

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



JUSTIFICATION OF ESTIMATES
FEBRUARY 2004

MILITARY PERSONNEL, MARINE CORPS

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

	PAGE
Table of Contents	1
Section 1 - Summary of Requirements by Budget Program	2
Section 2 - Introduction	4
Section 3 - Performance Measures and Evaluation Summary	6
Section 4 - Summary Tables	
Personnel Summaries	7
Summary of Entitlements by Subactivity	13
Analysis of Appropriation Changes	16
Schedule of Increases and Decreases	19
Section 5 - Detail of Military Personnel Entitlements	
Pay and Allowances of Officers	23
Pay and Allowances of Enlisted Personnel	48
Subsistence of Enlisted Personnel	80
Permanent Change of Station Travel	83
Other Military Personnel Costs	108
Section 6 - Special Analysis	
Schedule of Military Assigned Outside DoD Reimbursable Program	119 121

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

The Military Personnel, Marine Corps appropriation provides for pay, allowances, individual clothing, subsistence, and permanent change of station for Active personnel.

The following is a funding summary:

	FY 2003	FY 2004	FY 2005
	Actuals/1	Estimate	Estimate
<u>DIRECT BASELINE PROGRAM FUNDING</u>			
BA-1 Pay and Allowances for Officers	\$1,968,690	\$1,769,541	\$1,936,803
BA-2 Pay and Allowances for Enlisted	6,876,559	6,427,736	6,777,977
BA-4 Subsistence of Enlisted Personnel	767,047	441,387	491,214
BA-5 Permanent Change of Station Travel	305,836	298,730	337,016
BA-6 Other Military Personnel Costs	69,706	45,503	52,892
Total Direct Program	\$9,987,838	\$8,982,897	\$9,595,902
<u>REIMBURSABLE BASELINE PROGRAM FUNDING</u>			
BA-1 Pay and Allowances for Officers	\$9,547	\$11,321	\$10,740
BA-2 Pay and Allowances for Enlisted	7,107	6,548	5,528
BA-4 Subsistence of Enlisted Personnel	9,252	13,561	13,804
BA-5 Permanent Change of Station Travel	0	520	842
Total Reimbursable Program	\$25,906	\$31,950	\$30,914
<u>TOTAL BASELINE PROGRAM FUNDING</u>			
BA-1 Pay and Allowances for Officers	\$1,978,237	\$1,780,862	\$1,947,543
BA-2 Pay and Allowances for Enlisted	6,883,666	6,434,284	6,783,505
BA-4 Subsistence of Enlisted Personnel	776,299	454,948	505,018
BA-5 Permanent Change of Station Travel	305,836	299,250	337,858
BA-6 Other Military Personnel Costs	69,706	45,503	52,892
Total Program	\$10,013,744	\$9,014,847	\$9,626,816

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

<u>P.L. 108-106 FUNDING (FY 2004 ONLY)</u>	FY 2003 Actuals/1	FY 2004 Estimate	FY 2005 Estimate
BA-1 Pay and Allowances for Officers		\$188,963	
BA-2 Pay and Allowances for Enlisted		409,823	
BA-4 Subsistence of Enlisted Personnel		114,438	
BA-5 Permanent Change of Station Travel		27,206	
BA-6 Other Military Personnel Costs		12,760	
Total P.L. 108-106 Program Funding		\$753,190	
 <u>TOTAL PROGRAM FUNDING</u>			
BA-1 Pay and Allowances for Officers	\$1,978,237	\$1,969,825	\$1,947,543
BA-2 Pay and Allowances for Enlisted	\$6,883,666	\$6,844,107	\$6,783,505
BA-4 Subsistence of Enlisted Personnel	\$776,299	\$569,386	\$505,018
BA-5 Permanent Change of Station Travel	\$305,836	\$326,456	\$337,858
BA-6 Other Military Personnel Costs	\$69,706	\$58,263	\$52,892
Total Program	\$10,013,744	\$9,768,037	\$9,626,816
 <u>LEGISLATIVE PROPOSALS:</u>			 None

1/ Includes \$1.3B from Supplemental appropriations in FY 2003 for Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom.

SECTION 2
INTRODUCTORY STATEMENT

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

The budget provides for a Marine Corps Active Forces FY 2005 end strength of 175,000. This force structure permits the Marine Corps to establish a 4th Marine Expeditionary Brigade (MEB) to combat terrorism, which fulfills its charter as a versatile expeditionary force-in-readiness, capable of rapidly responding to global contingencies. The FY 2005 budget includes funding for a pay raise of 3.5%. The budget includes funding to reduce Out Of Pocket average housing expenses from 3.5% in FY 2004 to 0% in FY 2005.

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

This justification provides information to meet the Office of Management and Budget requirement for the Program Assessment Rating Tool (PART).

FISCAL YEAR 2003

- a. \$9,987,838 supported an end strength of 177,779 with the average strength at 190,193.
- b. Retired pay accrual percentage is 27.4 percent of the basic pay.
- c. The pay raise is 4.1 percent and a optional targeted increase for the mid-career grades.
- d. The economic assumption for non-pay inflation is 1.0 percent.

FISCAL YEAR 2004

- a. The requested \$9,736,087 supports an end strength of 175,000 with the average strength at 185,158.
- b. Retired pay accrual percentage is 27.1 percent of the basic pay.
- c. The pay raise is 4.1 percent and a optional targeted increase for the mid-career grades.
- d. The economic assumption for non-pay inflation is 1.3 percent.

FISCAL YEAR 2005

- a. The requested \$9,595,902 supports an end strength of 175,000 with the average strength at 174,547.
- b. Retired pay accrual percentage is 27.5 percent of the basic pay.
- c. The pay raise is 3.5 percent.
- d. The economic assumption for non-pay inflation is 1.5 percent.

MILITARY PERSONNEL, MARINE CORPS
Fiscal Year (FY) 2005 President's Budget
Performance Measures and Evaluation Summary

Activity: Active Military Personnel

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

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

PERFORMANCE MEASURES:

	<u>FY 2003 Actual</u>	<u>FY 2004 Planned</u>	<u>FY 2005 Planned</u>
Average Strength	190,193	185,158	174,547
End Strength	177,779	175,000	175,000
Authorized End Strength	175,000		

FY 2003 average strength includes 1,684 officer and 12,324 enlisted mobilized Reserve Component personnel in support of ONE/OEF/OIF.
 FY 2004 average strength includes 1,137 officer and 6,369 enlisted mobilized Reserve Component personnel in support of ONE/OEF/OIF.

Recruiting

1. Numeric goals	38,659	35,824	38,382
Actual	38,685		

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

2. Quality goals			
a. Tier 1 HSDG*	97.4%		
b. Cat I-III A	70.9%		

a. The percent Tier 1 High School Degree Graduate (HSDG*) is the measure, which is a measure of educational achievement - Total number of Tier 1 (HSDG) is the measure, which is a measure of educational achievement - Total number of Tier 1 (HSDG) non-prior service accessions + Delayed Entry Program (DEP) is compared to total number of non-prior service accessions + DEP for the fiscal year. (DoD target is 90%)

b. The percent Cat I-III A is the measure - Total number of non-prior service accessions + DEP who scored at or above 50th percentile (Cat I-III A) is compared to total number of non-prior service accessions + DEP for the fiscal year. (DoD target is 60%. Cat I-III A - scores at or above 50 on the Armed Forces Qualification Test (measure of aptitude). Cat IV - percentages are not shown as the Services historically have no difficulty meeting the 4% limitation.)

MILITARY PERSONNEL, MARINE CORPS
SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 2003 Actual		FY 2004 Planned		FY 2005 Planned	
	Average Strength/1	End Strength 30 Sep 2003	Average Strength/2	End Strength 30 Sep 2004	Average Strength	End Strength 30 Sep 2005
<u>DIRECT PROGRAM</u>						
Officers	20,116	18,650	18,595	17,969	18,496	17,969
Enlisted	169,413	158,889	156,227	156,749	155,422	156,755
<u>ADSW DIRECT PROGRAM</u>						
Officers	159	0	158	0	159	0
Enlisted	193	0	166	0	193	0
Total ADSW	352	0	324	0	352	0
TOTAL DIRECT PROGRAM	189,881	177,539	175,146	174,718	174,270	174,724
<u>REIMBURSABLE PROGRAM</u>						
Officers	118	96	118	119	118	119
Enlisted	194	144	177	163	159	157
Total Reimbursable	312	240	295	282	277	276
<u>TOTAL PROGRAM</u>						
Officers	20,393	18,746	18,871	18,088	18,773	18,088
Enlisted	169,800	159,033	156,570	156,912	155,774	156,912
Total Program	190,193	177,779	175,441	175,000	174,547	175,000
<u>FY 2004 Emergency Supplemental</u>						
Officers			1,874			
Enlisted			7,843			
FY 2004 Supplemental Funded Strength			9,717			
<u>REVISED TOTAL PROGRAM</u>						
Officers	20,393	18,746	20,745	18,088	18,773	18,088
Enlisted	169,800	159,033	164,413	156,912	155,774	156,912
Revised Total Program	190,193	177,779	185,158	175,000	174,547	175,000

/1 FY 2003 average strength includes 1,684 officer and 12,324 enlisted mobilized Reserve Component personnel in support of ONE/OEF/OIF

/2 FY 2004 average strength includes 1,137 officer and 6,369 enlisted mobilized Reserve Component personnel in support of ONE/OEF/OIF

MILITARY PERSONNEL, MARINE CORPS
END STRENGTH BY GRADE
TOTAL PROGRAM

	FY 2003	Reimbursable	ADSW	FY 2004	Reimbursable	ADSW	FY 2005	Reimbursable	ADSW
	<u>Total</u>	<u>Included</u>	<u>Included</u>	<u>Total</u>	<u>Included</u>	<u>Included</u>	<u>Total</u>	<u>Included</u>	<u>Included</u>
<u>Commissioned Officers</u>									
O-10 General	4	0	0	4	0	0	4	0	0
O-9 Lieutenant General	14	0	0	14	0	0	14	0	0
O-8 Major General	24	0	0	24	0	0	24	0	0
O-7 Brigadier General	39	0	0	39	0	0	39	0	0
O-6 Colonel	650	11	0	622	11	0	642	11	0
O-5 Lieutenant Colonel	1,792	24	0	1,772	23	0	1,762	23	0
O-4 Major	3,470	38	0	3,385	36	0	3,385	36	0
O-3 Captain	5,277	37	0	5,018	37	0	5,018	37	0
O-2 First Lieutenant	3,259	3	0	2,783	4	0	3,067	4	0
O-1 Second Lieutenant	<u>2,253</u>	<u>0</u>	<u>0</u>	<u>2,438</u>	<u>0</u>	<u>0</u>	<u>2,250</u>	<u>0</u>	<u>0</u>
Subtotal	16,782	113	0	16,099	111	0	16,205	111	0
<u>Warrant Officers</u>									
W-5 Chief Warrant Officer	92	0	0	82	0	0	95	0	0
W-4 Chief Warrant Officer	234	2	0	252	2	0	252	2	0
W-3 Chief Warrant Officer	599	4	0	502	4	0	502	4	0
W-2 Chief Warrant Officer	820	1	0	895	1	0	760	1	0
W-1 Warrant Officer	<u>219</u>	<u>1</u>	<u>0</u>	<u>258</u>	<u>1</u>	<u>0</u>	<u>274</u>	<u>1</u>	<u>0</u>
Subtotal	1,964	8	0	1,989	8	0	1,883	8	0
Total Officers	18,746	121	0	18,088	119	0	18,088	119	0
<u>Enlisted Personnel</u>									
E-9 Sergeant Major/Master Gunnery Sergeant	1,423	5	0	1,390	4	0	1,390	5	0
E-8 First Sergeant/Master Sergeant	3,509	13	0	3,318	11	0	3,318	13	0
E-7 Gunnery Sergeant	8,677	18	0	9,027	15	0	9,027	18	0
E-6 Staff Sergeant	14,353	37	0	14,645	34	0	14,645	37	0
E-5 Sergeant	23,695	43	0	23,363	32	0	23,363	27	0
E-4 Corporal	29,021	50	0	30,166	41	0	30,166	31	0
E-3 Lance Corporal	44,525	26	0	42,502	26	0	42,502	26	0
E-2 Private First Class	19,841	0	0	19,726	0	0	19,726	0	0
E-1 Private	<u>13,989</u>	<u>0</u>	<u>0</u>	<u>12,775</u>	<u>0</u>	<u>0</u>	<u>12,775</u>	<u>0</u>	<u>0</u>
Total Enlisted	159,033	192	0	156,912	163	0	156,912	157	0
Total End Strength	177,779	313	0	175,000	282	0	175,000	276	0

MILITARY PERSONNEL, MARINE CORPS
AVERAGE STRENGTH BY GRADE

	FY 2003	Reimb.	ADSW	FY 2004	Reimb.	ADSW	FY 2005	Reimb.	ADSW
	Total	Included	Included	Total	Included	Included	Total	Included	Included
<u>Commissioned Officers</u>									
O-10 General	4	0	0	3	0	0	3	0	0
O-9 Lieutenant General	15	0	0	9	0	0	9	0	0
O-8 Major General	26	0	0	28	0	0	28	0	0
O-7 Brigadier General	44	0	1	53	0	1	42	0	1
O-6 Colonel	705	11	14	969	11	14	658	11	14
O-5 Lieutenant Colonel	1,997	21	46	1,404	21	47	1,828	21	46
O-4 Major	3,840	38	57	2,739	37	58	3,536	37	57
O-3 Captain	5,697	37	27	5,552	37	27	5,257	37	27
O-2 First Lieutenant	3,308	3	0	3,600	4	0	3,297	4	0
O-1 Second Lieutenant	<u>2,608</u>	<u>0</u>	<u>3</u>	<u>2,528</u>	<u>0</u>	<u>3</u>	<u>2,160</u>	<u>0</u>	<u>3</u>
Subtotal	18,246	110	148	16,885	110	150	16,819	110	149
<u>Warrant Officers</u>									
W-5 Chief Warrant Officer	104	0	1	133	0	1	93	0	1
W-4 Chief Warrant Officer	243	2	7	444	2	5	252	2	7
W-3 Chief Warrant Officer	571	4	1	1,101	4	1	554	4	1
W-2 Chief Warrant Officer	850	1	1	1,377	1	1	787	1	1
W-1 Warrant Officer	<u>379</u>	<u>1</u>	<u>0</u>	<u>805</u>	<u>1</u>	<u>0</u>	<u>268</u>	<u>1</u>	<u>0</u>
Subtotal	2,147	8	10	3,860	8	8	1,954	8	10
Total Officers	20,393	118	159	20,745	118	158	18,773	118	159
<u>Enlisted Personnel</u>									
E-9 Sergeant Major/Master Gunnery Sergeant	1,468	5	1	1,657	5	0	1,413	5	1
E-8 First Sergeant/Master Sergeant	3,605	13	4	3,955	13	3	3,422	13	4
E-7 Gunnery Sergeant	9,133	18	13	9,833	18	11	8,700	18	13
E-6 Staff Sergeant	15,419	37	24	15,853	37	20	14,352	37	24
E-5 Sergeant	26,283	45	42	25,165	35	37	23,702	29	42
E-4 Corporal	33,320	50	44	31,363	43	39	29,751	31	44
E-3 Lance Corporal	48,189	26	53	44,115	26	45	42,411	26	53
E-2 Private First Class	20,669	0	9	19,751	0	8	19,680	0	9
E-1 Private	<u>11,714</u>	<u>0</u>	<u>3</u>	<u>12,721</u>	<u>0</u>	<u>3</u>	<u>12,343</u>	<u>0</u>	<u>3</u>
Total Enlisted	169,800	194	193	164,413	177	166	155,774	159	193
Total Average Strength	190,193	312	351	185,158	295	324	174,547	277	352

MILITARY PERSONNEL, MARINE CORPS
ACTIVE DUTY STRENGTHS BY MONTH 1/
(IN THOUSANDS)

	<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>		
	Officer	Enlisted	Total	Officer	Enlisted	Total	Officer	Enlisted	Total
September	18,618	156,840	175,458	18,746	159,033	177,779	18,088	156,912	175,000
October	18,542	158,113	176,655	18,572	158,401	176,973	18,454	156,125	174,579
November	18,714	159,355	178,069	18,612	157,891	176,503	18,463	155,897	174,360
December <u>2/</u>	18,360	155,658	174,018	18,709	156,594	175,303	18,626	155,632	174,258
January	18,373	155,853	174,226	18,649	157,055	175,704	18,566	156,106	174,672
February	18,543	155,842	174,385	18,731	156,354	175,085	18,653	155,437	174,090
March	18,583	156,745	175,328	18,734	155,763	174,497	18,692	155,040	173,732
April	18,649	157,309	175,958	18,756	155,495	174,251	18,672	155,005	173,677
May	18,639	157,893	176,532	18,919	154,674	173,593	18,860	154,350	173,210
June	18,908	160,814	179,722	18,872	155,418	174,290	18,817	155,153	173,970
July	18,863	160,981	179,844	18,791	155,594	174,385	18,679	155,577	174,256
August	18,807	159,171	177,978	18,624	156,038	174,662	18,492	156,072	174,564
September	18,746	159,033	177,779	18,088	156,912	175,000	18,088	156,912	175,000
Average Strength <u>3/</u>	20,393	169,800	190,193	20,745	164,413	185,158	18,773	155,774	174,547
Active Duty Special Work									
# of Mandays	39,785	60,590	100,375	57,670	60,590	118,260	58,035	70,445	128,480
Dollars in Millions	\$17,683	\$6,290	\$23,973	\$18,325	\$6,482	\$24,807	\$19,159	\$7,942	\$27,101

1/ Includes reimbursable active duty military pay strengths, but excludes active duty personnel paid from Civil Functions and Reserve appropriatio

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

3/ Active Duty Special Work (ADSW) for less than 180 days is reflected only in the average strength row.

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Beginning Strength	18,288	18,746	18,088
<u>Gains</u>			
Service Academies	179	165	163
Reserve Officer Training Corps	218	206	241
Senior ROTC	11	11	13
Scholarship	207	195	228
Health Professions Scholarships	0	0	0
Platoon Leaders Class	537	560	340
Reserve Officer Candidate	194	132	215
Other Enlisted Commissioning Programs	87	141	153
Voluntary Active Duty	0	0	0
Direct Appointments	0	0	0
Warrant Officer Program	260	190	201
Inter-Service Transfer	0	0	0
Other	183	6	0
Active Duty Special Work	109	158	159
Gain Adjustments	0	0	279
Total Gains	<u>1,767</u>	<u>1,558</u>	<u>1,751</u>
<u>Losses</u>			
Expiration of Contract/Obligation	360	420	458
Normal Early Release	0	0	0
Retirement	539	642	691
Disability	27	33	36
Non - Disability	512	609	655
Early	0	0	0
Voluntary Separation Incentive (VSI)	0	0	0
Special Separation Benefit (SSB)	0	0	0
Involuntary Separation - Reserve Officers	42	42	42
Involuntary Separation - Regular Officers	56	56	56
Attrition	139	322	331
Other	64	97	14
Active Duty Special Work	109	158	159
Loss Adjustments	0	479	0
Total Losses	<u>1,309</u>	<u>2,216</u>	<u>1,751</u>
End Strength	18,746	18,088	18,088

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

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

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
Beginning Strength	155,445	159,033	156,912
<u>Gains</u>			
Non-Prior Service Enlistments	33,749	30,093	32,006
Male	31,444	27,811	29,724
Female	2,305	2,282	2,282
Prior Service Enlistments	199	196	196
Reenlistments	14,367	14,511	15,200
Reserves (EAD)	54	30	30
Officer Candidate Programs	372	242	297
Deserter Gains	1,184	1,539	1,539
Other	0	0	0
Gain Adjustments	0	479	0
Active Duty Special Work	166	166	193
Total Gains	<u>50,091</u>	<u>47,256</u>	<u>49,461</u>
<u>Losses</u>			
EAS	18,009	18,545	17,686
Normal Early Release	163	332	332
Separations - VSI	0	0	0
Separations - SSB	0	0	0
To Commissioned Officer	338	290	326
To Warrant Officer	260	190	201
Reenlistments	14,367	14,511	15,200
Retirements	1,857	1,891	1,891
Dropped from Rolls (Deserters)	1,159	1,651	1,651
Attrition (Adverse Causes)	2,427	3,535	3,529
Attrition (Other)	7,757	8,266	8,173
Other	0	0	0
Loss Adjustments	0	0	279
Active Duty Special Work	166	166	193
Total Losses	<u>46,503</u>	<u>49,377</u>	<u>49,461</u>
End Strength	159,033	156,912	156,912

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

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

	FY 2003			FY 2004			FY 2005		
	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>
1. BASIC PAY	\$1,102,787	\$3,589,368	\$4,692,155	\$1,098,682	\$3,655,211	\$4,753,893	\$1,079,187	\$3,549,705	\$4,628,892
2A. RETIRED PAY ACCRUAL	\$301,819	\$983,074	\$1,284,893	\$297,739	\$988,559	\$1,286,298	\$296,778	\$973,916	\$1,270,694
2B. DEFENSE HEALTH PROGRAM	\$78,514	\$677,360	\$755,874	\$83,253	\$715,607	\$798,859	\$100,083	\$835,058	\$935,140
3. BASIC ALLOWANCE FOR HOUSING	\$246,243	\$768,980	\$1,015,223	\$274,748	\$800,858	\$1,075,606	\$266,245	\$787,328	\$1,053,573
a. With Dependents - Domestic	\$219,863	648,326	868,189	\$212,962	648,546	861,508	204,141	\$635,967	840,108
b. Without Dependents - Domestic	\$17,990	101,999	119,989	\$55,953	133,582	189,535	56,055	\$132,451	188,506
c. Substandard Family Housing	\$0	314	314	\$0	342	342	0	\$364	364
d. Partial	\$118	7,192	7,310	\$157	7,218	7,375	147	\$6,958	7,105
e. With Dependents - Overseas	\$6,261	9,730	15,991	\$4,231	9,739	13,969	4,418	\$10,103	14,521
f. Without Dependents - Overseas	\$2,011	1,420	3,431	\$1,445	1,432	2,877	1,484	1,484	2,969
4. SUBSISTENCE	\$40,919	\$776,299	\$817,218	\$42,405	\$569,386	\$611,791	\$39,474	\$505,018	\$544,492
a. Basic Allowance for Subsistence	40,919	323,145	364,814	42,405	280,323	323,478	39,474	281,739	321,963
(1) Authorized to Mess Separately	40,919	305,127	346,046	42,405	242,054	284,459	39,474	241,713	281,187
(2) Rations-In-Kind Not Available	0	18,018	18,018	0	38,269	38,269	0	40,026	40,026
(3) Augmentation of Commuted Ration Allowed for Meals Taken Separately	0	0	0	0	0	0	0	0	0
(5) Family Subsistence Supplemental Allowance	0	750	750	0	750	750	0	750	750
b. Subsistence-in-Kind	0	\$452,404	452,404	0	288,313	288,313	0	222,529	222,529
(1) Subsistence in Messes	0	13,414	13,414	0	18,148	18,148	0	18,095	18,095
(2) Food Service Regionalization	0	133,600	133,600	0	130,422	130,422	0	133,368	133,368
(3) Operational Rations	0	124,578	124,578	0	111,804	111,804	0	59,795	59,795
(4) Augmentation	0	2,384	2,384	0	2,786	2,786	0	2,836	2,836
(5) Other Programs	0	173,650	173,650	0	20,294	20,294	0	3,489	3,489
(6) Sale of Meals	0	\$4,778	4,778	0	4,859	4,859	0	4,946	4,946
5. INCENTIVE PAY, HAZARDOUS DUTY AND AVIATION CAREER	\$49,537	\$10,465	\$60,002	\$48,023	\$8,360	\$56,383	\$47,368	\$8,360	\$55,728
a. Flying Duty Pay	49,069	5,526	54,595	47,555	4,276	51,831	46,899	4,276	51,175
1. ACIP, Officers	27,768	0	27,768	27,688	0	27,688	27,688	0	27,688
2. Crew Members	32	4,357	4,390	36	3,243	3,278	27	3,243	3,270
3. Noncrew Member	54	1,168	1,222	54	1,033	1,087	54	1,033	1,087
4. Aviation Continuation Bonus	21,215	0	21,215	19,777	0	19,777	19,130	0	19,130
b. Parachute Jumping Pay	257	1,546	1,803	248	1,170	1,418	248	1,170	1,418
c. Demolition Pay	70	830	900	70	777	847	70	777	847
d. Flight Deck Duty Pay	74	1,607	1,681	83	1,514	1,597	83	1,514	1,597
e. HALO Pay	68	956	1,023	68	623	691	68	623	691
6. SPECIAL PAYS	\$14,463	\$218,869	\$233,332	\$5,072	\$134,697	\$139,770	\$3,680	\$117,855	\$121,535
a. Sea & Foreign Duty Pay	3,913	35,342	39,255	\$646	\$18,158	\$18,803	649	11,409	12,057
1. Sea Duty	1,654	10,080	11,734	\$378	\$6,113	\$6,491	381	6,113	6,494
2. Hardship Duty Pay	2,259	22,316	24,575	\$268	\$9,099	\$9,366	268	2,350	2,617
3. Overseas Exten. Pay	0	2,946	2,946	\$0	\$2,946	\$2,946	0	2,946	2,946

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

	FY 2003			FY 2004			FY 2005		
	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>
b. Diving Duty Pay	180	2,392	2,572	154	590	744	153	591	\$743
c. Imminent Danger Pay	9,615	85,504	95,119	3,225	20,675	\$23,899	1,470	5,740	7,211
d. Foreign Language Proficiency Pay	518	1,235	1,753	490	2,166	\$2,656	490	2,166	2,656
e. Special Duty Assignment Pay	0	21,336	21,336	0	27,204	27,204	0	27,204	27,204
f. Reenlistment Bonus	\$0	\$57,259	\$57,259	\$0	\$51,818	\$51,818	\$0	\$56,659	\$56,659
1. First Installation	0	0	0	0	0	0	0	0	0
2. Lump Sum Payments	0	49,191	49,191	0	51,785	51,785	0	56,650	56,650
3. Obligated Installments	0	8,068	8,068	0	33	33	0	9	9
g. Enlistment Bonus	0	8,490	8,490	0	7,995	7,995	0	7,995	7,995
h. College Fund	0	7,309	7,309	0	6,089	6,089	0	6,089	6,089
i. Personal Money Allowance General & Flag Officers	19	2	21	19	2	21	19	2	21
j. Law School Education Debt Subsidy	219	0	219	540	0	540	900	0	900
7. ALLOWANCES	\$34,053	\$271,631	\$305,684	\$25,901	\$186,552	\$212,453	\$22,819	\$172,769	\$195,589
a. Uniform/Clothing Allowance	\$1,050	\$107,151	\$108,201	\$1,016	80,267	81,283	1,017	82,898	83,915
1. Initial Issue									
a. Military	\$701	\$37,592	\$38,293	\$648	34,091	34,739	648	36,717	37,365
b. Civilian	\$66	\$1,195	\$1,261	\$67	1,216	1,283	68	1,232	1,300
2. Additional	\$283	\$0	\$283	\$301	0	301	301	0	301
3. Basic Maintenance	\$0	\$14,411	\$14,411	\$0	15,089	15,089	0	14,835	14,835
4. Standard Maintenance	\$0	\$29,221	\$29,221	\$0	26,075	26,075	0	26,269	26,269
5. Supplementary	\$0	\$3,732	\$3,732	\$0	3,796	3,796	0	3,845	3,845
6. Advance funding	\$0	\$21,000	\$21,000	\$0	0	0	0	0	0
b. Overseas Station Allowance	\$21,779	\$97,356	\$119,135	\$19,148	70,967	90,114	19,106	73,312	92,418
1. Cost-of-Living Bachelor	\$47	\$36,057	\$36,104	\$43	24,730	24,773	44	25,591	25,635
2. Cost-of-Living Regular	\$18,729	\$52,468	\$71,197	\$16,904	41,066	57,970	16,822	42,390	59,212
3. Temporary Lodging	\$3,003	\$8,831	\$11,834	\$2,201	5,171	7,372	2,240	5,331	7,571
c. CONUS Cost of Living Allowance (COLA)	\$1,212	\$6,103	\$7,315	\$409	1,869	2,278	422	1,933	2,355
d. Family Separation Allowance	\$10,011	\$61,021	\$71,032	\$5,328	33,449	38,777	2,274	14,626	16,900
1. On PCS, Dependents Not Authorized	\$8,028	\$19,224	\$27,252	\$699	14,412	15,111	530	7,927	8,456
2. Afloat	\$72	\$768	\$840	\$318	1,110	1,428	109	611	719
3. On TDY	\$1,911	\$41,029	\$42,940	\$4,311	17,927	22,238	1,635	6,089	7,724

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

	FY 2003			FY 2004			FY 2005		
	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>OFFICERS</u>	<u>ENLISTED</u>	<u>TOTAL</u>
8. SEPARATION PAYMENTS	\$20,124	\$80,817	\$100,941	\$10,396	\$57,205	\$67,601	\$9,351	\$66,804	\$76,155
a. Terminal Leave Pay	\$5,428	33,440	38,868	\$4,849	18,064	22,913	5,030	18,816	23,846
b. Sev Pay, Disability	\$6,990	17,086	24,076	\$901	14,665	15,566	\$967	15,134	16,101
c. Donations	\$0	1	1	\$0	1	1	0	1	1
d. Severance Pay, Nondisability	\$0	0	0	\$0	0	0	0	0	0
e. Invol - Half Pay (5%)	\$151	4,867	5,018	\$0	5,033	5,033	0	5,194	5,194
f. Invol - Full Pay (10%)	\$4,652	6,268	10,920	\$1,405	6,483	7,888	1,013	6,690	7,703
g. Vol - SSB Pay (15%)	\$0	0	0	\$0	0	0	0	0	0
h. Voluntary Separation Incentive	\$431	0	431	\$331	0	331	0	0	0
i. Initial Payments	\$0	0	0	\$0	0	0	0	0	0
j. Trust Fund Payments	\$0	869	869	\$0	569	569	331	569	900
k. Early Retirement	\$0	0	0	\$0	0	0	0	0	0
l. \$30,000 Lump Sum Bonus	\$2,472	18,286	20,758	\$2,910	12,390	15,300	2,010	20,400	22,410
9. COMPENSATION FOR COMBAT-RELATED DISABLED	0	3,000	3,000	0	18,000	18,000	0	0	0
10. SOCIAL SECURITY TAX PAYMENTS	\$89,778	\$280,102	\$369,880	\$83,606	\$279,058	\$362,664	\$82,558	\$271,710	\$354,268
11. PERMANENT CHANGE OF STATION TRAVEL	\$69,221	\$236,615	\$305,836	\$82,764	\$243,692	\$326,456	\$85,287	\$252,571	\$337,858
a. Accession Travel	6,269	38,506	44,775	5,178	30,144	35,322	5,146	34,842	39,988
b. Training Travel	750	277	1,027	6,869	2,566	9,435	7,004	2,610	9,614
c. Operation Travel	30,887	52,591	83,478	34,678	59,104	93,782	35,233	60,206	95,439
d. Rotation Travel	21,830	95,154	116,984	25,122	99,473	124,595	25,654	100,364	126,018
e. Separation Travel	4,869	35,706	40,575	6,298	37,771	44,069	6,822	37,701	44,523
f. Travel of Organized Units	593	1,777	2,370	333	1,204	1,537	347	1,246	1,593
g. Non-Temporary Storage	1,093	3,280	4,373	1,329	3,989	5,318	1,351	4,052	5,403
h. Temporary Lodging Expense	2,672	7,226	9,898	2,666	7,208	9,874	3,435	9,288	12,723
i. In-Place Consecutive Overseas Tours and Overseas Tour Extension Incentive Program	258	2,098	2,356	291	2,233	2,524	295	2,262	2,557
12. OTHER MILITARY PERSONNEL COSTS	\$2,558	\$67,148	\$69,706	\$898	\$57,365	\$58,263	\$359	\$52,533	\$52,892
a. Apprehension of Deserters	0	1,549	1,549	0	1,577	1,577	0	1,606	1,606
b. Interest on Soldier Deposit	0	415	415	0	16	16	0	16	16
c. Death Gratuities	359	2,633	2,992	238	1,746	1,984	118	866	984
d. Unemployment Compensation	0	55,773	55,773	0	47,814	47,814	0	44,216	44,216
e. Survivors Benefits	0	1,443	1,443	0	1,539	1,539	0	1,489	1,489
f. Educational Benefits	0	1,880	1,880	0	2,785	2,785	0	2,797	2,797
g. Adoption Reimbursement Program	0	79	79	0	81	81	0	82	82
h. Special Compensation for Disabled	1,954	2,034	3,988	441	459	900	0	0	0
i. Transportation Subsidy	245	820	1,065	219	733	952	241	806	1,047
j. Partial Dislocation Allowance	0	522	522	0	615	615	0	655	655
13. TOTAL MILITARY PERSONNEL APPROPRIATIONS	\$2,050,017	\$7,963,727	\$10,013,744	\$2,053,487	\$7,714,550	\$9,768,037	\$2,033,189	\$7,593,627	\$9,626,816
14. LESS REIMBURSABLES	\$9,547	\$16,359	\$25,906	\$11,321	\$20,629	\$31,950	\$10,740	\$20,174	\$30,914
a. Retired Pay Accrual	1,900	1,420	3,320	2,191	1,292	3,483	2,259	1,101	3,360
b. Other Pay and Allowances	7,647	14,939	22,586	9,130	19,337	28,467	8,481	19,073	27,554
TOTAL, DIRECT MILITARY PERSONNEL APPROPRIATIONS	\$2,040,470	\$7,947,368	\$9,987,838	\$2,042,166	\$7,693,921	\$9,736,087	\$2,022,449	\$7,573,453	\$9,595,902

**ANALYSIS OF APPROPRIATION AND SUPPLEMENTAL CHANGES
MILITARY PERSONNEL, MARINE CORPS
FY 2004
(DOLLARS IN THOUSANDS)**

	FY 2004 PRESIDENT'S BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	SUPPLEMENTAL 1/	FOREIGN CURRENCY	INTERNAL REALIGNMENT/ REPROGRAMING	FY 2004 COLUMN OF THE FY 2005 PRESIDENT'S BUDGET
PAY AND ALLOWANCES OF OFFICERS							
Basic Pay	\$988,410	(\$1,171)	\$987,239	\$100,522			\$1,087,761
Retired Pay Accrual	267,828	(317)	267,511	27,241			\$294,752
Defense Health Program - Over 65	83,253		83,253				\$83,253
\$30K Lump Sum Bonus	2,910		2,910				\$2,910
Incentive Pay	47,559		47,559				\$47,559
Special Pay	2,598	406	3,004	7,438			\$10,442
Basic Allowance for Housing	229,464		229,464	37,147			\$266,611
BAH Overseas	5,690		5,690				\$5,690
Basic Allowance for Subsistence	38,551		38,551	3,883			\$42,434
Station Allowance Overseas	18,508		18,508				\$18,508
CONUS COLA	409		409				\$409
Uniform Allowance	1,016		1,016				\$1,016
Family Separation Allowance	1,248	635	1,883	5,042			\$6,925
Separation Payments	7,483		7,483				\$7,483
Employer's Contribution to FICA	75,151	(90)	75,061	7,690			\$82,751
Reimbursables	11,323		11,323				\$11,321
TOTAL OBLIGATIONS	\$1,781,401	(\$537)	\$1,780,864	\$188,963	\$0	\$0	\$1,969,825
LESS REIMBURSABLES	11,323	0	11,323				11,321
TOTAL DIRECT PROGRAM	\$1,770,078	(\$537)	\$1,769,541				\$1,958,504

**ANALYSIS OF APPROPRIATION AND SUPPLEMENTAL CHANGES
MILITARY PERSONNEL, MARINE CORPS
FY 2004
(DOLLARS IN THOUSANDS)**

	FY 2004 PRESIDENT'S BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	SUPPLEMENTAL 1/	FOREIGN CURRENCY TRANSFER	INTERNAL REALIGNMENT/ REPROGRAMING	FY 2004 COLUMN OF THE FY 2005 PRESIDENT'S BUDGET
PAY AND ALLOWANCES OF ENLISTED							
Basic Pay	\$3,429,942	(\$4,766)	\$3,425,176	\$225,262	\$0		\$3,650,438
Retired Pay Accrual	928,623	(1,292)	927,331	\$59,936			\$987,267
Defense Health Program - Over 65	715,607		715,607				\$715,607
\$30K Lump Sum Bonus	12,390		12,390				\$12,390
Incentive Pay	8,360		8,360				\$8,360
Special Pay	19,143	2,247	21,390	\$20,202			\$41,592
Special Duty Pay	25,975		25,975	\$1,228			\$27,203
Reenlistment Bonus	53,618	(1,800)	51,818				\$51,818
Enlistment Bonus	7,995		7,995				\$7,995
Basic Allowance for Housing	721,747		721,747	\$67,824			\$789,571
BAH Overseas	11,171		11,171				\$11,171
Station Allowance Overseas	70,967		70,967	\$0			\$70,967
CONUS COLA	1,869		1,869	\$0			\$1,869
Uniform Allowance	78,774		78,774	\$1,493			\$80,267
Family Separation Allowance	10,637	5,412	16,049	\$17,400			\$33,449
Separation Payments	45,293		45,293	(\$478)			\$44,815
Employer's Contribution to FICA	262,099	(365)	261,734	\$16,957			\$278,691
College Fund	6,089		6,089				\$6,089
Severly Disabled	18,000		18,000				\$18,000
Reimbursables	6,532		6,532				\$6,548
TOTAL OBLIGATIONS	\$6,434,831	(\$563)	\$6,434,268	\$409,823	\$0	\$0	\$6,844,107
LESS REIMBURSABLES	6,532	0	6,532				6,548
TOTAL DIRECT PROGRAM	\$6,428,299	(\$563)	\$6,427,736				\$6,837,559
SUBSISTENCE OF ENLISTED PERSONNEL							
Basic Allowance for Subsistence	\$268,413		\$268,413	\$11,874			\$280,287
Family Subsistence Supplemental Allowance	750		750				\$750
Subsistence in Kind	172,224		172,224	102,564			\$274,788
Reimbursables	13,575		13,575				\$13,561
TOTAL OBLIGATIONS	\$454,962	\$0	\$454,962	\$114,438	\$0	\$0	\$569,386
LESS REIMBURSABLES	13,575	0	13,575				13,561
TOTAL DIRECT PROGRAM	\$441,387	\$0	\$441,387	\$114,438			\$555,825

**ANALYSIS OF APPROPRIATION AND SUPPLEMENTAL CHANGES
MILITARY PERSONNEL, MARINE CORPS
FY 2004
(DOLLARS IN THOUSANDS)**

	FY 2004 PRESIDENT'S BUDGET	CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	SUPPLEMENTAL 1/	FOREIGN CURRENCY TRANSFER	INTERNAL REALIGNMENT/ REPROGRAMING	FY 2004 COLUMN OF THE FY 2005 PRESIDENT'S BUDGET
PERMANENT CHANGE OF STATION							
Accession Travel	\$42,555		\$42,555	(\$7,233)			\$35,322
Training Travel	8,351		8,351	1,084			\$9,435
Operational Travel	72,323		72,323	18,159		\$3,000	\$93,482
Rotational Travel	102,853		102,853	13,522		\$8,000	\$124,375
Separation Travel	41,799		41,799	2,270			\$44,069
Travel of Organized Units	2,513		2,513	(976)			\$1,537
Non-Temporary Storage	4,901		4,901	417			\$5,318
Temporary Lodging Expense	10,167		10,167	(293)			\$9,874
IPCOT/OTEIP	2,268		2,268	256			\$2,524
Reimbursables	520		520				\$520
TOTAL OBLIGATIONS	\$288,250	\$0	\$288,250	\$27,206	\$0	\$11,000	\$326,456
LESS REIMBURSABLES	520		520				520
TOTAL DIRECT PROGRAM	\$287,730		\$287,730				\$325,936
OTHER MILITARY PERSONNEL COSTS							
Apprehension of Deserters	\$1,577		\$1,577				\$1,577
Interest on Soldier Deposit	16		16				\$16
Death Gratuities	984	\$1,000	1,984				\$1,984
Unemployment Compensation	35,054		35,054	\$12,760			\$47,814
Survivor Benefits	1,539		1,539				\$1,539
Adoption Reimbursement Program	81		81				\$81
Educational Benefits	2,785		2,785				\$2,785
Special Comp. for Severely Disabled	900		900				\$900
NCR Transportation Subsidy	952		952				\$952
Partial Dislocation Allowance	615		615				\$615
Reimbursables	0		0			0	\$0
TOTAL OBLIGATIONS	\$44,503	\$1,000	\$45,503	\$12,760	\$0	\$0	\$58,263
LESS REIMBURSABLES	0	0	0				0
TOTAL DIRECT PROGRAM	\$44,503	\$1,000	\$45,503				\$58,263
TOTAL MPMC OBLIGATIONS	\$9,003,947	(\$100)	\$9,003,847	\$753,190	\$0	\$11,000	\$9,768,037
LESS REIMBURSABLES	\$31,950		\$31,950				\$31,950
TOTAL MPMC DIRECT PROGRAM	\$8,971,997		\$8,971,897	\$753,190	\$0	\$11,000	\$9,736,087

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

	AMOUNT
FY 2004 TOTAL DIRECT PROGRAM	\$9,736,087
INCREASES:	
Defense Health Program - The increase is associated with the increased rates associated with the accrual financing health care for military members eligible for Medicare.	136,281
CONUS Cost of Living Allowance - This increase is attributed to the annualization of the FY 2004 pay raise, and the FY 2005 pay raise of 3.5%.	77
Overseas Station Allowance - This increase is a result of the FY 2004 pay raise, the FY 2005 pay raise, and the inflation applied to the temporary lodging allowance.	2,304
Selective Reenlistment Bonus - This increase is the result of the FY 2005 pay raise of 3.5%.	4,841
Educational Benefits - This increase is based on an increased amortization payment estimate provided by the DoD Board of Actuaries.	12
Separation Pay - This increase is attributed to the annualization of the FY 2004 pay raise, and the FY 2005 pay raise of 3.5%.	8,554

INCREASES (Con.)

Apprehension of Military Deserters - This increase is based on inflation applied to the travel of guards and subsistence cost.	29
Adoption Reimbursement Program - This increase is attributed to inflation.	1
Transportation Subsidy - This increase is due to increased participation in the transportation subsidy program.	95
Partial Dislocation Allowance - The FY 2002 NDAA authorized a one time payment of \$500.00 to members who are directed to move from family housing units being renovated or privatized.	40
Permanent Change of Station - This increase is due to fewer moves, offset by inflation, annualization of FY 2004 pay raise, and the FY 2005 pay raise (3.5%).	11,080
Clothing Allowance - This increase is the result of inflation.	\$2,632
TOTAL INCREASES:	\$165,946

DECREASES:

Basic Pay - This decrease is the result of reduced enlisted workyears and the FY 2004 supplemental offset by the result of the FY 2005 pay raise of 3.5%.	(\$123,568)
Basic Allowance for Housing - This decrease is the result of reduced enlisted workyears and the FY 2004 supplemental offset by the housing inflation factor of 3%.	(22,097)
Federal Insurance Contribution Act - This decrease is the result of reduced workyears and the FY 2004 supplemental offset by the FY 2005 pay raise of 3.5%.	(8,284)
Basic Allowance for Subsistence - This decrease is the result of the FY 2004 supplemental offset by an increase in the officer average strength and the anticipated Department of Agriculture moderate food plan growth of 3.5%.	(1,481)
Retired Pay Accrual - This decrease is the result of reduced enlisted workyears and the FY 2004 Supplemental offset by the FY 2005 pay raise of 3.5% and the increased RPA rate because of the movement of Special Compensation for Certain Combat-Disabled Uniform Services Retirees funds into RPA.	(\$15,481)
Special Pay - This decrease is the result of a rate change in IDP after 1st Qtr FY 2005 and the number of takers because of the FY 2004 supplemental.	(23,076)
Special Compensation for Certain Combat-Disabled Uniform Services Retirees - This decrease is the result of this entitlement moving into RPA.	(18,000)
Subsistence in Kind - The decrease is caused by supplemental funding provided for SIK in FY 2004 to cover the Global War on Terrorism (GWOT). In FY 2005, additional funds were provided for additional costs associated with regional messing contracts.	(66,063)
Unemployment Compensation - This decrease is based on the latest unemployment projections by the Department of Labor.	(3,598)
Survivor Benefits - This decrease is the result of a decrease in the Veteran's Administration projection.	(50)

DECREASES:

Incentive Pay -	(655)
This decrease is the result of a decrease in the number of payments for the Aviation Continuation Bonus and the Aviation Career Incentive Pay.	
Family Separation Allowance -	(21,878)
This decrease is the result of a rate change in FSA after 1st Qtr FY 2005 and the reduction in the number of takers due to the FY 2004 supplemental.	
Payment of Death Gratuities -	(\$1,000)
This decrease is caused by a reduction in the number of payments.	
Special Compensation for the Severely Disabled -	(\$900)
This decrease reflects the transfer of the funding source for certain disabled military retirees' benefits from the Military Personnel account to the Department of Defense Retirement Fund, stipulated by Section 641, National Defense Authorization Act for FY 2004.	
TOTAL DECREASES:	(\$306,131)
FY 2005 TOTAL DIRECT PROGRAM:	\$9,595,902

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

BUDGET ACTIVITY 1

		AMOUNT
FY 2004 TOTAL DIRECT PROGRAM		\$1,958,504
INCREASES:		
Defense Health Program -		\$16,830
This increase is associated with the increased rates associated with the accrual financing health care for military members eligible for Medicare.		
Uniform -		
This increase is the result of inflation.	\$1	
Conus Cola -		\$13
This increase is attributed to the annualization of the FY 2004 pay raise, and the FY 2005 pay raise of 3.5%.		
TOTAL INCREASES:		\$16,844
DECREASES:		
Basic Pay -		(18,838)
This decrease is the result of the FY 2004 Supplemental offset by the FY 2005 pay raise of 3.5% and an increase in the officer average strength.		
Retired Pay Accrual -		(1,029)
This decrease is the result of the FY 2004 Supplemental, offset by the FY 2005 pay raise of 3.5%, Retired Pay Accrual rate increase and an increase in the officer average strength.		
Separation Pay -		(1,045)
This decrease is attributed to reduced attrition and number of \$30,000 lump sum bonuses for retiring members who elect to remain under the reduced 40 percent "Redux" retirement plan offset by the FY 2005 pay raise of 3.5%.		
Incentive Pay -		(655)
This decrease is the result of a decreases in Aviation Continuation Bonus (ACB) payments.		

Federal Insurance Contribution Act -	(997)	
This decrease is the result of the FY 2004 supplemental offset by the FY 2005 pay raise of 3.5% and an increase in average strength.		
Special Pay -		
This decrease is the result of a rate change in IDP after 1st Qtr FY 2005 offset by an increase in the number of Marines eligible to receive Law School Education Debt Subsidy (LSEDS).	(1,392)	
Basic Allowance for Housing-		
This decrease is the result of the the FY 2004 supplemental offset by the housing inflation factor of 3%, and the final buy down of out-of-pocket to 0 % in FY 2005 and an increase in average strength.	(8,560)	
Basic Allowance for Subsistence-		
This decrease is the result of the FY 2004 supplemental offset by an increase in the officer average strength and the anticipated Department of Agriculture moderate food plan growth of 3.5%.	(2,933)	
Overseas Station Allowance -		
This decreases is due to a decrease in the number of Marines who will draw overseas station allowances.	(41)	
Family Separation Allowance-		
This decrease is the result of a rate change in FSA after the 1st Qtr FY 2005.	(3,055)	
 TOTAL DECREASES:		 (38,545)
 FY 2005 TOTAL DIRECT PROGRAM:		 \$1,936,803

PROJECT: A. Basic Pay - Officer

FY 2003 Actual	\$1,102,787
FY 2004 Estimate	\$1,098,682
FY 2005 Estimate	\$1,079,187

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FY 2005 program is based on a beginning strength of 18,088 and an end strength of 18,088 with 18,773 average strength. Costs are determined on the basis of a grade distribution by longevity for each fiscal year. The average rates utilized are derived from a consideration of the latest longevity adjusted by planned gains and losses for respective years.

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Commandant of the Marine Corps	1	\$138,200.40	\$138	1	\$138,200.40	\$138	1	\$138,200.40	\$138
General	3	138,200.40	453	3	138,200.40	415	3	138,200.40	415
Lieutenant General	15	134,497.80	2,056	14	138,200.00	1,935	14	138,200.00	1,935
Major General	26	121,858.17	3,193	24	126,485.14	3,036	24	130,973.57	3,143
Brigadier General	44	107,562.44	4,720	39	111,650.04	4,354	42	115,607.94	4,890
Colonel	705	93,609.99	66,033	664	95,398.32	63,344	658	100,375.01	66,077
Lieutenant Colonel	1,997	76,962.75	153,668	1,853	77,299.29	143,236	1,827	80,844.62	147,703
Major	3,840	65,115.21	250,055	3,544	65,538.18	232,267	3,536	69,109.59	244,385
Captain	4,563	53,657.80	244,836	3,994	52,186.53	208,433	3,854	54,761.95	211,069
First Lieutenant	2,697	39,067.01	105,372	2,770	40,071.24	110,997	2,618	41,808.16	109,454
Second Lieutenant	2,075	29,171.81	60,528	1,830	28,532.89	52,215	1,807	31,508.64	56,936
Total Commissioned	15,967	\$55,805.68	\$891,052	14,736	\$55,671.15	\$820,370	14,385	\$58,820.93	\$846,145

(In Thousands of Dollars)

PROJECT: A. Basic Pay (con.)	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
With Enlisted Service									
Captain	1134	57,349.64	\$65,055	1,548	\$58,786.67	\$91,002	1,403	\$61,907.26	\$86,856
First Lieutenant	611	45,771.13	27,964	688	48,218.48	33,174	679	49,800.99	33,815
Second Lieutenant	533	37,451.77	19,980	374	37,289.11	13,946	352	39,901.43	14,045
Total Commissioned w/Enl Svc	2,279	\$49,587.28	\$112,999	2,610	\$52,920.31	\$138,122	2,434	\$55,347.58	\$134,716
Warrant Officers									
W-5	104	\$66,944.30	\$6,990	132	\$53,855.63	\$7,109	93	\$72,205.86	\$6,737
W-4	243	58,019.94	14,092	444	54,676.29	24,276	251	63,684.41	15,985
W-3	571	49,951.67	28,525	971	42,489.26	41,257	554	52,947.49	29,349
W-2	850	41,433.30	35,208	1,047	35,893.50	37,580	787	45,320.95	35,681
W-1	379	36,732.56	13,921	805	37,227.04	29,968	268	39,454.57	10,574
Total Warrant Officers	2,147	\$45,985.96	\$98,736	3,399	\$41,244.48	\$140,190	1,954	\$50,322.94	\$98,326
Total Officers	20,393	\$54,076.93	\$1,102,787	20,745	\$52,961.29	\$1,098,682	18,773	\$55,224.63	\$1,079,187

PROJECT: B. Retired Pay Accrual - Officer

FY 2003 Actual	\$301,819
FY 2004 Estimate	\$297,739
FY 2005 Estimate	\$296,778

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of:

- (a) Detailed cost computation based on the normal cost percentage (NCP) of 27.4% for FY 2003, 27.1% for FY 2004 and 27.5% for FY 2005.
- (b) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.

(In Thousands of Dollars)

FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
20,393	\$14,793.90	\$301,819	20,745	\$14,352.02	\$297,739	18,773	\$15,809.10	\$296,778

PROJECT: C. Defense Health Program - Officer

FY 2003 Actual	\$78,514
FY 2004 Estimate	\$83,253
FY 2005 Estimate	\$100,083

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Benefits for Over-65 Retirees									
Defense Health Program Accrual, Officer	18,535	\$4,236.00	\$78,514	18,209	\$4,572.00	\$83,253	18,614	\$5,364.00	\$100,083

PROJECT: D. Incentive Pay - Hazardous Duty

FY 2003 Actual	\$49,537
FY 2004 Estimate	\$48,023
FY 2005 Estimate	\$47,368

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate			
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	
Aviation Career Incentive Pay										
Commissioned Officers										
Phase I Years of Aviation Service										
2 or Less (monthly rate):	\$125.00	611	\$1,500.00	\$917	653	\$1,500.00	\$980	653	\$1,500.00	\$980
over 2	156.00	271	1,872.00	507	310	1,872.00	580	310	1,872.00	580
over 3	188.00	285	2,256.00	643	326	2,256.00	735	326	2,256.00	735
over 4	206.00	694	2,472.00	1,716	683	2,472.00	1,688	683	2,472.00	1,688
over 6	650.00	1,855	7,800.00	14,469	1,879	7,800.00	14,656	1,879	7,800.00	14,656
over 14	840.00	817	10,080.00	8,235	808	10,080.00	8,145	808	10,080.00	8,145
Phase II Years of Service as an Officer										
over 22	\$585.00	79	\$7,020.00	555	62	\$7,020.00	\$435	62	\$7,020.00	\$435
over 23	495.00	57	5,940.00	339	40	5,940.00	238	40	5,940.00	238
over 24	385.00	56	4,620.00	259	37	4,620.00	171	37	4,620.00	171
over 25	250.00	43	3,000.00	129	20	3,000.00	60	20	3,000.00	60
Subtotal		4,768		\$27,768	4,818		\$27,688	4,818		\$27,688
Warrant Officers										
Years of Aviation Service										
2 or Less (monthly rate)	\$125.00	0	\$1,500.00	0	0	\$1,872.00	0	0	\$1,872.00	0
over 2	156.00	0	1,872.00	0	0	1,872.00	0	0	1,872.00	0
over 3	188.00	0	2,256.00	0	0	2,256.00	0	0	2,256.00	0
over 4	206.00	0	2,472.00	0	0	2,472.00	0	0	2,472.00	0
over 6	650.00	0	7,800.00	0	0	8,580.00	0	0	8,580.00	0
Total ACIP Payments		4,768		\$27,768	4,818		\$27,688	4,818		\$27,688

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Flying Duty Noncrewmembers	30	\$1,800.00	\$54	30	\$1,800.00	\$54	30	\$1,800.00	\$54
Flying Duty Crewmembers									
General Officers	4	\$1,800.00	\$7	6	\$1,800.00	\$11	6	\$1,800.00	\$11
Colonel	2	3,000.00	6	2	3,000.00	6	1	3,000.00	3
Lieutenant Colonel	3	3,000.00	9	3	3,000.00	9	2	3,000.00	6
Major	1	2,700.00	3	3	2,700.00	8	2	2,700.00	5
Captain	0	2,100.00	0	0	2,100.00	0	0	2,100.00	0
Chief Warrant Officer W-3	1	2,100.00	2	0	2,100.00	0	0	2,100.00	0
Chief Warrant Officer W-2	3	1,800.00	5	1	1,800.00	2	1	1,800.00	2
Warrant Officer W-1	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
Total Flying Duty Crewmembers	14		\$32	15		\$36	12		\$27
Continuation Bonus									
New Payments Pilots	376	\$11,183.51	\$4,205	321	\$13,396.00	\$4,300	349	\$12,779.00	\$4,460
Naval Flight Officers	0	0.00	0	0	0.00	\$0	0	0.00	\$0
Subtotal	376	11,183.51	4,205	321	13,396.00	4,300	349	12,779.00	4,460
Anniversary Payments	1,193	14,258.17	\$17,010	1,093	14,159.00	\$15,476	1,059	13,853.00	\$14,670
Total Continuation Bonus	1,569		\$21,215	1,414		\$19,777	1,408		\$19,130
Parachute Jumping Duty	143	\$1,800.00	\$257	138	\$1,800.00	\$248	138	\$1,800.00	\$248
Demolition Duty	39	\$1,800.00	\$70	39	\$1,800.00	\$70	39	\$1,800.00	\$70
Flight Deck Duty Pay	41	\$1,800.00	\$74	46	\$1,800.00	\$83	46	\$1,800.00	\$83
HALO Pay	25	\$2,700.00	\$68	25	\$2,700.00	\$68	25	\$2,700.00	\$68
Total Incentive Pay			\$49,537			\$48,023			\$47,368

PROJECT: E. Special Pay

FY 2003 Actual	\$14,463
FY 2004 Estimate	\$5,072
FY 2005 Estimate	\$3,680

PART I - PURPOSE AND SCOPE

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

- Personal Money Allowance:
To provide additional payment intended to partially reimburse officers in the grade of Lieutenant General and above for the many unusual expenses incurred in the performance of their official duties.
- Diving Duty Pay:
To provide additional payment for officers performing duties involving scuba diving.
- Hardship Duty Pay:
To provide payment for members performing duty designated by the Secretary of Defense as hardship duty. Member may qualify for Hardship Duty Pay (HDP) based on performance of a hardship mission or duty in a designated hardship location.
- Career Sea Pay:
To provide additional payment for officers assigned to sea duty.
- Imminent Danger Pay:
To provide additional payment for officers performing duties in designated hostile areas.
- Foreign Language Proficiency Pay:
To provide additional payment to officers who are proficient in specific foreign languages in accordance with Section 634 of the FY 1987 Department of Defense Authorization Bill.
- Law School Education Debt Subsidy:
Provides the payment of a maximum of \$60K to judge advocate officers who agree to extend their period of active duty.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
General Officer Personal Allowance									
Commandant of the Marine Corps	1	\$4,000.00	\$4	1	\$4,000.00	\$4	1	\$4,000.00	\$4
General	3	2,200.00	\$7	3	2,200.00	\$7	3	2,200.00	\$7
Lieutenant General	16	500.00	\$8	16	500.00	\$8	16	500.00	\$8
Subtotal	20		\$19	20		\$19	20		\$19
Diving Duty Pay	62	\$2,880.00	\$180	53	\$2,880.00	\$154	53	\$2,880.00	\$153
Imminent Danger Pay	3,561	\$2,700.00	\$9,615	1,194	\$2,700.00	\$3,225	726	\$2,025.00	\$1,470
Hardship Duty - Location Pay - Revised Effective 1 Jan. 2001									
\$150/M0.	577	\$1,800.00	\$1,039	40	\$1,800.00	\$72	40	\$1,800.00	\$72
\$100/M0.	607	1,200.00	728	68	1,200.00	82	68	1,200.00	82
\$50/M0.	820	600.00	492	184	600.00	110	184	600.00	110
Subtotal	2,004		\$2,259	292		\$264	292		\$264
Hardship Duty - Mission Pay	0	\$1,800.00	\$0	2	\$1,800.00	\$4	2	\$1,800.00	\$4
Hardship Duty - Total Officer	2,004		\$2,259	294		\$268	294		\$268
Career Sea Pay									
Colonel	5	\$3,780.00	\$19	1	\$3,780.00	\$4	1	\$3,780.00	\$4
Lieutenant Colonel	13	3,780.00	49	6	3,780.00	23	6	3,780.00	26
Major	46	3,180.00	146	19	3,180.00	60	19	3,180.00	60
Captain	266	2,520.00	670	81	2,520.00	204	81	2,520.00	204
First Lieutenant	287	1,200.00	344	41	1,200.00	49	41	1,200.00	49
Second Lieutenant	58	1,200.00	70	9	1,200.00	11	9	1,200.00	11
Second Lieutenant with Enlisted	10	1,200.00	12	0	1,200.00	0	0	1,200.00	0
First Lieutenant with Enlisted	47	1,200.00	56	0	1,200.00	0	0	1,200.00	0
Captain with Enlisted	55	2,520.00	139	0	2,520.00	0	0	2,520.00	0
W-5	1	4,860.00	5	0	4,860.00	0	0	4,860.00	0
W-4	5	4,860.00	24	1	4,860.00	5	1	4,860.00	5
W-3	14	2,520.00	35	0	2,520.00	0	0	2,520.00	0
W-2	30	2,520.00	76	8	2,520.00	20	8	2,520.00	20
W-1	4	2,160.00	9	1	2,160.00	2	1	2,160.00	2
Subtotal	841		\$1,654	167		\$378	167		\$381
Foreign Language Proficiency Pay	224	\$2,314.69	\$518	363	\$1,349.12	\$490	363	\$1,349.12	\$490
Law School Education Debt Subsidy	22	\$10,000.00	\$219	18	\$30,000.00	\$540	30	\$30,000.00	\$900
Total Special Pay			\$14,463			\$5,072			\$3,680

PROJECT: F. Basic Allowance for Housing

FY 2003 Actual	\$246,243
FY 2004 Estimate	\$274,748
FY 2005 Estimate	\$266,245

PART I - PURPOSE AND SCOPE

Congress approved in the FY 1998 Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA). In addition, the Overseas Housing Allowance (OHA) payment, formerly budgeted in Overseas Station Allowance, was also realigned into this allowance section by the change in the law. Payment to service members is authorized by revisions to 37 USC 403. The FY 00 National Defense Authorization Act directed the BAH transition to market-based housing rates be accelerated and completed during FY 2005.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

Detailed cost computations are provided in the following table:

PROJECT: F. Basic Allowance for Housing

BASIC ALLOWANCES FOR HOUSING - DOMESTIC

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
BAH With Dependents									
General Officers	34	\$25,845.36	\$879	50	\$28,607.31	\$1,430	39	\$30,682.78	\$1,197
Colonel	450	22,908.72	10,309	744	24,672.87	18,357	448	26,536.43	11,888
Lieutenant Colonel	1,403	21,301.20	29,886	967	22,515.27	21,772	1,363	23,988.67	32,697
Major	2,541	18,732.48	47,599	1,767	19,657.99	34,736	2,486	21,048.46	52,326
Captain	3,561	15,495.48	55,179	2,113	16,509.01	34,884	2,029	17,740.51	35,995
First Lieutenant	2,206	13,280.76	29,297	913	13,476.61	12,304	848	14,423.63	12,231
Second Lieutenant	384	11,158.68	4,285	343	11,625.51	3,988	336	12,474.16	4,191
Total Commissioned	10,579	\$16,772.28	\$177,434	7,691	\$18,582.37	\$127,471	7,549	\$19,194.91	\$150,525
With Enlisted Service									
Captain	771	\$16,241.64	\$12,522	1,162	\$18,822.01	\$21,871	1,029	\$20,353.67	\$20,944
First Lieutenant	362	13,453.32	4,870	578	15,501.92	8,960	457	16,707.76	7,635
Second Lieutenant	312	13,885.08	4,332	485	15,150.41	7,348	224	16,233.66	3,636
Total Commissioned w/Enl Svc	1,445	\$14,588.52	\$21,724	2,225	\$15,660.99	\$38,179	1,710	\$16,967.17	\$32,216
Warrant Officer - 5	81	\$16,404.48	\$1,329	106	\$17,617.62	1,867	71	\$18,900.25	1,342
Warrant Officer - 4	157	16,207.08	2,545	333	17,528.77	5,837	158	18,765.98	2,965
Warrant Officer - 3	408	15,133.08	6,174	889	16,318.55	14,507	380	17,471.75	6,639
Warrant Officer - 2	493	14,304.00	7,052	993	15,292.35	15,185	450	16,380.45	7,371
Warrant Officer - 1	234	12,609.12	2,951	652	14,020.94	9,142	162	15,018.43	2,433
Total Warrant Officer	1,373	\$14,603.79	\$20,051	2,973	\$14,984.38	\$46,538	1,221	\$16,082.34	\$20,750
Total	13,397	\$16,362.54	\$219,209	12,889	\$17,238.49	\$212,188	10,480	\$19,417.09	\$203,491
BAH Difference	373	\$1,753.35	\$654	428	\$1,808.41	\$774	352	\$1,849.43	\$650
Total BAH With Dependents	13,770	\$15,966.81	\$219,863	13,317	\$15,991.74	\$212,962	10,832	\$18,846.11	\$204,141

PROJECT: F. Basic Allowance for Housing

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
BAH Without Dependents									
General Officers	0	\$23,169.60	\$0	1	\$26,191.75	\$26	1	\$27,749.99	\$28
Colonel	33	19,063.56	629	32	20,481.10	655	21	21,814.25	458
Lieutenant Colonel	89	17,474.76	1,555	61	19,328.86	1,179	80	20,580.00	1,646
Major	159	15,617.16	2,483	226	16,728.23	3,781	291	17,846.55	5,193
Captain	0	13,629.36	0	1,180	14,510.61	17,123	1,138	15,435.03	17,565
First Lieutenant	94	11,431.44	1,075	1,395	11,762.87	16,409	1,318	12,533.69	16,519
Second Lieutenant	888	9,303.12	8,261	781	9,486.60	7,409	771	10,168.78	7,840
Total Commissioned	1,263	\$11,506.13	\$14,003	3,694	\$12,775.58	\$46,582	3,620	\$13,269.25	\$49,250
With Enlisted Service									
Captain	91	\$14,031.36	\$1,277	180	\$15,775.74	\$2,840	162	\$16,845.48	\$2,729
First Lieutenant	75	10,950.00	821	115	13,032.02	1,499	94	13,963.24	1,313
Second Lieutenant	78	10,459.32	816	110	11,461.06	1,261	55	12,315.52	677
Total Commissioned w/Enl Svc	244	\$11,942.62	\$2,914	405	\$12,875.76	\$5,600	311	\$13,960.56	\$4,719
Warrant Officer - 5	4	\$16,393.20	\$66	10	\$17,087.45	\$171	6	\$18,254.13	\$110
Warrant Officer - 4	12	12,416.16	149	41	12,968.79	532	24	13,955.91	335
Warrant Officer - 3	20	13,647.24	273	85	14,724.97	1,252	43	15,736.34	677
Warrant Officer - 2	31	12,921.84	401	87	14,105.48	1,227	50	15,070.39	754
Warrant Officer - 1	18	10,241.04	184	54	10,913.56	589	18	11,707.09	212
Total Warrant Officer	85	\$12,623.53	\$1,073	277	\$12,922.58	\$3,771	141	\$14,801.42	\$2,086
Total Without Dependents	1,592	\$11,300.25	\$17,990	4,376	\$12,786.33	55,953	4,072	\$13,766.07	\$56,055

PROJECT: F. Basic Allowance for Housing

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Partial BAH Payment									
General Officers	0	\$608.40	0	1	\$608.40	\$1	1	\$608.40	\$1
Colonel	5	475.20	2	5	475.20	2	3	475.20	1
Lieutenant Colonel	0	396.00	0	0	396.00	0	0	396.00	0
Major	4	320.40	1	6	320.40	2	8	320.40	3
Captain	0	266.40	0	73	266.40	19	71	266.40	19
First Lieutenant	8	212.40	2	125	212.40	27	118	212.40	25
Second Lieutenant	641	158.40	102	563	158.40	89	556	158.40	88
Total Commissioned	658	\$162.61	\$107	773	\$179.58	\$140	757	\$180.80	\$137
With Enlisted Service									
Captain	6	\$266.40	\$2	13	\$266.40	\$3	11	\$266.40	3
First Lieutenant	9	212.40	2	14	212.40	3	11	212.40	2
Second Lieutenant	35	158.40	6	49	158.40	8	24	158.40	4
Total Commissioned w/Enl Svc	50	\$200.00	\$10	76	\$200.00	\$14	46	\$189.66	\$9
Warrant Officer - 5	1	\$302.40	0	1	\$302.40	0	1	\$302.40	0
Warrant Officer - 4	0	302.40	0	0	302.40	0	0	302.40	0
Warrant Officer - 3	1	248.40	0	5	248.40	1	2	248.40	0
Warrant Officer - 2	4	190.80	1	11	190.80	2	6	190.80	1
Warrant Officer - 1	1	165.60	0	3	165.60	0	1	165.60	0
Total Warrant Officer	7	\$142.86	\$1	20	\$153.85	\$3	10	\$83.33	\$1
Total Partial Payment	715	\$165.03	\$118	869	\$180.67	\$157	813	\$180.81	\$147
Total BAH - Domestic			\$237,970			\$269,072			\$260,344

PROJECT: F. Basic Allowance for Housing

BASIC ALLOWANCE FOR HOUSING - OVERSEAS

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Overseas Basic Allowance for Housing With Dependents									
General Officers	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Colonel	25	16,733.33	418	11	24,655.80	271	11	25,732.01	283
Lieutenant Colonel	56	19,583.33	1,097	43	22,918.82	986	43	23,910.99	1,028
Major	69	20,161.29	1,391	59	25,130.66	1,483	59	26,312.43	1,552
Captain	85	18,485.71	1,571	33	17,280.13	570	33	18,035.13	595
First Lieutenant	35	13,000.00	455	4	14,156.76	57	4	14,761.82	59
Second Lieutenant	22	12,500.00	275	7	18,733.76	131	7	19,548.54	137
Total Commissioned	292	\$17,833.61	\$5,207	157	\$22,276.69	\$3,497	157	\$23,278.37	\$3,655
With Enlisted Service									
Captain	20	\$19,500.00	\$390	10	\$20,365.87	\$204	10	\$21,182.00	\$212
First Lieutenant	12	11,000.00	132	4	21,856.06	87	4	22,729.00	91
Second Lieutenant	14	15,769.23	221	12	19,620.78	235	12	20,463.00	246
Total Commissioned w/Enl Svc	46	\$16,147.16	\$743	26	\$20,251.24	\$527	26	\$21,088.30	\$548
Warrant Officer - 5	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Warrant Officer - 4	4	12,000.00	48	1	14,901.86	15	1	15,933.00	16
Warrant Officer - 3	5	15,666.67	78	2	16,392.04	33	2	16,871.00	34
Warrant Officer - 2	8	16,600.00	133	6	19,041.26	114	6	19,839.00	119
Warrant Officer - 1	4	13,000.00	52	2	22,352.79	45	2	22,963.00	46
Total Warrant Officer	21	\$14,815.87	\$311	11	\$18,785.37	\$207	11	\$19,512.02	\$215
Total With Dependents	359	\$17,440.99	\$6,261	194	\$21,807.28	\$4,231	194	\$22,771.30	\$4,418

PROJECT: F. Basic Allowance for Housing

BASIC ALLOWANCE FOR HOUSING - OVERSEAS

(In Thousands of Dollars)

Overseas Basic Allowance for Housing Without Dependents	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
General Officers	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Colonel	5	12,000.00	\$60	3	26,823.34	80	3	27,180.50	82
Lieutenant Colonel	9	17,000.00	\$153	5	17,882.23	89	5	18,182.82	91
Major	45	15,909.00	\$716	21	21,761.44	457	21	22,181.79	466
Captain	35	14,347.83	\$502	21	17,078.00	359	21	17,406.23	366
First Lieutenant	20	12,700.00	\$254	10	16,491.39	165	10	16,870.66	169
Second Lieutenant	13	10,000.00	\$130	7	13,340.71	93	7	13,657.20	96
Total Commissioned	127	\$14,291.96	\$1,815	67	\$18,564.30	\$1,244	67	\$18,927.03	\$1,268
With Enlisted Service									
Captain	15	\$10,833.33	\$162	7	\$18,449.92	\$129	7	\$18,714.29	\$131
First Lieutenant	0	0.00	\$0	0	0.00	0	0	0.00	0
Second Lieutenant	0	0.00	\$0	0	0.00	0	0	0.00	0
Total Commissioned w/Enl Svc	15	\$10,800.00	\$162	7	\$18,449.92	\$129	7	\$18,714.29	\$131
Warrant Officer - 5	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
Warrant Officer - 4	1	10,000.00	\$10	1	27,816.80	28	1	27,000.00	27
Warrant Officer - 3	2	7,000.00	\$14	1	23,842.97	24	1	23,000.00	23
Warrant Officer - 2	2	5,000.00	\$10	2	17,385.50	35	2	17,500.00	35
Warrant Officer - 1	0	0.00	\$0	0	0.00	0	0	0.00	0
Total Warrant Officer	5	\$6,800.00	\$34	4	\$21,607.69	\$86	4	\$21,250.00	\$85
Total Without Dependents	147	\$13,680.81	\$2,011	78	\$18,530.75	\$1,445	78	\$19,027.06	\$1,484
Total BAH - Overseas	506		\$8,272	272		\$5,676	272		\$5,902
Total BAH Required			\$246,243			\$274,748			\$266,245

PROJECT: G. Basic Allowance for Subsistence

FY 2003 Actual	\$40,919
FY 2004 Estimate	\$42,405
FY 2005 Estimate	\$39,474

PART I - PURPOSE AND SCOPE

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

PART 11 - JUSTIFICATION OF FUNDS REQUESTED

Basic Allowance for Subsistence costs are computed by multiplying the statutory rate by the officer manyears programmed.

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

(In Thousands of Dollars)

FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
20,393	\$2,006.52	\$40,919	20,745	\$2,044.08	\$42,405	18,773	\$2,102.76	\$39,474

PROJECT: H. Overseas Station Allowance

FY 2003 Actual	\$21,779
FY 2004 Estimate	\$19,148
FY 2005 Estimate	\$19,106

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Yen rate is \$118.61 for FY 2004 and FY 2005. The COLA rates reflect a 1 January pay raise of 3.5 percent in FY 2005.

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Barracks Cost of Living	15	\$3,142.86	\$47	17	\$2,515.26	\$43	17	\$2,600.78	\$44
Cost of Living Regular	2,175	8,610.89	18,729	2,170	7,789.75	\$16,904	2,088	8,056.51	16,822
Temporary Lodging Allowance	2,986	1,005.53	3,003	2,403	915.73	\$2,201	2,403	931.99	2,240
Total Station Allowances	5,176		\$21,779	4,590		\$19,148	4,508		\$19,106

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

FY 2003 Actual	\$1,212
FY 2004 Estimate	\$409
FY 2005 Estimate	\$422

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

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

(In Thousands of Dollars)

FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
904	\$1,338.84	\$1,212	270	\$1,513.27	\$409	270	\$1,564.72	\$422

PROJECT: J. Uniform Allowances

FY 2003 Actual	\$1,050
FY 2004 Estimate	\$1,016
FY 2005 Estimate	\$1,017

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

Fund computations are provided on the following table:

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
Initial Uniform Allowances	1,752	\$400.00	\$701	1,620	\$400.00	\$648	1,620	\$400.00	\$648
Additional Uniform Allowances	1,413	200.00	\$283	1,504	200.00	301	1,504	200.00	301
Civilian Clothing Allowances:									
Initial Allowance	45	\$822.00	\$37	45	\$836.00	\$38	45	\$851.00	\$38
Replacement Allowance	105	274.00	\$29	105	279.00	29	105	284.00	30
Total Uniform Allowances			\$1,050			\$1,016			\$1,017

PROJECT: K: Family Separation Allowance

FY 2003 Actual	\$10,011
FY 2004 Estimate	\$5,328
FY 2005 Estimate	\$2,275

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
On PCS with Dependents not authorized	2676	\$3,000.00	\$8,028	233	\$3,000.00	\$699	321	\$1,650.00	\$530
On Board Ship for More Than Thirty Days	24	\$3,000.00	\$72	106	\$3,000.00	\$318	66	\$1,650.00	109
On TDY for More Than Thirty Days with Dependents not residing near TDY station	637	\$3,000.00	\$1,911	1437	\$3,000.00	\$4,311	991	\$1,650.00	\$1,636
Total			\$10,011			\$5,328			\$2,275

PROJECT: L. Separation Payments

FY 2003 Actual	\$20,124
FY 2004 Estimate	\$10,396
FY 2005 Estimate	\$9,351

PART I - PURPOSE AND SCOPE

The funds requested will provide payments for:

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

PART II - JUSTIFICATION OF FUNDS REQUIRED

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

(In Thousands of Dollars)

	FY 2003 Actual				FY 2004 Estimate				FY 2005 Estimate			
	No.	Avg Days	Avg Rate	Amount	No.	Avg Days	Avg Rate	Amount	No.	Avg Days	Avg Rate	Amount
Lump Sum Terminal Leave												
General	12	13	\$10,203.88	\$122	23	13	\$3,881.11	\$89	10	13	\$4,671.97	\$47
Colonel	133	19	5,886.92	783	154	19	5,080.64	782	98	19	6,583.56	645
Lieutenant Colonel	302	16	3,450.39	1,042	292	16	3,526.02	1,030	274	16	3,858.70	1,057
Major	350	16	3,132.31	1,096	307	16	2,924.23	898	338	16	3,502.98	1,147
Captain	429	15	2,534.48	1,087	478	15	2,211.28	1,057	398	15	2,685.93	1,106
Captain W/Enl Svs	54	15	4,138.68	223	31	15	2,494.41	77	57	15	4,628.45	264
1st Lieutenant	241	16	1,415.41	341	153	16	1,752.62	268	139	16	1,582.91	220
1st Lieutenant W/Enl Svs	36	16	2,373.25	85	13	16	2,046.53	27	19	16	2,654.09	50
2nd Lieutenant	58	22	1,390.08	81	23	22	1,786.33	41	47	22	1,554.58	73
2nd Lieutenant W/Enl Svs	12	41	2,084.08	25	7	41	4,308.85	30	4	41	11,644.22	47
Warrant Officer 5	31	48	4,881.77	151	18	48	9,216.26	166	16	48	5,459.46	87
Warrant Officer 4	63	15	2,282.37	144	59	15	2,562.27	151	52	15	2,552.46	133
Warrant Officer 3	79	18	1,922.14	152	66	18	2,477.36	164	50	18	2,149.61	107
Warrant Officer 2	31	21	2,474.46	77	28	21	2,431.02	68	16	21	2,767.28	44
Warrant Officer 1	6	12	3,125.08	19	1	12	1,295.92	1	1	12	3,494.90	3
Subtotal	1,837			\$5,428	1,653			\$4,849	1,519			\$5,030
Severance Pay - Disability	76		\$91,973.68	\$6,990	20		\$45,058.15	\$901	20		\$48,352.91	\$967
Involuntary - Half Pay (5%)	4		\$37,750.00	\$151	0			\$0				\$0
Involuntary - Full Pay (10%)	73		\$63,712.33	\$4,652	33		\$42,575.76	\$1,405	22		\$46,045.45	\$1,013
Voluntary - SSB (15%)	0			0	0			0				0
Subtotal	77			\$4,803	33			\$1,405	22			\$1,013
Voluntary Separation Incentive	0			\$431	0			\$331	0			\$331
Lump Sum 30K Bonus	82		\$30,000.00	\$2,472	97		\$30,000.00	\$2,910	67		\$30,000.00	\$2,010
Total Payments				\$20,124				\$10,396				\$9,351

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

FY 2003 Actual	\$89,778
FY 2004 Estimate	\$83,606
FY 2005 Estimate	\$82,558

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

Taxable income ceilings for OASDI are as follows:

Calendar Year 2003 - 7.65% on first \$87,000 and 1.45% on the remainder.
 Calendar Year 2004 - 7.65% on first \$87,900 and 1.45% on the remainder.
 Calendar Year 2005 - 7.65% on first \$89,700 and 1.45% on the remainder.

Details of the computations are shown in the following table:

(In Thousands of Dollars)

FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
Number	Avg. Rate	Amount	Number	Avg. Rate	Amount	Number	Avg. Rate	Amount
20,393	\$4,402.42	\$89,778	20,745	\$4,030.10	\$83,606	18,773	\$4,397.79	\$82,558

Total Pay & Allowances					
Officers		\$1,978,237		\$1,969,826	\$1,947,543
Less: (Reimbursable)		\$9,547		\$11,321	\$10,740
Total Direct Program		\$1,968,690		\$1,958,505	\$1,936,803

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

BUDGET ACTIVITY 2	AMOUNT
FY 2004 TOTAL DIRECT PROGRAM:	\$6,837,559
INCREASES:	
Defense Health Program - The increase stems from the increased rates associated with the accrual financing health care for military members eligible for Medicare.	119,451
Overseas Station Allowance - This increase is a result of the FY 2004 pay raise, the FY 2005 pay raise, and the inflation applied to the temporary lodging allowance.	2,345
Selective Reenlistment Bonus - This increase is the result of the FY 2005 pay raise of 3.5%.	4,841
Clothing Allowance - This increase is a result of additional enlisted accessions requiring a clothing bag.	\$3,341
Separation Pay - This increase is attributed to an increase in the number of members electing to remain under the reduced 40 percent "Redux" retirement plan and the FY 2005 pay raise.	9,599
CONUS Cost of Living Allowance - This increase is attributed to the annualization of the FY 2004 pay raise, and the FY 2005 pay raise of 3.5%.	64
TOTAL INCREASES:	\$139,641

DECREASES:

Retired Pay Accrual -	(\$14,452)
This decrease is the result of reduced enlisted workyears and the FY 2004 Supplemental offset by the FY 2005 pay raise of 3.5% and the increased RPA rate because of the movement of Special Compensation for Certain Combat-Disabled Uniform Services Retirees funds into RPA.	
Special Pay-	(21,684)
This decrease is the result of a rate change in IDP after 1st Qtr FY 2005 and the number of takers because of the FY04 supplemental.	
Family Separation Allowance	(18,823)
This decrease is the result of a rate change in FSA after 1st Qtr FY 2005 and the reduction in the number of takers due to the FY04 supplemental.	
Federal Insurance Contribution Act -	(7,288)
This decrease is the result of reduced workyears and the FY 2004 supplemental offset by the FY 2005 pay raise of 3.5%.	
Basic Pay -	(\$104,731)
This decrease is the result of reduced enlisted work years and the FY 2004 supplemental offset by the result of the annualization of the FY 2005 pay raise of 3.5%.	
Basic Allowance for Housing -	(14,245)
This decrease is the result of reduced enlisted workyears and the FY 2004 supplemental offset by the housing inflation factor of 3%.	
Special Compensation for Certain Combat-Disabled Uniform Services Retirees	(18,000)
This decrease is the result of this entitlement moving into RPA.	
 TOTAL DECREASES:	 (\$199,223)
 FY 2005 TOTAL DIRECT PROGRAM:	 \$6,777,977

PROJECT: A. Basic Pay

FY 2003 Actual	\$3,589,368
FY 2004 Estimate	\$3,655,211
FY 2005 Estimate	\$3,549,705

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FY 2005 program is based on a beginning strength of 156,912 and an end strength of 156,912 with 155,774 average strength. Costs are determined on the basis of grade distribution by longevity for each fiscal year. The average rates utilized are derived from a consideration of the current longevity adjusted by planned gains and losses for respective years.

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Sergeant Major of the Marine Corps...	1	\$56,628.00	\$57	1	\$56,628.00	\$57	1	\$58,116.00	\$58
E-9.....	1,467	54,387.86	79,787	1,656	57,503.75	95,226	1,412	60,053.48	\$84,796
E-8.....	3,605	44,266.80	159,582	3,955	46,216.40	182,786	3,422	47,880.65	\$163,848
E-7.....	9,133	36,411.69	332,548	9,833	38,198.95	375,610	8,700	39,733.57	\$345,692
E-6.....	15,419	29,486.09	454,654	15,853	30,893.27	489,751	14,352	32,132.12	\$461,148
E-5.....	26,283	23,604.24	620,381	25,165	24,574.80	618,425	23,702	25,524.41	\$604,974
E-4.....	33,320	19,848.86	661,360	31,363	20,486.87	642,530	29,751	21,202.32	\$630,790
E-3.....	48,189	16,834.86	811,255	44,115	17,389.71	767,147	42,411	18,039.03	\$765,053
E-2.....	20,669	15,320.56	316,661	19,751	15,852.64	313,105	19,680	16,396.20	\$322,678
E-1.....	11,714	13,068.46	153,084	12,721	13,408.84	170,574	12,343	13,827.06	\$170,667
Total Basic Pay	169,800	\$21,138.84	\$3,589,368	164,413	\$22,231.89	\$3,655,211	155,774	\$22,787.58	\$3,549,705
Total Enlisted Basic Pay Requirement			\$3,589,368			\$3,655,211			\$3,549,705
Fines and Forfeitures & Other Non-Entitlements			(7,137)			(7,392)			(7,644)
Total Enlisted Basic Pay Subject to Retired Pay Accrual/FICA			\$3,582,231			\$3,647,819			\$3,542,061
Fines and Forfeitures for Navy Home not Subject to RPA/FICA			7,137			7,392			7,644
Total Enlisted Basic Pay Requirement			\$3,589,368			\$3,655,211			\$3,549,705

PROJECT: B. Retired Pay Accrual-Enlisted

FY 2003 Actual	\$983,074
FY 2004 Estimate	\$988,559
FY 2005 Estimate	\$973,916

PART I - PURPOSE AND SCOPE

The funds requested provide for the Department of Defense's contribution to its Military Retirement Funds, in accordance with Title 10 U.S.C. 1466, as amended. Estimates include the cost associated with restoring the retirement benefits (REDUX) of 50% of basic pay upon reaching 20 years of service rather than receiving only 40% under current law. Beginning FY 2005, RPA rate was increased due to the movement of the Special Compensation for Certain Combat-Disabled Uniform Services Retirees.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budget estimates are derived as a product of:

- (a) Detailed cost computation based on the Normal Cost Percentages (NCP) of 27.4% for FY 2003, 27.1% for FY 2004, and 27.5% for FY 2005.
- (b) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Retired Pay Accrual - Enlisted	169,800	\$5,789.61	\$983,074	164,413	\$6,012.66	\$988,559	155,774	\$6,252.12	\$973,916
Total Requirement			\$983,074			\$988,559			\$973,916

PROJECT: C. Defense Health Program - Enlisted

FY 2003 Actual	\$677,360
FY 2004 Estimate	\$715,607
FY 2005 Estimate	\$835,058

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Funding added to the Military Personnel appropriations to implement accrual financing for military members eligible for Medicare.

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Avg Str	Rate	Amount	Avg Str	Rate	Amount	Avg Str	Rate	Amount
DHP>65 Defense Health Program Accrual, Enlisted	159,946	\$4,236	\$677,360	156,519	\$4,572	\$715,607	155,774	\$5,364	\$835,058

PROJECT: D. Incentive Pay - Hazardous Duty

FY 2003 Actual	\$10,465
FY 2004 Estimate	\$8,360
FY 2005 Estimate	\$8,360

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

PROJECT: D. Incentive Pay - Hazardous Duty

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

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
1. Flying Duty									
(a) Crew members									
E-9.....	19	\$2,880.00	\$55	11	\$2,880.00	\$32	11	\$2,880.00	\$32
E-8.....	52	2,880.00	150	31	2,880.00	90	31	2,880.00	90
E-7.....	212	2,880.00	611	164	2,880.00	472	164	2,880.00	472
E-6.....	352	2,580.00	908	275	2,580.00	710	275	2,580.00	710
E-5.....	626	2,280.00	1,427	427	2,280.00	974	427	2,280.00	974
E-4.....	485	1,980.00	960	386	1,980.00	765	386	1,980.00	765
E-3.....	126	1,800.00	227	103	1,800.00	186	103	1,800.00	186
E-2.....	11	1,800.00	20	7	1,800.00	13	7	1,800.00	13
E-1.....	0	1,800.00	0	1	1,800.00	2	1	1,800.00	2
Subtotal	1,883		\$4,357	1,405		\$3,243	1,405		\$3,243
(b) Non-crewmembers	649	\$1,800.00	\$1,168	574	\$1,800.00	\$1,033	574	\$1,800.00	\$1,033
(c) Flight Deck Duty Pay	893	\$1,800.00	\$1,607	841	\$1,800.00	\$1,514	841	\$1,800.00	\$1,514
Subtotal			\$7,133			\$5,790			\$5,790
2. Parachute Jumping Duty	859	\$1,800.00	\$1,546	650	\$1,800.00	\$1,170	650	\$1,800.00	\$1,170
3. Demolition Duty	461	\$1,800.00	\$830	432	\$1,800.00	\$777	432	\$1,800.00	\$777
4. HALO	354	\$2,700.00	\$956	231	\$2,700.00	\$623	231	\$2,700.00	\$623
Total Incentive Pay			\$10,465			\$8,360			\$8,360

PROJECT: E. Special Pay

FY 2003 Actual	\$124,475
FY 2004 Estimate	\$41,591
FY 2005 Estimate	\$19,908

PART I - PURPOSE AND SCOPE

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

- Career Sea Pay:

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

- Hardship Duty Pay:

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

- Personal Money Allowance:

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

- Diving Duty Pay:

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

- Overseas Extension Pay:

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

- Imminent Danger Pay:

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

- Foreign Language Proficiency Pay:

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

PROJECT: E. Special Pay

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

	FY 2003 Actual			(In Thousands of Dollars) FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Career Sea Pay									
E-9	59	\$1,920.00	\$113	21	\$1,920.00	\$40	21	\$1,920.00	\$40
E-8	171	1,920.00	328	52	1,920.00	\$100	52	1,920.00	100
E-7	419	1,920.00	805	185	1,920.00	\$356	185	1,920.00	356
E-6	962	1,620.00	1,558	380	1,620.00	\$615	380	1,620.00	615
E-5	1,768	960.00	1,697	949	960.00	\$911	949	960.00	911
E-4	3,014	960.00	2,894	2,003	960.00	\$1,922	2,003	960.00	1,923
E-3	2,897	840.00	2,433	2,368	840.00	\$1,990	2,368	840.00	1,990
E-2	370	600.00	222	248	600.00	\$149	248	600.00	149
E-1	49	600.00	30	50	600.00	\$30	50	600.00	30
Subtotal	9,709		\$10,080	6,256		\$6,113	6,256		\$6,113
Hardship Duty Pay - Location									
\$150/Month	570	\$1,800.00	\$1,026	570	\$1,800.00	\$1,026	570	\$1,800.00	\$1,026
\$100/Month	15,564	1,200.00	18,677	5,888	1,200.00	\$7,066	264	1,200.00	317
\$50/Month	4,006	600.00	2,404	1,675	600.00	\$1,005	1,675	600.00	1,005
Subtotal	20,140		\$22,107	8,133		\$9,097	2,509		\$2,348
Hardship Duty Pay - Mission	116	1,800.00	\$209	1	1,800.00	\$2	1	1,800.00	\$2
Total Hardship Duty Pay	20,256		\$22,316	8,134		\$9,099	2,510		\$2,350
Personal Money Allowance									
Personal Money Allowance	1	\$2,200.00	\$2	1	\$2,000.00	\$2	1	\$2,000.00	\$2
Diving Duty Pay									
Diving Duty Pay	927	2,580.00	\$2,392	229	2,580.00	\$590	229	2,580.00	\$591
Overseas Extension Pay									
Overseas Extension Pay	1,473	2,000.00	\$2,946	1,473	2,000.00	\$2,946	1,473	2,000.00	\$2,946
Imminent Danger Pay									
Imminent Danger Pay	31,668	2,700.00	\$85,504	7,658	2,700.00	\$20,675	2,835	2,025.00	\$5,740
Firefighters Hazardous Duty Pay									
Firefighters Hazardous Duty Pay	0	1,800.00	0	0	1,800.00	\$0	0	1,800.00	\$0
Foreign Language Proficiency									
Foreign Language Proficiency	872	1,416.28	\$1,235	1,530	1,416.00	\$2,166	1,530	1,416.00	\$2,166
Total Special Pay			\$124,475			\$41,591			\$19,908

PROJECT: F. Special Duty Assignment Pay

FY 2003 Actual \$21,336
 FY 2004 Estimate \$27,204
 FY 2005 Estimate \$27,204

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Sp Dty Assign Pay (\$375)	3,397	\$4,500.00	\$15,287	3,290	\$5,400.00	\$17,766	3,290	\$5,400.00	\$17,766
Sp Dty Assign Pay (\$275)	1,058	3,300.00	3,491	1,248	4,500.00	5,616	1,248	4,500.00	5,616
Sp Dty Assign Pay (\$225)	0	2,700.00	0	0	2,700.00	0	0	2,700.00	0
Sp Dty Assign Pay (\$220)	82	2,640.00	216	85	3,600.00	306	85	3,600.00	306
Sp Dty Assign Pay (\$165)	28	1,980.00	55	459	2,700.00	1,239	459	2,700.00	1,239
Sp Dty Assign Pay (\$150)	217	1,800.00	391	1,111	1,800.00	2,000	1,111	1,800.00	2,000
Sp Dty Assign Pay (\$110)	1,403	1,320.00	1,852	308	900.00	277	308	900.00	277
Sp Dty Assign Pay (\$75)	0	900.00	0	0	900.00	0	0	900.00	0
Sp Dty Assign Pay (\$55)	66	660.00	44	0	600.00	0	0	600.00	0
Total	6,251		\$21,336	6,501		\$27,204	6,501		\$27,204

PROJECT: G. Reenlistment Bonus

FY 2003 Actual \$57,259
 FY 2004 Estimate \$51,818
 FY 2005 Estimate \$56,659

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

10 Most Critical Career Force Skill Shortage Occupations

0211	Counterintelligence Marine	5939	Aviation Radio Technician
0681	Interrogation-translation Specialist	5974	Tactical Data Systems Administrator
0689	Computer Technician	6253	EA6 Aircraft Airframe Mechanic
2834	Ground Mobile Forces SATCOM Technician	6312	Aircraft Comm/Nav/Radar AV8B
5821	Criminal Investigator	6842	METOC Forecaster

	FY 2003 Actual			(In Thousands of Dollars) FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Initial Payments	4,842	\$10,159.29	\$49,191	5,000	\$10,357.00	\$51,785	5,000	\$11,330.00	\$56,650
Anniversary Payments	3,454	2,335.84	\$8,068	30	1,100.00	\$33	5	1,800.00	\$9
Total SRB Payments	8,296	\$6,902.03	\$57,259	5,030	\$10,301.79	\$51,818	5,005	\$11,320.48	\$56,659

SELECTIVE REENLISTMENT BONUS PROGRAM

	FY 2003 Act		FY 2004 Est		FY 2005 Est		FY 2006 Est		FY 2007 Est		FY 2008 Est		FY 2009 Est	
	Number	Amount												
Prior Obligations	3,454	\$8,068	30	\$33	5	\$9								

FY 2003 Initial Payments	4,842	49,191												
Anniversary Payments														

FY 2004 Initial Payments			5,000	51,785										
Anniversary Payments														

FY 2005 Initial Payments					5,000	56,650								
Anniversary Payments														

FY 2006 Initial Payments							5,000	57,254						
Anniversary Payments														

FY 2007 Initial Payments									5,000	59,201				
Anniversary Payments														

FY 2008 Initial Payments											5,000	61,214		
Anniversary Payments														

FY 2009 Initial Payments													5,000	63,295
Anniversary Payments														

Total														
Initial Payments	4,842	49,191	5,000	51,785	5,000	56,650	5,000	57,254	5,000	59,201	5,000	61,214	5,000	63,295
Anniversary Payments	3,454	8,068	30	33	5	9	0	0	0	0	0	0	0	0
Total SRB	8,296	\$57,259	5,030	\$51,818	5,005	\$56,659	5,000	\$57,254	5,000	\$59,201	5,000	\$61,214	5,000	\$63,295

PROJECT: H. Enlistment Bonus Program

FY 2003 Actual	\$8,490
FY 2004 Estimate	\$7,995
FY 2005 Estimate	\$7,995

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

The enlistment program allows the Marine Corps to remain competitive in the market for high quality recruits, which in turn allows us to maintain readiness by providing a sufficient number of Marines with the necessary skills to perform the units' missions.

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
New Payments									
\$1,000	0	\$1,000.00	\$0	0	\$1,000.00	\$0	0	\$1,000.00	\$0
\$2,000	44	2,000.00	88	33	2,000.00	66	33	2,000.00	66
\$3,000	162	3,000.00	486	147	3,000.00	441	147	3,000.00	441
\$4,000	117	4,000.00	468	105	4,000.00	420	105	4,000.00	420
\$5,000	85	5,000.00	425	75	5,000.00	375	75	5,000.00	375
\$6,000	53	6,000.00	318	44	6,000.00	264	44	6,000.00	264
Subtotal New Payments	461		\$1,785	404		\$1,566	404		\$1,566
Residual Payments									
\$1,000	0	\$1,000.00	\$0	0	\$1,000.00	\$0	0	\$1,000.00	\$0
\$2,000	595	2,000.00	1,190	580	2,000.00	1,160	580	2,000.00	1,160
\$3,000	645	3,000.00	1,935	631	3,000.00	1,893	631	3,000.00	1,893
\$4,000	375	4,000.00	1,500	361	4,000.00	1,444	361	4,000.00	1,444
\$5,000	254	5,000.00	1,270	240	5,000.00	1,200	240	5,000.00	1,200
\$6,000	135	6,000.00	810	122	6,000.00	732	122	6,000.00	732
Subtotal Residual Payments	2,004		\$6,705	1,934		\$6,429	1,934		\$6,429
	2,465		\$8,490	2,338		\$7,995	2,338		\$7,995

	FY 2003 Act		FY 2004 Est		FY 2005 Est		FY 2006 Est		FY 2007 Est		FY 2008 Est		FY 2009 Est	
	Number	Amount												
Prior Obligations														
FY 2003														
Initial and	461	\$1,785												
Residual Payments	2,004	\$6,705												
FY 2004														
Initial and			404	\$1,566										
Residual Payments			1,934	\$6,429										
FY 2005														
Initial and					404	\$1,566								
Residual Payments					1,934	\$6,429								
FY 2006														
Initial and							404	\$1,566						
Residual Payments							1,934	\$6,429						
FY 2007														
Initial and									404	\$1,566				
Residual Payments									1,934	\$6,429				
FY 2008														
Initial and											404	\$1,566		
Residual Payments											1,934	\$6,429		
FY 2009														
Initial and													404	\$1,566
Residual Payments													1,934	\$6,429
Initial Payments	461	\$1,785	404	\$1,566	404	\$1,566	404	\$1,566	404	\$1,566	404	\$1,566	404	\$1,566
Residual Payments	2,004	\$6,705	1,934	\$6,429	1,934	\$6,429	1,934	\$6,429	1,934	\$6,429	1,934	\$6,429	1,934	\$6,429
Total EB	2,465	\$8,490	2,338	\$7,995	2,338	\$7,995	2,338	\$7,995	2,338	\$7,995	2,338	\$7,995	2,338	\$7,995

PROJECT: I. College Fund

FY 2003 Actual	\$7,309
FY 2004 Estimate	\$6,089
FY 2005 Estimate	\$6,089

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

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

PROJECT: J. Basic Allowance for Housing

FY 2003 Actual	\$768,980
FY 2004 Estimate	\$800,858
FY 2005 Estimate	\$787,327

PART I - PURPOSE AND SCOPE

Congress approved in the FY 1998 Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA). In addition, the Overseas Housing Allowance (OHA) payment, formerly budgeted in Overseas Station Allowance, was also realigned into this allowance section by the change in law. Payment to service members is authorized by revisions to 37 USC 403. The FY 00 National Defense Authorization Act directed the BAH transition to market-based housing rates be accelerated and completed during FY 2005.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

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

PROJECT: J. Basic Allowance for Housing

BASIC ALLOWANCE FOR HOUSING - DOMESTIC

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Basic Allowance for Housing With Dependents									
E-9.....	1,121	\$15,355.80	\$17,213	1,250	\$17,550.75	\$21,938	1,046	\$18,796.44	\$19,661.1
E-8.....	2,575	14,034.60	36,138	2,732	16,049.01	\$43,846	2,311	17,200.37	\$39,750.0
E-7.....	6,011	13,072.20	78,576	6,018	14,962.88	\$90,047	5,223	16,043.61	\$83,795.8
E-6.....	9,168	12,342.60	113,156	9,026	14,163.44	\$127,840	7,967	15,187.18	\$120,997.3
E-5.....	12,696	10,941.24	138,909	11,069	12,375.58	\$136,986	10,359	13,265.47	\$137,418.0
E-4.....	10,960	10,490.16	114,971	9,045	11,337.45	\$102,548	8,664	12,158.93	\$105,345.9
E-3.....	10,398	10,490.16	109,077	7,811	11,316.69	\$88,394	7,494	12,137.40	\$90,957.2
E-2.....	2,219	10,490.16	23,278	1,777	11,210.89	\$19,922	1,758	12,027.73	\$21,144.0
E-1.....	759	10,490.16	7,964	653	11,326.51	\$7,396	630	12,147.59	\$7,653.0
Total	55,907	\$11,434.69	\$639,282	49,381	\$11,319.48	\$638,918	45,452	\$11,319.48	\$626,722
BAH Difference	4,441	\$2,036.48	\$9,044	4,577	\$2,103.56	\$9,628	4,286	\$2,157.02	\$9,245
Total BAH With Dependents	60,348		\$648,326	53,958		\$648,546	49,738		\$635,967
Basic Allowance for Housing Without Dependents									
E-9.....	103	\$12,948.12	\$1,330	121	\$14,880.13	\$1,800	104	\$15,896.65	\$1,653
E-8.....	228	11,389.56	2,597	327	12,994.34	4,249	284	13,920.33	3,953
E-7.....	563	10,649.16	5,995	1,039	12,093.40	12,565	849	12,944.83	10,990
E-6.....	1,642	9,684.48	15,902	2,181	11,105.01	24,220	1,974	11,892.09	23,475
E-5.....	4,079	9,165.84	37,386	4,422	10,495.68	46,412	4,164	11,236.75	46,790
E-4.....	2,722	8,007.84	21,797	2,762	9,194.66	25,396	2,623	9,847.85	25,831
E-3.....	1,551	8,067.60	12,513	1,496	9,218.15	13,790	1,444	9,872.20	14,255
E-2.....	415	7,530.96	3,125	409	8,685.54	3,552	408	9,320.08	3,803
E-1.....	170	7,964.64	1,354	172	9,288.15	1,597	171	9,944.76	1,701
Total BAH Without Dependents	11,473	\$8,890.58	\$101,999	12,929	\$8,941.36	\$133,582	24,042	\$8,941.36	\$132,451

PROJECT: J. Basic Allowance for Housing

BASIC ALLOWANCE FOR HOUSING - DOMESTIC

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Partial BAH									
E-9.....	6	\$223.20	\$1	7	\$223.20	\$2	6	\$223.20	\$1
E-8.....	14	183.60	3	21	183.60	4	18	183.60	3
E-7.....	83	144.00	12	155	144.00	22	126	144.00	18
E-6.....	238	118.80	28	319	118.80	38	289	118.80	34
E-5.....	4,228	104.40	441	4,611	104.40	481	4,343	104.40	453
E-4.....	15,812	97.20	1,537	16,148	97.20	1,570	15,318	97.20	1,489
E-3.....	32,391	93.60	3,032	31,345	93.60	2,934	30,134	93.60	2,821
E-2.....	16,455	86.40	1,422	15,969	86.40	1,380	15,912	86.40	1,375
E-1.....	8,645	82.80	716	9,505	82.80	787	9,222	82.80	764
Total Partial BAH	77,872	\$92.35	\$7,192	78,080	\$92.28	\$7,218	75,368	\$92.28	\$6,958
Substandard Housing									
E-9.....	1	\$8,876.40	\$9	1	\$9,648.24	\$10	1	\$10,311.60	\$10
E-8.....	0	8,117.16	0	0	8,831.04	0	0	9,443.88	0
E-7.....	1	6,153.60	6	1	6,698.28	7	1	7,165.20	7
E-6.....	1	7,023.84	7	1	7,645.08	8	1	8,177.64	8
E-5.....	6	6,510.96	39	6	7,082.04	42	6	7,572.36	45
E-4.....	16	6,023.64	96	16	6,556.20	105	16	7,012.92	112
E-3.....	23	5,725.92	132	23	6,233.28	143	23	6,668.28	153
E-2.....	3	6,585.00	20	3	7,171.56	22	3	7,674.00	23
E-1.....	1	4,987.80	5	1	5,429.28	5	1	5,807.52	6
Total Substandard Housing	52	\$5,358.12	\$314	52	\$5,737.36	\$342	52	\$5,737.36	\$364
Total Basic Allowance for Housing Domestic.....	149,745		\$757,830	145,019		\$789,688	149,200		\$775,740

PROJECT: J. Basic Allowance for Housing

BASIC ALLOWANCE FOR HOUSING - OVERSEAS

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Basic Allowance for Housing With Dependents									
E-9.....	13	\$20,833.33	\$274	13	\$21,146.62	\$276	13	\$21,929.04	\$286.65
E-8.....	34	15,979.07	549	34	16,064.29	542	34	16,658.67	\$562.54
E-7.....	107	16,530.63	1,787	107	16,693.62	1,782	107	17,311.28	\$1,848.02
E-6.....	183	15,419.26	2,844	183	15,539.64	2,844	183	16,114.61	\$2,952.04
E-5.....	244	13,490.39	3,314	244	13,509.94	3,296	244	14,044.14	\$3,426.85
E-4.....	83	8,714.95	736	83	8,916.90	736	82	9,246.83	\$756.45
E-3.....	39	5,676.53	223	39	6,476.95	254	39	6,716.60	\$263.39
E-2.....		2,416.79	0	1	2,757.57	3	1	2,859.60	\$3.11
E-1.....	1	3,312.29	4	1	3,779.33	4	1	3,919.17	\$4.27
Total BAH With Dependents	704		\$9,730	705		\$9,739	704		\$10,103.32
Basic Allowance for Housing Without Dependents									
E-9.....	2	\$15,958.22	\$35	2	\$14,350.60	\$31	2	\$14,881.58	\$31.82
E-8.....	2	13,992.73	34	2	15,733.36	38	2	16,315.50	\$39.28
E-7.....	21	17,688.93	377	21	17,896.36	376	21	18,558.53	\$390.17
E-6.....	20	14,045.85	292	20	14,539.19	298	20	15,077.15	\$308.00
E-5.....	45	12,959.00	590	45	13,185.35	590	45	13,673.21	\$612.23
E-4.....	6	9,221.12	65	6	10,518.53	68	6	10,907.72	\$70.90
E-3.....	3	7,846.74	27	3	8,950.77	31	3	9,281.95	\$32.03
E-2.....	0	0.00	0	0	0.00	0	0	0.00	\$0.00
E-1.....	0	0.00	0	0	0.00	0	0	0.00	\$0.00
Total BAH Without Dependents	101		\$1,420	101		\$1,432	101		\$1,484.42
Total Basic Allowance for Housing Overseas.....	805		\$11,150	806		\$11,170	805		\$11,588
Total BAH			\$768,980			\$800,858			\$787,327

PROJECT: K. Overseas Station Allowances

FY 2003 Actual \$97,356
 FY 2004 Estimate \$70,967
 FY 2005 Estimate \$73,312

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Yen rate is \$118.61 for FY 2004 and FY 2005. The COLA rates reflect an average pay raise of 4.1% in FY 2004 and a 3.5% pay raise in FY 2005.

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Barracks Cost of Living	13,811	\$2,610.73	\$36,057	13,341	\$1,853.65	\$24,730	13,341	\$1,918.23	\$25,591
Cost of Living Regular	7,855	6,679.62	52,468	7,453	5,509.99	41,066	7,453	5,687.58	42,390
Temporary Lodging Allowance	6,118	1,443.39	8,831	5,785	\$893.90	5,171	5,785	\$921.58	5,331
Total Station Allowances	27,784		\$97,356	26,579		\$70,967	26,579		\$73,312

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

FY 2003 Actual	\$6,103
FY 2004 Estimate	\$1,869
FY 2005 Estimate	\$1,933

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
CONUS COLA	7,332	\$832.39	\$6,103	2,110	\$885.78	\$1,869	2,110	\$916.11	\$1,933

PROJECT: M. Clothing Allowances

FY 2003 Actual	\$107,151
FY 2004 Estimate	\$80,267
FY 2005 Estimate	\$82,898

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

PROJECT: M. Clothing Allowances

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
(I) Initial									
(a) Military Clothing									
Civilian Life, Men (New Recruit)	27,513	\$1,186.27	\$32,638	24,335	\$1,206.44	\$29,359	26,008	\$1,222.13	\$31,785
Civilian Life, Men (New Recruit) Partial	3,931	415.19	1,632	3,476	422.25	\$1,468	3,716	427.75	\$1,590
Civilian Life, Women (New Recruit)	1,867	1,484.02	2,771	1,848	1,509.25	\$2,789	1,848	1,528.87	\$2,825
Civilian Life, Women (New Recruit) Partial	438	519.41	228	434	528.24	\$229	434	535.10	\$232
Broken Reenl, Non-Obligors	50	1,186.27	59	49	1,206.44	\$59	49	1,222.13	\$60
Broken Reenl, Obligors	149	237.25	35	147	241.29	\$35	147	244.43	\$36
Officer Candidates	372	616.86	229	242	627.35	\$152	297	635.51	\$189
Temporary Reversions	0	616.86	0	0	578.98	\$0	0	635.51	\$0
Subtotal	34,320		\$37,592	30,531		\$34,091	32,499		\$36,717
(b) Civilian Clothing									
Initial Allowance	133	\$822.01	\$109	133	\$836.00	\$111	133	\$846.88	\$113
Replacement Allowance	266	274.00	73	266	278.66	\$74	266	282.28	\$75
Temporary Duty	119	540.98	64	119	550.18	\$65	119	557.33	\$66
Civilian State Department	702	1,352.44	949	702	1,375.43	\$966	702	1,393.32	\$978
Subtotal	1,220		\$1,195	1,220		\$1,216	1,220		\$1,232
Total Initial			\$38,787			\$35,307			\$37,949

PROJECT: M. Clothing Allowances

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
(2) Basic Maintenance Male	59,115	\$226.80	\$13,407	60,860	\$230.66	\$14,038	59,067	\$233.66	\$13,802
Standard Maintenance Male	84,814	324.00	27,480	73,821	329.51	24,325	73,417	333.79	24,506
Basic Maintenance Female	3,928	255.60	1,004	4,043	259.95	1,051	3,924	263.33	1,033
Standard Maintenance Female	4,741	367.20	1,741	4,687	373.44	1,750	4,661	378.30	1,763
Total Maintenance	152,598		\$43,632	143,411		\$41,164	141,069		\$41,104
(3) Supplementary Allowance	10,065	\$370.83	\$3,732	10,065	\$377.13	3,796	10,065	\$382.04	3,845
(4) Advance Funding for New Clothing Items			\$21,000			\$0			\$0
Total Clothing Allowance			\$107,151			\$80,267			\$82,898

PROJECT: N. Family Separation Allowance

FY 2003 Actual	\$61,021
FY 2004 Estimate	\$33,449
FY 2005 Estimate	\$14,626

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
On PCS with Dependents not authorized	6,408	\$3,000.00	\$19,224	4,804	\$3,000.00	\$14,412	4,804	\$1,650.00	\$7,927
On Board Ship for More Than Thirty Days	256	3,000.00	\$768	370	3,000.00	1,110	370	1,650.00	611
On TDY for More Than Thirty Days with Dependents not residing near TDY station	13,676	3,000.00	\$41,029	5,976	3,000.00	17,927	3,691	1,650.00	6,089
Total Family Separation Allowance	20,340		\$61,021	11,150		\$33,449	8,865		\$14,626

PROJECT: O. Separation Payments

FY 2003 Actual	\$80,817
FY 2004 Estimate	\$57,205
FY 2005 Estimate	\$66,804

PART I - PURPOSE AND SCOPE

The funds requested will provide payments for:

- Unused accrued leave to enlisted personnel discharged from active duty under honorable conditions as authorized by United States Code Title 37, Pay and Allowances of the Uniformed Services, Chapter 9.
- Severance pay to enlisted personnel who are disabled, as authorized by United States Code Title 10, Armed Forces, Chapter 61, Retirement or Separation, including elimination of severance pay to enlisted not eligible for retirement, as authorized by United States Code, Title 10, Armed Forces, Chapter 59, Separation.
- Donations (not to exceed \$25) to each Marine prisoner upon his release from confinement under court martial sentence involving other than honorable discharge and to each person discharged from the Marine Corps for fraudulent enlistment.
- Voluntary Separation Incentive (VSI) and Special Separation Benefit (SSB) payments to enlisted personnel who are encouraged to leave active duty voluntarily, as authorized in Sections 1174a and 1175 of Title 10, United States Code (enacted in the FY 1992 National Defense Authorization Act, Public Law 102-190).
- Early Retirement- The FY 1993 Defense Authorization Act approved an active duty early retirement program for use during the force draw down. The early retirement program is necessary to shape the 15-20 year segment of the force. It will assist the Services in achieving their draw down goals of maintaining readiness and treating people fairly. The criteria for early retirement includes such factors as grade, years of service, and skill, with a focus on the population where the inventory exceeds requirements. Members approved for early retirement will receive the same benefits as individuals with 20 or more years of service. However, their retired pay will be reduced one percent for each year that they are short of 20 years of active duty. The early retirement amount is the product of 2.5 percent X the years of service X basic pay (adjusted for COLA) X reduction factor. For members who leave under the early retirement program, the Marine Corps is required to establish a sub account within the Military Personnel Appropriation to fund up front all early retirement payments including cost of living adjustments, which will cover the entire initial period. This period is defined as that period equal to the difference between 20 years and the number of years completed by the member. The authority to use VSI, SSB and the early retirement programs terminated on 01 October 2001.
- \$30,000 Lump Sum Bonus - The FY 2000 National Defense Authorization Act provided a \$30,000 lump sum bonus provision to retiring members who elect to remain under the reduced 40 percent "Redux" retirement plan.

PROJECT: O. Separation Payments

PART II - JUSTIFICATION OF FUNDS REQUESTED

(In Thousands of Dollars)

	FY 2003 Actual				FY 2004 Estimate				FY 2005 Estimate			
	Number	Avg Days	Avg Rate	Amount	Number	Avg Days	Avg Rate	Amount	Number	Avg Days	Avg Rate	Amount
Lump Sum Terminal Leave Payments												
E-9	268	19	\$2,961.42	\$794	122	19	\$2,798.48	\$341	142	19	\$2,888.03	\$409
E-8	695	21	2,702.10	1,878	382	21	2,557.31	976	407	21	2,639.14	1,073
E-7	1,332	24	2,536.72	3,379	1,091	24	2,418.35	2,636	1,116	24	2,495.74	2,784
E-6	1,785	25	2,142.70	3,825	1,426	25	2,092.05	2,983	1,448	25	2,159.00	3,126
E-5	6,438	14	1,075.53	6,925	3,767	14	938.78	3,538	3,742	14	968.82	3,626
E-4	11,999	11	955.94	11,471	7,586	11	640.10	4,857	7,561	11	660.58	4,995
E-3	3,871	15	809.49	3,134	2,422	15	702.35	1,701	2,397	15	724.83	1,738
E-2	2,143	12	597.44	1,280	940	12	536.64	505	940	12	553.81	521
E-1	1,018	18	740.98	754	744	18	708.86	528	744	18	731.54	544
Total	29,549			\$33,440	18,480			\$18,064	18,497			\$18,816
Severance Pay, Disability	1,076		\$15,879.54	\$17,086	976		\$15,025.57	\$14,665	976		\$15,506.39	\$15,134
Authorized Donations	40		\$25.00	\$1	40		\$25.00	\$1	40		\$25.00	\$1
Severance Pay, Non-Disability												
Involuntary - Half Pay	389		\$12,512.39	\$4,867	389		\$12,937.81	\$5,033	389		\$13,351.82	\$5,194
Involuntary - Full Pay	240		\$26,124.19	\$6,268	240		\$27,012.41	\$6,483	240		\$27,876.81	\$6,690
Voluntary - SSB	0			\$0	0			\$0	0			\$0
Voluntary Separation Incentive												
Initial payment	0			\$0	0			\$0	0			\$0
Trust Fund payment	0			\$869	0			\$569	0			\$569
Early Retirement Program	0			\$0	0			\$0	0			\$0
\$30,000 Lump Sum Bonus	610		\$30,000	\$18,286	413		\$30,000	\$12,390	680		\$30,000	\$20,400
Total Separation Pay				\$80,817				\$57,205				\$66,804

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

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

PART I - PURPOSE AND SCOPE

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

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

Effective FY 2005, Special Compensation for Certain Combat-Related Disabled Uniform Services Retirees will be paid from RPA.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

The following estimate is provided:

(In Thousands of Dollars)

<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$3,000	\$18,000	\$0

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

FY 2003 Actual	\$280,102
FY 2004 Estimate	\$279,058
FY 2005 Estimate	\$271,710

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

Taxable income ceilings for OASDI are as follows:

Calendar Year 2003 - 7.65% on first \$87,000 and 1.45% on the remainder.
Calendar Year 2004 - 7.65% on first \$87,900 and 1.45% on the remainder.
Calendar Year 2005 - 7.65% on first \$89,700 and 1.45% on the remainder.

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

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
Non-Entitled	169,800	\$1,652.82	\$280,648 (546)	164,413	\$1,700.74	\$279,624 (566)	155,774	\$1,748.02	\$272,295 (585)
Subtotal FICA			\$280,102			\$279,058			\$271,710 \$271,710 \$0
Total Pay & Allowances Enlisted			\$6,883,666			\$6,844,106			\$6,783,504
Less: Reimbursables			\$7,107			\$6,547			\$5,528
Total Direct Program			\$6,876,559			\$6,837,559			\$6,777,976

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

BUDGET ACTIVITY 4	AMOUNT
FY 2004 DIRECT PROGRAM:	\$555,825
DECREASE:	
Subsistence-in-Kind -	(\$66,063)
The decrease is caused by supplemental funding provided for SIK in FY 2004 to cover the Global War on Terrorism (GWOT). In FY 2005, additional funds were provided for additional costs associated with regional messing contracts.	
TOTAL DECREASE:	(\$66,063)
INCREASE:	
Basic Allowance for Subsistence -	\$1,452
This increase is due to increased rates.	
TOTAL INCREASE:	\$1,452
FY 2005 DIRECT PROGRAM:	\$491,214

FY 2003 Actual	\$776,299
FY 2004 Estimate	\$569,386
FY 2005 Estimate	\$505,018

PART I - PURPOSE AND SCOPE

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

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

PROJECT: 4-B SUBSISTENCE-IN-KIND

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

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

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

	(In Thousands of Dollars)								
	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
A. Basic Allowance for Subsistence									
1. When Authorized to Mess Separately	163,483	\$2,965.80	\$484,858	138,409	\$3,005.48	\$415,985	133,154	\$3,093.40	\$411,899
2. When Rations in Kind Not Available	5,720	\$3,150.00	18,018	12,149	\$3,150.00	38,269	12,939	\$3,093.40	40,026
3. Augmentation of Commuted Ration Allowed for Meals Taken Separately	0	\$0.00	0	0	\$0.00	0	0	\$0.00	0
4. Less Collections	72,014	\$2,496	179,731	68,338	\$2,545.16	173,931	65,864	\$2,583.89	170,186
Total Enlisted BAS	169,203		\$323,145	150,558		\$280,323	146,093		\$281,739

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Avg Rate	Amount	Number	Avg Rate	Amount	Number	Avg Rate	Amount
B. Subsistence-in-Kind									
1. Subsistence-in-Mess									
a. Trainee/Non-Pay Status	1,125			11,510			11,354		
b. Members Taking Meals in Mess	4,537	\$2,956.50	\$13,414	5,917	\$3,067.08	\$18,148	5,718	\$3,164.55	\$18,095
Subtotal Subsistence-in-Mess			\$13,414			\$18,148			\$18,095
2. Operational Rations									
a. MRE's	561,571	\$81.25	\$45,628	627,006	\$83.71	\$52,487	402,420	\$85.21	\$34,290
b. Unitized Rations	6,853,702	\$11.17	\$76,552	4,747,309	\$11.86	\$56,301	2,019,099	\$12.19	\$24,610
c. Other Package Operational Rations	2,122,256	\$1.13	\$2,398	1,714,070	\$1.76	\$3,016	504,104	\$1.78	\$895
Subtotal Operational Rations			\$124,578			\$111,804			\$59,795
3. Augmentation Rations/Other Programs									
a. Augmentation Rations			\$2,384			\$2,786			\$2,836
b. Other - Regionalization			\$133,600			\$130,422			\$133,368
c. Other - Messing			\$178,428			\$25,153			\$8,435
Subtotal Augmentation Rations/Other Programs			\$314,412			\$158,361			\$144,639
Total SIK			\$452,404			\$288,313			\$222,529
C. Family Subsistence Supplemental Allowance (FSSA)			\$750			\$750			\$750
Total FSSA			\$750			\$750			\$750
Total Subsistence Program			\$776,299			\$569,386			\$505,018
Less Reimbursable			\$9,252			\$13,561			\$13,804
Total Direct Subsistence			\$767,047			\$555,825			\$491,214

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

BUDGET ACTIVITY 5

AMOUNT
 \$325,936

FY 2004 DIRECT PROGRAM:

INCREASES:

Program Increases:

Increase in Travel of Military Member	\$1,668
Increase in Travel of Dependents (Family)	535
Increase in Transportation of Household Goods	1,561
Increase in Mobile Home Allowances	10
Increase in Nontemporary Storage	85
Increase in Member TLE is attributed to a maximum \$180.00 per day for Marines PCS other than to the 1st Duty Station.	2,628
Increase in SDDC Cargo Ops (Port Handling)	10
Increase in DLA, includes estimated eligible 1st-Term Single Members	3,687
Increase in Global POV Shipping	372
Increase in Global POV Storage	73
Increase in In-Place Consecutive Overseas Tours/ Overseas Tour Extension Incentive Program	33

Projected Inflation Increases:

Increase in Travel of Military Member	1.60%	11
Increase in Travel of Dependents (Family)	1.50%	36
Increase in Transportation of Household Goods	1.60%	30
Increase in Mobile Home Allowances	1.60%	71
Increase in Nontemporary Storage	1.50%	8

Projected Inflation Increases: (continued)			
Increase in Member TLE is attributed to a maximum \$180.00 per day for Marines PCS other than to the 1st Duty Station.	1.60%		\$334
Increase in SDDC Cargo Ops (Port Handling)	1.60%		1
Increase in Global POV Shipping	1.50%		44
Increase in Global POV Storage	1.50%		111
Increase in In-Place Consecutive Overseas Tours/ Overseas Tour Extension Incentive Program	1.50%		53
Rate Increases:			
Pay Raise	Dislocation Allowance (DLA)	2.625%	992
Annualization of Pay Raise	DLA	1.025%	395
TOTAL INCREASES:			\$11,080
FY05 DIRECT PROGRAM:			\$337,016

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

	FY 2003 Actual		FY 2004 Estimate		FY 2005 Estimate	
	Moves	Amount	Moves	Amount	Moves	Amount
ACCESSION TRAVEL	40,411	\$44,775	31,683	\$35,322	33,515	\$39,988
TRAINING TRAVEL	407	1,027	3,657	9,435	3,658	9,614
OPERATIONAL TRAVEL	11,115	83,478	11,897	93,782	11,899	95,439
ROTATION TRAVEL	16,136	116,984	15,324	124,595	15,322	126,018
SEPARATION TRAVEL	33,258	40,575	34,531	44,069	33,975	44,523
TRAVEL OF ORGANIZED UNITS	1,507	2,370	1,003	1,537	1,003	1,593
NON-TEMPORARY STORAGE		4,373		5,318		5,403
TEMPORARY LODGING EXPENSE		9,898		9,874		12,723
IN-PLACE CONSECUTIVE OVERSEAS TOURS/ OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM		2,356		2,524		2,557
TOTAL OBLIGATIONS		\$305,836		\$326,456		\$337,858
LESS REIMBURSABLE PROGRAM				(\$520)		(\$842)
TOTAL DIRECT PROGRAM	102,834	\$305,836	98,095	\$325,936	99,372	\$337,016

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

	FY 2003 Actual		FY 2004 Estimate		FY 2005 Estimate	
	No.	Amount	No.	Amount	No.	Amount
Travel of Military Member	99,897	\$70,838	98,095	\$69,061	99,372	\$71,051
Mileage	49,004	8,803	49,705	8,775	49,526	8,802
Per Diem	99,897	22,191	98,095	21,490	99,372	21,834
GTRs	31,357	6,227	29,509	6,109	30,543	6,320
AMC	7,018	15,469	6,830	15,445	6,926	15,823
Commercial Air	22,361	18,148	20,655	17,242	21,566	18,272
Travel of Dependents (Family)	14,531	17,900	14,571	19,388	14,576	19,920
Mileage	20,600	3,962	21,787	4,157	22,419	4,271
Per Diem	32,837	6,104	32,944	7,043	32,950	7,039
GTRs	880	356	901	377	941	393
AMC	1,792	3,983	1,863	4,224	1,928	4,443
Commercial Air	1,814	3,217	1,820	3,309	1,892	3,496
Pet Quarantine	505	278	505	278	505	278
Transportation of Household Goods	46,845	154,892	48,316	172,013	48,480	173,574
Land Shipments	24,083	96,760	24,501	111,635	24,374	112,791
ITGBL Shipments	14,874	52,559	15,555	55,878	15,554	56,570
MSC (M. Tons)	7,378	2,796	7,746	2,021	8,020	1,604
AMC (S. Tons)	510	2,777	514	2,479	532	2,609
Dislocation Allowance	19,470	36,273	18,415	36,004	20,358	39,891
Mobile Home Allowance	142	561	141	563	141	573
Global POV Shipping	2,535	6,416	2,663	7,784	2,749	8,156
Global POV Storage	458	2,761	532	3,724	534	3,797
Non-Temporary Storage	9,795	4,373	9,866	5,318	9,880	5,403
SDDC Cargo Operations (Port Handling Charges)	5,158	165	5,187	203	5,392	213
Temporary Lodging Expense	8,065	9,898	7,715	9,874	7,884	12,723
In-Place Consecutive Overseas Tours/Overseas Tour Extension Incentive Program	614	2,356	624	2,524	624	2,557
Total Obligations		\$306,433		\$326,456		\$337,858
Less Reimbursements		(\$597)		(\$520)		(\$842)
Total Direct Program		\$305,836		\$325,936		\$337,016

PROJECT: A. Accession Travel

FY 2003 - Actual	\$44,775
FY 2004 - Estimate	\$35,322
FY 2005 - Estimate	\$39,988

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Accession travel figures include PCS requirements to meet the congressionally-mandated end strength level of 175,000 Marines.

Increases in accession travel are due to increases in SDDC rates.

Move numbers and associated funding requirements are detailed by fiscal year in the following tables:

PROJECT: A. Accession Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
A(a) Officers									
(1) Travel of Military Member	1,696	\$413.86	\$702	1,394	\$415.35	\$579	1,313	\$416.60	\$547
(2) Travel of Dependents	185	612.24	113	139	654.68	91	130	669.23	87
(3) Transportation of Household Goods	2,267	1,341.91	3,043	1,758	1,431.28	2,516	1,665	1,447.45	2,410
(4) Dislocation Allowance	1,338	1,672.44	2,237	1,059	1,744.12	1,848	1,085	1,806.93	1,961
(5) Mobile Home Allowance	3	3,760.16	12	3	3,816.57	11	3	3,877.63	12
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	42	2,048.91	87	31	2,368.54	73	30	2,404.07	72
(b) Global POV Storage	35	2,154.30	75	24	2,490.37	60	23	2,527.73	57
Total A(6)	77		\$162	55		\$133	53		\$129
(7) Port Handling Costs (HHG, M. Tons)	0	0.00	0	0	0.00	0	0	0.00	0
Total A(a)			\$6,269			\$5,178			\$5,146

PROJECT: A . Accession Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
A(b) Enlisted									
(1) Travel of Military Member	39,238	\$756.62	\$29,688	30,289	\$767.74	\$23,254	32,202	\$776.85	\$25,016
(2) Travel of Dependents	693	833.64	578	488	911.89	445	519	932.56	484
(3) Transportation of Household Goods	2,408	1,263.13	3,042	1,834	1,297.93	2,381	1,975	1,305.32	2,578
(4) Dislocation Allowance	4,041	1,229.21	4,967	3,029	1,281.98	3,883	4,948	1,328.01	6,571
(5) Mobile Home Allowance	13	6,677.15	89	10	6,777.31	68	10	6,885.74	69
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	26	2484.02	65	18	2,871.53	52	20	2,914.60	58
(b) Global POV Storage	36	2157.34	77	25	2,493.89	61	26	2,531.29	66
Total A(6)	62		\$142	43		\$113	46		\$124
(7) Port Handling Costs (HHG, M. Tons)	0	0.00	0	0	0.00	0	0	0.00	0
Total A(b)			\$38,506			\$30,144			\$34,842
Total Accession Travel			\$44,775			\$35,322			\$39,988

PROJECT: B. Training Travel

FY 2003 - Actual	\$1,027
FY 2004 - Estimate	\$9,435
FY 2005 - Estimate	\$9,614

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Training moves help to ensure the future readiness of the Marine Corps by reinforcing or building the skill levels of both officers and enlisted personnel.

Increases in training travel are due to increases in Surface Deployment Distribution Command (SDDC) rates.

Move numbers and associated funding requirements are detailed by fiscal year in the following tables:

PROJECT: B. Training Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
B(a) Officers									
(1) Travel of Military Member	186	\$241.78	\$45	1,551	\$241.78	\$375	1,551	\$242.42	\$376
(2) Travel of Dependents	37	618.59	23	312	660.26	206	312	669.87	209
(3) Transportation of Household Goods	175	2,815.72	492	1,590	2,859.75	4,547	1,590	2,902.52	4,615
(4) Dislocation Allowance	126	1,477.90	186	1,117	1,541.25	1,721	1,117	1,596.75	1,784
(5) Mobile Home Allowance	1	3,874.11	4	5	3,932.22	20	5	3,995.14	20
Total B(a)			\$750			\$6,869			\$7,004

PROJECT: B. Training Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
B(b) Enlisted									
(1) Travel of Military Member	231	\$618.71	\$143	2,106	\$627.73	\$1,322	2,107	\$635.98	\$1,340
(2) Travel of Dependents	6	344.44	2	90	366.67	33	90	377.78	34
(3) Transportation of Household Goods	49	1,976.64	96	428	2,114.49	905	428	2,147.20	919
(4) Dislocation Allowance	36	918.29	33	316	957.65	303	316	992.13	314
(5) Mobile Home Allowance	1	2,780.24	3	1	2,821.95	3	1	2,867.10	3
Total b(b)			\$277			\$2,566			\$2,610
Total Training Travel			\$1,027			\$9,435			\$9,614

PROJECT: C. Operational Travel Between Duty Stations

FY 2003 - Actual	\$83,478
FY 2004 - Estimate	\$93,782
FY 2005 - Estimate	\$95,439

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Operational travel figures include PCS requirements for officers and enlisted personnel between duty stations within the continental United States.

This type of travel is directly related to career progression and quality of life for all Marines in addition to maintaining force structure and readiness.

Increases in operational travel are due to increases in both operational travel and Surface Deployment Distribution Command (SDCC) rates as well as the full replacement value (FRV) provision authorized in Section 634 of the FY 2004 National Defense Authorization Act (NDAA).

Move numbers and associated funding requirements are detailed by fiscal year in the following tables:

PROJECT: C. Operational Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
C(a) Officers									
(1) Travel of Military Member	1,383	\$3,174.26	\$4,390	1,484	\$3,318.73	\$4,925	1,484	\$3,319.41	\$4,926
(2) Travel of Dependents	1,337	1,304.08	1,743	1,296	1,442.90	1,870	1,296	1,459.88	1,892
(3) Transportation of Household Goods	2,620	7,834.53	20,526	2,768	7,956.65	22,997	2,768	8,075.87	23,366
(4) Dislocation Allowance	1,442	2,910.37	4,198	1,484	3,035.11	4,504	1,484	3,144.41	4,666
(5) Mobile Home Allowance	6	4,954.95	30	6	5,029.28	30	6	5,109.74	31
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	0	0.00	0	1	2,353.20	352	1	2,388.49	352
Total C(a)			\$30,887			\$34,678			\$35,233

PROJECT: C. Operational Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
C(b) Enlisted									
(1) Travel of Military Member	9,558	\$647.31	\$6,187	10,413	\$648.80	\$6,756	10,415	\$650.02	\$6,770
(2) Travel of Dependents	4,832	682.58	3,298	4,780	753.56	3,602	4,781	764.07	3,653
(3) Transportation of Household Goods	5,470	5,785.63	31,645	5,879	5,877.87	36,083	5,880	5,966.16	36,669
(4) Dislocation Allowance	5,569	2,046.50	11,396	5,831	2,134.22	12,445	5,832	2,211.08	12,895
(5) Mobile Home Allowance	14	4,613.87	65	14	4,683.08	66	14	4,758.01	67
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	0	0.00	0	1	2,353.20	152	1	2,388.49	152
Total C(b)			\$52,591			\$59,104			\$60,206
Total Operational Travel			\$83,478			\$93,782			\$95,439

PROJECT: D. Rotational Travel to and from Overseas

FY 2003 - Actual	\$116,984
FY 2004 - Estimate	\$124,595
FY 2005 - Estimate	\$126,018

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Rotational travel figures include PCS requirements for officers and enlisted personnel rotating to and from overseas duty assignments. This type of move directly supports the overseas force structure

Increases in rotational travel are due to increases in Surface Deployment Distribution Command (SDCC) rates as well as the full replacement value (FRV) provision authorized in Section 634 of the FY 2004 National Defense Authorization Act (NDAA).

Move numbers and associated funding requirements are detailed by fiscal year in the following tables:

PROJECT: D. Rotational Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
D(a) Officers									
(1) Travel of Military Member	977	\$1,858.75	\$1,816	990	\$2,288.89	\$2,266	988	\$2,308.70	\$2,281
(2) Travel of Dependents	627	2,824.19	1,771	622	3,011.25	1,873	620	3,103.23	1,924
(3) Transportation of Household Goods	2,821	4,236.19	11,951	2,846	4,298.03	13,164	2,911	4,339.75	13,415
(4) Dislocation Allowance	975	2,724.07	2,656	980	2,840.83	2,784	978	2,943.13	2,878
(5) Mobile Home Allowance	6	4,405.85	26	6	4,471.94	27	6	4,543.49	27
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	1,030	2,578.47	2,656	881	2,980.71	4,145	902	3,025.42	4,248
(b) Global POV Storage	137	6,457.53	885	105	7,464.90	787	106	7,576.88	801
Total D(6)	1,167		\$3,541	986		\$4,932	1,008		\$5,049
(7) Port Handling Costs (HHG, M. Tons)	841	51.89	44	821	62.27	51	863	63.20	55
(8) Pet Quarantine Fees	45	550.00	25	45	550.00	25	45	550.00	25
Total D(a)			\$21,830			\$25,122			\$25,654

PROJECT: D. Rotational Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
D(b) Enlisted									
(1) Travel of Military Member	14,767	\$1,660.81	\$24,526	14,334	\$1,682.08	\$24,111	14,334	\$1,700.85	\$24,380
(2) Travel of Dependents	5,315	1,597.22	8,490	4,824	1,702.74	8,214	4,824	1,771.56	8,546
(3) Transportation of Household Goods	16,940	2,784.26	47,561	16,705	2,802.62	50,386	16,776	2,784.28	50,127
(4) Dislocation Allowance	4,170	1,809.57	7,546	4,300	1,887.13	8,115	4,300	1,955.08	8,407
(5) Mobile Home Allowance	28	5,418.70	152	28	5,499.98	154	28	5,587.98	156
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	1,463	2,578.47	3,773	1,151	2,980.71	5,412	1,199	3,025.42	5,608
(b) Global POV Storage	438	6,459.84	2,830	375	7,467.58	2,800	377	7,579.59	2,857
Total D(6)	1,901		\$6,603	1,526		\$8,212	1,576		\$8,465
(7) Port Handling Costs (HHG, M. Tons)	3,355	7.00	23	3,355	8.40	28	3,495	8.53	30
(8) Pet Quarantine Fees	460	550.00	253	460	550.00	253	460	550.00	253
Total D(b)			\$95,154			\$99,473			\$100,364
Total Rotational Travel			\$116,984			\$124,595			\$126,018

PROJECT: E. Separation Travel

FY 2003 - Actual	\$40,575
FY 2004 - Estimate	\$44,069
FY 2005 - Estimate	\$44,523

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Separation travel figures include the PCS requirements of officers and enlisted personnel separating from the Marine Corps in accordance with the Manpower Program Requirements.

Separation travel, coupled with accession travel, maintain the flow rate necessary to keep the Marine Corps within the bounds of the congressionally-mandated end strength of 175,000.

Increases in separation travel are due to increases in Surface Deployment Distribution Command (SDCC) rates.

Move numbers and associated funding requirements are detailed by fiscal year in the following tables:

PROJECT: E. Separation Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
E(a) Officers									
(1) Travel of Military Member	948	\$102.31	\$97	1,482	\$102.56	\$152	1,578	\$103.30	\$163
(2) Travel of Dependents	133	1,096.55	146	177	1,175.14	208	189	1,190.48	225
(3) Transportation of Household Goods	900	4,958.57	4,465	1,100	5,234.01	5,755	1,177	5,293.97	6,231
(5) Mobile Home Allowance	4	3,767.76	15	3	3,824.28	11	3	3,885.46	12
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	62	2,365.24	146	63	2,734.22	172	69	2,775.23	191
(7) Port Handling Costs (HHG, M. Tons)	0	0.00	0	0	0.00	0	0	0.00	0
Total E(a)			\$4,869			\$6,298			\$6,822

PROJECT: E. Separation Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
E(b) Enlisted									
(1) Travel of Military Member	31,864	\$157.92	\$5,032	33,049	\$159.22	\$5,262	32,397	\$160.26	\$5,192
(2) Travel of Dependents	1,398	1,541.82	2,155	1,423	1,662.68	2,366	1,395	1,707.53	2,382
(3) Transportation of Household Goods	12,113	2,239.32	27,125	12,635	2,256.40	28,509	12,520	2,271.41	28,438
(5) Mobile Home Allowance	25	3,321.23	82	25	3,371.05	84	25	3,424.99	86
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	593	2,386.10	1,210	517	2,758.33	1,426	527	2,799.71	1,475
(7) Port Handling Costs (HHG, M. Tons)	990	103.09	102	999	123.71	124	1,020	125.56	128
Total E(b)			\$35,706			\$37,771			\$37,701
Total Separation Travel			\$40,575			\$44,069			\$44,523

PROJECT: F. Unit Travel

FY 2003 - Actual	\$2,370
FY 2004 - Estimate	\$1,537
FY 2005 - Estimate	\$1,593

PART I - PURPOSE AND SCOPE

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

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Unit travel figures include PCS requirements for the movement of organized units between duty stations to meet operational and infrastructure requirements. These moves are a direct result of the Commandant of the Marine Corps' decision to move a unit.

Increases in separation travel are due to increases in Surface Deployment Distribution Command (SDCC) rates.

Move numbers and associated funding requirements are detailed by fiscal year in the following tables:

PROJECT: F. Unit Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
F(a) Officers									
(1) Travel of Military Member	252	\$7.94	\$2	126	\$7.94	\$1	126	\$8.99	\$1
(2) Travel of Dependents	34	58.82	2	17	58.82	1	17	65.61	1
(3) Transportation of Household Goods	456	668.60	305	353	484.20	171	361	504.16	182
(4) Dislocation Allowance	47	3,019.36	147	26	3,148.77	83	26	3,262.16	85
(5) Mobile Home Allowance	60	2,142.16	128	33	2,174.29	72	33	2,209.08	73
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	0	0.00	0	0	0.00	0	0	0.00	0
(b) Global POV Storage	2	4,361.77	9	1	5,042.21	5	1	5,117.84	5
Total D(6)	2		\$9	1		\$5	1		\$5
(7) Port Handling Costs (HHG, M. Tons)	0	0.00	0	0	0.00	0	0	0.00	0
Total F(a)			\$593			\$333			\$347

PROJECT: F. Unit Travel

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
F(b) Enlisted									
(1) Travel of Military Member	1,308	\$64.99	\$85	877	\$66.13	\$58	877	\$67.27	\$59
(2) Travel of Dependents	602	493.80	297	403	498.76	201	403	508.68	205
(3) Trans. of Household Goods	626	1,414.04	885	420	1,426.82	599	429	1,454.55	624
(4) Dislocation Allowance	418	1,121.57	469	272	1,169.64	318	272	1,211.76	330
(5) Mobile Home Allowance	11	2,324.47	25	7	2,359.33	17	7	2,397.08	17
(6) Privately Owned Vehicles (POV)									
(a) Global POV Shipping	0	0.00	0	0	0.00	0	0	0.00	0
(b) Global POV Storage	4	4,361.77	16	2	5,042.21	11	2	5,117.84	11
Total D(6)	4		\$16	2		\$11	2		\$11
(7) Port Handling Costs (HHG, M. Tons)	0	0.00	0	0	0.00	0	0	0.00	0
Total F(b)			\$1,777			\$1,204			\$1,246
Total Unit Travel			\$2,370			\$1,537			\$1,593

PROJECT: G. Non-Temporary Storage

FY 2003 - Actual	\$4,373
FY 2004 - Estimate	\$5,318
FY 2005 - Estimate	\$5,403

PART I - PURPOSE AND SCOPE

Funds requested are to provide for the costs to the government of placing goods in storage or moving them to another specified destination when a member entitled to a PCS move is ordered to a duty station to which the shipment of household goods is not authorized.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The fiscal year fund requirements are shown on the following tables:

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Non-Temporary Storage			\$4,373			\$5,318			\$5,403

PROJECT: H. Temporary Lodging Expense

FY 2003 - Actual	\$9,898
FY 2004 - Estimate	\$9,874
FY 2005 - Estimate	\$12,723

PART I - PURPOSE AND SCOPE

Funds requested are to provide for the temporary lodging expenses for officer and enlisted personnel. The temporary lodging expense partially offsets the added living expenses incurred by members and their dependents residing in temporary quarters in CONUS incident to a PCS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The numbers and associated fiscal year fund requirements are shown on the following tables:

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Temporary Lodging Expense	7,580	\$1,305.77	\$9,898	7,715	\$1,279.84	\$9,874	7,884	\$1,613.77	\$12,723

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

FY 2003 - Actual	\$2,356
FY 2004 - Estimate	\$2,524
FY 2005 - Estimate	\$2,557

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Officers									
IPCOT	126	\$2,053.85	\$258	130	\$2,084.62	\$271	130	\$2,115.38	\$275
OTEIP	0	0.00	0	10	1,999.92	20	10	1,999.92	20
Enlisted									
IPCOT	273	6,317.07	1,724	287	6,411.15	1,840	287	6,512.20	1,869
OTEIP	187	1,999.92	374	197	1,999.92	393	197	1,999.92	393
TOTAL	586		\$2,356	624		\$2,524	624		\$2,557

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

BUDGET ACTIVITY 6	AMOUNT
FY 2004 DIRECT PROGRAM:	\$58,263
INCREASES:	
Apprehension of Military Deserters- This increase is due to inflation applied to travel of guards and subsistence costs.	\$29
Educational Benefits- This increase is based on the latest amortization payment estimate from the DoD Board of Actuaries.	\$12
Adoption Reimbursement Program- This increase is due to inflation.	\$1
Transportation Subsidies- This increase is due to a projected increase in participation of the transportation subsidy program.	\$95
Partial Dislocation Allowance- This increase is based on the estimated plan for the number of officer and enlisted members required to move from family housing units being renovated or privatized.	\$40
TOTAL INCREASES:	\$177
DECREASES:	
Payment of Death Gratuities- This decrease is caused by a reduction in the number of payments.	(\$1,000)
Unemployment Benefits- This decrease is based on the latest unemployment projections by the Department of Labor.	(\$3,598)
Restored Survivors Benefits- This decrease is the result of a reduction in the Veteran's Administration projection.	(\$50)
Special Compensation for the Severely Disabled- This decrease reflects the transfer of the source for funding for certain disabled military retirees' benefits from the Military Personnel account to the Department of Defense Retirement Fund, stipulated by Section 641, National Defense Authorization Act for FY 2004.	(\$900)
TOTAL DECREASES:	(\$5,548)
FY 2005 DIRECT PROGRAM:	\$52,892

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

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

PART I - PURPOSE AND SCOPE

The funds requested provide for expenses in connection with the apprehension of deserters, absentees, and escaped military prisoners; and for their delivery to the control of the Department of Defense, as authorized by 10 USC, Subtitle A, Part II, Chapter 48, Section 956.

Funds requested include cost of subsistence furnished during the period an enlisted member is detained in civil confinement for safekeeping when so requested by military authority, costs of rewards (not to exceed \$75.00) and cost of transportation, lodging, and subsistence of a guard sent to return member.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

The following estimate is provided:

(In Thousands of Dollars)

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

PROJECT: B. Interest on Savings Deposits

FY 2003 Actual	\$415
FY 2004 Estimate	\$16
FY 2005 Estimate	\$16

PART I - PURPOSE AND SCOPE

Funds requested provide for interest at a rate not to exceed 10 percent per annum paid to service members participating in the Servicemen's Saving Deposit Program, in accordance with the Department of Defense Financial Management Regulation Volume 7A, Chapter 51.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The Servicemen's Saving Deposit Program was reinstated for participants deployed to designated contingency operations. Computation of funding requirements is provided in the following table:

(In Thousands of Dollars)

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Active Component	\$15	\$16	\$16
Cost of War	\$400	\$0	\$0
Total	\$415	\$16	\$16

PROJECT: C. Death Gratuities

FY 2003 Actual	\$2,992
FY 2004 Estimate	\$1,984
FY 2005 Estimate	\$984

PART I - PURPOSE AND SCOPE

The funds requested provide for payment of death gratuities to beneficiaries of deceased military personnel as authorized by 10 USC, Subtitle A, Part II, Chapter 75.

Section 646 of the National Defense Authorization Act for Fiscal Year 2004 increased the fixed value of the death gratuity payments from \$6,000 to \$12,000 applicable retroactively to September 11, 2001 and future deaths.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Details of the computations are provided in the following tables:

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Active Component									
Officer	15	\$12,000.00	\$180	28	\$12,000.00	\$336	22	\$12,000.00	\$264
Enlisted	149	\$12,000.00	\$1,788	137	\$12,000.00	\$1,648	60	\$12,000.00	\$720
Cost of War									
Officer	8	\$12,000.00	\$96						
Enlisted	77	\$12,000.00	\$928						
Total	249		\$2,992	165		\$1,984	82		\$984

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

FY 2003 Actual	\$55,773
FY 2004 Estimate	\$47,814
FY 2005 Estimate	\$44,216

PART I - PURPOSE AND SCOPE

Funds are for payments of unemployment benefits to ex-service members who are discharged or released under honorable conditions as authorized by 5 USC, Part III, Subpart G, Chapter 85, Subchapter II, Section 8521. Generally, eligibility is defined as active service in the Armed Forces whereupon the individual was discharged under honorable conditions, and had completed his first term of active service; or was discharged before completing his first term under an early release program, because of hardship, for medical reasons, or for personality disorders or inaptitude (but only if the service was continuous for 365 days or more).

PART II - JUSTIFICATION OF FUNDS REQUESTED

The number of individuals eligible for unemployment benefits is based on estimated losses, factored to exclude retirements and discharges for other than honorable conditions.

The following estimate is provided:

(In Thousands of Dollars)

<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$55,773	\$47,814	\$44,216

PROJECT: E. Survivor Benefits

FY 2003 Actual	\$1,443
FY 2004 Estimate	\$1,539
FY 2005 Estimate	\$1,489

PART I - PURPOSE AND SCOPE

The entitlement program for Survivors (REPS), reinstated in 1985, and administered by the Dept. of Veteran's Affairs (VA), provides for payments of restored social security benefits to widows and orphans of military personnel of the Armed Services. Public Law 97-35 terminated the "mother's" benefits when the last child in custody of the surviving spouse reached age 16, rather than 18, and affected the "school child" by either eliminating benefit payments or by requiring a reduction in benefits. Section 156 of Public Law 97-377 modified by Section 943 of the DoD Authorization Act, FY 1984, P. L. 98-94, 97 Sec. 614, restored these social security benefits to survivors of military members and directed the Department of Defense to budget for this requirement.

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on projections by the Department of Veterans Affairs. The following estimated is provided:

(In Thousands of Dollars)

<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$1,443	\$1,539	\$1,489

PROJECT: F. Educational Benefits

FY 2003 Actual	\$1,880
FY 2004 Estimate	\$2,785
FY 2005 Estimate	\$2,797

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

The following estimate is provided:

(In Thousands of Dollars)

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
Montgomery GI Bill	\$778	\$722	\$731
Amortization	\$1,102	\$2,063	\$2,066
Total	\$1,880	\$2,785	\$2,797

PROJECT: G. Adoption Reimbursement Program

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

PART I - PURPOSE AND SCOPE

These funds provide for payments of adoption expenses incurred by active duty members in the adoption of a child under 18 years of age, as authorized by 10 USC, Subtitle A, Part II, Chapter 53, Section 1052. Adoption expenses include public and private agency fees, placement fees, legal fees, medical expenses for the child, the biological mother and the adopting parents, temporary foster care, transportation expenses, and other expenses approved by ASD (FM&P).

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

(In Thousands of Dollars)

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

PROJECT: H. Special Compensation for Severely Disabled

FY 2003 Actual	\$3,988
FY 2004 Estimate	\$900
FY 2005 Estimate	\$0

PART I - PURPOSE AND SCOPE

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

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

Section 641 of the FY 2004 National Defense Authorization Act (P.L. 108-136) transferred the source of funding for this program to the Department of Defense Military Retirement Fund effective FY 2005.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

The following estimate is provided:

(In Thousands of Dollars)

<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Estimate</u>
\$3,988	\$900	\$0

PROJECT: I. Transportation Subsidies

FY 2003 Actual	\$1,065
FY 2004 Estimate	\$952
FY 2005 Estimate	\$1,047

PART I - PURPOSE AND SCOPE

Executive Order 13150 on Federal Workforce Transportation, dated April 21, 2000, required Federal agencies to implement a transit pass fringe benefit program for qualified federal employees in the National Capital Region (NCR). Washington Headquarters Services (WHS) was designated to run this effort within NCR transit pass program for DoD, and has been working closely with the Department of Transportation to ensure that costs will be identifiable to the major command level. In addition, in an effort to provide equitable entitlement, areas outside of the NCR (ONCR) are phasing in their transit pass fringe benefit program.

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

The following estimate is provided:

(In Thousands of Dollars)

	FY 2003 Actual			FY 2004 Estimate			FY 2005 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
National Capital Region	527	\$1,265.00	\$667	496	\$1,265.00	\$627	512	\$1,265.00	\$648
Outside National Capital Region	317	\$1,257.00	\$398	258	\$1,257.00	\$324	318	\$1,257.00	\$400
Total Subsidies	844		\$1,065	754		\$952	830		\$1,047

PROJECT: J. Partial Dislocation Allowance

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

PART I - PURPOSE AND SCOPE

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

PART II - JUSTIFICATION OF FUNDS REQUESTED

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

The following estimate is provided:

(In Thousands of Dollars)

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

MARINE CORPS MILITARY PERSONNEL ASSIGNED OUTSIDE DOD (END STRENGTH)

ASSIGNED OUTSIDE DOD:	FY 2003			FY 2004			FY 2005		
	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>
<u>Nonreimbursable Personnel:</u>									
Office of the President	2	0	2	3	0	3	3	0	3
National Warning Staff	1	0	1	1	0	1	1	0	1
State Department (UN Truce Supervision)	5	0	5	2	0	2	2	0	2
Transportation Department (FAA)	1	0	1	2	0	2	2	0	2
Commerce Department (Merchant Marine Academy)	0	1	1	0	1	1	0	1	1
Drug Enforcement Administration (DEA)	1	1	2	1	1	2	1	1	2
Subtotal Nonreimbursable Program	10	2	12	9	2	11	9	2	11
<u>Reimbursable DOD Personnel:</u>									
National Aeronautics and Space Admin. (NASA)	6	0	6	7	0	7	7	0	7
Classified Activities	2	0	2	2	0	2	2	0	2
Foreign Military Sales	1	0	1	1	0	1	1	0	1
Technical Assistance Field Team (TAFT)	8	1	9	10	1	11	10	1	11
Office Program Manager (SANG)	2	0	2	2	0	2	2	0	2
DMA/NIMA	1	10	11	5	11	16	5	11	16
Subtotal Reimbursable Personnel	20	11	31	27	12	39	27	12	39
Total Assigned to DOD Activities	30	13	43	36	14	50	36	14	50

MILITARY PERSONNEL ASSIGNED OUTSIDE DOD (END STRENGTH)

	FY 2003			FY 2004			FY 2005		
	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>	<u>OFF</u>	<u>ENL</u>	<u>TOTAL</u>
<u>ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF NON-DOD FUNCTIONS:</u>									
<u>Nonreimbursable Personnel:</u>									
State Department (Embassy Security Guards)	43	1,598	1,641	46	1,622	1,668	46	1,622	1,668
Subtotal Nonreimbursable Program	43	1,598	1,641	46	1,622	1,668	46	1,622	1,668
<u>Reimbursable DOD Personnel:</u>									
Naval Air Depots	18	22	40	19	27	46	19	27	46
Industrial Fund	7	8	15	6	6	12	6	6	12
Defense Finance and Accounting Service(DFAS)	29	87	116	29	113	142	29	95	124
DISA	0	0	0	2	2	4	2	2	4
Defense Logistic Agency(DLA)	9	8	17	22	12	34	22	12	34
Joint Logistics System Center (JLSC)	0	0	0	0	0	0	0	0	0
US Transportation Command (TRANSCOM)	13	8	21	13	5	18	13	5	18
Subtotal Reimbursable Personnel	76	133	209	91	165	256	91	147	238
Total Assigned to DOD Activities	119	1,731	1,850	137	1,787	1,924	137	1,769	1,906
Total Nonreimbursable Personnel	53	1,600	1,653	55	1,624	1,679	55	1,624	1,679
Total Reimbursable	96	144	240	118	177	295	118	159	277
GRAND TOTAL	149	1,744	1,893	173	1,801	1,974	173	1,783	1,956

REIMBURSABLE PROGRAM
MILITARY PERSONNEL, MARINE CORPS

	FY 2003	FY 2004	FY 2005
Subsistence	\$ 13,602	\$ 13,525	\$ 13,767
U. S. Army			
U. S. Navy	27	28	28
U. S. Coast Guard	132	134	136
Reserve Personnel, Marine Corps	8,641	8,475	8,623
Flight Rations	1	1	1
Non-Federal Sources:			
Commissary Stores and Messes	23	23	23
Sale of Meals	4,778	4,864	4,956
Foreign Military			
Foreign Military Sales	108	108	108
Other Non-Strength	597	520	842
Surcharge			
Clothing			
Other Military Costs (PCS Travel)	597	520	842
Strength Related	17,896	17,904	18,063
Officers	10,966	11,320	11,930
Basic Pay	(7,802)	(8,075)	(8,313)
Retired Pay Accrual	(2,175)	(2,190)	(2,500)
Other	(989)	(1,055)	(1,117)
Enlisted	6,930	6,584	6,133
Basic Pay	(5,110)	(4,773)	(4,424)
Retired Pay Accrual	(1,399)	(1,292)	(1,218)
Other	(421)	(519)	(491)
Total Program	\$32,203	\$31,949	\$32,780