved Pay	0	0.00	250	-	-	262	-	-	250
MYSPP	554	12,919.00	7,157	630	12,907.00	8,131	424	12,907.00	5,473
Total - (2)	3,197		30,459	3,284		31,490	3,220		30,415
(3) Optometrists Pay									
Special Pay	124	1,200.00	149	129	1,200.00	155	129	1,200.00	155
Multi Year Retention Bonus	90	6,000.00	540	117	6,000.00	702	133	6,000.00	798
Total - (3)	214		689	246		857	262		953
(4) Pharmacy Pay									
Accession Bonus	3	30,000.00	90	3	30,000.00	90	3	30,000.00	90
Special Pay	158	7,025.32	1,110	160	7,044.00	1,127	160	7,042.42	1,127
Total - (4)	161		1,200	163		1,217	163		1,217

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5) Nurses Bonus									
Accession Bonus	46	5,000.00	230	100	5,000.00	500	100	5,000.00	500
Incentive Pay	173	10,808.22	1,870	146	10,808.22	1,578	146	10,808.22	1,578
Total - (5)	219		2,100	246		2,078	246		2,078
(6A) 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	7	2,200.00	15	7	2,200.00	15	7	2,200.00	15
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)	20	500.00	10	26	500.00	13	26	500.00	13
Total - (6A)	29		32	35		35	35		35
(6B) Special Allowances									
Special Allowances	5	2,520.00	13	5	2,520.00	13	5	2,520.00	13
Total - (6B)	5		13	5		13	5		13
Total - (Group) (6)	34		45	40		48	40		48
(7) Responsibility Pay									
Responsibility Pay	596	1,349.92	805	603	1,349.92	814	603	2,676.62	1,614
Total - (7)	596		805	603		814	603		1,614
(8) Diving Duty Pay									
Diving Duty Pay	1,376	2,764.56	3,804	1,295	2,756.76	3,570	1,295	2,727.41	3,532
Total - (8)	1,376		3,804	1,295		3,570	1,295		3,532
(9) Nuclear Officer Incentive Pay									
Nuclear Officer Incentive Pay	2,908	14,977.99	43,556	2,739	15,256.83	41,788	2,785	16,884.02	47,022
Total - (9)	2,908		43,556	2,739		41,788	2,785		47,022
(10) CEC Accession Bonus									
CEC Accession Bonus	0	5,000.00	0	-	5,000.00	-	-	5,000.00	-
Total - (10)	0		0	-		-	-		-

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(11A) Career Sea Pay (Officers)									
06 - Captain	241	3,952.80	953	209	4,304.57	900	203	4,304.57	874
05 - Commander	956	3,181.32	3,041	859	3,294.34	2,830	839	3,294.34	2,764
04 - Lieutenant Commander	2,175	2,396.16	5,212	1,687	2,718.69	4,586	1,568	2,718.69	4,263
03 - Lieutenant	3,560	1,742.76	6,204	3,122	2,001.79	6,250	2,757	2,001.77	5,519
02 - Lieutenant (JG)	3,878	1,381.80	5,359	2,911	1,705.03	4,963	2,644	1,705.03	4,508
01 - Ensign	2,737	1,399.32	3,830	2,322	1,713.43	3,979	2,170	1,713.43	3,718
W-5 Warrant Officer	0	0.00	0	-	-	-	-	-	-
W-4 Warrant Officer	58	6,748.32	391	60	6,605.83	396	58	6,605.83	383
W-3 Warrant Officer	94	5,788.32	544	90	5,813.83	523	88	5,813.83	512
W-2 Warrant Officer	468	5,023.44	2,351	430	4,917.26	2,114	420	4,917.26	2,065
W-1 Warrant Officer	0	0.00	0	-	-	-	-	-	-
Total - (11A)	14,167		27,885	11,690		26,541	10,747		24,606
(11B) Premium Sea Pay									
Premium Sea Pay	768	1,200.00	922	872	1,200.00	1,046	872	1,200.00	1,046
Total - (11B)	768		922	872		1,046	872		1,046
Total - (Group) (11)	14,935		28,807	12,562		27,587	11,619		25,652
(12) Imminent Danger Pay									
Imminent Danger Pay	4,698	2,700.00	12,685	4,027	2,700.00	10,873	706	2,025.00	1,430
Total - (12)	4,698		12,685	4,027		10,873	706		1,430
(13) Foreign Language Proficiency Pay									
Foreign Language Proficiency Pay - IV	80	1,200.00	96	192	1,200.00	230	204	1,200.00	245
Foreign Language Proficiency Pay - III	210	900.00	189	221	900.00	199	230	900.00	207
Foreign Language Proficiency Pay - II	78	600.00	47	72	600.00	43	79	600.00	47
Foreign Language Proficiency Pay - I	0	0.00	0	-	-	-	-	-	-
Total - (13)	368		332	485		472	513		499
(14) Psyche Diplomat & Non Physicians									
Psyche Diplomat & Non Physician Pay	391	3,926.77	1,535	465	3,977.00	1,849	391	4,233.00	1,655
Total - (14)	391		1,535	465		1,849	391		1,655

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
(15) Hardship Duty Pay									
Location - \$150	409	1,800.00	736	494	1,800.00	889	494	1,800.00	889
Location - \$100	63	1,200.00	76	73	1,200.00	88	73	1,200.00	88
Location - \$50	544	600.00	326	799	600.00	479	799	600.00	479
Mission	4	1,800.00	7	4	1,800.00	7	4	1,800.00	7
Total - (15)	1,020		1,145	1,370		1,463	1,370		1,463
(16) Judge Advocate									
Judge Advocate Cont Pay	56	19,417.48	1,087	103	19,417.48	2,000	103	19,417.48	2,000
Total - (16)	56		1,087	103		2,000	103		2,000
Total Special Pay	43,328		299,010	40,466		283,959	35,683		267,224

(In Thousands Of Dollars)

Project: Basic Allowance For Housing - Officer

FY 2005 Estimate	915,574
FY 2004 Estimate	858,380
FY 2003 Actual	850,999

Part I - Purpose And Scope

Congress approved in the FY 1998 National Defense Authorization Act the payment of a Basic Allowance for Housing (BAH) for housing 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 direct the BAH transition to market-based rates be accelerated and completed during FY 2005. Payment to service members is authorized by revisions to 37 U.S.C. 403.

Part II - Justification Of Funds Requested

The FY 2003 program reflects funding required to accelerate the market-based housing rates effective 1 January 2003. The FY 2004 and FY 2005 estimates include a projected annual rate increase for the Navy of 3.9%. However, future housing rate adjustment may result as contractor generated survey data of actual housing costs becomes available. Additional funds have been budgeted to reduce out-of-pocket expenses to 7.5% in FY 2003, 3.5% in FY 2004, and 0.0% in FY 2005.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) BAH Domestic - Officers with Dependents									
07 to 010 with Dependents	119	26,449.79	3,148	94	28,274.09	2,658	96	30,094.20	2,889
06 with Dependents	2,862	22,906.33	65,558	2,938	24,736.76	72,677	3,039	26,410.94	80,263
05 with Dependents	5,656	21,630.45	122,342	6,159	23,342.96	143,769	6,308	24,957.01	157,429
04 with Dependents	7,964	19,143.87	152,462	8,834	20,668.24	182,583	9,140	22,125.65	202,228
03 with Dependents	8,677	16,363.59	141,987	6,220	17,616.23	109,573	6,223	18,879.52	117,487
02 with Dependents	2,731	13,822.25	37,749	1,691	14,788.02	25,007	1,821	15,864.02	28,888
01 with Dependents	2,301	12,317.40	28,342	1,139	12,998.19	14,805	1,219	13,946.30	17,001
Total - (1A)	30,310		551,588	27,075		551,072	27,846		606,185
(1B) BAH Domestic - Warrant Officers with Dependents									
W-5 Warrant Officer	-	-	-	3	18,013.28	54	18	19,305.25	347
W-4 Warrant Officer	289	16,626.73	4,805	300	17,965.31	5,390	300	19,271.64	5,781
W-3 Warrant Officer	299	15,303.26	4,576	328	16,448.31	5,395	250	17,667.54	4,417
W-2 Warrant Officer	637	14,818.29	9,439	613	15,901.27	9,747	469	17,062.37	8,002
W-1 Warrant Officer	-	-	-	-	-	-	-	-	-
Total - (1B)	1,225		18,820	1,244		20,586	1,037		18,547

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1C) BAH Differential									
BAH Differential	744	1,868.28	1,390	720	1,701.39	1,225	720	1,768.06	1,273
Total - (1C)	744		1,390	720		1,225	720		1,273
Total - (Group) (1)	32,279		571,798	29,039		572,883	29,603		626,005
(2A) BAH Domestic - Officers without Dependents									
07 - 010 without Dependents	2	19,813.24	40	2	21,404.58	43	2	22,825.85	46
06 without Dependents	291	19,908.59	5,793	328	21,484.58	7,047	282	22,897.49	6,457
05 without Dependents	884	17,599.74	15,558	892	19,008.89	16,956	853	20,297.45	17,314
04 without Dependents	1,620	16,410.71	26,585	1,779	17,753.57	31,584	1,794	18,975.07	34,041
03 without Dependents	5,014	14,004.29	70,218	5,086	15,133.83	76,971	5,156	16,198.55	83,520
02 without Dependents	3,591	12,071.74	43,350	3,621	13,066.50	47,314	3,284	13,997.10	45,966
01 without Dependents	4,220	10,184.70	42,979	4,255	11,098.37	47,224	3,696	11,902.78	43,993
Total - (2A)	15,622		204,523	15,963		227,139	15,067		231,337
(2B) BAH Domestic - Warrant Officers without Dependents									
W-5 Warrant Officer	-	-	-	-	-	-	2	15,449.96	31
W-4 Warrant Officer	24	14,159.99	340	25	15,269.73	382	31	16,370.98	508
W-3 Warrant Officer	29	13,190.10	383	48	14,267.06	685	37	15,290.81	566
W-2 Warrant Officer	76	12,755.93	969	76	13,754.28	1,045	60	14,735.09	884
W-1 Warrant Officer	-	-	-	-	-	-	-	-	-
Total - (2B)	129		1,692	149		2,112	130		1,989
Total - (Group) (2)	15,751		206,215	16,112		229,251	15,197		233,326
(3A) Officer Partial BAH - Bachelor									
07-10 Flag Officers	-	-	-	-	-	-	-	-	-
0-6 Captain	7	475.20	3	13	475.20	6	13	475.20	6
0-5 Commander	19	396.00	8	21	396.00	8	21	396.00	8
0-4 Lieutenant Commander	52	321.00	17	37	320.40	12	37	320.40	12
0-3 Lieutenant	168	265.56	45	106	266.40	28	106	266.40	28
0-2 Lieutenant (JG)	106	212.04	22	88	212.04	19	78	212.40	17
0-1 Ensign	222	158.40	35	165	158.40	26	151	158.40	24
Total - (3A)	574		130	430		99	406		95

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(3B) Warrant Officer Partial BAH - Bachelor									
W-5 Warrant Officer	-	-	-	-	-	-	-	-	-
W-4 Warrant Officer	-	-	-	-	336.00	-	-	-	-
W-3 Warrant Officer	2	248.40	-	1	248.40	-	3	248.40	1
W-2 Warrant Officer	2	190.80	-	2	190.80	-	1	190.80	-
W-1 Warrant Officer	-	-	-	-	-	-	-	-	-
Total - (3B)	4		-	3		-	4		1
Total - (Group) (3)	578		130	433		99	410		96
(4A) BAH - Inadequate Family Housing (Officers)									
07-10 Flag Officers	-	-	-	-	-	-	-	-	-
0-6 Captain	-	-	-	-	-	-	-	-	-
0-5 Commander	-	-	-	-	-	-	-	-	-
0-4 Lieutenant Commander	-	-	-	-	-	-	-	-	-
0-3 Lieutenant	-	-	-	-	-	-	-	-	-
0-2 Lieutenant (JG)	-	-	-	-	-	-	-	-	-
0-1 Ensign	-	-	-	-	-	-	-	-	-
Total - (4A)	-		-	-		-	-		-
(4B) BAH - Warrant Officers Inadequate Family Housing									
W-5 Warrant Officer	-	-	-	-	-	-	-	-	-
W-4 Warrant Officer	-	-	-	-	-	-	-	-	-
W-3 Warrant Officer	-	-	-	-	-	-	-	-	-
W-2 Warrant Officer	-	-	-	-	-	-	-	-	-
W-1 Warrant Officer	-	-	-	-	-	-	-	-	-
Total - (4B)	-		-	-		-	-		-
Total - (Group) (4)	-		-	-		-	-		-
SubTotal (1) (2) (3) (4)			778,143			802,233			859,427

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5A) BAH Overseas - Officers with Dependents									
07 - 010 with Dependents	-	-	-	-	-	-	-	-	-
06 with Dependents	111	33,754.20	3,747	82	30,984.85	2,541	67	32,552.24	2,181
05 with Dependents	339	30,332.25	10,283	241	29,034.27	6,997	201	29,373.13	5,904
04 with Dependents	442	24,940.18	11,024	467	25,072.19	11,709	336	24,098.21	8,097
03 with Dependents	568	24,725.61	14,044	350	22,028.57	7,710	548	23,908.76	13,102
02 with Dependents	156	23,183.66	3,617	87	20,228.57	1,760	71	22,352.11	1,587
01 with Dependents	55	22,369.19	1,230	57	20,739.13	1,182	47	21,680.85	1,019
Total - (5A)	1,671		43,945	1,284		31,899	1,270		31,890
(5B) BAH Overseas - Warrant Officers With Dependents									
W-5 Warrant Officer	-	-	-	-	-	-	-	-	-
W-4 Warrant Officer	11	25,397.64	279	4	23,500.00	94	4	24,250.00	97
W-3 Warrant Officer	17	22,236.83	378	10	20,100.00	201	10	22,000.00	220
W-2 Warrant Officer	31	21,352.41	662	17	20,117.65	342	17	21,000.00	357
W-1 Warrant Officer	-	-	-	-	-	-	-	-	-
Total - (5B)	59		1,319	31		637	31		674
Total - (Group) (5)	1,730		45,264	1,315		32,536	1,301		32,564
(6A) BAH Overseas - Officers without Dependents									
07 - 010 without Dependents	-	-	-	-	-	-	-	-	-
06 without Dependents	23	29,105.13	669	24	33,105.26	795	16	28,875.00	462
05 without Dependents	69	25,097.13	1,732	75	28,816.67	2,161	86	24,117.65	2,074
04 without Dependents	166	23,731.84	3,939	183	21,568.49	3,947	125	22,936.51	2,867
03 without Dependents	541	23,601.51	12,768	564	19,830.02	11,184	546	22,829.67	12,465
02 without Dependents	248	20,733.12	5,142	224	14,066.67	3,151	155	20,032.26	3,105
01 without Dependents	152	20,655.56	3,140	177	12,384.62	2,192	124	19,911.29	2,469
Total - (6A)	1,199		27,390	1,247		23,430	1,052		23,442

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(6B) BAH OverSeas - Warrant Officers Without Dependents									
W-5 Warrant Officer	-	-	-	-	-	-	-	-	-
W-4 Warrant Officer	4	18,419.25	74	4	20,000.00	80	3	18,666.67	56
W-3 Warrant Officer	1	17,640.97	18	1	16,000.00	16	1	14,000.00	14
W-2 Warrant Officer	7	15,738.51	110	7	12,142.86	85	5	14,200.00	71
W-1 Warrant Officer	-	-	-	-	-	-	-	-	-
Total - (6B)	12		202	12		181	9		141
Total - (Group) (6)	1,211		27,592	1,259		23,611	1,061		23,583
SubTotal (5) (6)			72,856			56,147			56,147
Total Basic Allowance For Housing	51,549		850,999	48,158		858,380	47,572		915,574

(In Thousands Of Dollars)

Project: Conus Cost Of Living Allowance (COLA) - Officer	FY 2005 Estimate	2,660
	FY 2004 Estimate	2,783
	FY 2003 Actual	2,096

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.

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) CONUS Cost Of Living (COLA) CONUS COLA	1,267	1,654.30	2,096	1,617	1,720.80	2,783	1,501	1,772.42	2,660
Total - (Group) (1)	1,267		2,096	1,617		2,783	1,501		2,660
Total Conus Cost Of Living Allowance (COLA)	1,267		2,096	1,617		2,783	1,501		2,660

(In Thousands Of Dollars)

Project: Basic Allowance For Subsistence - Officer	FY 2005 Estimate	116,645
	FY 2004 Estimate	115,998
	FY 2003 Actual	115,513

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 \$166.37 per month effective 01 January 2002, \$167.20 per month effective 01 January 2003, \$175.23 per month effective 01 January 2004, and a 3.0% rate increase effective 01 January 2005.

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Basic Allowance For Subsistence	57,589	2,005.82	115,513	55,804	2,078.67	115,998	54,251	2,150.10	116,645
Total Basic Allowance For Subsistence	57,589		115,513	55,804		115,998	54,251		116,645

(In Thousands Of Dollars)

Project: Station Allowances, Overseas - Officer	FY 2005 Estimate	66,810
	FY 2004 Estimate	59,141
	FY 2003 Actual	79,525

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Station Allowances - Cost Of Living Cost Of Living	7,842	9,012.75	70,678	7,620	7,051.04	53,729	7,620	8,057.48	61,398
Total - (1A)	7,842		70,678	7,620		53,729	7,620		61,398
(1B) Station Allowances - Temporary Lodging Temporary Lodging	9,673	914.65	8,847	5,917	914.65	5,412	5,917	914.65	5,412
Total - (1B)	9,673		8,847	5,917		5,412	5,917		5,412
Total - (Group) (1)	17,515		79,525	13,537		59,141	13,537		66,810
Total Station Allowances, Overseas	17,515		79,525	13,537		59,141	13,537		66,810

(In Thousands Of Dollars)

Project: Uniform Allowance - Officer

FY 2005 Estimate	2,206
FY 2004 Estimate	2,302
FY 2003 Actual	2,760

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 duty clothing allowance to reserves upon entry or reentry on active duty or a period of 90 day 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1)Initial									
Aviation Officer Candidates	544	400.00	218	-	200.00	-	-	400.00	-
Reserves	2,709	400.00	1,084	2,512	400.00	1,005	2,338	400.00	935
Regular	1,801	400.00	720	1,677	400.00	671	1,697	400.00	679
Total - (1)	5,054		2,022	4,189		1,676	4,035		1,614
(2)Additional	3,094	200.00	619	2,551	200.00	510	2,377	200.00	475
Total - (2)	3,094		619	2,551		510	2,377		475
(3)Civilian	75	1,586.67	119	75	1,549.37	116	75	1,561.00	117
Total - (3)	75		119	75		116	75		117
Total Uniform Allowance	8,223		2,760	6,815		2,302	6,487		2,206

(In Thousand of Dollars)

Project: Family Separation Allowance - Officer

FY 2005 Estimate	\$5,727
FY 2004 Estimate	\$6,597
FY 2003 Actual	\$17,043

Part I - Purpose and Scope

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

- (1) The movement of dependents to an overseas permanent duty station is not authorized and the member must maintain two homes.
- (2) The movement of dependents to the permanent duty station or a place near the station is not authorized at government expense under the Joint Travel Regulations and the member's dependent 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1)Family Separation Allowance									
0-6 Captain	15	10,609.56	159	4	11,645.81	47	4	12,001.62	48
0-5 Commander	28	10,268.52	288	14	11,177.60	156	14	11,534.85	161
0-4 Lieutenant Commander	32	9,670.68	309	13	10,389.34	135	14	10,706.76	150
0-3 Lieutenant	43	8,002.20	344	23	8,629.59	198	22	8,893.24	196
0-2 Lieutenant (JG)	9	6,241.92	56	6	6,959.71	42	4	7,172.34	29
0-1 Ensign	-	6,228.80	0	6	6,367.78	38	8	6,562.33	52
W-5 Warrant Officer	-	-	0	0	0.00	0	0	0.00	0
W-4 Warrant Officer	4	8,947.68	36	3	9,376.84	28	3	9,663.32	29
W-3 Warrant Officer	3	7,576.32	23	2	7,884.51	16	2	8,125.39	16
W-2 Warrant Officer	2	6,144.24	12	3	6,994.00	21	3	7,207.68	22
W-1 Warrant Officer	-	-	0	0	0.00	0	0	0.00	0
Total - (1)	136		1,227	74		681	74		703

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2)PCS With Dependents Not Authorized	1,023	3,000.00	3,069	233	3,000.00	699	233	1,650.00	384
Total - (2)	1,023		3,069	233		699	233		384
(3)On Board Ship More Than 30 Days	1,780	3,000.00	5,340	643	3,000.00	1,929	1,043	1,650.00	1,721
Total - (3)	1,780		5,340	643		1,929	1,043		1,721
(4)On Temporary Duty More Than 30 Days (Type 2)	2,469	3,000.00	7,407	1,096	3,000.00	3,288	1,769	1,650.00	2,919
Total - (4)	2,469		7,407	1,096		3,288	1,769		2,919
Total Family Separation Allowance	5,408		17,043	2,046		6,597	3,119		5,727

(In Thousands Of Dollars)

Project: Separation Payments - Officer	FY 2005 Estimate	26,518
	FY 2004 Estimate	31,697
	FY 2003 Actual	24,303

Part I - Purpose And Scope

Funds requested provide:

- (1) Lump sum terminal leave payments for unused accrued leave at time of discharge, or death under provisions of (37 U.S.C. 501) and (10 U.S.C. 701).
- (2) Lump sum payment to reservists who are involuntarily released from active duty after having completed at least six years of active duty as provided under provisions of (10 U.S.C. 687).
- (3) Severance pay for failure of promotion or for reasons other than physical disability under provisions of (10 U.S.C. 6383).
- (4) Severance pay disability for members on active duty and temporary disability retired list that are separated for physical reasons under the provisions of (10 U.S.C. 1212).
- (5) 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.

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

Voluntary Separation Incentive ((VSI) 10U.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 on 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. A 4.7% pay raise is effective 01 January 2003, 4.1% effective 01 January 2004, and 3.5% effective 01 January 2005.

Computation of fund requirements is provided in the following table:

	FY 2003				FY 2004				FY 2005			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(1)Lump Sum Terminal Leave Payments												
Flag Officers	31	33	5,393.82	167	39	33	5,820.51	227	39	33	6,025.64	235
0-6 Captain	405	25	4,565.77	1,849	494	25	4,940.86	2,441	443	25	5,136.99	2,276
0-5 Commander	485	23	4,612.96	2,237	588	23	4,997.98	2,939	543	23	5,195.74	2,821
0-4 Lieutenant Commander	737	21	3,540.19	2,609	741	21	3,835.31	2,842	665	21	3,982.41	2,648
0-3 Lieutenant	2,220	22	3,110.33	6,905	1,502	22	3,366.40	5,056	1,326	22	3,496.46	4,636
0-2 Lieutenant (JG)	200	19	2,005.52	401	199	19	2,162.70	430	176	19	2,245.04	395
0-1 Ensign	33	17	1,444.40	48	40	17	1,533.66	61	36	17	1,611.11	58
W-5 Warrant Officer	-	0	-	-	-	0	-	-	-	17	2,803.40	-
W-4 Warrant Officer	62	17	2,273.01	141	76	17	2,454.32	187	68	17	2,550.45	173
W-3 Warrant Officer	62	13	1,702.43	106	46	13	1,904.21	88	41	13	1,983.40	81
W-2 Warrant Officer	40	18	2,285.38	91	2	18	2,487.94	5	2	18	2,575.02	5
W-1 Warrant Officer	-	0	-	-	-	0	-	-	-	0	-	-
Total - (1)	4,275			14,554	3,727			14,276	3,339			13,328
(2)Lump Sum to Reserve Officers (RAD)	9		72,222.22	650	43		68,046.51	2,926	43		70,054.24	3,012
Total - (2)	9			650	43			2,926	43			3,012
(3)Severance Pay, Failure of Promotion												
	59		61,338.90	3,619	71		64,309.86	4,566	71		61,895.14	4,395
Total - (3)	59			3,619	71			4,566	71			4,395
(4)Severance Pay, Disability												
	10		62,000.00	620	43		66,255.81	2,849	38		68,489.80	2,603
Total - (4)	10			620	43			2,849	38			2,603
(5)Severance Pay, Non-Disability (Officer)												
Invol - Full Pay (10%)	-		-	-	-		-	-	-		-	-
Invol - Half Pay (5%)	-		-	-	-		-	-	-		-	-
Total - (5)	-			-	-			-	-			-
(6)Voluntary Separation												
SSB (15%)	-		-	-	-		-	-	-		-	-
VSI	-		-	-	-		-	-	-		-	-
VSI Trust Fund	-		-	-	-		-	-	-		-	-
Total - (6)	-			-	-			-	-			-

	FY 2003				FY 2004				FY 2005			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(7)15 YR Retirement Program	-		-	-	-		-	-	-		-	-
Total - (7)	-			-	-			-	-			-
(8)\$30,000 Lump Sum Bonus	162		30,000.00	4,860	236		30,000.00	7,080	106		30,000.00	3,180
Total - (8)	162			4,860	236			7,080	106			3,180
Total Separation Payments	4,515			24,303	4,120			31,697	3,597			26,518

(In Thousands Of Dollars)

Project: Social Security Tax - Officer	FY 2005 Estimate	240,344
	FY 2004 Estimate	237,834
	FY 2003 Actual	238,959

Part I - Purpose And Scope

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

Part II - Justification Of Funds Requested

Social security costs are based on the percentage rate set by law on a member's salary for a calendar year. P.L. 98-21, "Social Security Amendment of 1983" dated 20 April 1983 established the tax rate while the maximum taxable income is determined by the Social Security Administration. The old age, survivor and disability income (OASDI) rate is 6.2% and the hospital insurance (HI) is 1.45%. There is no wage cap on the 1.45% medical contribution. The government's contribution is based on the percentage rate set by law on member's salary for a calendar year. Taxable income ceilings for OASDI are as follows:

Calendar year 2003 - 7.65% on first \$87,000
 Calendar year 2004 - 7.65% on first \$87,900
 Calendar year 2005 - 7.65% on first \$89,700

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Social Security Tax - Employer's Contribution	57,589	4,149.39	238,959	55,804	4,262	237,834	54,251	4,430.22	240,344
Total Social Security Tax - Employer's Contribution	57,589		238,959	55,804		237,834	54,251		240,344
Total Obligations			6,058,492			6,012,247			6,167,988
Less Reimbursables			181,456			198,660			201,710
Total Direct Obligations			5,877,036			5,813,587			5,966,278

Budget Activity 2

Pay and Allowances of Enlisted Personnel

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

		<u>AMOUNT</u>
FY 2004 Direct Program		\$16,340,696
Increases:		
Basic Pay		60,805
Annualization of FY 2004 Pay Raise	75,933	
FY 2005 Pay Raise	227,799	
Decrease in Workyears	-272,609	
Increase in Paygrade Mix	29,682	
Retired Pay Accrual		48,599
Annualization of FY 2004 Pay Raise	20,882	
FY 2005 Pay Raise	62,645	
Decrease in workyears	-75,158	
Increase in Paygrade Mix	8,163	
Increase in Normal Cost Percentage form 27.1% to 27.5%	32,067	
Retired Health Program Accrual		205,815
Decrease in Workyears	-43,260	
Increase in Rates	249,075	
Incentive Pay		4,362
Decrease in flying duty between career and non- career		
Number	-1	
Increase in Submarine Pay		
Number	332	
Rate	214	
Decrease in Number Entitled to Parachute Jumping Pay	-141	
Decrease in Demolition Duty Pay number entitled	-493	
Decrease in Flight Deck Duty number entitled	-49	
Increase in Lateral Conversion Bonus number entitled	4,500	

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

		<u>AMOUNT</u>
Reenlistment Bonus		12,302
Increase in Distribution SRB	2,000	
Increase in New Payments		
Number	3,774	
Rates	5,980	
Increase in Anniversary Payments		
Number	-1,759	
Rates	2,307	
Basic Allowance for Housing (BAH)		134,263
Annualization of FY 2003 Housing Rate Growth	40,706	
FY 2004 Housing Rate Growth	122,117	
Decrease in number entitled	-27,520	
Decrease in Overseas Housing		
Number	-6,584	
Rate	5,544	
Clothing Allowances		967
Decrease in Replacement Clothing		
Number	-3,479	
Rate	1,749	
Increase to Initial Clothing		
Number	2,096	
Rate	601	
Overseas Station Allowance		20,975
Decrease number in Temporary Lodging Allowance	-15	
Increase in Cost of Living Allowance		
Rate	21,736	
Number	-746	
FICA		4,650
Annualization of FY 2004 Pay Raise	5,763	
FY 2005 Pay Raise	17,289	
Result of Decrease in Workyears	-20,655	
Increase in Paygrade Mix	2,253	

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

		<u>AMOUNT</u>
CONUS Cola		360
Rate increased	360	
Enlistment Bonus		1,038
Increase number in New Payments	302	
Increase number in residual payments	736	
Total Increases		494,136
Decreases:		
Special Pay		-66,787
Decrease in Imminent Danger Pay		
Number	-62,276	
Rate	-225	
Decrease in Career Sea Pay number entitled and paygrade mix	-22,262	
Increase in Distribution Incentive Pay	17,976	
Special Duty Assignment Pay		-1,163
Decrease in Number	-1,163	
Educational Benefits		-766
Decrease number in 40K Program	-202	
Decrease number in 50K Program	-1,164	
Increase number in Navy College Fund	600	
Family Separation Allowance		-37,275
Annualization of FY 2004 Pay Raise	9	
FY 2005 Pay Raise	26	
Decrease in number entitled	-14,466	
Decrease in rates	-22,844	

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

		<u>AMOUNT</u>
Separation Payments		-88,691
Annualization of FY 2004 Pay Raise	471	
FY 2005 Pay Raise	1,412	
Increase in Severance Pay Non Disability	500	
Decrease in VSI Trust Fund		
Number	-34,041	
Rate	-2,748	
Decrease in Disability Severance Pay		
Number	-9,762	
Rate	-603	
Decrease in Lump Sum Payments Number	-9,930	
Decrease number in \$30,000 Lump Sum Bonus	-33,990	
Combat-Related Disabilities		-64,000
Total Decreases		-258,682
FY 2005 Direct Program		\$ 16,576,150

(In Thousands Of Dollars)

Project: Basic Pay - Enlisted

FY 2005 Estimate	\$8,016,715
FY 2004 Estimate	\$7,964,927
FY 2003 Actual	\$7,872,670

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 2004 is based on end strength of 316,192 and 321,730 workyears. FY 2005 is based on end strength of 309,030 and 310,812 workyears. Costs are calculated on the basis of grade distribution and average rates experienced. FY 2004 includes a pay raise ranging from 3.7% to 6.25% based on pay grade and years of service, with an overall of 4.1%, and FY 2005 includes a 3.5% across the board pay raise effective 1 January 2005.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
E9	3,271	52,779.14	172,641	3,185	56,047.86	178,512	3,064	58,363.20	178,825
E8	6,984	43,015.83	300,423	6,944	45,394.91	315,222	6,692	47,200.40	315,865
E7	24,519	36,771.31	901,596	24,487	38,679.74	947,151	23,709	40,187.82	952,813
E6	56,397	30,491.53	1,719,631	54,928	31,943.73	1,754,605	54,108	33,155.53	1,793,980
E5	78,226	24,210.21	1,893,868	76,645	25,363.09	1,943,954	75,411	26,330.81	1,985,633
E4	70,304	19,669.56	1,382,849	65,743	20,498.86	1,347,657	63,691	21,249.37	1,353,393
E3	57,559	16,444.88	946,551	56,190	17,259.97	969,838	52,074	17,948.81	934,666
E2	24,235	15,306.57	370,955	21,545	15,898.75	342,539	20,389	16,464.88	335,702
E1	13,951	13,200.17	184,156	12,063	13,715.43	165,449	11,674	14,205.76	165,838
Total Basic Pay	335,446		7,872,670	321,730		7,964,927	310,812		8,016,715

(In Thousands Of Dollars)

Project: Retired Pay Accrual (RPA) - Enlisted

FY 2005 Estimate	\$2,204,596
FY 2004 Estimate	\$2,158,496
FY 2003 Actual	\$2,156,243

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 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 27.1% in FY 2004 and 27.5% in FY 2005.
- (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 2003	FY 2004	FY 2005
Basic Pay	7,872,670	7,964,927	8,016,715
Less Fines & Forfeitures	0	0	0
Basic Pay Subject To RPA	7,872,670	7,964,927	8,016,715

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Retired Pay Accrual	335,446	6,427.99	2,156,243	321,730	6,709.03	2,158,496	310,812	7,093.02	2,204,596
Total Retired Pay Accrual	335,446		2,156,243	321,730		2,158,496	310,812		2,204,596

(In Thousands Of Dollars)

Project: Defense Health Program (DHP) Accrual - Enlisted	FY 2005 Estimate	\$1,686,914
	FY 2004 Estimate	\$1,481,099
	FY 2003 Actual	\$1,388,464

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) DHP Over 65									
Enlisted	323,592	4,236.00	1,370,735	319,791	4,572.00	1,462,084	310,453	5,364.00	1,665,270
MidShipmen	4,185	4,236.00	17,728	4,159	4,572.00	19,015	4,035	5,364.00	21,644
Total Defense Health Program Accrual	327,777		1,388,464	323,950		1,481,099	314,488		1,686,914

(In Thousands Of Dollars)

Project: Incentive Pay For Hazardous Duty - Enlisted	FY 2005 Estimate	\$110,276
	FY 2004 Estimate	\$105,914
	FY 2003 Actual	\$100,795

Part I - Purpose And Scope

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

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

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 gates. All other hazardous pays are computed at the statutory rate of \$1,800 per workyear, except for those members performing high altitude/low opening jumps entitled to \$2,700 per year.

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.

Title 37 U.S.C. section 336 was amended to include an Incentive Bonus for Conversion to Military Occupational Specialty to ease personnel shortages. A bonus under this section may not exceed \$4,000.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Flying Duty - Career									
Under 4 yrs	1,413	1,800.00	2,543	1,520	1,800.00	2,736	1,626	1,800.00	2,927
4 - 8 yrs	925	2,500.00	2,313	1,009	2,700.00	2,724	1,101	2,700.00	2,973
8 - 14 yrs	1,107	3,480.00	3,852	1,151	4,200.00	4,834	1,040	4,200.00	4,368
Over 14 yrs	1,412	4,000.00	5,648	1,235	4,800.00	5,928	1,250	4,800.00	6,000
Total - (1A)	4,857		14,356	4,915		16,222	5,017		16,268
(1B) Flying Duty - Non Career									
E-9	1	2,880.00	3	3	2,880.00	9	3	2,880.00	9
E-8	1	2,880.00	3	8	2,880.00	23	8	2,880.00	23
E-7	6	2,880.00	17	33	2,880.00	95	33	2,880.00	95
E-6	12	2,580.00	31	120	2,580.00	310	120	2,580.00	310
E-5	14	2,280.00	32	140	2,280.00	319	135	2,280.00	308
E-4	9	1,980.00	18	81	1,980.00	160	81	1,980.00	160
E-3	5	1,800.00	9	10	1,800.00	18	12	1,800.00	22
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)	48		113	395		934	392		927
(1C) Non-Crew (HDIP)									
Non-Crew (HDIP)	39	1,800.00	70	112	1,800.00	202	90	1,800.00	162
Total - (1C)	39		70	112		202	90		162
Total - (Group) (1)	4,944		14,539	5,422		17,358	5,499		17,357
(2) Submarine Pay									
E-9	275	5,100.00	1,403	300	5,100.00	1,530	343	5,100.00	1,749
E-8	609	4,980.65	3,033	671	4,980.00	3,342	672	4,980.00	3,347
E-7	1,888	4,860.04	9,176	2,089	4,860.00	10,153	2,093	4,860.00	10,172
E-6	4,210	4,413.67	18,582	4,087	4,454.00	18,203	4,200	4,454.00	18,707
E-5	5,284	2,886.60	15,253	5,494	2,858.00	15,702	5,420	2,858.00	15,490
E-4	3,413	1,572.37	5,366	3,895	1,461.00	5,691	3,900	1,507.00	5,877
E-3	1,306	996.24	1,301	2,112	1,004.00	2,120	1,845	1,004.00	1,852
E-2	948	905.70	859	1,188	907.00	1,078	1,188	907.00	1,078
E-1	515	900.95	464	500	900.00	450	501	900.00	451
Student	1,482		1,422	1,450		1,392	1,546		1,484
Total - (2)	19,930		56,859	21,786		59,661	21,708		60,207

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
(3) Parachute Jumping									
Parachute Jumping	2,791	2,227.55	6,217	2,792	2,227.65	6,220	2,729	2,227.65	6,079
Total - (3)	2,791		6,217	2,792		6,220	2,729		6,079
(4) Duty Inside HiLo Chamber									
Test subjects in thermal stress experiments	368	1,800.00	662	375	1,800.00	675	375	1,800.00	675
Total - (4)	368		662	375		675	375		675
(5) Demolition Duty									
Demolition Duty	3,135	1,800.00	5,643	3,099	1,800.00	5,578	2,825	1,800.00	5,085
Total - (5)	3,135		5,643	3,099		5,578	2,825		5,085
(6) Flight Deck Duty									
Flight Deck Duty	9,361	1,800.00	16,850	8,997	1,800.00	16,195	8,970	1,800.00	16,146
Total - (6)	9,361		16,850	8,997		16,195	8,970		16,146
(7) Toxic Material Pay									
Toxic Material Pay	14	1,800.00	25	126	1,800.00	227	126	1,800.00	227
Total - (7)	14		25	126		227	126		227
(8) Incentive Bonus for Conversion									
	0	0.00	0	0	0.00	0	1,500	3,000.00	4,500
Total - (8)	0		0	0		0	1,500		4,500
Total Incentive Pay For Hazardous Duty	40,543		100,795	42,597		105,914	43,732		110,276

(In Thousands Of Dollars)

Project: Special Pay - Enlisted

FY 2005 Estimate	\$335,139
FY 2004 Estimate	\$401,926
FY 2003 Actual	\$412,802

Part I - Purpose And Scope

Funds requested provide for special pay to enlisted personnel as follows:

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

Part II - Justification Of Funds Requested

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

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Career Sea Pay									
E-9	828	5,821.32	4,820	828	5,821.32	4,820	779	5,821.32	4,535
E-8	1,897	5,381.52	10,209	1,897	5,381.52	10,209	1,785	5,381.52	9,606
E-7	7,037	5,051.28	35,546	7,037	5,051.28	35,546	6,624	5,051.28	33,460
E-6	16,609	4,161.48	69,118	16,609	4,161.48	69,118	15,247	4,161.48	63,450
E-5	26,265	2,936.76	77,134	26,265	2,936.76	77,134	24,085	2,936.76	70,732
E-4	32,994	1,730.88	57,109	32,994	1,730.88	57,109	30,644	1,730.88	53,041
E-3	18,560	875.88	16,256	18,560	875.88	16,256	18,049	875.88	15,809
E-2	9,362	670.80	6,280	9,362	670.80	6,280	9,219	670.80	6,184
E-1	4,061	600.00	2,437	4,061	600.00	2,437	4,024	600.00	2,414
Total - (1A)	117,613		278,909	117,613		278,909	110,456		259,231
(1B) Premium Sea Pay									
Premium Sea Pay	14,707	1,200.00	17,648	14,707	1,200.00	17,648	12,553	1,200.00	15,064
Total - (1B)	14,707		17,648	14,707		17,648	12,553		15,064
Total - (Group) (1)	132,320		296,557	132,320		296,557	123,009		274,295
(2A) HDP Mission									
HDP Mission	28	1,800.00	50	28	1,800.00	50	28	1,800.00	50
Total - (2A)	28		50	28		50	28		50
(2B) HDP Location									
Location - \$150	2,345	1,800.00	4,221	2,768	1,800.00	4,982	2,768	1,800.00	4,982
Location - \$100	33	1,200.00	40	39	1,200.00	47	39	1,200.00	47
Location - \$50	4,170	600.00	2,502	4,922	600.00	2,953	4,922	600.00	2,953
Total - (2B)	6,548		6,763	7,729		7,982	7,729		7,982
Total - (Group) (2)	6,576		6,813	7,757		8,032	7,757		8,032
(3) Diving Duty Pay									
Diving Duty Pay	4,276	2,631.44	11,252	4,254	2,631.44	11,194	4,254	2,631.44	11,194
Total - (3)	4,276		11,252	4,254		11,194	4,254		11,194
(4) Nuclear Accession Bonus									
Nuclear Accession Bonus	235	10,000.00	2,350	215	10,000.00	2,150	215	10,000.00	2,150
Total - (4)	235		2,350	215		2,150	215		2,150

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5) Overseas Extension Pay									
Overseas Extension Pay	3,630	2,000.00	7,260	2,462	2,000.00	4,924	2,462	2,000.00	4,924
Total - (5)	3,630		7,260	2,462		4,924	2,462		4,924
(6) Imminent Danger Pay									
Imminent Danger Pay	31,789	2,700.00	85,830	23,398	2,700.00	63,175	333	2,025.00	674
Total - (6)	31,789		85,830	23,398		63,175	333		674
(7) Foreign Language Proficiency Pay									
Foreign Language Proficiency Pay	1,786	1,532.38	2,737	1,561	1,532.38	2,392	1,561	1,532.38	2,392
Total - (7)	1,786		2,737	1,561		2,392	1,561		2,392
(8) Personal Money Allowance									
Personal Money Allowance	1	2,000.00	2	1	2,000.00	2	1	2,000.00	2
Total - (8)	1		2	1		2	1		2
(9) Distribution Incentive Pay									
Distributed Inc. Pay	2	500.00	1	2,250	6,000.00	13,500	5,246	6,000.00	31,476
Total - (9)	2		1	2,250		13,500	5,246		31,476
Total Special Pay	180,615		412,802	174,218		401,926	144,838		335,139

(In Thousands Of Dollars)

Project: Special Duty Assignment Pay and Proficiency Pay - Enlisted

FY 2005 Estimate	\$77,538
FY 2004 Estimate	\$78,701
FY 2003 Actual	\$62,901

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 mgr	C9 crew chief	Recruiters
Main propulsion asst on MCM and MHC	MCM helo aircrewmen	Divers
Acoustic intelligence specialist	Independent duty hospital corpsman	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 tech

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

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) SDAP									
\$450/month	0	5,400.00	0	2,068	5,400.00	11,167	2,068	5,400.00	11,167
\$375/month	165	4,500.00	743	1,710	4,500.00	7,695	1,691	4,500.00	7,610
\$350/month	1,408	4,200.00	5,914	0	4,200.00	0	0	4,200.00	0
\$300/month	0	3,600.00	0	385	3,600.00	1,386	385	3,600.00	1,386
\$275/month	2,671	3,300.00	8,814	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	0	2,700.00	0	3,620	2,700.00	9,774	3,622	2,700.00	9,779
\$220/month	743	2,640.00	1,962	0	2,640.00	0	0	2,640.00	0
\$175/month	815	2,100.00	1,712	0	2,100.00	0	0	2,100.00	0
\$165/month	2,167	1,980.00	4,291	0	1,980.00	0	0	1,980.00	0
\$150/month	3,125	1,800.00	5,625	11,644	1,800.00	20,959	11,643	1,800.00	20,957
\$110/month	5,244	1,320.00	6,922	160	1,320.00	211	160	1,320.00	211
\$100/month	3,575	1,200.00	4,290	0	1,200.00	0	0	1,200.00	0
\$75/month	642	900.00	578	1,735	900.00	1,562	1,734	900.00	1,561
\$55/month	1,342	660.00	886	0	660.00	0	0	660.00	0
\$50/month	0	600.00	0	0	600.00	0	0	600.00	0
Total - (1)	21,897		41,737	21,322		52,754	21,303		52,671
(2) Recruiter									
Recruiter (\$375)	4,703	4,500.00	21,164	0	4,500.00	0	0	4,500.00	0
Recruiter (\$450)	0	0.00	0	4,805	5,400.00	25,947	4,605	5,400.00	24,867
Total - (2)	4,703		21,164	4,805		25,947	4,605		24,867
Total - (Group) (1)	26,600		62,901	26,127		78,701	25,908		77,538
Total Special Duty Assignment Pay And Proficiency Pay	26,600		62,901	26,127		78,701	25,908		77,538

(In Thousands Of Dollars)

FY 2005 Estimate	\$362,486
FY 2004 Estimate	\$350,184
FY 2003 Actual	\$339,336

Project: Reenlistment Bonus - Enlisted

Part I - Purpose And Scope

Reenlistment bonus (37 U.S.C. 308) - provides a bonus to enlisted personnel who reenlist in a skill characterized by inadequate manning, low retention, and high replacement costs payable to an individual with between twenty-one months and fourteen years active service. Payment is based on monthly basic pay times a specified award level (not to exceed 10) times the number of additional years of obligated service (not to exceed 6). Obligated service in excess of sixteen years is not used in the computation. The maximum payment is \$60,000. While there is authority for \$60,000 payment, the Navy has no plans of making a payment of this amount.

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

Part II - Justification Of Funds Requested

The rates include pay raises.

Twenty most undermanned critical skills

Fire controlman (FC)	Sonar Technician Surface (STG)
Electronic technician, subsurface warfare (ETSS)	Nuclear Field (ET, MM, EM)
Cryptologic technician collection (CTO)	Gunner's Mate (GM)
AviationWarfare Systems Tech (AW)	OperationalSpecialist (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 Maintenancel (CTM)

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
(1) Reenlistment Bonus									
Initial Payment	18,716	9,831.86	184,013	16,232	10,600.05	172,060	16,588	10,960.57	181,814
Anniversary	53,780	2,830.70	152,235	62,668	2,746.60	172,124	62,041	2,783.19	172,672
Distribution	0	0.00	3,088	0	0.00	6,000	0	0.00	8,000
Total - (1)	72,496		339,336	78,900		350,184	78,629		362,486
Total Reenlistment Bonus	72,496		339,336	78,900		350,184	78,629		362,486

Reenlistment Bonus	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations	53,780	\$152,235	44,504	\$123,917	28,276	\$79,674	21,592	\$57,711	12,234	\$30,532				
FY 2003 New Anniversary ADV / REM	18,716	184,013	18,164	48,207	18,084	47,982	15,598	41,199	10,387	26,081	10,192	23,736		
FY 2004 New Anniversary ADV / REM			16,232	172,060	15,681	45,016	15,612	44,805	13,463	38,469	12,613	33,313	9,664	24,445
FY 2005 New Anniversary ADV / REM					16,588	181,814	16,037	47,620	15,967	47,397	13,769	40,697	13,354	36,038
FY 2006 New Anniversary ADV / REM							17,777	201,466	17,225	52,868	17,150	52,620	14,791	45,185
FY 2007 New Anniversary ADV / REM									17,685	207,239	17,133	54,409	17,058	54,154
FY 2008 New Anniversary ADV / REM											17,535	212,473	16,984	55,806
FY 2009 New Anniversary ADV / REM													17,466	218,832
Total														
New	18,716	184,013	16,232	172,060	16,588	181,814	17,777	201,466	17,685	207,239	17,535	212,473	17,466	218,832
Anniversary	53,780	152,235	62,668	172,124	62,041	172,672	68,839	191,335	69,276	195,347	70,857	204,775	71,851	215,628
Distribution SRB		3,088		6,000		8,000		0		0		0		0
Total SRB	72,496	\$339,336	78,900	\$350,184	78,629	\$362,486	86,616	\$392,801	86,961	\$402,586	88,392	\$417,248	89,317	\$434,460

(In Thousands Of Dollars)

Project: Enlistment Bonus - Enlisted

FY 2005 Estimate	\$85,526
FY 2004 Estimate	\$84,488
FY 2003 Actual	\$80,109

Part I - Purpose And Scope

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

Part II - Justification Of Funds Requested

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Enlistment Bonus - New Pay									
New Pay \$1,000	0	1,000.00	0	0	1,000.00	0	0	1,000.00	0
New Pay \$1,500	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
New Pay \$2,000	351	2,000.00	702	3,210	2,000.00	6,420	3,247	2,000.00	6,494
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	420	3,000.00	1,260	443	3,000.00	1,329	449	3,000.00	1,347
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	1,105	4,000.00	4,420	1,162	4,000.00	4,648	1,180	4,000.00	4,720
New Pay \$5,000	1,025	5,000.00	5,125	1,081	5,000.00	5,405	1,092	5,000.00	5,460
New Pay \$6,000	612	6,000.00	3,672	646	6,000.00	3,876	654	6,000.00	3,924
New Pay \$7,000	395	7,000.00	2,765	417	7,000.00	2,919	422	7,000.00	2,954
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
New Pay Gendet	2,689		5,378	0		0	0		0
Total - (1)	6,597		23,322	6,959		24,597	7,044		24,899

	FY 2003			FY 2004			FY 2005		
	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	1,355	2,000.00	2,710	1,429	2,000.00	2,858	1,447	2,000.00	2,894
Residuals \$2,500	0	25,000.00	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	3,480	3,000.00	10,440	3,670	3,000.00	11,010	3,715	3,000.00	11,145
Residuals \$3,500	13	3,500.00	46	14	3,500.00	49	14	3,500.00	49
Residuals \$3,750	0	3,750.00	0	0	3,750.00	0	0	3,750.00	0
Residuals \$4,000	426	4,000.00	1,704	449	4,000.00	1,796	455	4,000.00	1,820
Residuals \$5,000	454	5,000.00	2,270	479	5,000.00	2,395	483	5,000.00	2,415
Residuals \$6,000	606	6,000.00	3,636	639	6,000.00	3,834	647	6,000.00	3,882
Residuals \$7,000	343	7,000.00	2,401	362	7,000.00	2,534	366	7,000.00	2,562
Residuals \$7,500	0	7,500.00	0	0	7,500.00	0	0	7,500.00	0
Residuals \$8,000	602	8,000.00	4,816	634	8,000.00	5,072	643	8,000.00	5,144
Residuals \$9,000	153	9,000.00	1,377	161	9,000.00	1,449	163	9,000.00	1,467
Residuals \$9,500	0	9,500.00	0	0	9,500.00	0	0	9,500.00	0
Residuals \$10,000	415	10,000.00	4,150	438	10,000.00	4,380	443	10,000.00	4,430
Residuals \$11,000	825	11,000.00	9,075	870	11,000.00	9,570	881	11,000.00	9,691
Residuals \$12,000	895	12,000.00	10,740	944	12,000.00	11,328	956	12,000.00	11,472
Residuals \$13,000	30	13,000.00	390	32	13,000.00	416	32	13,000.00	416
Residuals \$14,000	20	14,000.00	280	21	14,000.00	294	21	14,000.00	294
Residuals \$15,000	21	15,000.00	315	22	15,000.00	330	22	15,000.00	330
Residuals \$16,000	21	16,000.00	336	22	16,000.00	352	22	16,000.00	352
Residuals \$17,000	22	17,000.00	374	23	17,000.00	391	23	17,000.00	391
Residuals \$18,000	15	18,000.00	270	16	18,000.00	288	16	18,000.00	288
Residuals \$19,000	5	19,000.00	95	5	19,000.00	95	5	19,000.00	95
Residuals \$20,000	5	20,000.00	100	6	20,000.00	120	7	20,000.00	140
Residuals Gendet	631		1,262	665		1,330	675		1,350
Total - (2)	10,337		56,787	10,901		59,891	11,036		60,627
Total Enlistment Bonus	16,934		80,109	17,860		84,488	18,080		85,526

Enlistment Bonus (EB)	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obligations	10,337	\$56,787	2,073	\$13,481										
FY 2003 Initial Payments	6,597	23,322												
Residual Payments			8,828	46,410	2,099	12,373								
Installments														
FY 2004 Initial Payments			6,959	24,597										
Residual Payments					8,937	48,254	2,265	13,350						
Installments														
FY 2005 Initial Payments					7,044	24,899								
Residual Payments							9,643	52,067	2,295	13,530				
Installments														
FY 2006 Initial Payments							7,600	26,867						
Residual Payments									9,773	52,769	2,245	13,294		
Installments														
FY 2007 Initial Payments									7,702	27,229				
Residual Payments											9,558	51,846	2,245	13,294
Installments														
FY 2008 Initial Payments											7,610	26,901		
Residual Payments													9,558	51,846
Installments														
FY 2009 Initial Payments													7,610	26,901
Residual Payments														
Installments														
Total														
Initial Payments	6,597	23,322	6,959	24,597	7,044	24,899	7,600	26,867	7,702	27,229	7,610	26,901	7,610	26,901
Residual Payments	10,337	56,787	10,901	59,891	11,036	60,627	11,908	65,417	12,068	66,299	11,803	65,140	11,803	65,140
Installments		0		0		0		0		0		0		0
Total EB	16,934	\$80,109	17,860	\$84,488	18,080	\$85,526	19,508	\$92,284	19,770	\$93,528	19,413	\$92,041	19,413	\$92,041

(In Thousands Of Dollars)

Project: Educational Benefits - Enlisted	FY 2005 Estimate	\$9,280
	FY 2004 Estimate	\$10,046
	FY 2003 Actual	\$5,327

Part I - Purpose And Scope

Funds are for payment to the Department of Defense Education Benefits Fund, a trust fund. This program is governed by Title 38 U.S.C. Chapter 30. The program funds additional and supplemental benefit payments above a basic benefit to be budgeted by the Veterans Administration. This program is budgeted on an accrual basis by the Department of Defense. Actual benefit payments to individuals are made by the Veterans Administration from funds transferred from the trust account. The Navy College Fund program attracts members for three and four years 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.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	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	2,147	1,444.00	3,100	325	903.00	293	136	670.00	91
(4 Yr Commitment) \$50K	556	4,006.00	2,227	3,145	3,101.00	9,753	3,395	2,530.00	8,589
(3 Yr Commitment) \$25K	0	0.00	0	0	0.00	0	0	0.00	0
Total - (1)	2,703		5,327	3,470		10,046	3,531		8,680
(2) Navy College First	0	0.00	0	0	0.00	0	210	2,857.00	600
Total Educational Benefits	2,703		5,327	3,470		10,046	3,741		9,280

(In Thousands Of Dollars)

Project: Loan Repayment Program - Enlisted	FY 2005 Estimate	\$100
	FY 2004 Estimate	\$100
	FY 2003 Actual	\$100

Part I - Purpose And Scope

The Loan Repayment Program (LRP) is authorized by P.L. 99-145, Section 2171. The LRP is an enlistment incentive designed to increase test scope category 1-III.A. 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Navy College Loan Repayment (Enl)									
Navy College Loan Repayment	20	5,000.00	100	20	5,000.00	100	20	5,000.00	100
Total - (1)	20		100	20		100	20		100
Total Loan Repayment Program	20		100	20		100	20		100

(In Thousands Of Dollars)

Project: Basic Allowance For Housing - Enlisted	FY 2005 Estimate	\$2,555,677
	FY 2004 Estimate	\$2,408,890
	FY 2003 Actual	\$2,357,406

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

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) BAH Domestic - Enlisted with Dependents									
E9 with Dependents	2,463	16,652.02	41,014	2,423	17,987.62	43,584	2,389	19,291.34	46,087
E8 with Dependents	4,993	15,125.35	75,521	5,509	16,321.47	89,915	5,088	17,517.10	89,127
E7 with Dependents	16,249	14,245.72	231,479	16,915	15,387.70	260,283	16,209	16,516.81	267,721
E6 with Dependents	35,477	13,387.75	474,957	33,259	14,476.80	481,484	33,248	15,542.41	516,754
E5 with Dependents	34,435	11,830.64	407,388	34,253	12,773.51	437,531	34,641	13,704.89	474,751
E4 with Dependents	18,993	11,362.24	215,803	19,577	12,256.32	239,942	19,850	13,137.18	260,773
E3 with Dependents	9,558	11,424.03	109,191	11,609	12,341.20	143,269	11,647	13,226.15	154,045
E2 with Dependents	2,716	11,463.42	31,135	2,650	12,396.23	32,850	2,584	13,281.73	34,320
E1 with Dependents	1,069	11,385.33	12,171	1,205	12,285.48	14,804	1,195	13,170.71	15,739
Total - (1A)	125,953		1,598,659	127,400		1,743,662	126,851		1,859,317
(1B) BAH Differential (ENL)									
BAH Differential	9,693	2,261.16	21,917	9,161	2,290.56	20,984	9,396	2,320.34	21,802
Total - (1B)	9,693		21,917	9,161		20,984	9,396		21,802
Total - (Group) (1)	135,646		1,620,576	136,561		1,764,646	136,247		1,881,119

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) BAH Domestic - Enlisted without Dependents									
E9 without Dependents	258	13,314.16	3,435	222	14,373.87	3,191	225	15,400.00	3,465
E8 without Dependents	669	12,605.44	8,433	591	13,697.12	8,095	573	14,675.39	8,409
E7 without Dependents	2,745	11,457.57	31,451	2,432	12,437.09	30,247	2,372	13,325.46	31,608
E6 without Dependents	8,598	10,634.00	91,431	7,461	11,552.34	86,192	7,402	12,378.01	91,622
E5 without Dependents	20,487	10,024.86	205,379	20,050	10,895.76	218,460	19,861	11,672.83	231,834
E4 without Dependents	16,645	8,634.08	143,714	9,769	9,387.86	91,710	9,782	10,066.45	98,470
E3 without Dependents	5,829	8,699.31	50,708	4,831	9,477.33	45,785	4,877	10,159.52	49,548
E2 without Dependents	949	8,718.41	8,274	548	9,503.65	5,208	519	10,179.19	5,283
E1 without Dependents	164	8,534.72	1,400	75	9,253.33	694	73	9,931.51	725
Total - (2)	56,344		544,225	45,979		489,582	45,684		520,964
(3) BAH Domestic Partial - Bachelor									
E-9	11	181.82	2	9	222.22	2	11	181.82	2
E-8	22	166.67	4	6	166.67	1	8	125.00	1
E-7	133	142.86	19	55	144.45	8	81	148.15	12
E-6	679	119.36	81	561	119.43	67	575	118.26	68
E-5	4,355	104.28	454	4,196	104.39	438	4,191	104.27	437
E-4	25,890	97.22	2,517	23,263	97.19	2,261	21,749	97.20	2,114
E-3	32,738	93.59	3,064	33,032	93.61	3,092	32,054	93.59	3,000
E-2	18,082	86.38	1,562	17,067	86.42	1,475	17,052	86.38	1,473
E-1	10,567	82.80	875	9,779	82.83	810	11,063	82.80	916
Total - (3)	92,477		8,578	87,968		8,154	86,784		8,023
(4) BAH Domestic Inadequate Family Housing									
E-9	0	4,163.01	0	0	4,496.96	0	0	4,822.84	0
E-8	22	3,781.34	83	21	4,080.37	86	19	4,379.28	83
E-7	24	3,561.43	85	22	3,846.93	85	21	4,129.20	87
E-6	19	3,346.94	64	23	3,619.21	83	22	3,885.60	85
E-5	129	2,957.66	382	126	3,193.38	402	130	3,426.22	445
E-4	127	2,840.56	361	125	3,064.08	383	129	3,284.30	424
E-3	149	2,872.48	428	151	3,085.30	466	147	3,306.54	486
E-2	22	2,865.86	63	21	3,099.06	65	19	3,320.43	63
E-1	0	2,846.33	0	0	3,071.37	0	0	3,292.68	0
Total - (4)	492		1,466	489		1,570	487		1,673
SubTotal (1 2 3 4)			2,174,845			2,263,952			2,411,779

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(5A) BAH Overseas - Enlisted with Dependents									
E9 with Dependents	64	28,109.38	1,799	57	24,982.14	1,424	59	24,423.73	1,441
E8 with Dependents	125	21,412.70	2,677	134	21,160.31	2,835	117	18,470.09	2,161
E7 with Dependents	815	20,029.45	16,324	573	20,771.02	11,902	491	26,627.29	13,074
E6 with Dependents	1,561	20,515.70	32,025	1,296	20,241.90	26,234	1,185	21,645.57	25,650
E5 with Dependents	1,549	23,954.45	37,105	1,257	21,079.25	26,497	1,326	20,647.81	27,379
E4 with Dependents	660	22,003.03	14,522	618	20,857.38	12,890	614	18,943.00	11,631
E3 with Dependents	120	20,231.40	2,428	110	19,194.44	2,111	112	17,508.93	1,961
E2 with Dependents	11	19,300.00	212	8	18,250.00	146	10	15,500.00	155
E1 with Dependents	1	11,544.93	12	4	6,000.00	24	1	8,000.00	8
Total - (5A)	4,906		107,104	4,057		84,063	3,915		83,460
(5B) BAH Overseas - Enlisted without Dependents									
E9 without Dependents	16	19,625.00	314	17	17,000.00	289	13	19,384.62	252
E8 without Dependents	58	18,413.79	1,068	56	16,203.70	907	48	17,833.33	856
E7 without Dependents	283	16,431.10	4,650	259	15,893.28	4,116	234	15,918.80	3,725
E6 without Dependents	1,016	13,870.08	14,092	1,117	12,177.23	13,602	839	13,452.92	11,287
E5 without Dependents	2,023	13,710.33	27,736	1,590	11,945.20	18,993	1,753	12,672.56	22,215
E4 without Dependents	1,372	11,985.42	16,444	1,551	10,148.05	15,740	1,298	10,147.15	13,171
E3 without Dependents	823	11,782.50	9,697	596	10,984.51	6,547	680	11,422.06	7,767
E2 without Dependents	123	11,146.34	1,371	64	9,951.61	637	102	10,764.71	1,098
E1 without Dependents	9	9,444.44	85	5	8,800.00	44	7	9,571.43	67
Total - (5B)	5,723		75,457	5,255		60,875	4,974		60,438
Total - (Group) (5)	10,629		182,561	9,312		144,938	8,889		143,898
Total Basic Allowance For Housing	295,588		2,357,406	280,309		2,408,890	278,091		2,555,677

(In Thousands Of Dollars)

Project: Station Allowance, Overseas - Enlisted

FY 2005 Estimate	\$230,296
FY 2004 Estimate	\$209,321
FY 2003 Actual	\$270,894

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A) Overseas Station Allowance									
COLA	48,188	5,049.20	243,311	47,982	3,863.11	185,360	47,789	4,317.94	206,350
Total - (1A)	48,188		243,311	47,982		185,360	47,789		206,350
(1B) Temporary Lodging									
Temporary Lodging	33,434	825.00	27,583	29,044	825.00	23,961	29,026	825.00	23,946
Total - (1B)	33,434		27,583	29,044		23,961	29,026		23,946
Total - (Group) (1)	81,622		270,894	77,026		209,321	76,815		230,296
Total Station Allowance, Overseas	81,622		270,894	77,026		209,321	76,815		230,296

(In Thousands Of Dollars)

Project: Conus Cost Of Living Allowance (COLA) - Enlisted	FY 2005 Estimate	\$10,652
	FY 2004 Estimate	\$10,292
	FY 2003 Actual	\$8,748

Part I - Purpose And Scope

The funds requested will provide for payment of a cost of living (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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) CONUS Cost of Living Allowance (COLA)									
CONUS COLA	11,158	784.00	8,748	12,696	810.65	10,292	12,696	839.04	10,652
Total - (1)	11,158		8,748	12,696		10,292	12,696		10,652
Total Conus Cost Of Living Allowance	11,158		8,748	12,696		10,292	12,696		10,652

(In Thousands Of Dollars)

Project: Clothing Allowance - Enlisted

FY 2005 Estimate	\$177,683
FY 2004 Estimate	\$176,716
FY 2003 Actual	\$185,949

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1A)Initial Military									
Male	33,393	1,202.85	40,167	29,110	1,182.16	34,413	29,093	1,197.53	34,840
Female	6,711	1,569.40	10,532	6,785	1,549.48	10,513	7,175	1,569.62	11,262
Prior Service	1,985	1,301.82	2,584	1,331	1,281.34	1,705	1,608	1,297.99	2,087
OCS, Newport	400	1,287.04	515	250	1,284.61	321	250	1,289.75	322
On Advancement E-7	5,183	1,012.55	5,248	4,434	992.03	4,399	5,491	1,004.92	5,518
Navy Unit Bands	240	1,014.86	244	240	989.88	238	240	1,002.75	241
Total - (1A)	47,912		59,290	42,150		51,589	43,857		54,270
(1B)Enlisted Civilian Clothing									
Initial Civilian	850	1,412.13	1,200	850	1,430.49	1,216	850	1,449.08	1,232
Total - (1B)	850		1,200	850		1,216	850		1,232
Total - (Group) (1)	48,762		60,490	43,000		52,805	44,707		55,502

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2A)Replacement Allowances									
(BASIC) Male	73,877	291.60	21,543	72,216	291.60	21,058	68,678	295.39	20,287
(BASIC) Female	14,339	342.00	4,904	14,110	334.80	4,724	13,422	339.15	4,552
Total - (2A)	88,216		26,447	86,326		25,782	82,100		24,839
(2B)Replacement Allowances									
(STD) Male	167,844	414.00	69,487	166,851	414.00	69,076	163,390	419.38	68,522
(STD) Female	24,659	486.00	11,984	24,502	478.80	11,732	24,108	485.02	11,693
Total - (2B)	192,503		81,471	191,353		80,808	187,498		80,215
(2C)Replacement Allowances									
(SPL) Male	19,558	608.40	11,899	19,657	597.60	11,747	19,130	605.37	11,581
(SPL) Female	2,635	748.80	1,973	2,646	720.00	1,905	2,574	729.36	1,877
Total - (2C)	22,193		13,872	22,303		13,652	21,704		13,458
Total - (Group) (2)	302,912		121,790	299,982		120,242	291,302		118,512
(3)Supplementary Clothing (Enl)									
	5,041	331.04	1,669	5,041	331.04	1,669	5,041	331.04	1,669
Total - (3)	5,041		1,669	5,041		1,669	5,041		1,669
(4)Up-Front Purchases									
		0.00	2,000		0.00	2,000		0.00	2,000
Total - (4)	0		2,000	0		2,000	0		2,000
Total Clothing Allowance	356,715		185,949	348,023		176,716	341,050		177,683

(In Thousands Of Dollars)

Project: Family Separation Allowance - Enlisted

FY 2005 Estimate	\$29,556
FY 2004 Estimate	\$66,831
FY 2003 Actual	\$102,141

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Family Separation Allowance									
E-9	17	6,077.28	103	9	6,204.90	56	8	6,335.21	51
E-8	27	6,404.70	173	12	6,539.20	78	12	6,676.52	80
E-7	108	5,354.51	578	41	5,466.95	224	41	5,581.76	229
E-6	251	4,954.90	1,244	114	5,058.95	577	115	5,165.19	594
E-5	248	4,531.79	1,124	107	4,626.96	495	107	4,724.12	505
E-4	66	3,749.28	247	32	3,828.01	122	32	3,908.40	125
E-3	25	3,719.23	93	10	3,797.33	38	12	3,877.08	47
E-2	7	2,809.87	20	4	2,885.74	12	2	2,946.34	6
E-1	0	0.00	0	0	0.00	0	0	0.00	0
Total - (1)	749		3,582	329		1,602	329		1,637

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
(2)PCS With Dependents Not	7,043	3,000.00	21,129	3,752	3,000.00	11,256	3,752	1,650.00	6,191
Total - (2)	7,043	3,000	21,129	3,752	3,000	11,256	3,752	1,650	6,191
(3)On Board Ship More Than 30 Days	17,113	3,000.00	51,339	9,260	3,000.00	27,780	4,713	1,650.00	7,776
Total - (3)	17,113	3,000	51,339	9,260	3,000	27,780	4,713	1,650	7,776
(4)On Temporary Duty More Than 30	8,697	3,000.00	26,091	8,731	3,000.00	26,193	8,456	1,650.00	13,952
Total - (4)	8,697	3,000	26,091	8,731	3,000	26,193	8,456	1,650	13,952
Total Family Separation Allowance									
	33,602		102,141	22,072		66,831	17,250		29,556

(In Thousands Of Dollars)

Project: Separation Payments - Enlisted	FY 2005 Estimate	\$165,017
	FY 2004 Estimate	\$253,708
	FY 2003 Actual	\$196,906

Part I - Purpose And Scope

Funds requested will provide for the following separation payments:

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

Involuntary - Full Severance Pay is 10% of the product of members years active service plus fractions of years based on full months and 12 times monthly basic pay is authorized to members involuntarily separated from active duty who are fully qualified for retention, but are denied reenlistment or continuation.
- (4) Voluntary - Special Separation Benefits ((SSB) 10 U.S.C. 1174a) will pay members a lump-sum amount equal to 15% of their annual basic pay multiplied by their years of service. The authority for this program expired on 31 December 2001.

Voluntary Separation Incentive ((VSI) 10 U.S.C. 1175) will pay members 2.5% of their annual basic pay, multiplied by their years of service. Payments will be annual and last for twice the number of years of service. The authority for this program expired on 31 December 2001.
- (5) Discharge Gratuity donation not to exceed \$25, to member separated with a dishonorable, bad conduct, or undesirable discharge for reasons of security, unfitness etc., Under provisions of (10 U.S.C. 771a).
- (6) 15 year Early Retirement Program (ERP) for members on active duty with more than 15 but less than 20 years of service. The FY 1993 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 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. Effective 01 January 2003 an average pay raise of 4.7% is budgeted for all paygrades with targeted pay raises for mid-grade Petty Officers. FY 2004 includes an average 4.1% pay raise and FY 2005 includes a 3.5% pay raise effective 1 January..

Computation of fund requirements is provided in the following table:

	FY 2003				FY 2004				FY 2005			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(1)Lump Sum Terminal Leave												
E-9	158	17	2,397.24	379	222	16	2,483.94	551	175	16	2,569.28	450
E-8	497	17	1,997.46	993	673	17	2,101.46	1,414	551	17	2,140.78	1,180
E-7	1,915	19	1,856.55	3,555	2,531	18	1,957.20	4,954	2,145	18	1,998.80	4,287
E-6	3,640	19	1,573.44	5,727	4,934	18	1,633.66	8,060	3,969	19	1,689.42	6,705
E-5	7,700	19	1,235.56	9,514	9,215	18	1,307.46	12,048	8,519	18	1,324.09	11,280
E-4	8,026	19	990.93	7,953	12,166	18	1,019.47	12,403	8,878	18	1,061.80	9,427
E-3	3,497	18	802.32	2,806	5,829	17	827.69	4,825	3,869	17	859.88	3,327
E-2	1,375	15	620.73	854	2,096	15	642.39	1,346	1,521	15	665.31	1,012
E-1	1,090	8	285.49	311	1,636	8	295.16	483	1,206	8	305.90	369
Total - (1)	27,898			32,092	39,302			46,084	30,833			38,037
(2)Severance Pay, Disability	493		28,043.95	13,826	1,159		31,798.15	36,854	852		31,090.37	26,489
Total - (2)	493			13,826	1,159			36,854	852			26,489
(3)Severance Pay, Non-Disability												
Invol - Full Pay	129		21,257.90	2,742	1,874		22,109.37	41,433	200		22,809.51	4,562
Invol - Half Pay	317		12,701.29	4,026	504		13,110.04	6,607	493		13,568.44	6,689
Total - (3)	446			6,768	2,378			48,040	693			11,251
(4)Voluntary Separation												
SSB	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	4,200	0		0.00	2,900	0		0.00	3,400
Total - (4)	0			4,200	0			2,900	0			3,400
(5)Discharge Gratuity												
	410		24.00	10	410		24.00	10	410		24.00	10
Total - (5)	410			10	410			10	410			10
(6)15 YR Retirement Program												
	0		0.00	0	0		0.00	0	0		0.00	0
Total - (6)	0			0	0			0	0			0

	FY 2003				FY 2004				FY 2005			
	Number	Days	Rate	Amount	Number	Days	Rate	Amount	Number	Days	Rate	Amount
(7)\$30,000 Lump Sum Bonus	4,667		30,000.00	140,010	3,994		30,000.00	119,820	2,861		30,000.00	85,830
Total - (7)	4,667			140,010	3,994			119,820	2,861			85,830
Total Separation Payments	33,914			196,906	47,243			253,708	35,649			165,017

(In Thousands Of Dollars)

Project: Special Compensation For Combat Disabled	FY 2005 Estimate	\$0
	FY 2004 Estimate	\$64,000
	FY 2003 Actual	\$0

Part I - Purpose And Scope

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

- (1) any disability rated 10 percent or higher attributable to an injury for which the member was awarded the purple heart; or
- (2) a service-connected disability rated 60 percent or higher incurred as a direct result of armed conflict, while engaged in hazardous service, in the performance of duty under conditions simulating war, or through the instrumentality of war.

Part II - Justification Of Funds Requested

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

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

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Special Compensation for Combat Disabled			0			64,000			0
Total Special Compensation For Combat Disabled			0			64,000			0

(In Thousands Of Dollars)

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

FY 2005 Estimate	\$608,278
FY 2004 Estimate	\$604,318
FY 2003 Actual	\$602,260

Part I - Purpose And Scope

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

Part II - Justification Of Funds Requested

Social security costs are based on the percentage rate set by law on a member's salary for a calendar year. P.L. 98-21, "Social Security Amendment of 1983" dated 20 April 1983 established the tax rate while the maximum taxable income is determined by the Social Security Administration. The Old Age, Survivor and Disability Income (OASDI) rate is 6.2% and the Hospital Insurance (HI) is 1.45%. There is no wage cap on the 1.45% medical contribution. The government's contribution is based on the percentage rate set by law on member's salary for a calendar year. Taxable income ceilings for OASDI are as follows:

Calendar year 2003 - 7.65% on first \$87,000
 Calendar year 2004 - 7.65% on first \$87,900
 Calendar year 2005 - 7.65% on first \$89,700

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Social Security Tax - Employer's Contribution	335,446	1,795.40	602,260	321,730	1,878.34	604,318	310,812	1,957.06	608,278
Total Social Security Tax - Employer's Contribution	335,446		602,260	321,730		604,318	310,812		608,278
Total Obligations			16,143,051			16,429,957			16,665,729
Less Reimbursables			107,482			89,261			89,579
Total Direct Obligations			16,035,569			16,340,696			16,576,150

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 2004 Direct Program		\$52,851
Increases:		
Basic Pay		126
Annualization of FY 2004 Pay Raise	323	
Decrease in Workyears	-1,166	
FY 2005 Pay Raise of 3.5%	969	
Social Security Tax		10
Decrease in Workyears	-89	
Annualization of FY 2004 Pay Raise	25	
FY 2005 Pay Raise 3.5%	74	
Total Increases		136
Decreases:		
Basic Subsistence		-147
Increase due to Inflation of Midshipmen BAS Daily Rate	147	
Decrease in Workyears	-270	
One less day	-24	
Total Decreases		-147
FY 2005 Direct Program		\$52,840

(In Thousands Of Dollars)

Project: Midshipmen

FY 2005 Estimate	\$52,840
FY 2004 Estimate	\$52,851
FY 2003 Actual	\$50,458

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 FY2001 National Defense Authorization Act. Provision is made for an average 4,185 midshipmen in FY 2003, 4,159 in FY 2004, and 4,035 in FY 2005.

Subsistence rates are \$5.75 per day for FY 2003, \$6.05 per day for FY 2004 and \$6.25 per day for FY 2005.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Basic Pay	4,185	8,871.62	37,128	4,159	9,402.02	39,103	4,035	9,722.14	39,229
(2) Subsistence Allowance	4,185	2,098.75	8,783	4,159	2,177.69	9,057	4,035	2,208.06	8,910
(3) Social Security Tax - Employer's	4,185	680.29	2,847	4,159	719.25	2,991	4,035	743.75	3,001
(4) Nuclear Accession Bonus	170	10,000.00	1,700	170	10,000.00	1,700	170	10,000.00	1,700
Total Obligations			50,458			52,851			52,840
Less Reimbursables			0			0			0
Total Direct Obligations			50,458			52,851			52,840

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 2004 Direct Program	\$949,829
Increases:	
1 Jan 2004 BAS Annualization	6,905
1 Jan 2005 BAS 3.0%	20,715
Increase in operation rations due to change in food prices and inflation	61
Increase in Sale of Meal Rate/BDFA Cost of Food Variance	800
Increase due to change in Inventory	109
Increase in BDFA Rates Due to Change in Food Prices and Inflation	5,667
Increase in food Service Re-Engineering Initiatives	5,295
Increase due to higher RWC - Surveys	47
Increase in Contract Messes, Hospital and Military Sealift Command due to daily rate	195
Total Increases	39,794
Decreases:	
Decrease due to BAS Collections	-10,240
Decrease in SIK Workyears	-8,495
Decrease In BAS Workyears	-11,747
Decrease in Augmentation Rations daily rate	-23
Total Decreases	-30,505
FY 2005 Direct Program	\$959,118

(IN THOUSANDS OF DOLLARS)

Project: Basic Allowance for Subsistence

FY 2005 Estimate	\$1,008,855
FY 2004 Estimate	\$995,213
FY 2003 Actual	\$1,020,035

Part I - Purpose And Scope

Basic Allowance for Subsistence

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

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

Subsistence-In-Kind

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

Family Subsistence Supplemental Allowance (FSSA)

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

Part II - Justification Of Funds Requested

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

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Basic Allowance for Subsistence									
(A) When Authorized to Mess Separately	292,666	2,910.09	851,684	284,061	3,018.57	857,458	303,635	3,122.19	948,006
(B) When Rations-In-Kind Not Available	35,069	3,150.00	110,467	30,258	3,150.00	95,313	0	0.00	0
(C) BAS II	354	5,820.18	2,060	306	6,037.14	1,847	295	6,244.38	1,842
(D) Augmentation of Commuted Rations	(1,510)	146.70	222	(1,448)	150.93	219	(1,399)	155.46	217
(E) Less Collections			340,272			346,525			336,285
Total (1)	328,089		624,161	314,625		608,312	303,930		613,780

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(2) Subsistence-In-Kind									
(A) Subsistence-In-Mess									
(1) Trainee/Non-Pay Status	7,357	2,464.55	18,132	7,105	2,544.05	18,075	6,882	2,598.80	17,885
(2) Members Taking Meals In Mess	100,805	2,716.33	273,820	94,825	2,815.42	266,972	92,299	2,876.87	265,532
Total(2)(A)	108,162		291,952	101,930		285,047	99,181		283,417
(B) Operational Rations									
(1) MREs			1,638			1,674			1,711
(2) Unitized Rations			1,041			1,064			1,087
(3) Other Package Operational Rations			64			65			66
Total(2)(B)			2,743			2,803			2,864
(C) Augmentation Rations/Other Programs									
(1) Augmentation Rations	28,447	306.60	8,722	28,199	314.76	8,876	26,513	313.90	8,322
(2) Other Regionalization			0			0			0
(3) Other Messing			92,226			89,675			99,972
Total(2)(C)	28,447		100,948	28,199		98,551	26,513		108,294
Total(2)	136,609		395,643	130,129		386,401	125,694		394,575
(3) Family Subsistence Supplemental Allowance			231			500			500
Total Obligations			1,020,035			995,213			1,008,855
Less Reimbursables			46,991			45,384			49,737
Total Direct Obligations			973,044			949,829			959,118

Budget Activity 5

Permanent Change of Station Travel

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

	<u>AMOUNT</u>
FY 2004 Direct Program	\$819,208
Increases:	
Additional Planned Enlisted Accession, Officer Training, Officer Organized Units, and Rotational Moves	77,298
Increased Cost of Commercially Procured Services Due to 1.3% Projected Inflation	54
Increased Cost of AMC, Cargo Services Due to 1.8% projected inflation	35
Increased Cost of MTMC Cargo Operations (Port Handling) Due to 33.3% projected inflation	87
Increased Cost of AMC, Channel Passenger Services Due to 1.8% projected inflation	71
Increased Cost of MTMC Global POV Services Due to 17.1% projected inflation	2,133
Annualization of FY 2004 Pay Raise	2,529
FY 2005 Pay Raise	6,542
Total Increases	88,749
Decreases:	
Decrease due to fewer Officer Accession, Officer Midshipmen, Enlisted Training, Enlisted Organized Units, Separations and Operational Moves.	-74,561
Decreased cost of commercially procured services due to 1.3% projected inflation.	-1,192
Decreased cost of MTMC Liner Ocean Transportation due to -10.4% projected inflation	-134
Total Decreases	-75,887
FY 2005 Direct Program	\$832,070

Summary of Project Requirement Moves
(In Thousands of Dollars)

	FY 2003		FY 2004		FY 2005	
	No.Moves	Amount	No.Moves	Amount	No.Moves	Amount
(1) Accession Travel	50,329	54,528	46,959	52,644	47,155	53,895
(2) Training Travel	16,958	70,243	22,205	81,493	18,424	77,715
(3) Operational Travel Between Duty Stations	42,469	215,434	50,628	261,042	39,983	212,056
(4) Rotational Travel To and From Overseas	29,006	326,916	21,393	268,458	27,532	330,555
(5) Separation Travel	45,867	89,856	48,848	100,130	47,194	96,996
(6) Travel Of Organized Units	3,930	18,360	5,914	29,319	5,796	29,934
(7) IPCOT / OTEIP		6,635		7,424		7,622
(8) Non-Temporary Storage		11,422		12,062		12,151
(9) Temporary Lodging Expense		9,386		10,136		14,126
Total Obligations	188,559	802,780	195,947	822,708	186,084	835,050
Less Reimbursables		16,247		3,500		2,980
Total Direct Obligations	188,559	\$786,533	195,947	\$819,208	186,084	\$832,070

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

	FY 2003		FY 2004		FY 2005	
	No.Moves	Amount	No.Moves	Amount	No.Moves	Amount
(1) Travel Of Military Members						
(A) Mileage and Per Diem	192,138	106,357	201,296	112,350	191,319	108,435
(B) MAC	15,646	18,193	13,704	16,439	14,939	17,997
(C) Commercial Air	27,109	19,277	23,535	16,971	25,873	18,960
Total (1)	234,893	143,827	238,535	145,760	232,131	145,392
(2) Travel of Dependents (Family)						
(A) Mileage	57,588	21,289	61,778	23,944	58,455	22,743
(B) MAC	7,624	6,853	6,009	5,450	7,251	6,756
(C) Commercial Air	27,515	13,615	22,493	11,504	26,188	13,199
Total (2)	92,727	41,757	90,280	40,898	91,894	42,698
(3) Transportation of Household Goods						
(A) M Tons – MSC	10,297	1,163	9,218	1,014	9,320	919
(B) S Tons – MAC	10,977	58,909	10,877	59,368	10,463	58,134
(C) Household Goods Land	103,840	265,736	106,762	293,733	103,955	271,715
(D) ITGBL	19,008	103,085	15,972	85,478	18,277	101,966
(E) Commercial Air	4,204	17,202	3,420	14,036	4,036	16,844
Total (3)	148,326	446,095	146,249	453,629	146,051	449,578
(4) Dislocation Allowance	56,224	108,399	59,725	119,123	56,067	116,529
(5) Trailer Allowance	175	457	207	544	198	537
(6) Global POV	10,929	28,095	9,003	26,745	10,751	37,419
(7) Non-Temporary Storage		11,422		12,062		12,151
(8) Cargo Operations		6,707		6,387		8,998
(9) Temporary Lodging Expense		9,386		10,136		14,126
(10) IPCOT / OTEIP		6,635		7,424		7,622
Total Obligations	543,274	802,780	543,999	822,708	537,092	835,050
Less Reimbursables		16,247		3,500		2,980
Total Direct Obligations	543,274	\$786,533	543,999	\$819,208	537,092	\$832,070

(In Thousands of Dollars)

FY 2005 Estimate	53,895
FY 2004 Estimate	52,644
FY 2003 Actual	54,528

Project: Accession Travel

Part I - Purpose And Scope

(A) Officers: covers PCS movements of (1) officers appointed to a commissioned grade from civil life, military academies, reserve and NROTC called or recalled to extended active duty, from home or point where orders were received to first permanent duty station or training school of twenty weeks or more duration and (2) officers or warrant officers appointed or recalled from enlisted status from station where they served as enlisted to new permanent duty station or training school of twenty weeks or more duration. (includes officers appointed from enlisted status upon graduation from OCS or basic flying training).

(B) Enlisted: covers PCS movements of (1) enlistees, reenlistees, and prior service personnel from recruiting station or place of enlistment to first permanent duty station or training school of twenty weeks or more duration and (2) recalled enlisted reservists from home to first permanent duty station or training school of twenty weeks or more duration.

(C) Officer candidates: covers PCS movements of (1) individuals selected as academy midshipmen upon entry into the academy and (2) individuals who travel to the academy but fail to pass the physical entrance examinations and return home.

Part II - Justification of Funds Requested

PCS moves for members entering active duty. Accession moves are directly related to the number of personnel entering or returning to active naval service. The 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers									
(1) Travel Of Military Member	4,237	805.74	3,414	4,407	815.92	3,596	4,307	837.62	3,608
(2) Travel Of Dependents	983	597.75	588	1,022	603.91	617	999	618.16	618
(3) Transportation Of Household Goods									
(A) Land/ITGBL	3,251	2,271.36	7,384	3,376	2,306.96	7,788	3,300	2,336.94	7,712
(B) Overseas			1,177			1,216			1,209
Total(3)			8,561			9,004			8,921
(4) Dislocation Allowance	1,239	2,588.18	3,207	1,289	2,710.71	3,494	1,260	2,798.36	3,526
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	52	2,578.46	134	53	2,980.70	158	52	3,490.40	182

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(B) Partial Service	15	2,049.27	31	15	2,368.95	36	15	2,774.04	42
Total(6)			165			194			224
(7) Cargo Operations ((HHG), M, TONS)	8	20.00	0	8	24.00	0	8	31.99	0
Total Officers			15,935			16,905			16,897
Enlisted									
(1) Travel Of Military Member	44,847	582.11	26,106	41,321	584.56	24,155	41,880	596.90	24,998
(2) Travel Of Dependents	1,794	358.34	643	1,631	364.58	595	1,674	375.71	629
(3) Transportation Of Household Goods									
(A) Land/ITGBL	7,023	1,395.67	9,802	6,394	1,414.34	9,043	6,544	1,434.71	9,389
(B) Overseas			1,358			1,249			1,313
Total(3)			11,160			10,292			10,702
(4) Dislocation Allowance	145	1,611.56	234	140	1,687.97	236	158	1,742.42	275
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	33	2,578.46	85	31	2,980.70	92	31	3,023.56	94
(B) Partial Service	9	2,049.27	18	9	2,368.95	21	9	2,403.02	22
Total(6)			103			113			116
(7) Cargo Operations ((HHG), M, TONS)	16	20.00	0	15	24.00	0	15	31.99	0
Total Enlisted			38,246			35,391			36,720
Officer Candidates									
(1) Travel Of Military Member									
Midshipmen	1,245	278.71	347	1,231	282.89	348	968	287.13	278
Total Midshipmen			347			348			278
Total Accession Travel			54,528			52,644			53,895

(In Thousands of Dollars)

Project: Training Travel

FY 2005 Estimate	77,715
FY 2004 Estimate	81,493
FY 2003 Actual	70,243

Part I - Purpose And Scope

(A) Officers: covers PCS movements of (1) officers and warrant officers from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction of 20 weeks duration or more; and (2) officer and warrant officer school graduates and eliminees from school to their next permanent CONUS duty station. (excludes academy graduates, OCS, NROTC graduates and others chargeable to accession travel.)

(B) Enlisted: covers PCS movements of (1) enlisted personnel from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction, 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers									
(1) Travel Of Military Member	6,730	851.69	5,732	5,717	864.52	4,942	6,769	888.22	6,012
(2) Travel Of Dependents	2,849	566.53	1,614	2,420	575.18	1,392	2,865	590.52	1,692
(3) Transportation Of Household Goods									
(A) Land/ITGBL	6,594	3,301.45	21,770	5,602	3,350.98	18,772	6,633	3,394.54	22,516
(B) Overseas			52			42			50
Total(3)			21,822			18,814			22,566
(4) Dislocation Allowance	5,804	2,588.18	15,022	4,931	2,710.90	13,367	5,838	2,798.36	16,337
(5) Trailer Allowance	2	6,215.44	12	2	6,308.67	13	2	6,390.68	13
(6) Global POV									
(A) Full Service	15	2,578.46	39	13	2,980.70	39	15	3,490.40	52
(B) Partial Service	4	2,049.27	8	4	2,368.95	9	4	2,774.04	11
Total(6)			47			48			63
(7) Cargo Operations ((HHG), M, TONS)	85	20.00	2	73	24.00	2	86	31.99	3

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Total Officers			44,251			38,578			46,686
Enlisted									
(1) Travel Of Military Member	10,228	603.25	6,170	16,488	612.41	10,097	11,655	628.76	7,328
(2) Travel Of Dependents	2,202	415.84	916	3,550	422.08	1,498	2,510	433.80	1,089
(3) Transportation Of Household Goods									
(A) Land/ITGBL	5,211	2,263.38	11,794	8,401	2,297.33	19,300	5,938	2,327.19	13,819
(B) Overseas			52			75			60
Total(3)			11,846			19,375			13,879
(4) Dislocation Allowance	4,314	1,611.56	6,952	6,955	1,687.97	11,740	4,916	1,742.42	8,566
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	34	2,578.46	88	56	2,980.70	167	39	3,490.40	136
(B) Partial Service	10	2,049.27	20	16	2,368.95	38	11	2,774.04	31
Total(6)			108			205			167
(7) Cargo Operations ((HHG), M, TONS)	1	20.00	0	2	24.00	0	1	31.99	0
Total Enlisted			25,992			42,915			31,029
Total Training Travel			70,243			81,493			77,715

(In Thousands of Dollars)

Project: Operational Travel

FY 2005 Estimate	212,056
FY 2004 Estimate	261,042
FY 2003 Actual	215,434

Part I - Purpose And Scope

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

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

Part II - Justification of Funds Requested

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

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers									
(1) Travel Of Military Member	7,652	992.68	7,596	8,735	1,007.73	8,803	7,348	1,034.40	7,601
(2) Travel Of Dependents	4,188	570.87	2,391	4,781	579.45	2,770	4,022	595.16	2,394
(3) Transportation Of Household Goods									
(A) Land/ITGBL	6,594	5,536.73	36,509	7,528	5,619.78	42,306	6,332	5,692.83	36,047
(B) Overseas			89			103			88
Total(3)			36,598			42,409			36,135
(4) Dislocation Allowance	5,918	2,588.18	15,317	6,756	2,710.90	18,315	5,683	2,798.36	15,903
(5) Trailer Allowance	1	220.00	0	1	223.30	0	1	226.21	0
(6) Global POV									
(A) Full Service	28	2,578.46	72	32	2,980.70	95	27	3,490.40	94
(B) Partial Service	8	2,049.27	16	9	2,368.95	21	8	2,774.40	22
Total(6)			88			116			116

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(7) Cargo Operations ((HHG), M, TONS)	0	20.00	0	0	24.00	0	0	31.99	0
Total Officers			61,990			72,413			62,149
Enlisted									
(1) Travel Of Military Member	34,817	910.96	31,717	41,893	924.85	38,745	32,635	948.93	30,968
(2) Travel Of Dependents	14,725	516.79	7,610	17,717	524.55	9,293	13,802	532.18	7,345
(3) Transportation Of Household Goods									
(A) Land/ITGBL		4,088.92	84,330	24,815	4,150.22	102,988	19,331	4,204.18	81,271
(B) Overseas	20,624		228			279			224
Total(3)			84,558			103,267			81,495
(4) Dislocation Allowance	17,991	1,611.56	28,994	21,647	1,687.97	36,539	16,863	1,742.42	29,382
(5) Trailer Allowance	14	311.94	4	17	316.62	5	13	320.74	4
(6) Global POV									
(A) Full Service	178	2,578.46	459	214	2,980.70	638	167	3,490.40	583
(B) Partial Service	50	2,049.27	102	60	2,368.95	142	47	2,774.40	130
Total(6)			561			780			713
(7) Cargo Operations ((HHG), M, TONS)	0	20.00	0	0	24.00	0	0	31.99	0
Total Enlisted			153,444			188,629			149,907
Total Operational Travel			215,434			261,042			212,056

(In Thousands of Dollars)

Project: Rotational Travel

FY 2005 Estimate	330,555
FY 2004 Estimate	268,458
FY 2003 Actual	326,916

Part I - Purpose And Scope

(A) Officers: PCS movements of (1) officers and warrant officers from permanent duty stations in CONUS to permanent duty stations overseas; (2) officers and warrant officers from permanent duty stations overseas to permanent duty stations in CONUS; (3) officers and warrant officers from permanent duty stations in an overseas area to permanent duty stations in 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers									
(1) Travel Of Military Member	5,532	1,784.46	9,872	5,148	1,811.76	9,327	5,221	1,852.66	9,673
(2) Travel Of Dependents	3,382	1,507.66	5,099	3,147	1,531.21	4,819	3,192	1,559.25	4,977
(3) Transportation Of Household Goods									
(A) Land/ITGBL	10,661	3,975.76	42,386	9,921	4,035.39	40,035	10,062	4,087.85	41,132
(B) Overseas			23,171			21,913			22,590
Total(3)			65,557			61,948			63,722
(4) Dislocation Allowance	4,671	2,588.18	12,089	4,347	2,710.90	11,784	4,409	2,798.36	12,338
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	2,182	2,578.46	5,626	2,030	2,980.70	6,051	2,059	3,490.40	7,187
(B) Partial Service	615	2,049.27	1,260	573	2,368.95	1,357	581	2,774.04	1,612
Total(6)			6,886			7,408			8,799
(7) Cargo Operations ((HHG), M, TONS)	269	20.00	5	250	24.00	6	254	31.99	8

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Total Officers			99,508			95,292			99,517
Enlisted									
(1) Travel Of Military Member	23,474	1,413.81	33,188	16,245	1,435.88	23,326	22,311	1,465.87	32,705
(2) Travel Of Dependents	9,872	1,463.07	14,443	6,832	1,485.95	10,152	9,383	1,525.88	14,317
(3) Transportation Of Household Goods									
(A) Land/ITGBL	34,356	2,712.87	93,203	23,776	2,753.56	65,469	32,654	2,789.36	91,084
(B) Overseas			42,853			40,817			42,083
Total(3)			136,056			106,286			133,167
(4) Dislocation Allowance	13,058	1,611.56	21,044	9,037	1,687.97	15,254	12,411	1,742.42	21,625
(5) Trailer Allowance	7	518.68	4	5	526.46	3	7	533.30	4
(6) Global POV									
(A) Full Service	7,111	2,578.46	18,335	4,921	2,980.70	14,668	6,758	3,490.40	23,588
(B) Partial Service	2,006	2,049.27	4,111	1,388	2,368.95	3,288	1,906	2,774.04	5,287
Total(6)			22,446			17,956			28,875
(7) Cargo Operations ((HHG), M, TONS)	11,353	20.00	227	7,857	24.00	189	10,791	31.99	345
Total Enlisted			227,408			173,166			231,038
Total Rotational Travel			326,916			268,458			330,555

(In Thousands of Dollars)

Project: Separation Travel

FY 2005 Estimate	96,996
FY 2004 Estimate	100,130
FY 2003 Actual	89,856

Part I - Purpose And Scope

(A) Officers: covers PCS movements of (1) officers and warrant officers upon release or separation from the service from last permanent duty station to home of record or entry into service or to home of selection when authorized by law; and (2) dependents, household goods, trailer allowances and personal effects of officers and warrant officers who are deceased.

(b) Enlisted: covers PCS movements of (1) enlisted personnel upon release or separation from the service from last permanent duty station to home of record or 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers									
(1) Travel Of Military Member	3,970	496.52	1,971	5,827	502.57	2,928	5,048	516.02	2,605
(2) Travel Of Dependents	1,498	498.29	746	2,199	504.48	1,109	1,905	517.64	986
(3) Transportation Of Household Goods									
(A) Land/ITGBL	4,940	2,612.06	12,904	7,251	2,649.41	19,211	6,281	2,683.87	16,857
(B) Overseas			1,904			2,810			2,481
Total(3)			14,808			22,021			19,338
(4) Dislocation Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(5) Trailer Allowance	13	528.64	7	20	537.96	11	17	544.93	9
(6) Global POV									
(A) Full Service	108	2,578.46	278	156	2,980.70	465	135	3,490.40	471
(B) Partial Service	31	2,049.27	64	44	2,368.95	104	38	2,774.04	105
Total(6)			342			569			576
(7) Cargo Operations ((HHG), M, TONS)	52	20.00	1	75	24.00	2	65	31.99	2
Total Officers			17,875			26,640			23,516

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted									
(1) Travel Of Military Member	41,542	370.39	15,387	42,782	375.02	16,044	41,907	384.97	16,133
(2) Travel Of Dependents	12,164	463.31	5,636	12,563	437.81	5,500	12,307	445.74	5,486
(3) Transportation Of Household Goods									
(A) Land/ITGBL	20,059	2,089.15	41,906	20,038	2,169.38	43,470	19,607	2,199.36	43,123
(B) Overseas			6,031			5,385			5,247
Total(3)			47,937			48,855			48,370
(4) Dislocation Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(5) Trailer Allowance	98	3,137.81	308	103	3,194.57	329	100	3,236.44	324
(6) Global POV									
(A) Full Service	773	2,578.46	1,993	689	2,980.70	2,054	671	3,490.40	2,342
(B) Partial Service	218	2,049.27	447	194	2,368.95	460	189	2,774.04	524
Total(6)			2,440			2,514			2,866
(7) Cargo Operations ((HHG), M, TONS)	8,245	20.00	165	7,247	24.00	174	7,056	31.99	226
Total Enlisted			71,873			73,416			73,405
Officer Candidates									
(1) Travel Of Military Member									
Midshipmen	355	304.23	108	239	308.79	74	239	312.42	75
Total Midshipmen			108			74			75
Total Separation Travel			89,856			100,130			96,996

(In Thousands of Dollars)

Project: Travel Of Organized Units

FY 2005 Estimate	29,934
FY 2004 Estimate	29,319
FY 2003 Actual	18,360

Part I - Purpose And Scope

(A) Officers: 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 changes in projected force positioning due to operational requirements. Average rates are based on a point-to-point pricing of each unit move utilizing statistical data, ratios, and percentages that have been generated from actual PCS moves during a given period.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers									
(1) Travel Of Military Member	1,394	323.79	451	1,377	331.85	457	1,558	345.41	538
(2) Travel Of Dependents	672	508.67	342	672	512.19	344	773	519.14	401
(3) Transportation Of Household Goods									
(A) Land/ITGBL	648	2,326.98	1,508	662	2,238.63	1,482	785	2,102.68	1,651
(B) Overseas			116			135			180
Total(3)			1,624			1,617			1,831
(4) Dislocation Allowance	585	2,588.18	1,514	576	2,710.90	1,561	650	2,798.36	1,819
(5) Trailer Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(6) Global POV									
(A) Full Service	55	2,578.46	142	61	2,980.71	182	79	3,490.40	276
(B) Partial Service	15	2,049.27	31	17	2,368.95	40	22	2,774.04	61
Total(6)			173			222			337
(7) Cargo Operations ((HHG), M, TONS)	53	20.00	1	60	24.00	1	81	31.99	3
Total Officers			4,105			4,202			4,929

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Enlisted									
(1) Travel Of Military Member	6,115	289.45	1,770	9,886	295.18	2,918	9,473	302.96	2,870
(2) Travel Of Dependents	3,258	530.74	1,729	5,242	535.42	2,807	5,023	550.31	2,764
(3) Transportation Of Household Goods									
(A) Land/ITGBL	2,887	1,842.83	5,320	4,970	1,880.71	9,347	4,765	1,905.22	9,078
(B) Overseas			144			278			264
Total(3)			5,464			9,625			9,342
(4) Dislocation Allowance	2,498	1,611.56	4,026	4,048	1,687.97	6,833	3,879	1,742.42	6,759
(5) Trailer Allowance	38	3,118.46	119	60	3,107.46	186	57	3,147.47	179
(6) Global POV									
(A) Full Service	361	2,578.46	931	748	2,980.70	2,230	718	3,490.40	2,506
(B) Partial Service	102	2,049.27	209	211	2,368.95	500	203	2,774.04	563
Total(6)			1,140			2,730			3,069
(7) Cargo Operations ((HHG), M, TONS)	349	20.00	7	732	24.00	18	703	31.99	22
Total Enlisted			14,255			25,117			25,005
Total Travel of Organized Units			18,360			29,319			29,934

(In Thousands of Dollars)

Project: Nontemporary Storage	FY 2005 Estimate	12,151
	FY 2004 Estimate	12,062
	FY 2003 Actual	11,422

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 2003	FY 2004	FY 2005
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Non-Temporary Storage	11,422	12,062	12,151
Total Non-Temporary Storage	11,422	12,062	12,151

(In Thousands of Dollars)

Project: Temporary Lodging Expense	FY 2005 Estimate	14,126
	FY 2004 Estimate	10,136
	FY 2003 Actual	9,386

Part I - Purpose And Scope

For reimbursement of expenses incurred as a result of a PCS move, not to exceed \$110 per day for up to ten days under the provisions of 37 U.S.C. 404D. Limited to five days within CONUS when member moves from conus to overseas.

Part II - Justification of Funds Requested

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

Fund requirements are provided in the following table:

	FY 2003	FY 2004	FY 2005
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Temporary Lodging Expense	9,386	10,136	14,126
Total Temporary Lodging Expense	9,386	10,136	14,126

(In Thousands of Dollars)

Project: In-Place Consecutive Overseas Tour (IPCOT)

FY 2005 Estimate	6,016
FY 2004 Estimate	5,898
FY 2003 Actual	5,427

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers	91	7,574.47	689	112	7,725.96	865	112	7,880.48	883
Enlisted	849	5,581.10	4,738	884	5,693.44	5,033	884	5,806.58	5,133
Total In-Place Consecutive Overseas Tour (IPCOT)	940		5,427	996		5,898	996		6,016

(In Thousands of Dollars)

Project: Overseas Tour Extension Incentives Program (OTEIP)

FY 2005 Estimate	1,606
FY 2004 Estimate	1,526
FY 2003 Actual	1,208

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers	0	0.00	0	19	1,688.36	32	48	1,722.13	82
Enlisted	730	1,655.26	1,208	885	1,688.36	1494	885	1,722.13	1,524
Total Overseas Tour Extension Incentives Program (OTEIP)	730		1,208	904		1,526	933		1,606
Total Obligations			802,780			822,708			835,050
Less Reimbursables			16,247			3,500			2,980
Total Direct Obligations			786,533			819,208			832,070

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 2004 Direct Program		\$78,827
Increases:		
Unemployment Benefits		1,210
Increase in Number of Members Entitled	8,586	
Decrease in Department of Labor Rate	-7,376	
Increase in Department of Veterans Affairs Estimate for Survivors' Benefits		867
Increase in Number of Payments for Adoption Expenses		10
Increase in Number of Payments for Partial Dislocation Allowance		1,655
Total Increases		3,742
Decreases:		
Decrease in Death Gratuities due to retroactive payments reflected in FY 2004		-3,192
Transfer of Special Compensation for Severely Disabled to the Military Retirement Fund		-5,433
Decrease in Number of Receiving Travel Subsidy		-443
Total Decreases		-9,068
FY 2005 Direct Program		\$73,501

(In Thousands Of Dollars)

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

FY 2005 Estimate	\$825
FY 2004 Estimate	\$825
FY 2003 Actual	\$904

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. Estimated 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 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Apprehension			904			825			825
Total Apprehension Of Military Deserters, Absentees And Escaped Military Prisoners			904			825			825

(In Thousands Of Dollars)

Project: Interest On Savings Deposit

FY 2005 Estimate	\$209
FY 2004 Estimate	\$209
FY 2003 Actual	\$442

Part I - Purpose And Scope

Funds requested will provide payment of interest for service members participating in the servicemen's savings deposit program.

Part II - Justification Of Funds Requested

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

The following estimates are provided.

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Interest on Savings Deposit			442			209			209
Total Interest On Savings Deposit			442			209			209

(In Thousands Of Dollars)

Project: Death Gratuities

FY 2005 Estimate	\$3,036
FY 2004 Estimate	\$6,228
FY 2003 Actual	\$1,559

Part I - Purpose And Scope

Funds requested will provide for payment of death gratuities to beneficiaries of military personnel (10 U.S.C. 1475-1480). The death gratuity payment increased to \$12,000 cited by the Military Death Gratuity Improvement Act of 2003.

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 2004, payments go back to September 11, 2001.

Computation of fund requirements is provided in the following table:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer	64	6,000.00	384	187	12,000.00	2,244	42	12,000.00	504
Enlisted	193	6,000.00	1,158	328	12,000.00	3,936	208	12,000.00	2,496
Midshipmen/NAVCADS	3	6,000.00	18	4	12,000.00	48	3	12,000.00	36
Total Death Gratuities			1,560			6,228			3,036

(In Thousands Of Dollars)

Project: Unemployment Compensation, Paid To Ex-Service Members

FY 2005 Estimate	\$59,943
FY 2004 Estimate	\$58,733
FY 2003 Actual	\$66,868

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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Unemployment Compensation	14,211	4,705.20	66,866	11,335	5,181.60	58,733	12,992	4,613.81	59,943
Total Unemployment Compensation, Paid To Ex-Service Members			66,866			58,733			59,943

(In Thousands Of Dollars)

Project: Survivor's Benefits

FY 2005 Estimate	\$1,721
FY 2004 Estimate	\$854
FY 2003 Actual	\$1,697

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 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Survivors Benefits			1,697			854			1,721
Total Survivor's Benefits			1,697			854			1,721

(In Thousands Of Dollars)

Project: Education Benefits

FY 2005 Estimate	\$1,370
FY 2004 Estimate	\$1,370
FY 2003 Actual	\$7,121

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 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 FY1998 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 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Involuntary Separatees			2,014			1,370			1,370
Unfunded Liability			5,107			0			0
Total Education Benefits			7,121			1,370			1,370

(In Thousands Of Dollars)

Project: Adoption Expenses

FY 2005 Estimate	\$246
FY 2004 Estimate	\$236
FY 2003 Actual	\$230

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 1053.

Part II - Justification Of Funds Requested

All active duty individuals who initiate adoption proceedings are eligible to receive reimbursement for expenses related to the adoption of children 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 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Adoption Expenses			230			236			246
Total Adoption Expenses			230			236			246

(In Thousands Of Dollars)

Project: Special Compensation For Severely Disabled

FY 2005 Estimate	\$0
FY 2004 Estimate	\$5,433
FY 2003 Actual	\$13,668

Part I - Purpose And Scope

Section 658 of the FY 2000 National Defense Authorization Act (P.L. 106-65) provided a new element of compensation for certain severely disabled retirees of the uniformed services. Payments will be made to military retirees who (1) possess a minimum VA disability rating of at least 70%, (2) receive the minimum disability rating within four years of retirement, (3) retire with a non-disability retirement, and (4) have 20 plus years of service for the purpose of computing retired pay. FY 2002 NDAA expands eligibility and increases payment levels.

Part II - Justification Of Funds Requested

Cost estimate provided by department of Veteran Affairs.

The following estimate is provided:

	FY 2003			FY 2004			FY 2005		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Severely Disabled			13,668			5,433			0
Total Special Compensation For Severely Disabled			13,668			5,433			0

(In Thousands Of Dollars)

Project: Transportation Subsidy

FY 2005 Estimate	\$3,951
FY 2004 Estimate	\$4,394
FY 2003 Actual	\$4,607

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 FY2002.

Computation of fund requirements is provided in the following table.

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer	1,613	1,200.00	1,936	1,538	1,200.00	1,846	1,383	1,200.00	1,660
Enlisted	2,227	1,200.00	2,672	2,123	1,200.00	2,548	1,909	1,200.00	2,291
Total Transportation Subsidy			4,608			4,394			3,951

(In Thousands Of Dollars)

Project: Partial Dislocation Allowance (DLA)

FY 2005 Estimate	\$2,200
FY 2004 Estimate	\$545
FY 2003 Actual	\$500

Part I - Purpose And Scope

Section 636 of the FY 2002 National Defense Authorization Act provide 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 other than a permanent change of station (PCS) move. Members are not entitled to the allowance for local moves from government quarters upon separation/retirement.

Part II - Justification Of Funds Requested

Under this program, participating members will receive a one time payment when they receive orders to vacate government family style quarters.

The following estimate is provided:

	FY 2003			FY 2004			FY 2005		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officer	230	500.00	115	230	544.96	125	929	544.96	506
Enlisted	770	500.00	385	770	544.96	420	3,108	544.96	1694
Total Partial DLA			500			545			2,200
Total Obligations			97,596			78,827			73,501
Less Reimbursables			0			0			0
Total Direct Obligations			97,596			78,827			73,501

Section 5

Special Analysis

MILITARY PERSONNEL , NAVY
MILITARY PERSONNEL ASSIGNED OUTSIDE DoD

	FY 2003			(End Strength) FY 2004			FY 2005		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
<u>Assigned Outside DoD</u>									
Non-Reimbursable Personnel									
Executive Office of the President	9	2	11	8	11	19	8	11	19
Office of the Vice President	0	11	11	0	10	10	0	10	10
State Department	5	11	16	7	16	23	7	16	23
State Department (U.N. Truce Supervision)	6	0	6	7	0	7	7	0	7
Justice Department	0	0	0	1	0	1	1	0	1
Energy Department	5	0	5	5	0	5	5	0	5
National Drug Interdiction Program	5	5	10	5	5	10	5	5	10
Classified Activities	0	0	0	0	0	0	0	0	0
DoD Project Office	13	2	15	15	2	17	15	2	17
Central Intelligence Agency	2	0	2	3	0	3	3	0	3
Commerce Department	0	0	0	0	0	0	0	0	0
Dept of Transportation (Coast Guard)	0	0	0	0	0	0	0	0	0
Subtotal Non-reimbursable Program	45	31	76	51	44	95	51	44	95
Reimbursable Personnel									
Executive Office of the President	0	0	0	0	0	0	0	0	0
Arms Control and Disarmament Agency	4	0	4	6	0	6	6	0	6
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	1	3	2	0	2	2	0	2
NASA	28	0	28	34	0	34	34	0	34
Office of Physican to Congress	5	9	14	5	9	14	5	9	14
Classified Activities	5	2	7	7	4	11	7	4	11
Energy Department (DoE)	1	0	1	2	1	3	2	1	3
Naval Home	1	1	2	2	1	3	2	1	3
Subtotal Reimbursable Personnel	85	13	98	97	15	112	97	15	112
Total Outside DoD	130	44	174	148	59	207	148	59	207

MILITARY PERSONNEL , NAVY
MILITARY PERSONNEL ASSIGNED OUTSIDE DoD

	FY 2003			(End Strength) FY 2004			FY 2005		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
<u>Assigned to DoD Activities</u>									
Reimbursable Personnel									
Working Capital Fund									
WCF – Navy	724	1,185	1,909	818	1,300	2,118	817	1,238	2,055
WCF – Defense	209	161	370	238	183	421	228	171	399
WCF Total	933	1,346	2,279	1,056	1,483	2,539	1,045	1,409	2,454
State Department (CBs)	1	111	112	2	128	130	2	128	130
National Science Foundation	0	0	0	0	0	0	0	0	0
Foreign Military Sales	19	289	308	79	113	192	79	113	192
Subtotal DoD Reimbursable Personnel	953	1,746	2,699	1,137	1,724	2,861	1,126	1,650	2,776
 Total Non-Reimbursable Personnel	 45	 31	 76	 51	 44	 95	 51	 44	 95
Total Reimbursable Personnel	1,038	1,759	2,797	1,234	1,739	2,973	1,223	1,665	2,888
Grand Total	1,083	1,790	2,873	1,285	1,783	3,068	1,274	1,709	2,983

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>Subsistence (SIK)</u>	\$40,673	\$41,447	\$45,965
Sale of Meals - Bulk Subsistence	40,673	41,447	45,965
<u>Other Non-Strength Related</u>	\$100	\$100	\$100
Other Military Costs	100	100	100
<u>Strength-Related</u>	\$311,403	\$295,258	\$297,941
Officer	148,964	162,342	168,653
Basic Pay	(118,403)	(133,830)	(122,248)
Other Pays and Allowances	(30,561)	(28,512)	(46,405)
Enlisted	92,727	75,883	78,535
Basic Pay	(76,726)	(63,707)	(54,690)
Other Pays and Allowances	(16,001)	(12,176)	(23,845)
Retired Pay Accrual (Officer and Enlisted)	53,465	53,533	47,773
PCS Travel	16,247	3,500	2,980
Total Program	\$352,176	\$336,805	\$344,006
Includes the following anticipated reimbursements from the DHP Trust Fund (Over 65):	\$113,824	\$115,570	\$119,707