

DEPARTMENT OF THE ARMY

FISCAL YEAR (FY) 2004 / 2005 BIENNIAL BUDGET ESTIMATES



OPERATION AND MAINTENANCE, ARMY

JUSTIFICATION BOOK

FEBRUARY 2003

VOLUME I

VOLUME I - JUSTIFICATION OF OMA ESTIMATES FOR FY 2004-2005

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DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Accession Training
Subactivity Group: Officer Acquisition

I. Description of Operations Financed:

OFFICER ACQUISITION - Subactivity Group consists of three resource groupings that represent initial training to provide the Army with qualified officer personnel. This subactivity can be measured by program performance/output metrics that correlate to the budget request displayed in Section IV, Performance Criteria and Evaluation Summary.

U.S. MILITARY ACADEMY - The budget provides for admissions to the U.S. Military Academy and the Cadet Leader Development System. This includes resident instruction programs, administration, civilian personnel pay and benefits, cadet support, preparation of academy training aids, and training literature. Other costs included are temporary duty (travel and per diem), cadet summer training, academic and general supplies and equipment, contractual services, Army research and the cadet academic library. The number of students enrolled is the primary program performance measure.

U.S. MILITARY ACADEMY PREPARATORY SCHOOL - The budget provides for resident instruction programs, civilian personnel pay and allowances, supplies and equipment, transportation (travel and per diem), and contractual services. Cost drivers are the number of students enrolled.

OFFICER CANDIDATE SCHOOL - The funds support general instructional supplies and equipment, contractual services, and organizational clothing issued to each candidate, whether on active or reserve duty. Program performance measures are the number of students enrolled.

II. Force Structure Summary:

OFFICER ACQUISITION - Provides for the operation and support of the United States Military Academy (USMA) located at West Point, NY; the United States Military Academy Preparatory School (USMAPS) located at Fort Monmouth, NJ; and the Officer Candidate School (OCS) located at Fort Benning, GA.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Officer Acquisition

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Officer Acquisition	81,450	88,026	82,089	86,969	89,853	91,952
Total	81,450	88,026	82,089	86,969	89,853	91,952

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		88,026	86,969	89,853
Congressional Adjustments (Undistributed)		-5,931		
Adjustments to Meet Congressional Intent		0		
General Provisions		-6		
SUBTOTAL APPROPRIATED AMOUNT		82,089		
Fact-of-Life Changes		4,880		
SUBTOTAL BASELINE FUNDING		86,969		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			1,821	1,886
Functional Transfers			0	0
Program Changes			1,063	213
CURRENT ESTIMATE		86,969	89,853	91,952

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Officer Acquisition

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	88,026
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-5,929
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-1
3) Unobligated Balance	\$	-1
Total Undistributed Adjustments	\$	-5,931
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-1
2) Section 8103 - Government Purchase Card Savings	\$	-1
3) Section 8133 - Travel	\$	-1
4) Section 8135 - Revised Economic Assumptions	\$	-3
Total General Provisions	\$	-6
FY 2003 Appropriated Amount.....	\$	82,089

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Officer Acquisition

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

1) One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program	\$	-120
<p style="margin-left: 20px;">This one-time reduction supports the funding of the Military Training Service Support Pilot Program. A total of \$19 million was centralized in subactivity group 324 to fund this pilot program.</p>		

2) Program Growth

United States Military Academy (USMA)	\$	5,000
<p style="margin-left: 20px;">Provides essential support to the USMA intercollegiate athletics program by funding expanded physical security contracts in light of current Anti-Terror/Force Protection threat assessments, in addition to other operational support needs.</p>		

Total Emergent Requirements	\$	4,880
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FY 2003 Baseline Funding.....	\$	86,969
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Revised FY 2003 Current Estimate.....	\$	86,969
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3. Price Change.....	\$	1,821
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4. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004	\$	143
<p style="margin-left: 20px;">There will be an additional compensable workday in FY 2004.</p>		

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Officer Acquisition

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Program Increases (Continued)

a) One-Time FY 2004 Costs (Continued)

Additional Compensable Day in FY 2004 (Continued)
 This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

United States Military Academy (USMA)\$ 920
 (FY 2003 Base: \$86,969) The intercollegiate athletics program serves as a window to the Academy and is mission-essential in developing our future leaders. This increase supports coach and team travel, operational support, athletic supplies, and automation/video life cycle equipment replacement. Funding increases are reflected in the OP-32 lines 920 and 925.

Total Program Increases\$ 1,063

FY 2004 Budget Request.....\$ 89,853

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Officer Acquisition

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	764	718	760	755	42	-5
Officer	635	589	615	614	26	-1
Enlisted	129	129	145	141	16	-4
<u>Civilian End Strength (Total)</u>	795	791	780	772	-11	-8
U.S. Direct Hire	795	791	780	772	-11	-8
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	795	791	780	772	-11	-8
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	778	741	739	757	-2	18
Officer	643	612	602	614	-10	12
Enlisted	135	129	137	143	8	6
<u>Civilian Full-Time Equivalent (Total)</u>	781	775	762	761	-13	-1
U.S. Direct Hire	781	775	762	761	-13	-1
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	781	775	762	761	-13	-1
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	311	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	38100	0	3.55%	1354	979	40433	0	2.61%	1056	-833	40656	C	2.65%	1077	-16C	41573
0103	WAGE BOARD	8878	0	3.00%	266	-1977	7167	0	2.93%	21C	0	7377	C	2.30%	17C	C	7547
0111	DISABILITY COMPENSATION	0	0	0.00%	0	1172	1172	0	0.00%	C	-80	1092	C	0.00%	C	3C	1131
0199	TOTAL CIV PERSONNEL COMP	46978	0	3.45%	1620	174	48772	0	2.60%	126C	-913	49125	C	2.54%	1247	-121	50251
0308	TRAVEL OF PERSONS	11353	0	1.10%	125	26	11504	0	1.50%	172	76	11752	C	1.60%	18E	-8E	11854
0399	TOTAL TRAVEL	11353	0	1.10%	125	26	11504	0	1.50%	172	76	11752	C	1.60%	18E	-8E	11854
0411	ARMY MANAGED SUPPLIES & MATERIALS	659	0	9.20%	61	19	739	0	4.50%	3C	-32	740	C	1.50%	11	-4C	708
0415	DLA MANAGED SUPPLIES & MATERIALS	424	0	3.50%	14	131	569	0	-2.90%	-1E	68	621	C	1.50%	E	9E	725
0416	GSA MANAGED SUPPLIES & MATERIALS	20	0	1.10%	0	7	27	0	1.50%	C	-5	22	C	1.60%	C	12	34
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	1103	0	6.80%	75	157	1335	0	1.27%	17	31	1383	C	1.45%	2C	64	1467
0502	ARMY EQUIPMENT	80	0	9.20%	8	-9	79	0	4.50%	4	-3	80	C	1.50%	1	C	81
0506	DLA EQUIPMENT	8	0	3.50%	0	3	11	0	-2.90%	C	2	13	C	1.50%	C	1	14
0507	GSA MANAGED EQUIPMENT	775	0	1.10%	9	257	1041	0	1.50%	1E	227	1283	C	1.60%	2C	22	1325
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	863	0	1.97%	17	251	1131	0	1.68%	1E	226	1376	C	1.53%	21	2C	1420
0633	DEFENSE PUBLICATION & PRINTING SERVICE	296	0	6.20%	18	11	325	0	-2.00%	-E	21	340	C	0.30%	1	1E	360
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	22	0	-1.00%	0	49	71	0	1.50%	1	3	75	C	1.60%	1	3	79
0699	TOTAL INDUSTRIAL FUND PURCHASES	318	0	5.66%	18	60	396	0	-1.26%	-E	24	415	C	0.48%	2	22	439
0771	COMMERCIAL TRANSPORTATION	94	0	1.10%	1	35	130	0	1.50%	2	0	132	C	1.60%	2	C	134
0799	TOTAL TRANSPORTATION	94	0	1.06%	1	35	130	0	1.54%	2	0	132	C	1.52%	2	C	134
0913	PURCHASED UTILITIES	169	0	1.10%	2	0	171	0	1.50%	2	0	173	C	1.60%	2	C	175
0914	PURCHASED COMMUNICATIONS	49	0	1.10%	0	6	55	0	1.50%	1	0	56	C	1.60%	1	C	57
0917	POSTAL SERVICES (U.S.P.S.)	248	0	0.00%	0	3	251	0	0.00%	C	2	253	C	0.00%	C	2	255
0920	SUPPLIES/MATERIALS (NON FUND)	12368	0	1.10%	136	1170	13674	0	1.50%	20E	260	14139	C	1.60%	227	23E	14604
0921	PRINTING AND REPRODUCTION	398	0	1.10%	4	-2	400	0	1.50%	E	-5	401	C	1.60%	E	-E	402
0922	EQUIPMENT MAINTENANCE BY CONTRACT	387	0	1.10%	4	162	553	0	1.50%	E	121	682	C	1.60%	11	12	705
0925	EQUIPMENT PURCHASES (NON FUND)	2862	0	1.10%	31	1481	4374	0	1.50%	6E	764	5203	C	1.60%	8C	-1E	5271
0932	MGMT & PROFESSIONAL SPT SVCS	6	0	1.10%	0	-6	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0989	OTHER CONTRACTS	4254	0	1.10%	47	-78	4223	0	1.50%	6C	477	4763	C	1.60%	7E	7E	4918
0998	OTHER COSTS	0	0	1.10%	0	0	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	20741	0	1.08%	224	2736	23701	0	1.48%	35C	1619	25670	C	1.58%	40E	311	26387
9999	GRAND TOTAL	81450	0	2.55%	2080	3439	86969	0	2.09%	1821	1063	89853	C	2.10%	188E	21C	91952

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Accession Training
Subactivity Group: Recruit Training

I. Description of Operations Financed:

RECRUIT TRAINING - The funds support civilian pay and benefits, trainee processing at reception stations, trainee support, resident instruction, local replication of training aids and training literature, procurement of supplies and equipment, and contractual services. Also included is temporary duty (travel and per diem) for staff and faculty, organizational clothing, and equipment issued for use during the training period. Program performance measures are the number of recruits trained.

II. Force Structure Summary:

RECRUIT TRAINING - Basic Combat Training (BCT) is a 9-week introductory and combat survival skill training course given to enlisted personnel at Army Training Centers located at Fort Benning, GA; Fort Jackson, SC; Fort Knox, KY; Fort Sill, OK; and Fort Leonard Wood, MO.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Recruit Training

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Recruit Training	19,307	20,197	18,423	18,423	22,977	23,387
Total	19,307	20,197	18,423	18,423	22,977	23,387

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	20,197	18,423	22,977	
Congressional Adjustments (Distributed)	0			
Congressional Adjustments (Undistributed)	-1,445			
Adjustments to Meet Congressional Intent	0			
General Provisions	-329			
SUBTOTAL APPROPRIATED AMOUNT	18,423			
Fact-of-Life Changes	0			
SUBTOTAL BASELINE FUNDING	18,423			
Anticipated Supplemental	0			
Reprogramming	0			
Price Change		273	475	
Functional Transfers		0	0	
Program Changes		4,281	-65	
CURRENT ESTIMATE	18,423	22,977	23,387	

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Recruit Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	20,197
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-1,344
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-13
3) Unobligated Balance	\$	-76
4) Undistributed Adjustment	\$	-12
Total Undistributed Adjustments	\$	-1,445
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-40
2) Section 8103 - Government Purchase Card Savings	\$	-36
3) Section 8135 - Revised Economic Assumptions	\$	-216
4) Section 8133 - Travel	\$	-37
Total General Provisions	\$	-329
FY 2003 Appropriated Amount.....	\$	18,423
FY 2003 Baseline Funding.....	\$	18,423
Revised FY 2003 Current Estimate.....	\$	18,423
2. Price Change.....	\$	273

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Recruit Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 31
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Recruit Training\$ 4,250
(FY 2003 Base: \$20,197) This increase supports the conduct of Basic Combat Training (BCT) at recruit training centers and constitutes a "fix" to the recurring base funded level. For the past five years, expenditures for BCT have exceeded the amount in the President's Budget for a number of reasons. (1) Enrollment in BCT is greater and more volatile than any other course. Shifts in training load that increase costs occur frequently throughout the fiscal year and are dependent on recruiting success and soldier retention. (2) New items of organizational clothing and equipment such as cold weather jackets/undergarments, and modular sleeping bags cost more than the old items they have replaced. (3) An adequate level of repair parts for the M40 gas mask inventory are supported which will permit the discontinuance of ineffective maintenance short cuts. This funding increase provides the minimum level of supplies and life cycle replacement of equipment for this essential training and is commensurate with actual execution of BCT over the past five years.

The workload requirement increases from the FY 2003 level of 14,225 to FY 2004 level of 14,356, an increase of 131

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Recruit Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

Recruit Training (Continued)

total direct workloads. The Army Reserve and the Army
National Guard workload increases 281 and 53 respectively, the
Active Component decreases 203 workloads.

Total Program Increases	\$	4,281
FY 2004 Budget Request.....	\$	22,977

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Recruit Training

IV. Performance Criteria and Evaluation Summary:

RECRUIT TRAINING

	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	52,181	46,933	7,974	47,590	43,370	8,052
Army Reserve	14,250	13,632	2,352	17,558	14,967	2,923
Army National Guard	20,539	19,077	3,330	19,296	16,879	3,250
Total Direct	86,970	79,642	13,656	84,444	75,216	14,225
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	43,545	44,944	7,849	45,319	38,182	7,400
Army Reserve	17,749	17,859	3,204	16,609	13,994	2,754
Army National Guard	18,073	18,629	3,303	16,588	14,039	2,756
Total Direct	79,367	81,432	14,356	78,516	66,215	12,910
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	(4,045)	1,574	(203)	1,774	(6,762)	(449)
Army Reserve	191	2,892	281	(1,140)	(3,865)	(450)
Army National Guard	(1,223)	1,750	53	(1,485)	(4,590)	(547)
Total Direct	(5,077)	6,216	131	(851)	(15,217)	(1,446)

Input is the number of students entering during a given fiscal year.
Output is the number of students graduating during a given fiscal year.
Workload is the equivalent of trainee workyears for a fifty-week fiscal year.

Note: Active Component workload decreases in FY 2004, but the Reserve and

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Recruit Training

IV. Performance Criteria and Evaluation Summary (Continued):

National Guard workload requirements are increasing.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Recruit Training

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	3,583	3,101	3,044	3,046	-57	2
Officer	359	365	354	356	-11	2
Enlisted	3,224	2,736	2,690	2,690	-46	0
<u>Civilian End Strength (Total)</u>	161	162	165	160	3	-5
U.S. Direct Hire	161	162	165	160	3	-5
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	161	162	165	160	3	-5
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	3,414	3,342	3,072	3,045	-270	-27
Officer	412	362	359	355	-3	-4
Enlisted	3,002	2,980	2,713	2,690	-267	-23
<u>Civilian Full-Time Equivalent (Total)</u>	143	159	162	159	3	-3
U.S. Direct Hire	143	159	162	159	3	-3
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	143	159	162	159	3	-3
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	312	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	8190	0	4.24%	347	1587	10124	0	2.77%	280	164	10568	0	2.66%	281	-240	10600
0103	WAGE BOARD	327	0	4.59%	15	106	448	0	3.13%	14	49	511	0	2.35%	12	1	524
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	1	1	0	0.00%	0	0	1	0	0.00%	0	0	1
0199	TOTAL CIV PERSONNEL COMP	8517	0	4.25%	362	1694	10573	0	2.78%	294	213	11080	0	2.64%	290	-240	11125
0308	TRAVEL OF PERSONS	481	0	1.10%	6	-157	330	0	1.50%	5	15	350	0	1.60%	6	4	360
0399	TOTAL TRAVEL	481	0	1.25%	6	-157	330	0	1.52%	5	15	350	0	1.71%	6	4	360
0401	DFSC FUEL	51	0	-16.00%	-8	-43	0	0	8.30%	0	0	0	0	3.30%	0	0	0
0411	ARMY MANAGED SUPPLIES & MATERIALS	856	0	9.20%	79	120	1055	0	4.50%	40	-22	1081	0	1.50%	17	-30	1062
0415	DLA MANAGED SUPPLIES & MATERIALS	2556	0	3.50%	89	974	3619	0	-2.90%	-104	1674	5189	0	1.50%	70	204	5471
0416	GSA MANAGED SUPPLIES & MATERIALS	77	0	1.10%	1	2	80	0	1.50%	1	37	118	0	1.60%	2	2	122
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	3540	0	4.55%	161	1053	4754	0	-1.16%	-50	1689	6388	0	1.52%	97	170	6655
0506	DLA EQUIPMENT	217	0	3.50%	7	3	227	0	-2.90%	-7	95	315	0	1.50%	4	24	343
0507	GSA MANAGED EQUIPMENT	89	0	1.10%	1	2	92	0	1.50%	1	1	94	0	1.60%	1	0	95
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	306	0	2.61%	8	5	319	0	-1.88%	-0	96	409	0	1.22%	5	24	438
0633	DEFENSE PUBLICATION & PRINTING SERVICE	83	0	6.20%	6	-29	60	0	-2.00%	-1	5	64	0	0.30%	0	1	65
0679	COST REIMBURSABLE PURCHASES	97	0	1.10%	1	-98	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	180	0	3.89%	7	-127	60	0	-1.67%	-1	5	64	0	0.00%	0	1	65
0914	PURCHASED COMMUNICATIONS	13	0	1.10%	0	-12	1	0	1.50%	0	0	1	0	1.60%	0	0	1
0920	SUPPLIES/MATERIALS (NON FUND)	1712	0	1.10%	19	-507	1224	0	1.50%	10	1981	3224	0	1.60%	51	11	3286
0922	EQUIPMENT MAINTENANCE BY CONTRACT	18	0	1.10%	0	8	26	0	1.50%	0	-1	25	0	1.60%	0	0	25
0925	EQUIPMENT PURCHASES (NON FUND)	25	0	1.10%	0	11	36	0	1.50%	1	0	37	0	1.60%	1	0	38
0933	STUDIES, ANALYSIS, & EVALUATIONS	378	0	1.10%	4	-382	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0989	OTHER CONTRACTS	4136	0	1.10%	45	-3081	1100	0	1.50%	10	283	1399	0	1.60%	22	-27	1394
0998	OTHER COSTS	1	0	1.10%	0	-1	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0999	OTHER PURCHASES	6283	0	1.08%	68	-3964	2387	0	1.51%	30	2263	4686	0	1.58%	74	-10	4744
9999	GRAND TOTAL	19307	0	3.17%	612	-1496	18423	0	1.48%	270	4281	22977	0	2.07%	470	-60	23387

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Accession Training
Subactivity Group: One Station Unit Training

I. Description of Operations Financed:

ONE STATION UNIT TRAINING - The funds support the civilian pay and benefits, trainee support, resident instruction, local preparation of training aids and training literature, procurement of supplies and equipment, and contractual services. Also included is temporary duty (travel and per diem) for staff and faculty, organizational, clothing and equipment issued for use during the training period. Cost drivers are the number of enrolled trainees obtaining their Military Occupational Specialty (MOS).

Significant increases in this subactivity group are contributed to a 21 percent increase in student input, increase in organizational clothing cost, and the higher maintenance costs experienced as a result of aging tactical equipment.

II. Force Structure Summary:

ONE STATION UNIT TRAINING - A 13-18 week combined Basic Combat Training/Initial Skill Training program given to enlisted personnel located at Fort Benning, GA; Fort Knox, KY; Fort Sill, OK; and Fort Leonard Wood, MO.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: One Station Unit Training

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
One Station Unit Training	21,009	22,486	20,061	20,061	39,106	37,077
Total	21,009	22,486	20,061	20,061	39,106	37,077

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		22,486	20,061	39,106
Congressional Adjustments (Distributed)		0		
Congressional Adjustments (Undistributed)		-2,068		
Adjustments to Meet Congressional Intent		0		
General Provisions		-357		
SUBTOTAL APPROPRIATED AMOUNT		20,061		
Fact-of-Life Changes		0		
SUBTOTAL BASELINE FUNDING		20,061		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			580	802
Functional Transfers			0	0
Program Changes			18,465	-2,831
CURRENT ESTIMATE		20,061	39,106	37,077

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: One Station Unit Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	22,486
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-1,959
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-14
3) Undistributed Adjustment	\$	-12
4) Unobligated Balance	\$	-83
Total Undistributed Adjustments	\$	-2,068
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-43
2) Section 8103 - Government Purchase Card Savings	\$	-40
3) Section 8135 - Revised Economic Assumptions	\$	-234
4) Section 8133 - Travel	\$	-40
FY 2003 Appropriated Amount.....	\$	20,061
FY 2003 Baseline Funding.....	\$	20,061
Revised FY 2003 Current Estimate.....	\$	20,061
2. Price Change.....	\$	580

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: One Station Unit Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 45
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

One Station Unit Training (OSUT)\$ 18,420
(FY 2003 Base: \$20,061) This results from more student throughput, greater OPTEMPO costs and an increased sustainment of organizational clothing and equipment. (1) The number of student inputs to OSUT in FY04 is 7,676 (21 percent) more than the input level in the FY03 President's Budget. Additional companies must be stood up and outfitted to handle this increase. (2) A higher intensity of OPTEMPO resulting from tougher, more realistic training, combined with increasing maintenance demands of aging tactical end-items have driven up operating costs. For example, in training Armor crewmen, the M1A1 tank fleet at Fort Knox is driven approximately 80,000 miles per year. The FY04 M1A1 cost factor is \$202 per mile compared to the FY03 cost factor of \$155 per mile. The M3 Bradley Fighting Vehicle cost factor has a similar increase, as do other combat systems. (3) Increased cost for organizational clothing and equipment is similar to that experienced in the Basic Combat Training account. New and better items such as cold weather jackets/undergarments and the modular sleeping bag cost more than the items they replace. (4) An adequate level of repair parts for the M40 gas mask inventory is supported with this increase. (5) Funds steel-toed shoes, which is a safety issue for a number of military occupational specialties. (6) Also funds life cycle

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: One Station Unit Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

One Station Unit Training (OSUT) (Continued)
replacement of other equipment such as pugil sticks, manikins,
web gear, etc. Initial entry training of recruits to high
standards is an imperative for the Army. The FY04 requested
budget will enable achievement of this objective. Funding
increases are reflected in the OP-32 lines 411, 415, and 920.

Total Program Increases	\$	18,465
FY 2004 Budget Request.....	\$	39,106

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: One Station Unit Training

IV. Performance Criteria and Evaluation Summary:

ONE STATION UNIT TRAINING

	<u>FY 2002</u>			<u>FY 2003</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	27,754	24,237	7,482	25,026	22,600	6,819
Army Reserve	2,422	1,993	615	4,985	4,015	1,186
Army National Guard	10,705	9,496	2,516	11,136	9,945	2,599
Other Services/DOD	268	332	54	900	750	148
Total Direct	41,149	36,058	10,667	42,047	37,310	10,752
Other (Non-US)	0	0	0	14	14	1
Total	41,149	36,058	10,667	42,061	37,324	10,753
	<u>FY 2004</u>			<u>FY 2005</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	28,719	25,252	7,731	29,153	25,848	7,945
Army Reserve	3,784	3,521	1,000	3,566	3,348	952
Army National Guard	11,189	9,838	2,639	13,402	11,747	3,114
Other Services/DOD	900	849	157	750	731	133
Total Direct	44,592	39,460	11,527	46,871	41,674	12,144
Other (Non-US)	44	38	10	18	24	4
Total	44,636	39,498	11,537	46,889	41,698	12,148
	<u>Change FY 2003/FY 2004</u>			<u>Change FY 2004/FY 2005</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	3,693	2,652	912	434	596	214
Army Reserve	(1,201)	(494)	(186)	(218)	(173)	(48)
Army National Guard	53	(107)	40	2,213	1,909	475
Other Services/DOD	0	99	9	(150)	(118)	(24)
Total Direct	2,545	2,150	775	2,279	2,214	617
Other (Non-US)	30	24	9	(26)	(14)	(6)
Total	2,575	2,174	784	2,253	2,200	611

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: One Station Unit Training

IV. Performance Criteria and Evaluation Summary (Continued):

One Station Unit Training (OSUT) combines Initial Entry and Skill Training into one course. Workload is the equivalent of trainee workyears for a fifty-week fiscal year.

Note: The 21 percent increase between FY 2003 and FY 2004 President's Budget increases workload requirements by 775. As a consequence, TRADOC must activate additional companies to command and control the student population. This is also reflected in the increased requirement for active military personnel.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: One Station Unit Training

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	3,415	3,199	3,956	3,956	757	0
Officer	247	275	332	332	57	0
Enlisted	3,168	2,924	3,624	3,624	700	0
<u>Civilian End Strength (Total)</u>	145	268	259	258	-9	-1
U.S. Direct Hire	145	268	259	258	-9	-1
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	145	268	259	258	-9	-1
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	3,293	3,307	3,577	3,956	270	379
Officer	285	261	303	332	42	29
Enlisted	3,008	3,046	3,274	3,624	228	350
<u>Civilian Full-Time Equivalent (Total)</u>	133	263	253	253	-10	0
U.S. Direct Hire	133	263	253	253	-10	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	133	263	253	253	-10	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	313	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	4121	0	6.72%	277	3635	8033	0	4.02%	32	3601	11957	C	2.75%	32	-5	12236
0103	WAGE BOARD	2072	0	12.74%	264	4831	7167	0	1.59%	114	-3235	4046	C	2.30%	9	2	4141
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	13	13	0	0.00%	C	-5	8	C	0.00%	C	C	8
0199	TOTAL CIV PERSONNEL COMP	6193	0	8.74%	541	8479	15213	0	2.87%	437	361	16011	C	2.64%	42	-4	16385
0308	TRAVEL OF PERSONS	327	0	1.10%	4	-61	270	0	1.50%	4	90	364	C	1.60%	6	-5	365
0399	TOTAL TRAVEL	327	0	1.22%	4	-61	270	0	1.48%	4	90	364	C	1.65%	6	-5	365
0401	DFSC FUEL	184	0	-16.00%	-29	26	181	0	8.30%	15	190	386	C	3.30%	13	201	600
0402	SERVICE FUEL	562	0	-16.00%	-90	81	553	0	8.30%	4	576	1175	C	3.30%	3	59	1813
0411	ARMY MANAGED SUPPLIES & MATERIALS	2498	0	9.20%	230	-829	1899	0	4.50%	8	8582	10566	C	1.50%	15	-151	9212
0412	NAVY MANAGED SUPPLIES & MATERIALS	0	0	9.60%	0	6	6	0	6.10%	C	0	6	C	4.00%	C	C	6
0415	DLA MANAGED SUPPLIES & MATERIALS	4296	0	3.50%	150	-3559	887	0	-2.90%	-2	6116	6977	C	1.50%	10	-187	5203
0416	GSA MANAGED SUPPLIES & MATERIALS	65	0	1.10%	1	39	105	0	1.50%	2	8	115	C	1.60%	2	9	126
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	7605	0	3.45%	262	-4236	3631	0	3.36%	122	15472	19225	C	1.65%	317	-258	16960
0502	ARMY EQUIPMENT	94	0	9.20%	9	-48	55	0	4.50%	2	137	194	C	1.50%	3	C	197
0503	NAVY EQUIPMENT	0	0	9.60%	0	1	1	0	6.10%	C	0	1	C	4.00%	C	C	1
0506	DLA EQUIPMENT	57	0	3.50%	2	1	60	0	-2.90%	-2	0	58	C	1.50%	1	2	61
0507	GSA MANAGED EQUIPMENT	202	0	1.10%	2	-121	83	0	1.50%	1	126	210	C	1.60%	3	17	230
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	353	0	3.68%	13	-167	199	0	0.50%	1	263	463	C	1.51%	7	1	489
0633	DEFENSE PUBLICATION & PRINTING SERVICE	121	0	6.20%	7	-59	69	0	-2.00%	-1	2	70	C	0.30%	C	1	71
0699	TOTAL INDUSTRIAL FUND PURCHASES	121	0	5.79%	7	-59	69	0	-1.45%	-1	2	70	C	0.00%	C	1	71
0771	COMMERCIAL TRANSPORTATION	12	0	1.10%	0	-1	11	0	1.50%	C	1	12	C	1.60%	C	1	13
0799	TOTAL TRANSPORTATION	12	0	0.00%	0	-1	11	0	0.00%	C	1	12	C	0.00%	C	1	13
0914	PURCHASED COMMUNICATIONS	8	0	1.10%	0	-4	4	0	1.50%	C	0	4	C	1.60%	C	C	4
0920	SUPPLIES/MATERIALS (NON FUND)	2154	0	1.10%	24	-1818	360	0	1.50%	5	1901	2266	C	1.60%	3	-322	1980
0922	EQUIPMENT MAINTENANCE BY CONTRACT	4	0	1.10%	0	-4	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0923	FACILITY MAINTENANCE BY CONTRACT	143	0	1.10%	2	-119	26	0	1.50%	C	2	28	C	1.60%	C	2	30
0925	EQUIPMENT PURCHASES (NON FUND)	24	0	1.10%	0	1	25	0	1.50%	C	0	25	C	1.60%	C	C	25
0937	LOCALLY PURCHASED FUEL	111	0	-16.00%	-18	30	123	0	8.30%	1	105	238	C	3.30%	8	114	360
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	1	0	1.10%	0	-1	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0989	OTHER CONTRACTS	3950	0	1.10%	43	-3863	130	0	1.50%	2	268	400	C	1.60%	6	-11	395
0998	OTHER COSTS	3	0	1.10%	0	-3	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	6398	0	0.80%	51	-5781	668	0	2.54%	17	2276	2961	C	1.69%	5	-217	2794
9999	GRAND TOTAL	21009	0	4.18%	878	-1826	20061	0	2.89%	58	18465	39106	C	2.05%	80	-2831	37077

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Accession Training
Subactivity Group: Senior Reserve Officers' Training Corps

I. Description of Operations Financed:

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC) - The Army's Senior Reserve Officers' Training Corps (ROTC) program remains the broadest avenue for men and women seeking to serve as officers in the Army. This program produces over 70 percent of all U.S. Army officers. The budget provides for campus detachment operations and training, scholarships for selected students, summer camp operations, and the operation of SROTC Regional Headquarters and the Headquarters, Cadet Command. Campus detachment support includes funds for civilian pay and benefits; temporary duty (travel and per diem); contractual support; transportation; the purchase of organizational clothing, equipment, textbooks, reference publications, and supplies. Scholarship funds provide for tuition costs, academic texts, laboratory fees, and other related academic expenses for the students who are awarded or continue on scholarship each year. Performance measures are number of SROTC students enrolled; and type and number of scholarships awarded.

II. Force Structure Summary:

SENIOR RESERVE OFFICERS' TRAINING CORPS - Cadet Command accomplishes its mission through the Cadet Command Headquarters, 3 ROTC Regional Headquarters, 270 ROTC Battalions, and 1,200 partnership schools.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Senior Reserve Officers' Training Corps

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Senior Reserve Officers' Training Corps	187,578	209,550	206,321	206,321	214,264	245,872
Total	187,578	209,550	206,321	206,321	214,264	245,872

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		209,550	206,321	214,264
Congressional Adjustments (Distributed)		1,400		
Congressional Adjustments (Undistributed)		-4,629		
Adjustments to Meet Congressional Intent		0		
General Provisions		0		
SUBTOTAL APPROPRIATED AMOUNT		206,321		
Fact-of-Life Changes		0		
SUBTOTAL BASELINE FUNDING		206,321		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			3,512	3,835
Functional Transfers			0	0
Program Changes			4,431	27,773
CURRENT ESTIMATE		206,321	214,264	245,872

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Senior Reserve Officers' Training Corps

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	209,550
1. Congressional Adjustments		
a) Distributed Adjustments		
Army Air Battle Captain Program	\$	1,400
Total Distributed Adjustments	\$	1,400
b) Undistributed Adjustments		
Civil Service Retirement System (CSRS) Accrual Reversal	\$	-4,629
Total Undistributed Adjustments	\$	-4,629
FY 2003 Appropriated Amount.....	\$	206,321
FY 2003 Baseline Funding.....	\$	206,321
Revised FY 2003 Current Estimate.....	\$	206,321
2. Price Change.....		
\$		3,512
3. Program Increases		
a) One-Time FY 2004 Costs		
Additional Compensable Day in FY 2004	\$	110
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).		

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Senior Reserve Officers' Training Corps

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Program Increases (Continued)

b) Program Growth in FY 2004

Senior Reserve Officer Training Corps\$ 7,368
(FY 2003 Base: \$ 200,345) This budget provides the program with additional funding to support cadre training, curriculum development, school operations template, camp support, and increased number of scholarships.

Cadre training is required to develop and maintain skills in cadet training, scholarship allocation, enhanced recruiting, salesmanship and retention skills for each battalion. New curriculum based lessons-learned is need to better prepare cadets to meet the demands that they will face as commissioned officers in the 21st Century. The curriculum calls for extensive use of modern student-centered methods of college classroom instruction that actively engage the cadet in learning. Funds supports the development of lesson plans and educational materials for ROTC classroom instruction and associated computer hardware/software. Provides for course management, computer program annual licenses renewal, licensing fees for video training aids, replacement instructor textbooks, courseware, and training aids. Funds critical day-to-day operations of the 270 SROTC Battalions at colleges and universities. Funds summer training camp increase cost of billeting, supplies, and equipment.

Finally, this budget increase is essential to support the SROTC enrollment increase of 1,120 students, which includes funding for 650 new students receiving scholarships. Funding increases are reflected in lines 920 and 989.

Total Program Increases\$ 7,478

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Senior Reserve Officers' Training Corps

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Program Decreases

a) One-Time FY 2003 Costs

Army Air Battle Captain Program	\$ -1,400
Reversal of one-time costs funded in FY03 Defense Appropriation.	

b) Program Decreases in FY 2004

Reserve Officer Training Corps Enhanced Skills	\$ -1,647
(FY 2003 Based \$5,976) This reduction represents the transition of the Enhanced Skills program to a self-paced distance learning environment. It also reflects minimum operations of on-call tutoring. The Reserve Officer Training Corps enhanced skills uses diagnostic techniques to identify deficiencies in basic academic skills among ROTC cadets at all colleges and universities. Specific skills enhancement training is achieved through distance learning during the academic school year.	

FY 2004 Budget Request.....	\$ 214,264
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Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Senior Reserve Officers' Training Corps

IV. Performance Criteria and Evaluation Summary:

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC)

	FY 2002			FY 2003		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Total SROTC Enrollments	28,974	27,668	26,914	29,677	28,800	27,989
MS I	12,087	11,402	10,791	12,091	11,619	11,293
MS II	6,659	6,319	6,203	6,659	6,526	6,273
Basic Course	18,746	17,721	16,994	18,750	18,145	17,566
MS III	5,661	5,550	5,465	6,084	6,059	5,938
MS IV	4,567	4,397	4,455	4,843	4,596	4,485
Adv Course	10,228	9,947	9,920	10,927	10,655	10,423
	FY 2004			FY 2005		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Total SROTC Enrollments	30,797	29,876	29,031	31,879	30,929	30,053
MS I	12,640	12,147	11,806	13,100	12,589	12,235
MS II	6,981	6,841	6,576	7,234	7,089	6,814
Basic Course	19,621	18,988	18,382	20,334	19,678	19,049
MS III	5,994	5,970	5,850	6,265	6,240	6,115
MS IV	5,182	4,918	4,799	5,280	5,011	4,889
Adv Course	11,176	10,888	10,649	11,545	11,251	11,004
	Change FY 2003/FY 2004			Change FY 2004 /FY 2005		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Total SROTC Enrollments	1,120	1,076	1,042	1,082	1,053	1,022
MS I	549	528	513	460	442	429
MS II	322	315	303	253	248	238
Basic Course	871	843	816	713	690	667
MS III	-90	-89	-88	271	270	265
MS IV	339	322	314	98	93	90
Adv Course	249	233	226	369	363	355

MS I-IV represents academic year 1-4

Note: Students that are MSI in FY02 are counted as MSII in FY 2003 and so on.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Senior Reserve Officers' Training Corps

IV. Performance Criteria and Evaluation Summary (Continued):

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC)

	FY 2002			FY 2003		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Scholarship Students	9,719	9,989	10,545	10,110	10,615	10,125
MS I	1,452	1,849	2,422	1,452	1,447	1,397
Basic Course	3,950	4,340	4,934	3,950	4,060	3,830
MS II	2,498	2,491	2,512	2,498	2,613	2,433
MS III	2,938	2,940	2,919	3,158	3,360	3,227
MS IV	2,831	2,709	2,692	3,002	3,195	3,068
Adv Course	5,769	5,649	5,611	6,160	6,555	6,295
	FY 2004			FY 2005		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Scholarship Students	10,760	11,260	10,764	10,944	11,450	10,947
MS I	1,678	1,644	1,611	1,748	1,713	1,678
MS II	2,680	2,803	2,610	2,700	2,824	2,630
Basic Course	4,358	4,447	4,221	4,448	4,537	4,308
MS III	3,302	3,514	3,375	3,328	3,542	3,401
MS IV	3,100	3,299	3,168	3,168	3,371	3,238
Adv Course	6,402	6,813	6,543	6,496	6,913	6,639
	Change			Change		
	FY 2003/FY 2004			FY 2004 /FY 2005		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Scholarship Students	650	645	639	184	190	183
MS I	226	197	214	70	69	67
MS II	182	190	177	20	21	20
Basic Course	408	387	391	90	90	87
MS III	144	154	148	26	28	26
MS IV	98	104	100	68	72	70
Adv Course	242	258	248	94	100	96

MS I-IV represents academic year 1-4

Note: Students that are MSI in FY02 are counted as MSII in FY 2003 and so on.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Senior Reserve Officers' Training Corps

IV. Performance Criteria and Evaluation Summary (Continued):

SENIOR RESERVE OFFICERS' TRAINING CORPS (SROTC)

	FY 2002			FY 2003		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Non-Scholarship Students	19,255	17,679	16,369	19,566	18,185	17,863
MS I	10,635	9,553	8,369	10,638	10,172	9,895
MS II	4,161	3,828	3,691	4,161	3,913	3,840
Basic Course	14,796	13,381	12,060	14,799	14,085	13,735
MS III	2,723	2,610	2,546	2,926	2,699	2,711
MS IV	1,736	1,688	1,763	1,841	1,401	1,417
Adv Course	4,459	4,298	4,309	4,767	4,100	4,128
	FY 2004			FY 2005		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Non-Scholarship Students	20,037	18,616	18,267	20,935	19,478	19,107
MS I	10,962	10,503	10,195	11,352	10,876	10,557
MS II	4,301	4,038	3,966	4,534	4,265	4,185
Basic Course	15,263	14,541	14,161	15,886	15,141	14,742
MS III	2,692	2,456	2,476	2,937	2,698	2,713
MS IV	2,082	1,619	1,630	2,112	1,639	1,652
Adv Course	4,774	4,075	4,106	5,049	4,337	4,365
	Change FY 2003/FY 2004			Change FY 2004 /FY 2005		
	BEGIN	AVERAGE	END	BEGIN	AVERAGE	END
Non-Scholarship Students	471	431	404	898	862	840
MS I	324	331	300	390	373	362
MS II	140	125	126	233	227	219
Basic Course	464	456	426	623	600	581
MS III	-234	-243	-235	245	242	237
MS IV	241	218	213	30	20	22
Adv Course	7	-25	-22	275	262	259

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Senior Reserve Officers' Training Corps

IV. Performance Criteria and Evaluation Summary (Continued):

MS I-IV represents academic year 1-4

Note: Students that are MSI in FY02 are counted as MSII in FY 2003 and so on.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Senior Reserve Officers' Training Corps

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	2,050	1,800	1,787	1,605	-13	-182
Officer	909	809	796	787	-13	-9
Enlisted	1,141	991	991	818	0	-173
<u>Civilian End Strength (Total)</u>	563	554	567	567	13	0
U.S. Direct Hire	563	554	567	567	13	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	563	554	567	567	13	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	1,483	1,925	1,793	1,695	-132	-98
Officer	913	859	802	791	-57	-11
Enlisted	570	1,066	991	904	-75	-87
<u>Civilian Full-Time Equivalent (Total)</u>	563	543	556	556	13	0
U.S. Direct Hire	563	543	556	556	13	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	563	543	556	556	13	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	314	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	33011	0	3.82%	1260	2382	36653	0	2.80%	1027	985	38665	C	2.72%	1050	-91	39624
0103	WAGE BOARD	14	0	0.00%	0	-14	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	25	0	0.00%	0	-25	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP	33050	0	3.81%	1260	2343	36653	0	2.80%	1027	985	38665	C	2.72%	1050	-91	39624
0308	TRAVEL OF PERSONS	9704	0	1.10%	107	-1863	7948	0	1.50%	119	344	8411	C	1.60%	139	-34	8512
0399	TOTAL TRAVEL	9704	0	1.10%	107	-1863	7948	0	1.50%	119	344	8411	C	1.61%	139	-34	8512
0401	DFSC FUEL	95	0	-16.00%	-15	13	93	0	8.30%	9	4	105	C	3.30%	9	11	119
0402	SERVICE FUEL	109	0	-16.00%	-17	264	356	0	8.30%	30	16	402	C	3.30%	19	39	451
0411	ARMY MANAGED SUPPLIES & MATERIALS	32	0	9.20%	3	0	35	0	4.50%	2	-1	36	C	1.50%	1	1	38
0415	DLA MANAGED SUPPLIES & MATERIALS	1154	0	3.50%	40	113	1307	0	-2.90%	-39	77	1346	C	1.50%	20	110	1476
0416	GSA MANAGED SUPPLIES & MATERIALS	5654	0	1.10%	62	912	6628	0	1.50%	99	118	6845	C	1.60%	110	30	6985
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	7044	0	1.04%	73	1302	8419	0	1.20%	101	214	8734	C	1.68%	147	189	9069
0502	ARMY EQUIPMENT	43	0	9.20%	4	0	47	0	4.50%	2	-2	47	C	1.50%	1	9	51
0506	DLA EQUIPMENT	28	0	3.50%	1	3	32	0	-2.90%	-1	2	33	C	1.50%	C	1	34
0507	GSA MANAGED EQUIPMENT	342	0	1.10%	4	29	375	0	1.50%	6	74	455	C	1.60%	7	60	522
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	413	0	2.18%	9	32	454	0	1.54%	7	74	535	C	1.50%	8	64	607
0601	ARMY (ORDNANCE)	0	0	-27.00%	0	1	1	0	1.40%	C	0	1	C	10.10%	C	C	1
0633	DEFENSE PUBLICATION & PRINTING SERVICE	240	0	6.20%	15	10	265	0	-2.00%	-5	6	266	C	0.30%	1	C	267
0699	TOTAL INDUSTRIAL FUND PURCHASES	240	0	6.25%	15	11	266	0	-1.88%	-5	6	267	C	0.37%	1	C	268
0771	COMMERCIAL TRANSPORTATION	22	0	1.10%	0	-6	16	0	1.50%	C	1	17	C	1.60%	C	1	18
0799	TOTAL TRANSPORTATION	22	0	0.00%	0	-6	16	0	0.00%	C	1	17	C	0.00%	C	1	18
0913	PURCHASED UTILITIES	21	0	1.10%	0	-9	12	0	1.50%	C	1	13	C	1.60%	C	1	14
0914	PURCHASED COMMUNICATIONS	189	0	1.10%	2	215	406	0	1.50%	6	-3	409	C	1.60%	7	-4	412
0917	POSTAL SERVICES (U.S.P.S.)	1075	0	0.00%	0	600	1675	0	0.00%	C	83	1758	C	0.00%	C	240	1998
0920	SUPPLIES/MATERIALS (NON FUND)	22505	0	1.10%	248	2995	25748	0	1.50%	389	452	26586	C	1.60%	429	9092	36103
0921	PRINTING AND REPRODUCTION	54	0	1.10%	1	-55	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	33	0	1.10%	0	-5	28	0	1.50%	C	1	29	C	1.60%	C	2	31
0923	FACILITY MAINTENANCE BY CONTRACT	213	0	1.10%	2	15	230	0	1.50%	3	12	245	C	1.60%	4	11	260
0925	EQUIPMENT PURCHASES (NON FUND)	154	0	1.10%	2	48	204	0	1.50%	3	147	354	C	1.60%	6	-149	214
0937	LOCALLY PURCHASED FUEL	9	0	-16.00%	-1	2	10	0	8.30%	1	-1	10	C	3.30%	C	1	11
0989	OTHER CONTRACTS	112842	0	1.10%	1241	10169	124252	0	1.50%	1862	2115	128231	C	1.60%	2052	18448	148731
0998	OTHER COSTS	10	0	1.10%	0	-10	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	137105	0	1.09%	1495	13965	152565	0	1.48%	2260	2807	157635	C	1.58%	2492	27645	187774
9999	GRAND TOTAL	187578	0	1.58%	2959	15784	206321	0	1.70%	3512	4431	214264	C	1.79%	3839	27773	245872

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Accession Training
Subactivity Group: Base Operations Support

I. Description of Operations Financed:

Base Operations Support at the Service Academy is similar to services on other Army installations throughout the world. As with any city, base operations support is provided through numerous large in house and contractor run organizations. Funding supports:

Base Operations:

Logistics Services: Supports supply operations, maintenance of installation equipment, transportation services, food services, laundry and dry cleaning.

Engineering Services: Supports utility operations, municipal services such as refuse collection and disposal operations, leased space, and environmental oversight and compliance with national and local laws.

Personnel and Community Services: Supports the operation of personnel support functions for military and civilians. Also included is Morale, Welfare and Recreation services such as gyms, libraries, craft shops, which are made available to soldiers and their families.

Antiterrorism/Force Protection Services: Supports Law Enforcement, Physical Security, and Antiterrorism operations. To ensure the protection of personnel and facilities, funding is provided for services related to vehicle registration, visitor pass control facilities and procedures; communications, lighting and security guard entry control point; vehicle inspection areas; controlled access to mission essential and/or vulnerable areas (MEVAs), High Risk Personnel (HRP), High Risk Targets (HRTs); and Antiterrorism training to support and test security procedures and installation defensive measures to protect from terrorist attack.

Operations of Utilities: Procurement, production and distribution of utilities including expenses for connection charges, increased costs from utility privatization, purchased electricity, steam, hot water, fuels and other utilities; and operation of electrical, heating, air conditioning, refrigeration, water distribution, and wastewater collection and treatment plants and systems.

Utilities Privatization: privatization transfers ownership of utility systems (electric, gas, water and wastewater) to private entities. Privatization provides reliable, safe and efficient utility services and reduces the Army's unfinanced requirement to modernize utility plants. Privatization contracts often increase utility operating costs because the new owners pass the cost of

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

I. Description of Operations Financed (Continued):

recapitalization back to the Army in the form of higher rates. The Army has 36 systems pending sources selection decision in FY 2004.

Municipal Services: Custodial, Pest control, Refuse handling operations, Snow/Ice/Sand removal and Street sweeping. Facilities Engineer Services to include Public Works Management, Real Estate/Real Property Administration, Master Planning and fire and emergency services.

Family Programs: Army Family Programs are Army Community Service (ACS), Child and Youth Services (CYS), Army Family Team Building (AFTB), and Army Family Action Plan (AFAP) in both Active and Reserve Components. CYS funding in FY04 supports Army's ability to meet 65% of the child care demand, and provides services for 20% of eligible DOD youth during out-of-school parental work hours. ACS is funded at levels to ensure increased self-sufficiency, community cohesion, personnel and family preparedness in all phases of deployment, mobilization, stability operations and homeland defense. AFTB funding facilitates building of stronger, more self-reliant families by providing education and readiness training. AFAP is funded to ensure installations can provide this grassroots program which is a mechanism to raise well-being issues of concern and a protocol to work the issues until they are resolved.

Base Communication: Provides base communications support. Functions supported include communications leased from local vendors, maintenance of end-user communications equipment (radios, pagers, fax, others), and includes Civilian Pay, Local Phone Service, Commercial Long Distance, Cell Phone Support, C4 Tech Support and Contract Maintenance.

Environmental Conservation/Compliance/Prevention: Environmental Conservation provides for protection and preservation of natural and cultural resources on Army controlled property. Compliance funds projects and activities implemented to correct deficiencies and achieve compliance with current or new federal, state, local, host nation or final governing standards for environmental quality and management. Prevention funds projects and activities that implement prevention based solutions to correct deficiencies and to achieve and maintain compliance with environmental requirements, regulations, and executive orders, and polices at Army installations.

Audio Visual: Funds audiovisual support services associated with production, acquisition, and support of visual images, either permanently recorded or temporarily displayed, transmitted, or reproduced including in-house or contract operations. Includes graphic art, photo lab, and visual information library equipment maintenance.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA Headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement policies and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

This subactivity group supports installation operations at the U.S. Military Academy (West Point).

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Base Operations Support	91,458	89,214	82,729	83,656	80,110	83,688
Total	91,458	89,214	82,729	83,656	80,110	83,688

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		89,214	82,729	79,183
Congressional Adjustments (Distributed)		0		
Congressional Adjustments (Undistributed)		-6,477		
Adjustments to Meet Congressional Intent		0		
General Provisions		-8		
SUBTOTAL APPROPRIATED AMOUNT		82,729		
Fact-of-Life Changes		0		
SUBTOTAL BASELINE FUNDING		82,729		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			-344	1,629
Functional Transfers			-2,741	0
Program Changes			-461	2,876
CURRENT ESTIMATE		82,729	79,183	83,688

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	89,214
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-6,473
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-1
3) Undistributed Adjustment	\$	-1
4) Unobligated Balance	\$	-2
Total Undistributed Adjustments	\$	-6,477
b) General Provisions		
1) Section 8135 - Revised Economic Assumptions	\$	-5
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-2
3) Section 8103 - Government Purchase Card Savings	\$	-1
Total General Provisions	\$	-8
FY 2003 Appropriated Amount.....	\$	82,729

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Growth

Transformation of Installation Management (TIM)\$ 927

This increase in funding represents the cross leveling of our Base Support resources resulting from consolidating functions.

Total Program Growth\$ 927

FY 2003 Baseline Funding.....\$ 83,656

Revised FY 2003 Current Estimate.....\$ 83,656

3. Price Change.....\$ -344

4. Functional Transfers

Transfers Out

Transformation of Installation Management (TIM)\$ -2,741

As part of the Transformation Installation Management (TIM) business reengineering initiative, the Army's comprehensive review of all Base Support accounts was performed. As a result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, to create a more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on warfighting tasks, all mission based functions pertaining to Force Readiness support were transferred to the appropriate readiness account. This decrease reflects the proper realignment of manpower and the associated support costs from Base Support to OMA Subactivity

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers (Continued)

Transfers Out (Continued)

Transformation of Installation Management (TIM) (Continued)
 Groups 121, Force Readiness Operations Support, 132,
 Facilities Sustainment & Restoration & Modernization Program,
 133, management & Operational Headquarters, 324, Training
 Support, 325 Base Support Operations, 431 Administration, 432
 Servicewide Communications, 435, Other Service.

Total Transfers Out\$ -2,741

5. Program Increases

One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 128

There will be an additional compensable workday in FY 2004.
 This results in an increase in civilian manpower costs due to
 a greater number of workdays in FY 2004 (262 days) as compared
 to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 128

6. Program Decreases

Program Decreases in FY 2004

Base Communications\$ -589

(FY 2003 Base: \$2,814) Resources have been streamlined to
 support equitable standards at all Army Installations
 worldwide and improve the delivery of services to commanders,
 soldiers and their families. The Army's intent is to
 streamline headquarters, create more agile and responsive
 staff, reduce layers of review and approval, and allow
 commanders to focus on their mission.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2004 Budget Request.....\$ 80,110

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Command and Staff (\$ in Thousand)	7,698	6,695	6,277	6,387
(Military ES)	72	73	72	70
(Civilian FTE)	115	101	102	102
 Number of Bases, Total	 1	 1	 1	 1
(CONUS)	1	1	1	1
(Overseas)	0	0	0	0
 Population Served, Total	 10,683	 10,631	 10560	 10533
(Military)	6,429	6,387	6387	6387
(Civilian)	4,254	4,244	4173	4146
 B. Operations (\$ in Thousand)	 19,390	 13,293	 17290	 17776
(Military ES)	121	121	120	120
(Civilian FTE)	131	121	141	136
 Population Served, Total	 10,683	 10,631	 10560	 10533
(Military)	6,429	6,387	6387	6387
(Civilian)	4,254	4,244	4173	4146
 C. Engineering Services (\$000)	 37,831	 35,599	 32766	 33728
(Military ES)	3	3	3	3
(Civilian FTE)	415	392	380	375
 No. of Officer Quarters	 14	 14	 14	 14
No. of Enlisted Quarters	384	384	384	384
 Utilities:				
Electricity (MWH)	72,800	72,432	72,432	72,432
Heating (MBTU)	625,883	616,204	616,204	616,204
Water, Plants, Systems (000 GPD)	4,758	4,758	4,758	4,758
Sewage & Waste Systems (000 GPD)	0	0	0	0
Air Conditioning & Refrigeration (Ton)	343	343	343	343
 D. Logistics Services (\$ in Thousands)	 13,913	 13,473	 11751	 13698
(Military ES)	0	0	0	0
(Civilian FTE)	82	78	74	73

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Population Served, Total	10,683	10,631	10560	10533
(Military)	6,429	6,387	6387	6387
(Civilian)	4,254	4,244	4173	4146
 Number of Motor Vehicles				
Owned	2	2	2	2
Leased	380	401	401	401
 E. Personnel and Community Services (\$ in Thousands)	7,672	8,495	7,219	7,394
Personnel Support	1987	1771	1237	1282
(Military ES)	82	86	86	86
(Civilian FTE)	37	26	26	26
Morale, Welfare and Recreation	2,976	3,124	2366	2400
(Military ES)	0	0	0	0
(Civilian FTE)	87	94	92	90
Population Served, Total	10,683	10,631	10560	10533
(Military)	6,429	6,387	6387	6387
(Civilian)	4,254	4,244	4173	4146
Child and Youth Development Programs	2,709	3,600	3616	3712
Number of Child Development Centers	3	3	3	3
Number of Family Child Care Homes	9	9	9	9
Total Military Child Pop (Infant - 12)	1,970	1,970	1,970	1,970
Total Required Child Care Space	704	704	704	704
Total Spaces CDC, FCC, and School Age	457	457	457	457
% Spaces in Relation to Required Space	64%	64%	64%	64%
Number of Youth Facilities	1	1	1	1
Total Military Youth Pop (Grade 1-12)	1,970	1,970	1,970	1,970
Number of Youth Served	394	394	394	394
 F Audio Visual - Visual Information (\$ in Thousand)	3,183	3,287	2963	2607
(Military ES)	2	2	0	0
(Civilian FTE)	41	47	48	44

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Population Served, Total	10,683	10,631	10560	10533
(Military)	6,429	6,387	6387	6387
(Civilian)	4,254	4,244	4173	4146
G. Base Communication (\$ in Thousand)	1,771	2,814	1844	2098
(Military ES)	1	1	0	1
(Civilian FTE)	8	9	10	11
Population Served, Total	10,683	10,631	10560	10533
(Military)	6,429	6,387	6387	6387
(Civilian)	4,254	4,244	4173	4146
	91,458	83,656	80,110	83,688

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Base Operations Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	316	286	281	280	-5	-1
Officer	81	58	53	52	-5	-1
Enlisted	235	228	228	228	0	0
<u>Civilian End Strength (Total)</u>	928	884	883	865	-1	-18
U.S. Direct Hire	928	884	883	865	-1	-18
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	928	884	883	865	-1	-18
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	311	300	283	280	-17	-3
Officer	75	69	55	52	-14	-3
Enlisted	236	231	228	228	-3	0
<u>Civilian Full-Time Equivalent (Total)</u>	916	868	873	857	5	-16
U.S. Direct Hire	916	868	873	857	5	-16
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	916	868	873	857	5	-16
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	315	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	36012	0	3.30%	1187	-4018	33181	0	-2.05%	-67	-989	31513	C	2.54%	80C	-61	31697
0103	WAGE BOARD	12932	0	4.44%	574	3114	16620	0	-3.74%	-621	-2664	13335	C	2.11%	281	-334	13282
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	30	30	0	0.00%	C	-9	21	C	0.00%	C	C	21
0199	TOTAL CIV PERSONNEL COMP	48944	0	3.60%	1761	-874	49831	0	-2.61%	-130C	-3662	44869	C	2.41%	1081	-95C	45000
0308	TRAVEL OF PERSONS	3028	0	1.10%	32	29	3089	0	1.50%	4	-353	2781	C	1.60%	4	-34	2790
0399	TOTAL TRAVEL	3028	0	1.06%	32	29	3089	0	1.46%	4	-353	2781	C	1.55%	4	-34	2790
0401	DFSC FUEL	292	0	-16.00%	-47	42	287	0	8.30%	24	20	331	C	3.30%	11	2	364
0402	SERVICE FUEL	287	0	-16.00%	-46	42	283	0	8.30%	2	20	326	C	3.30%	11	1	355
0411	ARMY MANAGED SUPPLIES & MATERIALS	1534	0	9.20%	141	19	1694	0	4.50%	7	17	1787	C	1.50%	27	-2	1789
0415	DLA MANAGED SUPPLIES & MATERIALS	189	0	3.50%	7	-41	155	0	-2.90%	-	-6	144	C	1.50%	2	3	149
0416	GSA MANAGED SUPPLIES & MATERIALS	0	0	1.10%	0	0	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	2302	0	2.39%	55	62	2419	0	4.88%	11	51	2588	C	1.97%	51	1	2657
0507	GSA MANAGED EQUIPMENT	373	0	1.10%	4	-14	363	0	1.50%		0	369	C	1.60%		-1	374
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	373	0	1.07%	4	-14	363	0	1.65%		0	369	C	1.63%		-1	374
0633	DEFENSE PUBLICATION & PRINTING SERVICE	624	0	6.20%	39	-96	567	0	-2.00%	-11	21	577	C	0.30%	2	5	584
0673	DEFENSE FINANCING & ACCOUNTING SERVICE	3000	0	-4.50%	-135	264	3129	0	14.20%	444	-3573	0	C	4.30%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	3624	0	-2.65%	-96	168	3696	0	11.72%	43	-3552	577	C	0.35%	2	5	584
0771	COMMERCIAL TRANSPORTATION	437	0	1.10%	5	-280	162	0	1.50%	2	1	165	C	1.60%	3	-1	167
0799	TOTAL TRANSPORTATION	437	0	1.14%	5	-280	162	0	1.23%	2	1	165	C	1.82%	3	-1	167
0913	PURCHASED UTILITIES	9227	0	1.10%	101	612	9940	0	1.50%	14	2740	12829	C	1.60%	20	207	15104
0914	PURCHASED COMMUNICATIONS	546	0	1.10%	5	-59	492	0	1.50%	5	136	633	C	1.60%	1C	8	726
0917	POSTAL SERVICES (U.S.P.S.)	703	0	0.00%	0	-3	700	0	0.00%	C	190	890	C	0.00%	C	112	1002
0920	SUPPLIES/MATERIALS (NON FUND)	2270	0	1.10%	26	75	2371	0	1.50%	3	654	3060	C	1.60%	4	34	3454
0921	PRINTING AND REPRODUCTION	302	0	1.10%	3	-305	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	1862	0	1.10%	21	-583	1300	0	1.50%	2	357	1677	C	1.60%	2	211	1914
0923	FACILITY MAINTENANCE BY CONTRACT	8517	0	1.10%	93	-8610	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	957	0	1.10%	10	-96	871	0	1.50%	1	238	1122	C	1.60%	17	8	1228
0932	MGMT & PROFESSIONAL SPT SVCS	40	0	1.10%	0	-40	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0937	LOCALLY PURCHASED FUEL	41	0	-16.00%	-7	12	46	0	8.30%	4	-2	48	C	3.30%	2	1	51
0989	OTHER CONTRACTS	8249	0	1.10%	90	0	8339	0	1.50%	12	0	8464	C	1.60%	134	C	8598
0998	OTHER COSTS	36	0	1.10%	1	0	37	0	1.50%	1	0	38	C	1.60%	1	C	39
0999	OTHER PURCHASES	32750	0	1.05%	343	-8997	24096	0	1.46%	35	4313	28761	C	1.54%	44	291	32116
9999	GRAND TOTAL	91458	0	2.30%	2104	-9906	83656	0	-0.41%	-344	-3202	80110	C	2.03%	162	194	83688

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Accession Training
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

I. Description of Operations Financed:

The Sustainment, Restoration and Modernization (SRM) program involves the maintenance and repair of the real property infrastructure on an installation. SRM has two distinct categories, Sustainment and Restoration/Modernization. Additionally the Demolition program supports the reduction of the sustainable inventory.

Sustainment:

Sustainment provides resources for maintenance and repair necessary to sustain facilities in its current condition. It includes regularly scheduled adjustments, inspections, preventive maintenance tasks, emergency response, and service calls for minor repairs. The Army goal is to fully sustain (100%) the Army's inventory to prevent further facility deterioration. The Army places a priority on this goal as demonstrated by a 93% funding level for FY 2004. Accordingly, the Army goal is to fully fund all requirements of its strategic mobility inventory to prevent any facility deterioration. The Army continues to place high priority on this goal and has extended the FY 2003 funding level of 93% in FY 2004. This funding level provides sustainment for maintenance and repair, on the Army's aging infrastructure for preventive maintenance of utility systems; exterior maintenance of building; heating, ventilation, and air conditioning system repairs; plumbing and electrical repairs; roof replacements; and road repairs.

Restoration/Modernization:

These resources, typically programmed as focused facility initiatives, are used for repair/replacement work, restoration of facilities damaged due to lack of sustainment resources, excessive age, natural disaster, fire, accident, alteration of facilities solely to implement new or higher standards (including regulatory changes), accommodation of new functions, or replacement of building components that typically last more than 50 years (such as foundations and structural members).

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

II. Force Structure Summary:

Effective 1 Oct 2002, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement polices and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

This subactivity group supports minor construction and maintenance of facilities at the U.S. Military Academy (West Point).

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Facilities Sustain & Restoration & Mod Prog	48,667	56,754	58,254	56,397	61,096	65,957
Total	48,667	56,754	58,254	56,397	61,096	65,957

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		56,754	56,397	61,096
Congressional Adjustments (Distributed)		0		
Congressional Adjustments (Undistributed)		-59		
Adjustments to Meet Congressional Intent		1,559		
General Provisions		0		
SUBTOTAL APPROPRIATED AMOUNT		58,254		
Fact-of-Life Changes		-1,857		
SUBTOTAL BASELINE FUNDING		56,397		
Anticipated Supplemental Reprogramming		0		
Price Change			-30	1,023
Functional Transfers			-865	0
Program Changes			5,594	3,838
CURRENT ESTIMATE		56,397	61,096	65,957

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	56,754
1. Congressional Adjustments		
a) Undistributed Adjustments		
Civil Service Retirement System (CSRS) Accrual Reversal	\$	-59
b) Adjustments to Meet Congressional Intent		
Congressional SRM Alignment	\$	1,559
FY 2003 Appropriated Amount.....	\$	58,254
2. Fact-of-Life Changes		
a) Technical Adjustments		
Decreases		
Demolition of Excess Facilities	\$	-1,152
Reprogramming of Demolition of Excess Facilities to Sub Activity Group (SAG) 439 for demolition of excess properties.		
Total Decreases	\$	-1,152
b) Emergent Requirements		
Program Reductions		
Transformation of Installation Management (TIM)	\$	-705
BOS - SRM Alignment - Realigns funding from Sub- Activity Groups (SAG) 316, 326, 439 to SAGs 132 and 214 for facilities sustainment.		
Total Program Reductions	\$	-705

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Baseline Funding.....	\$	56,397
Revised FY 2003 Current Estimate.....	\$	56,397
3. Price Change.....	\$	-30
4. Functional Transfers		

Transfers Out

Transformation of Installation Management (TIM)	\$	-865
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Realignment - The Transformation of Installation Management (TIM) is one of several of the Army's Realignment Task Force (RTF) initiatives that enhance the day-to-day operations of the Army. TIM reforms Army installation management by establishing a new organizational structure and funding methodology for Army garrisons worldwide. It enables installation commanders to better focus on operational missions and keep Army installations uniform relative to quality of life measures. This transfer represents the realignment of Mission and Base Support personnel pay and support costs. Funds will be centrally managed by a newly established Installation Management Agency (IMA), seven Regional Offices and the Army Reserve Office. These offices will provide chain of command oversight of Army garrison base operations and assist installation commanders' focus on mission.

Total Transfers Out	\$	-865
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5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004	\$	18
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There will be an additional compensable workday in FY 2004.

Budget Activity/Activity Group: Training and Recruiting/Accession Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

a) One-Time FY 2004 Costs (Continued)

Additional Compensable Day in FY 2004 (Continued)
 This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 18

b) Program Growth in FY 2004

USMA Competitive Sustainment Level (CSL)\$ 5,576

(Base FY 2003 \$14.0) This increase is designed to ensure that USMA infrastructure is maintained and preserved to allow it to remain competitive with peer colleges, universities, and other service academies in attracting and enrolling future cadets. This can generally be seen in line 0923 (Facility Maintenance by Contract) on the OP-32.

Total Program Growth in FY 2004\$ 5,576

FY 2004 Budget Request.....\$ 61,096

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Facilities Sustainment (\$000)	43,517	42,349	41,459	42,906
B. Facilities Restoration & Modernization (\$000)	5,022	14,048	19,637	23,051
Utilities (XXX)				
Buildings (KSF)	6,166	5,978	6,183	6,183
Pavements (KSY)	1,105	1,154	1,154	1,154
Land (AC)	16,223	16,460	16,460	16,460
Other Facilities (KSF)	203	197	204	204
Railroad Trackage (KLF)	0	0	0	0
Facility Reduction Program (\$000)	128	0	0	0
C. Administration & Support *	7,281	8,460	9,164	9,894
Number of A&E Contracts**				
Planning & Design Funds *	502	1,405	1,964	2,305
Military Average Strength				
Civilian Personnel Full-Time Equivalents				
Total Personnel	0	0	0	0
Number of Installations	1	1	1	1
"C" Rating	C3	C3	C3	C3

* Memo entries - Dollars included in Facilities Sustainment and Restoration & Modernization

** This Information is Not Currently Available

Budget Activity/Activity Group: Training and Recruiting/Accession Training
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	41	39	39	39	0	0
Officer	1	1	1	1	0	0
Enlisted	40	38	38	38	0	0
<u>Civilian End Strength (Total)</u>	207	167	146	146	-21	0
U.S. Direct Hire	207	167	146	146	-21	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	207	167	146	146	-21	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	39	40	39	39	-1	0
Officer	1	1	1	1	0	0
Enlisted	38	39	38	38	-1	0
<u>Civilian Full-Time Equivalent (Total)</u>	205	165	154	144	-11	-10
U.S. Direct Hire	205	165	154	144	-11	-10
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	205	165	154	144	-11	-10
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	316	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	347	0	2.59%	9	-53	303	0	-25.08%	-76	30	257	0	2.33%	6	1	264
0103	WAGE BOARD	10703	0	3.15%	337	-2524	8516	0	-7.83%	-667	-1141	6708	0	2.27%	152	-516	6344
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	15	15	0	0.00%	0	-3	12	0	0.00%	0	0	12
0199	TOTAL CIV PERSONNEL COMP	11050	0	3.13%	346	-2562	8834	0	-8.41%	-743	-1114	6977	0	2.26%	156	-515	6620
0415	DLA MANAGED SUPPLIES & MATERIALS	10	0	3.50%	0	0	10	0	-2.90%	0	0	10	0	1.50%	0	0	10
0416	GSA MANAGED SUPPLIES & MATERIALS	14	0	1.10%	0	0	14	0	1.50%	0	0	14	0	1.60%	0	0	14
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	24	0	0.00%	0	0	24	0	0.00%	0	0	24	0	0.00%	0	0	24
0506	DLA EQUIPMENT	7	0	3.50%	0	0	7	0	-2.90%	0	0	7	0	1.50%	0	0	7
0507	GSA MANAGED EQUIPMENT	287	0	1.10%	3	-3	287	0	1.50%	4	-4	287	0	1.60%	5	-1	291
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	294	0	1.02%	3	-3	294	0	1.36%	4	-4	294	0	1.70%	5	-1	298
0920	SUPPLIES/MATERIALS (NON FUND)	3201	0	1.10%	35	-210	3026	0	1.50%	46	-19	3053	0	1.60%	46	7	3108
0923	FACILITY MAINTENANCE BY CONTRACT	28805	0	1.10%	316	9878	38999	0	1.50%	586	5925	45509	0	1.60%	726	4447	50684
0925	EQUIPMENT PURCHASES (NON FUND)	1382	0	1.10%	15	-46	1351	0	1.50%	20	4	1375	0	1.60%	22	-22	1375
0989	OTHER CONTRACTS	3243	0	1.10%	36	-75	3204	0	1.50%	46	-52	3200	0	1.60%	51	-54	3197
0998	OTHER COSTS	668	0	1.10%	7	-10	665	0	1.50%	10	-11	664	0	1.60%	11	-24	651
0999	OTHER PURCHASES	37299	0	1.10%	409	9537	47245	0	1.50%	706	5847	53801	0	1.60%	860	4352	59015
9999	GRAND TOTAL	48667	0	1.56%	758	6972	56397	0	-0.05%	-30	4729	61096	0	1.67%	1020	3836	65957

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

I. Description of Operations Financed:

SPECIALIZED SKILL TRAINING - The funds provide for Military Occupational Specialty (MOS) and mid-level promotion qualifying courses for officer and enlisted personnel. Costs include civilian pay and benefits, student support, resident instruction, local preparation and replication of training aids and training literature, procurement of supplies and equipment, and contractual services. Also included is temporary duty (travel and per diem) for staff and faculty trips, organizational clothing, equipment issued for use during the training period. Performance measures are the number of students enrolled in courses.

Significant change in this subactivity group is reflected in the one time FY03 funding of TRADOC Transformation. In FY 2003 TRADOC was funded to restructure the way the institutional Army trains and accesses soldiers and officers.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

II. Force Structure Summary:

SPECIALIZED SKILL TRAINING - Provides for the Officer Basic Course, Officer Advanced Course, Advanced Individual Training for soldiers after completion of Basic Combat Training, as well as Noncommissioned Officer Education System training that includes basic level and advanced level skills and knowledge. This training is conducted at Army training centers and schools identified below.

The training institutions for which this budget program provides operation and maintenance funds are:

U.S. Army Schools and Colleges

Adjutant General School, Fort Jackson, SC
Air Defense Center and School, Fort Bliss, TX
Armor Center and School, Fort Knox, KY
Army Logistics Management College, Fort Lee, VA
Chaplain Center and School, Fort Jackson, SC
Chemical School, Fort Leonard Wood, MO
Engineer Center and School, Fort Leonard Wood, MO
Engineering and Housing Support Center, Fort Belvoir, VA
Field Artillery Center and School, Fort Sill, OK
Finance School, Fort Jackson, SC
Infantry Center and School, Fort Benning, GA
Intelligence Center and School, Fort Huachuca, AZ
Judge Advocate General School, Charlottesville, VA
Military Police School, Fort Leonard Wood, MO
Missile and Munitions Center and School, Redstone Arsenal, AL
Ordnance Center and School, Aberdeen Proving Ground, MD
Quartermaster School, Fort Lee, VA
Western Hemisphere Institute for Security Operations,
Fort Benning, GA
Signal School, Fort Gordon, GA
Soldier Support Institute, Fort Jackson, SC
U.S. Army Transportation and Aviation Logistics Schools,
Fort Eustis, VA
U.S. Army Aviation Center, Fort Rucker, AL

Department of Defense/Joint Services Schools and Colleges

Army Defense Ammunition Center and School, Savannah, IL
Defense Language Institute/Foreign Language Center,

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

II. Force Structure Summary (Continued):

Presidio of Monterey, CA
School of Military Packaging Technology,
Aberdeen Proving Ground, MD

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Specialized Skill Training

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Specialized Skill Training	316,517	365,041	361,490	367,014	306,272	337,921
Total	316,517	365,041	361,490	367,014	306,272	337,921

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		365,041	367,014	306,272
Congressional Adjustments (Distributed)		36,600		
Congressional Adjustments (Undistributed)		-26,232		
Adjustments to Meet Congressional Intent		-9,400		
General Provisions		-4,519		
SUBTOTAL APPROPRIATED AMOUNT		361,490		
Fact-of-Life Changes		5,524		
SUBTOTAL BASELINE FUNDING		367,014		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			7,629	6,946
Functional Transfers			0	0
Program Changes			-68,371	24,703
CURRENT ESTIMATE		367,014	306,272	337,921

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....\$ 365,041

1. Congressional Adjustments

a) Distributed Adjustments

1) Military Police Joint Training	\$ 1,700
2) Contractor Linguists Interrogation	\$ 5,000
3) Contractor Linguists Tactical Intelligence and Related Activities (TIARA)	\$ 9,400
4) Army Language Program	\$ 19,500
5) SCOLA Language Training	\$ 1,000

Total Distributed Adjustments\$ 36,600

b) Undistributed Adjustments

1) Civil Service Retirement System (CSRS) Accrual Reversal	\$ -24,842
2) Federal Employees Compensation Act (FECA) Surcharge	\$ -184
3) Unobligated Balance	\$ -1,049
4) Undistributed Adjustment	\$ -157

Total Undistributed Adjustments\$ -26,232

c) Adjustments to Meet Congressional Intent

1) Hunter Unmanned Aerial Vehicle (UAV)	\$ 5,000
2) Contractor Linguists Interrogation	\$ -5,000

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) Adjustments to Meet Congressional Intent (Continued)

3) Contractor Linguists Tactical Intelligence and Related
 Activities (TIARA)\$ -9,400

Total Adjustments to Meet Congressional Intent\$ -9,400

d) General Provisions

1) Section 8100 - Business Process Reforms/Management
 Efficiencies\$ -545

2) Section 8103 - Government Purchase Card Savings\$ -503

3) Section 8133 - Travel\$ -506

4) Section 8135 - Revised Economic Assumptions\$ -2,965

Total General Provisions\$ -4,519

FY 2003 Appropriated Amount.....\$ 361,490

2. Fact-of-Life Changes

Emergent Requirements

1) Program Growth

Special Skills Training\$ 7,965
 Funds shortfall in Specialized Skills training base.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

Emergent Requirements (Continued)

2) Program Reductions

- a) Army Language Program\$ -2,383
 Realigned to subactivity group 121 to support
 linguist operations.

- b) Flying Hour Program\$ -58
 A total of \$14 million from aviation transformation
 was provided to assist Fort Rucker's Aviation School
 in working towards eliminating the current flight
 training student backlog.

FY 2003 Baseline Funding.....\$ 367,014

Revised FY 2003 Current Estimate.....\$ 367,014

3. Price Change.....\$ 7,629

4. Program Increases

a) One-Time FY 2004 Costs

- Additional Compensable Day in FY 2004\$ 538
 There will be an additional compensable workday in FY 2004.
 This results in an increase in civilian manpower costs due to
 a greater number of workdays in FY 2004 (262 days) as compared
 to FY 2003 (261 days).

b) Program Growth in FY 2004

Total Program Increases\$ 538

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Decreases

One-Time FY 2003 Costs

- | | | |
|----|---|---------|
| 1) | Training and Doctrine Command (TRADOC) Transformation\$ -41,709
(FY 2003 Base: \$53,292) This reduction reflects a FY 2003 one-time increase which allowed TRADOC to restructure the way the institutional Army trains and accesses soldiers and officers. Consistent with the results of an in-depth study of officer leader development, TRADOC redesigned the initial branch qualification training for officers and was funded in FY 2003 to redesign and test the new Basic Officer Leader Course (BOLC). TRADOC also funded the one-time purchase of hardware/software to support the implement the Institutional Digital Education Plan (IDEP) which provides training on the Army Battle Command and Control Systems. This funding provided for training on 'simulated' operational equipment for skills associated in operating the Army's future digital warfighting systems. This reduction is reflected in the OP-32 line 989. | -41,709 |
| 2) | Army Language Program\$ -19,500
Reversal of one-time costs funded in FY03 Defense Appropriation. | -19,500 |
| 3) | Military Police MCFTF Joint Training\$ -1,700
Reversal of one-time costs funded in FY03 Defense Appropriation. | -1,700 |
| 4) | SCOLA Language Program\$ -1,000
Reversal of one-time costs funded in FY03 Defense Appropriation. | -1,000 |
| 5) | Hunter Unmanned Aerial Vehicle (UAV)\$ -5,000
Reversal of one-time costs funded in FY03 Defense Appropriation. | -5,000 |

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2004 Budget Request.....\$ 306,272

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

IV. Performance Criteria and Evaluation Summary:

SPECIALIZED SKILL TRAINING	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	140,397	133,299	20,502	137,548	131,222	20,965
Army Reserve	22,104	22,173	3,258	21,061	21,188	3,127
Army National Guard	28,928	27,195	4,777	24,932	25,336	4,446
Other	61,803	59,220	5,208	64,184	62,246	5,384
Total Direct	253,232	241,887	33,745	247,725	239,992	33,922
Other (Non-US)	5,085	4,878	901	4,743	4,673	859
Total	258,317	246,765	34,646	252,468	244,665	34,781
Warrant Officer Candidate School	1,674	1,613	179	1,441	1,364	131
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	135,273	127,726	20,707	136,413	128,455	20,814
Army Reserve	20,152	19,876	3,049	20,472	20,116	3,115
Army National Guard	26,610	25,671	4,316	27,056	26,266	4,426
Other	71,382	69,255	5,908	71,646	69,500	5,881
Total Direct	253,417	242,528	33,980	255,587	244,337	34,236
Other (Non-US)	5,042	4,988	951	4,998	4,870	942
Total	258,459	247,516	34,931	260,585	249,207	35,178
Warrant Officer Candidate School	1,977	1,774	209	2,017	1,940	224
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	-2,275	-3,496	-258	1,140	729	107
Army Reserve	-909	-1,312	-78	320	240	66
Army National Guard	1,678	335	-130	446	595	110
Other	(103)	-117	228	7,565	7,371	269
Total Direct	-1,609	-4,590	-238	9,471	8,935	552
Other (Non-US)	299	315	92	-44	-118	-9
Total	-1,310	-4,275	-146	9,427	8,817	543
Warrant Officer Candidate School	-10	21	9	0	41	1

Input is the number of students entering during a given fiscal year.

Output is the number of students graduating during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Initial Skill (Officer)</u>	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	5,173	5,277	1,543	5,029	5,380	1,574
Army Reserve	1,192	1,115	201	1,087	1,130	224
Army National Guard	1,058	982	280	896	1,021	261
Other	155	135	53	157	183	63
Total Direct	7,578	7,509	2,077	7,169	7,714	2,122
Other (Non-US)	463	434	140	388	453	132
Initial Skill (Officer) Total	8,041	7,943	2,217	7,557	8,167	2,254
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	5,278	4,010	1,346	5,278	4,243	1,388
Army Reserve	1,060	896	213	1,115	983	239
Army National Guard	870	705	210	870	735	215
Other	155	105	48	155	116	50
Total Direct	7,363	5,716	1,817	7,418	6,077	1,892
Other (Non-US)	471	360	126	471	380	130
Initial Skill (Officer) Total	7,834	6,076	1,943	7,889	6,457	2,022
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	249	-1,370	-228	0	233	42
Army Reserve	-27	-234	-11	55	87	26
Army National Guard	-26	-316	-51	0	30	5
Other	-2	-78	-15	0	11	2
Total Direct	194	-1,998	-305	55	361	75
Other (Non-US)	83	-93	-6	0	20	4
Initial Skill (Officer) Total	277	-2,091	-311	55	381	79

Input is the number of students entering during a given fiscal year.

Output is the number of students graduating during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Note: Courses includes Officer & Warrant Officer Basic courses at branch schools

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Initial Skill (Enlisted)</u>	<u>FY 2002</u>			<u>FY 2003</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	39,230	38,097	8,953	39,080	37,583	9,498
Army Reserve	12,723	13,045	2,316	11,350	11,641	2,165
Army National Guard	18,936	17,917	3,546	14,855	15,657	3,142
Other	2,177	1,862	470	2,054	2,042	495
Total Direct	73,066	70,921	15,285	67,339	66,923	15,300
Other (Non-US)	543	535	166	376	407	128
Initial Skill (Enlisted) Total	73,609	71,456	15,451	67,715	67,330	15,428
	<u>FY 2004</u>			<u>FY 2005</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	37,011	35,667	9,377	37,193	35,508	9,362
Army Reserve	11,236	11,258	2,091	11,407	11,355	2,120
Army National Guard	16,068	15,781	3,199	16,482	16,243	3,295
Other	1,867	1,928	473	1,867	1,795	445
Total Direct	66,182	64,634	15,140	66,949	64,901	15,222
Other (Non-US)	560	508	189	515	531	176
Initial Skill (Enlisted) Total	66,742	65,142	15,329	67,464	65,432	15,398
	<u>Change FY 2003/FY 2004</u>			<u>Change FY 2004/FY 2005</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	-2,069	-1,916	-121	182	-159	-15
Army Reserve	-114	-383	-74	171	97	29
Army National Guard	1,213	124	57	414	462	96
Other	-187	-114	-22	0	-133	-28
Total Direct	-1,157	-2,289	-160	767	267	82
Other (Non-US)	184	101	61	-45	23	-13
Initial Skill (Enlisted) Total	-973	-2,188	-99	722	290	69

Input is the number of students entering during a given fiscal year.

Output is the number of students graduating during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Note: Courses includes Advanced Individual Training at MOS proponent schools.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

IV. Performance Criteria and Evaluation Summary (Continued):

Note: Types of training includes Airborne, Ranger, Foreign Language, etc.

<u>Skill Progression (Officer)</u>	<u>FY 2002</u>			<u>FY 2003</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	10,153	9,883	1,742	9,197	9,270	1,644
Army Reserve	1,284	1,238	100	1,730	1,672	132
Army National Guard	2,849	2,551	422	2,882	2,683	426
Other	241	277	67	191	243	61
Total Direct	14,527	13,949	2,331	14,000	13,868	2,263
Other (Non-US)	1,030	998	270	1,063	1,027	290
Skill Progression(Officer) Total	15,557	14,947	2,601	15,063	14,895	2,553
	<u>FY 2004</u>			<u>FY 2005</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	8,862	8,899	1,626	8,873	8,877	1,614
Army Reserve	1,471	1,424	138	1,508	1,498	145
Army National Guard	2,314	2,331	191	2,334	2,330	188
Other	189	190	54	189	193	54
Total Direct	12,836	12,844	2,009	12,904	12,898	2,001
Other (Non-US)	1,053	1,059	314	1,053	1,057	316
Skill Progression(Officer) Total	13,889	13,903	2,323	13,957	13,955	2,317
	<u>Change FY 2003/FY 2004</u>			<u>Change FY 2004/FY 2005</u>		
	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>	<u>INPUT</u>	<u>OUTPUT</u>	<u>WORKLOAD</u>
Active Army	-335	-371	-18	11	-22	-12
Army Reserve	-259	-248	6	37	74	7
Army National Guard	-568	-352	-235	20	-1	-3
Other	-2	-53	-7	0	3	0
Total Direct	-1,164	-1,024	-254	68	54	-8
Other (Non-US)	-10	32	24	0	-2	2
Skill Progression(Officer) Total	-1,174	-992	-230	68	52	-6

Input is the number of students entering during a given fiscal year.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

IV. Performance Criteria and Evaluation Summary (Continued):

Output is the number of students graduating during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Note: Courses includes the Officer & Warrant Officer Advance courses at branch

<u>Skill Progression (Enlisted)</u>	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	37,714	36,957	3,439	34,837	33,861	3,230
Army Reserve	2,965	2,858	243	1,617	1,681	131
Army National Guard	2,155	2,124	172	1,784	1,759	162
Other	9,290	8,520	1,454	10,319	9,894	1,546
Total Direct	52,124	50,459	5,308	48,557	47,195	5,069
Other (Non-US)	435	421	104	323	345	80
Skill Progression (Enlisted) Total	52,559	50,880	5,412	48,880	47,540	5,149
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	37,735	36,312	3,336	37,412	36,493	3,361
Army Reserve	1,972	1,900	145	1,995	1,951	150
Army National Guard	2,322	2,143	202	2,322	2,208	207
Other	10,420	9,972	1,579	10,415	10,022	1,586
Total Direct	52,449	50,327	5,262	52,144	50,674	5,304
Other (Non-US)	333	328	82	333	333	83
Skill Progression (Enlisted) Total	52,782	50,655	5,344	52,477	51,007	5,387
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	2,898	2,451	106	-323	181	25
Army Reserve	355	219	14	23	51	5
Army National Guard	538	384	40	0	65	5
Other	101	78	33	-5	50	7
Total Direct	3,892	3,132	193	-305	347	42
Other (Non-US)	10	-17	2	0	5	1
Skill Progression (Enlisted) Total	3,902	3,115	195	-305	352	43

Input is the number of students entering during a given fiscal year.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

IV. Performance Criteria and Evaluation Summary (Continued):

Output is the number of students graduating during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Note: Type of courses include Basic & Advanced Non-commissioned Officer Courses

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Specialized Skill Training

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	14,860	13,465	13,161	12,720	-304	-441
Officer	1,696	1,584	1,541	1,518	-43	-23
Enlisted	13,164	11,881	11,620	11,202	-261	-418
<u>Civilian End Strength (Total)</u>	3,449	2,973	2,796	2,714	-177	-82
U.S. Direct Hire	3,449	2,973	2,796	2,714	-177	-82
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	3,449	2,973	2,796	2,714	-177	-82
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	14,453	14,162	13,312	12,940	-850	-372
Officer	1,780	1,640	1,562	1,529	-78	-33
Enlisted	12,673	12,522	11,750	11,411	-772	-339
<u>Civilian Full-Time Equivalent (Total)</u>	2,811	2,915	2,742	2,700	-173	-42
U.S. Direct Hire	2,811	2,915	2,742	2,700	-173	-42
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	2,811	2,915	2,742	2,700	-173	-42
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	321	Totals															
Line	Line		FY 2002	Foreign	Price	Price	FY 2003	Foreign	Price	Price	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Program	Adjust	Growth	Growth	Program	Adjust	Growth	Growth	Growt	Program	
				Adjust	Percent	Amount	Growt		Percent	Amount	Growt		Percent	Amount	Growt	Program	
0101	EXEC, GEN, SPEC SCHEDULE	161108	0	0	4.04%	6515	22078	0	2.56%	4864	-12183	0	2.69%	4906	-3530	183760	
0103	WAGE BOARD	7821	0	0	2.88%	225	-1875	0	2.77%	171	-196	0	2.23%	137	-100	6183	
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	1	0	0	0.00%	0	-1	0	0.00%	0	0	0	0.00%	0	0	0	
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0	0.00%	0	12	0	0.00%	0	-1	0	0.00%	0	0	11	
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	758	0	0	0.00%	0	-758	0	0.00%	0	0	0	0.00%	0	0	0	
0199	TOTAL CIV PERSONNEL COMP	169688	0	0	3.97%	6740	19456	0	2.57%	5036	-12380	0	2.68%	5046	-3630	189954	
0308	TRAVEL OF PERSONS	9295	0	0	1.10%	102	-3434	0	1.50%	86	-729	0	1.60%	86	944	6352	
0399	TOTAL TRAVEL	9295	0	0	1.10%	102	-3434	0	1.49%	86	-729	0	1.60%	86	944	6352	
0401	DFSC FUEL	267	0	0	-16.00%	-43	39	0	8.30%	22	10	0	3.30%	9	4	308	
0402	SERVICE FUEL	998	0	0	-16.00%	-160	145	0	8.30%	81	35	0	3.30%	36	6	1140	
0411	ARMY MANAGED SUPPLIES & MATERIALS	6068	0	0	9.20%	558	73	0	4.50%	301	-177	0	1.50%	102	-263	6662	
0412	NAVY MANAGED SUPPLIES & MATERIALS	66	0	0	9.60%	6	-49	0	6.10%	1	-1	0	4.00%	1	-1	23	
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	18	0	0	10.30%	2	-20	0	18.30%	0	0	0	10.30%	0	0	0	
0415	DLA MANAGED SUPPLIES & MATERIALS	4337	0	0	3.50%	151	2418	0	-2.90%	-200	-2368	0	1.50%	66	-2	4401	
0416	GSA MANAGED SUPPLIES & MATERIALS	170	0	0	1.10%	2	2	0	1.50%	2	-7	0	1.60%	2	3	174	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	11924	0	0	4.33%	516	2608	0	1.38%	207	-2508	0	1.69%	216	-254	12708	
0502	ARMY EQUIPMENT	1084	0	0	9.20%	100	13	0	4.50%	50	-1	0	1.50%	16	-46	1223	
0503	NAVY EQUIPMENT	1	0	0	9.60%	0	-1	0	6.10%	0	0	0	4.00%	0	0	0	
0506	DLA EQUIPMENT	175	0	0	3.50%	6	192	0	-2.90%	-11	-91	0	1.50%	4	86	364	
0507	GSA MANAGED EQUIPMENT	811	0	0	1.10%	9	910	0	1.50%	26	-510	0	1.60%	20	590	1855	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	2071	0	0	5.55%	115	1114	0	2.03%	67	-602	0	1.56%	40	634	3442	
0601	ARMY (ORDNANCE)	22	0	0	-27.00%	-6	1	0	1.40%	0	17	0	10.10%	0	-3	34	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	1815	0	0	6.20%	112	-475	0	-2.00%	-26	-168	0	0.30%	4	296	1554	
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	0	0	0	-1.00%	0	10	0	1.50%	0	10	0	1.60%	0	0	10	
0679	COST REIMBURSABLE PURCHASES	146	0	0	1.10%	2	-148	0	1.50%	0	0	0	1.60%	0	0	0	
0699	TOTAL INDUSTRIAL FUND PURCHASES	1983	0	0	5.45%	108	-612	0	-1.96%	-26	-151	0	0.54%	7	292	1598	
0771	COMMERCIAL TRANSPORTATION	279	0	0	1.10%	3	175	0	1.50%	7	-170	0	1.60%	6	222	521	
0799	TOTAL TRANSPORTATION	279	0	0	1.08%	3	175	0	1.53%	7	-170	0	1.70%	6	222	521	
0913	PURCHASED UTILITIES	2	0	0	1.10%	0	-2	0	1.50%	0	0	0	1.60%	0	0	0	
0914	PURCHASED COMMUNICATIONS	152	0	0	1.10%	2	1884	0	1.50%	31	-68	0	1.60%	32	321	2354	
0917	POSTAL SERVICES (U.S.P.S.)	34	0	0	0.00%	0	-10	0	0.00%	0	24	0	0.00%	0	0	24	
0920	SUPPLIES/MATERIALS (NON FUND)	19268	0	0	1.10%	212	6012	0	1.50%	380	-5568	0	1.60%	326	6616	27248	
0921	PRINTING AND REPRODUCTION	1	0	0	1.10%	0	-1	0	1.50%	0	0	0	1.60%	0	0	0	
0922	EQUIPMENT MAINTENANCE BY CONTRACT	3936	0	0	1.10%	43	-479	0	1.50%	52	-1667	0	1.60%	30	186	2100	
0923	FACILITY MAINTENANCE BY CONTRACT	1804	0	0	1.10%	20	21	0	1.50%	26	32	0	1.60%	32	-12	1925	
0925	EQUIPMENT PURCHASES (NON FUND)	5452	0	0	1.10%	60	2086	0	1.50%	114	-1519	0	1.60%	96	1370	7665	
0932	MGMT & PROFESSIONAL SPT SVCS	1960	0	0	1.10%	22	-1287	0	1.50%	10	-10	0	1.60%	11	-11	695	
0933	STUDIES, ANALYSIS, & EVALUATIONS	334	0	0	1.10%	4	2362	0	1.50%	40	-40	0	1.60%	40	-40	2700	
0934	ENGINEERING & TECHNICAL SERVICES	20068	0	0	1.10%	221	-620	0	1.50%	296	672	0	1.60%	330	686	21652	
0937	LOCALLY PURCHASED FUEL	1067	0	0	-16.00%	-171	292	0	8.30%	96	-77	0	3.30%	40	-16	1231	
0989	OTHER CONTRACTS	67199	0	0	1.10%	740	12195	0	1.50%	1200	-43586	0	1.60%	604	17398	55752	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	321	Totals																
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description		Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount		
0998	OTHER COSTS		0	0	1.10%	0	0	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0999	OTHER PURCHASES		121277	0	0.95%	1153	22453	144883	0	1.56%	2250	-51831	95305	0	1.62%	1540	26495	123346
9999	GRAND TOTAL		316517	0	2.76%	8737	41760	367014	0	2.08%	7620	-68371	306272	0	2.27%	6940	24703	337921

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Basic Skill and Advanced Training
Subactivity Group: Flight Training

I. Description of Operations Financed:

FLIGHT TRAINING - Costs include those identified in Specialized Skill Training, as well as costs for maintenance, aircraft petroleum, oil and lubricants (POL), aircraft repair parts, depot level reparable parts and the operation of the aviation school airfields and airfield equipment. Fixed, semi-fixed, and variable costs are charged to this activity group. Fixed costs related to minimum staffing levels, equipment and communications support, and contract maintenance will be incurred as long as the U.S. Army Aviation Center (USAAVNC) remains in operation. Semi-fixed costs within certain predetermined ranges are not directly influenced by changes in instructor and support staffing, equipment, spare parts, and communication levels. The variable costs in Flight Training are determined by annual increases and decreases in aviator training workload requirements. Performance measures are the number of students enrolled in flight training.

The significant change in this Subactivity Group is the funding of the implementation of Flight School XXI (FSXXI). FSXXI is a new aviation training strategy designed to meet Commanders' needs for a ready, survivable aviation force that is trained to operate go-to-war aircrafts. The number of hours of training in the advance aircraft will increase, students will spend less time training in legacy aircraft, and the overall course length will decrease, as a result of FSXXI. A table that shows a comparison between our current flight training strategy and flight school XXI strategy can be seen on Page 322-11 & 12, Table #1.

II. Force Structure Summary:

FLIGHT TRAINING - Provides operation and support of the Aviation Center (USAAVNC) at Fort Rucker, AL where the Army trains pilots on rotary and fixed wing aircraft.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Flight Training	440,946	402,481	394,450	408,412	499,040	457,001
Total	440,946	402,481	394,450	408,412	499,040	457,001

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE		CHANGE	
		<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>		
BASELINE FUNDING		402,481		408,412		499,040
Congressional Adjustments (Distributed)		0				
Congressional Adjustments (Undistributed)		-4,395				
Adjustments to Meet Congressional Intent		0				
General Provisions		-3,636				
SUBTOTAL APPROPRIATED AMOUNT		394,450				
Fact-of-Life Changes		13,962				
SUBTOTAL BASELINE FUNDING		408,412				
Anticipated Supplemental		0				
Reprogramming		0				
Price Change				11,138		8,523
Functional Transfers				-10,600		0
Program Changes				90,090		-50,562
CURRENT ESTIMATE		408,412		499,040		457,001

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	402,481
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-148
2) Undistributed Adjustment	\$	-126
3) Unobligated Balance	\$	-844
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-3,277
Total Undistributed Adjustments	\$	-4,395
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-438
2) Section 8103 - Government Purchase Card Savings	\$	-405
3) Section 8133 - Travel	\$	-408
4) Section 8135 - Revised Economic Assumptions	\$	-2,385
Total General Provisions	\$	-3,636
FY 2003 Appropriated Amount.....	\$	394,450

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Growth

Flying Hour Program\$ 13,962

Funds were applied to this subactivity group to assist Fort Rucker's Aviation School in working towards eliminating the current flight student backlog. Furthermore, it sets the conditions for the implementation of the Flight School XXI training strategy in 2004. With the retirement of legacy aircraft beginning in FY03 at FT Rucker, i.e. the UH-1 and OH-58A/C, flight students will receive an increase in the number of hours flown in their "Go-to-War" aircraft, UH-60, AH-64, CH-47 and OH-58D, during flight training.

Total Emergent Requirements\$ 13,962

FY 2003 Baseline Funding.....\$ 408,412

Revised FY 2003 Current Estimate.....\$ 408,412

3. Price Change.....\$ 11,138

4. Functional Transfers

Transfers Out

Single Stock Fund\$ -10,600

This transfer represents the conversion of the Directorate of Logistic services performed under the National Maintenance and Single Stock Fund program from reimbursable to direct funding. Funds are transferred from this subactivity group (SAG) to SAG 325 Base Operations.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases

Total Functional Transfers\$ -10,600

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 75

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Flight Training/Fort Rucker Operations\$ 97,902

(FY 2003 Base: \$402,481) The budget supports the implementation of a new aviation training strategy as the Army moves forward with Aviation Transformation, modernization, and manning and fielding of the Objective Force. Under the current training model (using legacy aircraft) the average cost per flight hour is approximately \$350 per hour. With the implementation of Flight School XXI (FSXXI), utilizing the modernized "Go-to-War aircraft, the cost per hour increases to approximately \$2,200 per hour. One of the cornerstones to FSXXI is an increase in the number of hours flown (27-41 hours increase) in the students "Go to War" / modernized aircraft (Apache Longbow AH-64D, Chinook CH-47, UH-60 and Kiowa Warrior OH-58D), depending on which aircraft the student is transitioned into. FSXXI will produce better-trained graduates with significantly more hours of training in their go-to-war modernized aircraft. Combat units will no longer be required to consume flying hours to develop individual skills; all can be devoted to collective/unit training. Additionally, FSXXI entails the lease of state of the art simulators to offset future costs to flight training, and incorporates enhanced aviator survival training based on lessons learned from post-Operation Desert Storm operations. The implementation of FSXXI increases aviation maintenance and

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

Flight Training/Fort Rucker Operations (Continued)
repair costs, particularly in the maintenance contracts and
repair of the "Go to War" aircraft (AH-64D, UH-60, OH-58D or
CH-47D).

While the total number of hours in Flight School
decrease, the hours saved are offset as a result of the
increased operating cost associated with flying "Go-to-War"
modernized aircraft.

FSXXI supports the Army Leaderships plan to divest
itself of legacy aircraft (AH-1, Iroquois (Huey) UH-1 and
Kiowa OH-58A/C). Under this new training strategy, the flight
students will receive their initial flight training (Basic and
Instrument training) in the Creek TH-67 aircraft. The flight
student then transitions into their "Go to War" aircraft where
they receive aircraft qualification and basic combat skills
training.

The Table 1 on page 322-11 & 12 shows the
comparisons between our current flight training strategy and
the new flight school XXI training strategy. Funding
increases are reflected in the OP-32 lines 411, 920, & 922.

Total Program Increases\$ 97,977

6. Program Decreases

Program Decreases in FY 2004

Consumable Repair Parts\$ -7,887

The Army is managing risk. This decrease is associated

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

Consumable Repair Parts (Continued)
with an anticipated reduction in orders for consumable repair parts. The Army identified projected growth in consumable repair parts due to updating the three-year moving average. Specifically, the Army removed FY 1998 demand data and included FY 2001 demand data. In FY 1998, the Army was not fully executing its flying hour requirements; while in FY 2001, significant improvement was made in the execution of flying hours. Since FY 2001 was the first year the Army improved its flying hour program (i.e. hours executed), the projected demand increase was suppressed to historical levels of execution. The Army will assess execution year data to validate this decision.

FY 2004 Budget Request.....\$ 499,040

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

IV. Performance Criteria and Evaluation Summary (Continued):

FLIGHT TRAINING

Advance Flight Training-Fixed Wing

	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	135	146	23	122	112	18
Army Reserve	48	52	5	58	53	5
Army National Guard	138	143	13	149	136	14
Other	48	46	3	51	50	4
Total Direct	369	387	44	380	351	48
Other (Non-US)	1	3	0	5	5	1
Advance Flight Training-FW Total	370	390	44	385	356	49

	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	145	144	27	145	144	27
Army Reserve	65	65	5	60	60	5
Army National Guard	128	128	13	128	128	13
Other	51	49	4	51	51	4
Total Direct	389	386	49	384	383	49
Other (Non-US)	3	3	0	3	3	0
Advance Flight Training-FW Total	392	389	49	387	386	49

	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	23	32	9	0	0	0
Army Reserve	58	58	58	(5)	(5)	0
Army National Guard	149	149	149	0	0	0
Other	51	51	51	0	2	0
Total Direct	281	290	267	(5)	(3)	0
Other (Non-US)	5	5	5	0	0	0
Advance Flight Training-FW Total	286	295	272	(5)	(3)	0

Input is the number of courses a student enters during a given fiscal year.

Output is the number of courses a student graduates from during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year - Active Army.

Note: Other = reimbursable workload

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

IV. Performance Criteria and Evaluation Summary (Continued):

FLIGHT TRAINING

Advance Flight Training-Rotary Wing	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	1,586	1,660	258	1,404	1,348	217
Army Reserve	64	72	11	64	64	11
Army National Guard	636	635	107	955	928	148
Other	126	127	16	168	162	17
Total Direct	2,412	2,494	392	2,591	2,502	393
Other (Non-US)	277	292	46	314	311	50
Advance Flight Training-RW Total	2,689	2,786	438	2,905	2,813	443
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	1,111	1,105	177	639	635	89
Army Reserve	62	63	10	24	26	4
Army National Guard	706	699	110	161	158	24
Other	107	119	5	107	107	4
Total Direct	1,986	1,986	302	931	926	371
Other (Non-US)	327	321	52	287	293	45
Advance Flight Training-RW Total	2,313	2307	354	1,218	1219	416
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	(293)	(243)	(40)	(472)	(470)	(88)
Army Reserve	(2)	(1)	(1)	(38)	(37)	(6)
Army National Guard	(249)	(229)	(38)	(545)	(541)	(86)
Other	(61)	(43)	(12)	0	(12)	(1)
Total Direct	(605)	(516)	(91)	(1,055)	(1,060)	69
Other (Non-US)	13	10	2	(40)	(28)	(7)
Advance Flight Training-RW Total	(592)	(506)	(89)	(1,095)	(1,088)	62

Input is the number of courses a student enters during a given fiscal year (i.e., Instructor Pilots, Mechanic Test Pilots, Instrument Flight Examiners).

Output is the number of courses a student graduates from during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year - Active Army.

Note: Other = reimbursable workload

The reduction in the number of inputs in FY04 represents the transfer of Aircraft Qualification Course to the Undergraduate Program.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Flight Training

IV. Performance Criteria and Evaluation Summary (Continued):

FLIGHT TRAINING

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
Flying Hours (Hours in 000s)	262.2	277.1	252.5	194.6	-24.6	-57.9
Undergraduate Pilot Training	179.0	200.7	178.4	157.5	-22.3	-20.9
Other Flying Hours	83.2	76.4	74.1	36.7	-2.3	-37.4

TABLE #1 Flight School Comparisons chart.

Flight School XXI (FSXXI) is consolidating Initial Entry Rotary Wing (IERW), Under-graduate training, with the Graduate course in an effort to graduate a student from Flight School fully qualified to fly the modernized aircraft in the combat unit he is assigned.

Each student will be assigned to one of five types of modernized aircraft (Tracks listed below) that the student will be trained in before graduation. The flight hours and course length under the each modernized

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

IV. Performance Criteria and Evaluation Summary (Continued):

aircraft track show the hourly and course length requirements under the "Current Program" compared to FSXXI".

	AH-64A Apache Track				AH-64D Apache Longbow Track				OH-58D Kiowa Track			
	Hours		Weeks		Hours		Weeks		Hours		Weeks	
Acft Type	Current	FSXXI	Current	FSXXI	Current	FSXXI	Current	FSXXI	Current	FSXXI	Current	FSXXI
Legacy Acft	146	84			146	84			146	84		
Mod Acft	44	78	45	40	55	83	46	43	64	107	44	38
Total	190	162	45	40	201	167	46	43	210	191	44	38
Savings		-28Hrs		-5Wks		-34Hrs		-3Wks		-19Hrs		-6Wks
	UH-60 Blackhawk Track				CH-47 Chinook Track							
	Hours		Weeks		Hours		Weeks					
Acft Type	Current	FSXXI	Current	FSXXI	Current	FSXXI	Current	FSXXI				
Legacy Acft	146	84			146	84						
Mod Acft	23	50	38	33	30	59	42	34				
Total	169	134	38	33	176	143	42	34				
Savings		-35Hrs		-5Wks		-33Hrs		-8Wks				

Note. Flight hours and course length (weeks) are rounded to the nearest whole number.
 Legacy Aircraft are the OH-58AC, TH-67 and UH-1.

The principle benefits of FSXXI are; an overall reduction in the time a student spends in flight school, and a dramatic increase in pilot proficiency in their "Go to War" aircraft. These benefits, based on the analysis of a pilot program, resulted in improved readiness for the Combatant Commanders' in the field. Furthermore, FSXXI does not impact on the validated 14.5 hour/per crew/per month training strategy. FSXXI is a strategic element that enables Aviation Transformation and creates a more strategically responsive, agile, versatile, lethal, survivable aviation force across the entire spectrum of military operations. The number of total flying hours and weeks of training under the Flight School XXI training strategy is 19-35 hours and 3-8 weeks less per student (depending to the type aircraft he will train and qualify to fly) than under the current (old) system. FSXXI is designed to increase the number of training hours flown in the

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

IV. Performance Criteria and Evaluation Summary (Continued):

advanced aircraft, increase simulation training hours, reduce the hours flown in the legacy aircraft, and reduce the amount of time spend in flight school, See Table #1 above.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Flight Training

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	1,123	984	956	931	-28	-25
Officer	691	641	634	626	-7	-8
Enlisted	432	343	322	305	-21	-17
<u>Civilian End Strength (Total)</u>	335	391	391	391	0	0
U.S. Direct Hire	335	391	391	391	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	335	391	391	391	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	1,076	1,053	969	943	-84	-26
Officer	687	666	637	630	-29	-7
Enlisted	389	387	332	313	-55	-19
<u>Civilian Full-Time Equivalentents (Total)</u>	418	384	383	383	-1	0
U.S. Direct Hire	418	384	383	383	-1	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	418	384	383	383	-1	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	322	Totals																
Line	Line	Description	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	
Item			Program	Curr	Growth	Growth	Growth	Program	Adjust	Percent	Growth	Growth	Program	Adjust	Percent	Growth	Growth	
				Adjust	Amount	Amount	Amount				Amount	Amount				Amount	Amount	
0101	EXEC. GEN. SPEC SCHEDULE		21902	0	3.93%	860	2215	24977	0	2.73%	682	-47	25612	C	2.73%	692	-62	26242
0103	WAGE BOARD		1647	0	1.46%	24	-974	697	0	2.73%	12	1	717	C	2.23%	12	-1	732
0106	BENEFITS TO FORMER EMPLOYEES		0	0	0.00%	0	1	1	0	0.00%	C	0	1	C	0.00%	C	C	1
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS		175	0	0.00%	0	-175	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP		23724	0	3.73%	884	1067	25675	0	2.73%	701	-46	26330	C	2.71%	714	-62	26975
0308	TRAVEL OF PERSONS		950	0	1.10%	11	50	1011	0	1.50%	12	315	1341	C	1.60%	21	-127	1235
0399	TOTAL TRAVEL		950	0	1.16%	11	50	1011	0	1.48%	12	315	1341	C	1.57%	21	-127	1235
0401	DFSC FUEL		11220	0	-16.00%	-1795	1528	10953	0	8.30%	902	419	12281	C	3.30%	402	162	12848
0402	SERVICE FUEL		2150	0	-16.00%	-344	311	2117	0	8.30%	172	75	2368	C	3.30%	72	2	2455
0411	ARMY MANAGED SUPPLIES & MATERIALS		117495	0	9.20%	10809	-360	127944	0	4.50%	5752	19478	153180	C	1.50%	2292	-32632	122840
0412	NAVY MANAGED SUPPLIES & MATERIALS		207	0	9.60%	19	32	258	0	6.10%	12	-15	258	C	4.00%	10	-10	258
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS		34	0	10.30%	4	80	118	0	18.30%	22	-22	118	C	10.30%	12	-12	118
0415	DLA MANAGED SUPPLIES & MATERIALS		14578	0	3.50%	511	-314	14775	0	-2.90%	-422	-1049	13298	C	1.50%	200	232	13736
0416	GSA MANAGED SUPPLIES & MATERIALS		1198	0	1.10%	14	33	1245	0	1.50%	12	319	1583	C	1.60%	22	-82	1520
0499	TOTAL SUPPLIES & MATERIALS PURCHASES		146882	0	6.28%	9218	1310	157410	0	4.11%	6471	19205	183086	C	1.65%	3022	-32332	153775
0502	ARMY EQUIPMENT		188	0	9.20%	17	3	208	0	4.50%	2	0	217	C	1.50%	2	-2	212
0503	NAVY EQUIPMENT		13	0	9.60%	1	-12	2	0	6.10%	C	0	2	C	4.00%	C	C	2
0505	AIR FORCE EQUIPMENT		14	0	10.30%	1	-15	0	0	18.30%	C	0	0	C	10.30%	C	C	0
0506	DLA EQUIPMENT		137	0	3.50%	5	-12	130	0	-2.90%	-4	-3	123	C	1.50%	2	2	130
0507	GSA MANAGED EQUIPMENT		115	0	1.10%	1	-6	110	0	1.50%	2	-2	110	C	1.60%	2	-2	110
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES		467	0	5.35%	25	-42	450	0	1.56%	7	-5	452	C	1.55%	7	-2	454
0633	DEFENSE PUBLICATION & PRINTING SERVICE		420	0	6.20%	26	-183	263	0	-2.00%	-2	5	263	C	0.30%	1	-1	263
0699	TOTAL INDUSTRIAL FUND PURCHASES		420	0	6.19%	26	-183	263	0	-1.90%	-2	5	263	C	0.38%	1	-1	263
0771	COMMERCIAL TRANSPORTATION		14	0	1.10%	0	-8	6	0	1.50%	C	0	6	C	1.60%	C	C	6
0799	TOTAL TRANSPORTATION		14	0	0.00%	0	-8	6	0	0.00%	C	0	6	C	0.00%	C	C	6
0914	PURCHASED COMMUNICATIONS		12	0	1.10%	0	15	27	0	1.50%	C	0	27	C	1.60%	C	C	27
0920	SUPPLIES/MATERIALS (NON FUND)		79213	0	1.10%	872	-20125	59960	0	1.50%	892	28290	89149	C	1.60%	1422	-14312	76262
0922	EQUIPMENT MAINTENANCE BY CONTRACT		172930	0	1.10%	1902	-32677	142155	0	1.50%	2132	29817	174104	C	1.60%	2782	-2652	174233
0925	EQUIPMENT PURCHASES (NON FUND)		173	0	1.10%	2	-35	140	0	1.50%	2	-3	139	C	1.60%	2	-1	140
0937	LOCALLY PURCHASED FUEL		7866	0	-16.00%	-1259	2154	8761	0	8.30%	727	-569	8919	C	3.30%	294	-134	9079
0989	OTHER CONTRACTS		8188	0	1.10%	90	4276	12554	0	1.50%	182	2481	15224	C	1.60%	242	-912	14552
0998	OTHER COSTS		107	0	1.10%	1	-108	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES		268489	0	0.60%	1608	-46500	223597	0	1.77%	3942	60016	287562	C	1.65%	4752	-18021	274293
9999	GRAND TOTAL		440946	0	2.67%	11772	-44306	408412	0	2.73%	11132	79490	499040	C	1.71%	8522	-50562	457001

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

I. Description of Operations Financed:

PROFESSIONAL DEVELOPMENT EDUCATION - The funds provide for the operation and support of the Army War College, Command and General Staff College, the Army Sergeants Major Academy, and Department of Defense sponsored schools for which the Army has Executive Agent responsibility. Also provided are the tuition and fees for the Advanced Civil Schooling program and tuition, fees, and temporary duty (travel and per diem) for Army officers attending foreign military schools (Schools of Other Nations). The DoD schools include National Defense University colleges and institutions located at Fort McNair, Washington, DC (National War College, Industrial College of the Armed Forces, Information Resources Management College, Near East-South Asia Center for Strategic Studies, Institute for National Strategic Studies). Also included is the Center for Hemispheric Defense Studies, the Africa Center for Strategic Studies and the China Center. Performance measures are the number of students enrolled.

II. Force Structure Summary:

PROFESSIONAL DEVELOPMENT EDUCATION - Provides for leader development institutional training at the Army War College, Carlisle Barracks, PA; the Command and General Staff College, Fort Leavenworth, KS; the National Defense University at Fort McNair, Washington DC; and the Army Sergeants Major Academy at Fort Bliss, Texas.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002	FY2003			FY 2004	FY 2005
	<u>Actual</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Professional Development Education	117,115	133,572	125,818	127,098	142,038	164,113
Total	117,115	133,572	125,818	127,098	142,038	164,113
B. <u>Reconciliation Summary:</u>	<u>CHANGE</u>		<u>CHANGE</u>		<u>CHANGE</u>	
	<u>FY 2003/FY 2003</u>		<u>FY 2003/FY 2004</u>		<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		133,572		127,098		142,038
Congressional Adjustments (Distributed)		0				
Congressional Adjustments (Undistributed)		-6,746				
Adjustments to Meet Congressional Intent		0				
General Provisions		-1,008				
SUBTOTAL APPROPRIATED AMOUNT		125,818				
Fact-of-Life Changes		1,280				
SUBTOTAL BASELINE FUNDING		127,098				
Anticipated Supplemental		0				
Reprogramming		0				
Price Change				2,462		2,780
Functional Transfers				-495		0
Program Changes				12,973		19,295
CURRENT ESTIMATE		127,098		142,038		164,113

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	133,572
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-45
2) Unobligated Balance	\$	-249
3) Undistributed Adjustment	\$	-37
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-6,415
Total Undistributed Adjustments	\$	-6,746
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-129
2) Section 8103 - Government Purchase Card Savings	\$	-119
3) Section 8133 - Travel	\$	-58
4) Section 8135 - Revised Economic Assumptions	\$	-702
Total General Provisions	\$	-1,008
FY 2003 Appropriated Amount.....	\$	125,818

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Growth

Army War College/Heritage Center\$ 1,280
 Funds support additional contract requirements for the transition to the new Army Heritage and Education Center at Carlisle Barracks. These contracts supports a portion of the preparation and restoration of the Army artifacts.

FY 2003 Baseline Funding.....\$ 127,098

Revised FY 2003 Current Estimate.....\$ 127,098

3. Price Change.....\$ 2,462

4. Functional Transfers

Transfers Out

1) Army Physical Fitness Resource Institute\$ -369
 The mission and function of the Army Physical Fitness Research Institute (APFRI) at the Army War College was transferred to the Center for Health Promotion Preventive Medicine, U.S. Army Medical Command.

2) National Defense University\$ -126
 This transfer represents the realignment of the Office of Net Assessment Support from the National Defense University to Washington Headquarters Services.

Total Transfers Out\$ -495

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 155

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

1) Army War College (AWC)\$ 2,433

(FY2003 Base: \$26,570) The AWC provides the educational foundation for the future senior leaders and general officers of the Objective Force. The increase supports the development of the Functional Area (FA) 59, Strategist, Qualification Course and unique information technology infrastructure.

The FA 59 Qualification Course will be provided to officers newly designated into the Strategic Plans & Policy (FA 59). It will provide an introduction to strategy and to the unique skills, knowledge, and attributes needed as a foundation for their progressive development as Army strategists. (2) Funds support unique information technology infrastructure necessary to support the Chief of Staff, Army mandate and guidance for conducting simulations and exercises with the senior Army commanders, the Combatant Command, Joint Staff, and other Senior Service Colleges in producing the Army's strategic leaders in the 21st Century. The FA 59 Qualification Course will require frequent access to SIPRNET information resources. Additional SIPRNET connectivity, bandwidth, workstations, and physical security will have to be implemented in order to support this program.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

1) Army War College (AWC) (Continued)

Modernization of the AWC education program keeps the College at the leading edge among Senior Service Colleges and provides a basis for the convergence of distance and resident programs, as well as meeting the Chairman, Joint Chiefs of Staff and civilian academia accreditation standards supporting the Masters in Strategic Studies degree. Funding increase is reflected in the OP-32 lines 925 & 989.

2) Professional Military Education School - National Defense University\$ 10,385

(FY 2003 Base: \$36,793) The National Defense University (NDU) is a senior joint professional military educational and research institution operating under the direction of the Chairman, Joint Chiefs of Staff, with Army as the executive agent. The NDU prepares selected commissioned officers and civilian officials from the Department of Defense, Department of State and other agencies of the government. Consequently, this increase is needed to support the continuous technology improvements and upgrades that are necessary to adequately educate the nation's future national security leaders. Funding increase is reflected in the OP-32 line 925.

Total Program Increases\$ 12,973

FY 2004 Budget Request.....\$ 142,038

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

IV. Performance Criteria and Evaluation Summary:

PROFESSIONAL DEVELOPMENT EDUCATION

Army War College	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	609	633	220	558	424	156
Army Reserve	181	166	35	297	288	41
Army National Guard	404	396	46	404	395	46
Other	122	143	80	164	109	52
Total Direct	1,316	1,338	381	1,423	1,216	295
Other (Non-US)	42	53	38	42	12	21
Army War College Total	1,358	1,391	419	1,465	1,228	316
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	552	423	154	552	423	154
Army Reserve	371	360	47	371	360	47
Army National Guard	407	396	48	407	396	48
Other	162	107	50	162	107	50
Total Direct	1,492	1,286	299	1,492	1,286	299
Other (Non-US)	40	12	20	40	12	20
Army War College Total	1,532	1,298	319	1,532	1,298	319
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	(6)	(1)	(2)	0	0	0
Army Reserve	74	72	6	0	0	0
Army National Guard	3	1	2	0	0	0
Other	(2)	(2)	(2)	0	0	0
Total Direct	69	70	4	0	0	0
Other (Non-US)	(2)	0	(1)	0	0	0
Army War College Total	67	70	3	0	0	0

Input is the number of students entering during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Output is the number of students graduating during a given fiscal year.

Note: Other = reimbursable workload

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

IV. Performance Criteria and Evaluation Summary (Continued):

National Defense University	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	464	455	100	501	501	110
Army Reserve	85	82	8	99	99	7
Army National Guard	85	81	11	104	104	9
Other	3,011	2,985	340	3,319	3,322	366
Total Direct	3,645	3,603	459	4,023	4,026	366
Other (Non-US)	288	285	50	294	289	49
National Defense University Total	3,933	3,888	509	4,317	4,315	541
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	510	510	109	510	510	109
Army Reserve	119	119	7	119	119	7
Army National Guard	112	112	9	112	112	9
Other	3,522	3,542	377	3,522	3,542	377
Total Direct	4,263	4,283	502	4,263	4,283	502
Other (Non-US)	309	289	52	309	289	52
National Defense University Total	4,572	4,572	554	4,572	4,572	554
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	9	9	(1)	0	0	0
Army Reserve	20	20	0	0	0	0
Army National Guard	8	8	0	0	0	0
Other	203	220	11	0	0	0
Total Direct	240	257	10	0	0	0
Other (Non-US)	15	0	3	0	0	0
National Defense University Total	255	257	13	0	0	0

Input is the number of students entering during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Output is the number of students graduating during a given fiscal year.

Note: Other = reimbursable workload

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

IV. Performance Criteria and Evaluation Summary (Continued):

Command & General Staff	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	768	767	620	768	767	620
Army Reserve	32	32	14	32	32	14
Army National Guard	32	32	14	32	32	14
Other	128	128	103	128	128	103
Total Direct	960	959	752	960	959	751
Other (Non-US)	90	90	72	90	90	72
Command & General Staff Total	1,050	1,049	823	1,050	1,049	823
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	768	767	620	768	767	620
Army Reserve	32	32	14	32	32	14
Army National Guard	32	32	14	32	32	14
Other	128	128	103	128	128	103
Total Direct	960	959	751	960	959	751
Other (Non-US)	90	90	72	90	90	72
Command & General Staff Total	1,050	1,049	823	1,050	1,049	823
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	0	0	0	0	0	0
Army Reserve	0	0	0	0	0	0
Army National Guard	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Direct	0	0	0	0	0	0
Other (Non-US)	0	0	0	0	0	0
Command & General Staff Total	0	0	0	0	0	0

Input is the number of students entering during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Output is the number of students graduating during a given fiscal year.

Note: Other = reimbursable workload.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

IV. Performance Criteria and Evaluation Summary (Continued):

Sergeants Major Academy	FY 2002			FY 2003		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	549	415	370	600	528	433
Army Reserve	67	41	41	45	64	41
Army National Guard	18	15	12	10	17	10
Other	8	5	4	9	8	6
Total Direct	642	476	427	664	617	490
Other (Non-US)	36	27	24	30	35	24
Sergeants Major Academy Total	678	503	451	694	652	514
	FY 2004			FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	600	577	451	600	577	451
Army Reserve	48	44	35	48	47	36
Army National Guard	20	10	11	20	19	14
Other	9	9	6	9	9	6
Total Direct	677	640	503	677	652	507
Other (Non-US)	30	29	22	30	29	22
Sergeants Major Academy Total	707	669	525	707	681	529
	Change FY 2003/FY 2004			Change FY 2004/FY 2005		
	INPUT	OUTPUT	WORKLOAD	INPUT	OUTPUT	WORKLOAD
Active Army	0	49	18	0	0	0
Army Reserve	3	(20)	(6)	0	3	1
Army National Guard	10	(7)	1	0	9	3
Other	0	1	0	0	0	0
Total Direct	13	23	13	0	12	4
Other (Non-US)	0	(6)	(2)	0	0	0
Sergeants Major Academy Total	13	17	11	0	12	4

Input is the number of students entering during a given fiscal year.

Workload is the equivalent of student/trainee workyears for a fifty-week fiscal year.

Output is the number of students graduating during a given fiscal year.

Includes Sergeants Major course only. All other courses at the Academy are not included.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Professional Development Education

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	814	690	665	648	-25	-17
Officer	514	410	395	394	-15	-1
Enlisted	300	280	270	254	-10	-16
<u>Civilian End Strength (Total)</u>	739	612	610	602	-2	-8
U.S. Direct Hire	739	612	610	602	-2	-8
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	739	612	610	602	-2	-8
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	896	752	677	656	-75	-21
Officer	554	462	402	394	-60	-8
Enlisted	342	290	275	262	-15	-13
<u>Civilian Full-Time Equivalentents (Total)</u>	643	600	598	594	-2	-4
U.S. Direct Hire	643	600	598	594	-2	-4
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	643	600	598	594	-2	-4
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	323	Totals																
Line	Line	Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC. GEN. SPEC SCHEDULE		47466	0	3.51%	1664	425	49555	0	2.66%	1316	-240	50631	C	2.64%	1337	-374	51594
0103	WAGE BOARD		532	0	3.20%	17	-76	473	0	2.54%	12	1	486	C	2.06%	10	3	499
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)		80	0	0.00%	0	-80	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0106	BENEFITS TO FORMER EMPLOYEES		0	0	0.00%	0	14	14	0	0.00%	C	0	14	C	0.00%	C	C	14
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS		25	0	0.00%	0	-25	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP		48103	0	3.49%	1681	258	50042	0	2.65%	1326	-239	51131	C	2.63%	1347	-371	52107
0308	TRAVEL OF PERSONS		10610	0	1.10%	117	-3496	7231	0	1.50%	106	-109	7231	C	1.60%	116	884	8231
0399	TOTAL TRAVEL		10610	0	1.10%	117	-3496	7231	0	1.51%	106	-109	7231	C	1.60%	116	884	8231
0411	ARMY MANAGED SUPPLIES & MATERIALS		433	0	9.20%	40	5	478	0	4.50%	22	-10	490	C	1.50%	7	-16	481
0415	DLA MANAGED SUPPLIES & MATERIALS		11	0	3.50%	0	3	14	0	-2.90%	C	0	14	C	1.50%	C	-1	13
0416	GSA MANAGED SUPPLIES & MATERIALS		681	0	1.10%	7	55	743	0	1.50%	11	-11	743	C	1.60%	11	-11	743
0499	TOTAL SUPPLIES & MATERIALS PURCHASES		1125	0	4.18%	47	63	1235	0	2.67%	33	-21	1247	C	1.44%	16	-26	1237
0502	ARMY EQUIPMENT		110	0	9.20%	10	7	127	0	4.50%	6	0	133	C	1.50%	2	-6	130
0507	GSA MANAGED EQUIPMENT		2560	0	1.10%	28	437	3025	0	1.50%	46	-45	3025	C	1.60%	46	-46	3025
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES		2670	0	1.42%	38	444	3152	0	1.62%	51	-45	3158	C	1.58%	50	-50	3155
0633	DEFENSE PUBLICATION & PRINTING SERVICE		1798	0	6.20%	111	-987	922	0	-2.00%	-16	18	922	C	0.30%	3	-3	922
0679	COST REIMBURSABLE PURCHASES		2	0	1.10%	0	-2	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES		1800	0	6.17%	111	-989	922	0	-1.95%	-16	18	922	C	0.33%	3	-3	922
0771	COMMERCIAL TRANSPORTATION		18	0	1.10%	0	0	18	0	1.50%	C	0	18	C	1.60%	C	C	18
0799	TOTAL TRANSPORTATION		18	0	0.00%	0	0	18	0	0.00%	C	0	18	C	0.00%	C	C	18
0913	PURCHASED UTILITIES		-1	0	1.10%	0	1	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0914	PURCHASED COMMUNICATIONS		273	0	1.10%	3	6	282	0	1.50%	4	-4	282	C	1.60%	4	-4	282
0917	POSTAL SERVICES (U.S.P.S.)		269	0	0.00%	0	233	502	0	0.00%	C	0	502	C	0.00%	C	C	502
0920	SUPPLIES/MATERIALS (NON FUND)		6860	0	1.10%	76	1205	8141	0	1.50%	122	456	8719	C	1.60%	140	1686	10547
0921	PRINTING AND REPRODUCTION		1	0	1.10%	0	1	2	0	1.50%	C	0	2	C	1.60%	C	C	2
0922	EQUIPMENT MAINTENANCE BY CONTRACT		573	0	1.10%	6	51	630	0	1.50%	9	-9	630	C	1.60%	10	-10	630
0923	FACILITY MAINTENANCE BY CONTRACT		58	0	1.10%	1	-59	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)		5726	0	1.10%	62	1426	7214	0	1.50%	106	8856	16178	C	1.60%	256	-1256	15178
0932	MGMT & PROFESSIONAL SPT SVCS		4182	0	1.10%	46	-4178	50	0	1.50%	1	1	52	C	1.60%	1	2	55
0933	STUDIES, ANALYSIS, & EVALUATIONS		180	0	1.10%	2	-182	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0989	OTHER CONTRACTS		34659	0	1.10%	381	12637	47677	0	1.50%	716	3574	51966	C	1.60%	832	18446	71247
0998	OTHER COSTS		9	0	1.10%	0	-9	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES		52789	0	1.09%	577	11132	64498	0	1.49%	966	12874	78331	C	1.59%	1246	18866	98443
9999	GRAND TOTAL		117115	0	2.20%	2571	7412	127098	0	1.94%	2462	12478	142038	C	1.96%	2780	19296	164113

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Basic Skill and Advanced Training
Subactivity Group: Training Support

I. Description of Operations Financed:

TRAINING SUPPORT - The funds provide for Army-wide support costs of the training establishment and its development of training programs and materials. Additionally, it funds the following programs:

Tactical Equipment Maintenance for institutional training equipment.

Automation training support efforts throughout the various Army and joint schools. This includes courseware development, courseware conversion, managing course and student schedules, and the equipment and software for computer based instruction.

Air Traffic Control Management Army-wide. This includes Army Aviation control of aircraft on the ground and in airspace adjacent to the installation, and operation of navigational facilities.

Temporary duty (travel and per diem) expenses for soldiers attending schooling at the Army's training centers and schools. This includes individual training conducted at Active and Reserve Component units.

Control and supervision over utilization of ranges and training facilities. This includes scheduling use of facilities, training areas and supporting weapons, and actual operation of ranges.

Operations of the Headquarters, U.S. Army Training and Doctrine Command (TRADOC) at Fort Monroe, VA.

Investments in training modernization such as distance learning (for active and reserve component). This includes the transition cost of getting from the current institutional training to a more technologically advanced system. The primary cost drivers for training support are the number of student loads, number of courses, and courseware (Program of Instruction, text, and Doctrine).

The significant change in this subactivity group is reflected in the transfer in of Transformation Installation Management (TIM). TIM identified some Base Support functions as mission functions, then properly realigned support personnel, pay, and operation cost.

II. Force Structure Summary:

TRAINING SUPPORT - Funds the training resources and temporary duty (travel and per diem) expenses for soldiers attending schooling at the Army's training centers and schools. This includes individual training conducted at Active and Reserve Component units.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Training Support	517,901	431,508	388,689	410,478	478,903	573,729
Total	517,901	431,508	388,689	410,478	478,903	573,729

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	431,508	410,478	478,903	
Congressional Adjustments (Distributed)	-11,900			
Congressional Adjustments (Undistributed)	-25,042			
Adjustments to Meet Congressional Intent	0			
General Provisions	-5,877			
SUBTOTAL APPROPRIATED AMOUNT	388,689			
Fact-of-Life Changes	21,789			
SUBTOTAL BASELINE FUNDING	410,478			
Anticipated Supplemental	0			
Reprogramming	0			
Price Change		11,405	10,983	
Functional Transfers		67,221	0	
Program Changes		-10,201	83,843	
CURRENT ESTIMATE	410,478	478,903	573,729	

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	431,508
1. Congressional Adjustments		
a) Distributed Adjustments		
1) Defense Language Institute Net	\$	1,000
2) Fort Knox Distance Learning	\$	2,100
3) Training and Doctrine Command (TRADOC) Transformation	\$	-15,000
Total Distributed Adjustments	\$	-11,900
b) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-23,227
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-241
3) Unobligated Balance	\$	-1,369
4) Undistributed Adjustment	\$	-205
Total Undistributed Adjustments	\$	-25,042
c) Adjustments to Meet Congressional Intent		
d) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-2
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-711
3) Section 8103 - Government Purchase Card Savings	\$	-657

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

d) General Provisions (Continued)

4) Section 8133 - Travel	\$	-642
5) Section 8135 - Revised Economic Assumptions	\$	-3,865

Total General Provisions\$ -5,877

FY 2003 Appropriated Amount.....\$ 388,689

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

Transformation of Installation Management (TIM)	\$	6,408
This Transfer represents the realignment of Transformation of Installation Management (TIM) functions and missions to the appropriate subactivity group.		

2) Transfers Out

a) Army Contract Agency (ACA) Reorganization	\$	-1,591
This transfer represents the realignment of the Army Contracting functions and missions to the appropriate Subactivity Group 431 Administrative.		

b) Network Enterprise and Technology Command (NETCOM) Stand-Up	\$	-2,006
This transfer represents the establishment of Network Enterprise and Technology Command and the realignment of information technology functions and missions to the appropriate Subactivity Group 432.		

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements

One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program\$ 18,979

This one-time increase funds the Military Training Service Support Pilot Program. The mission of this pilot program is to test, analyze and implement the Army's proposed initiative to centralize funds for training service support requirements for temporary duty students to the installations that train the soldier. This test will identify effective short and long-term solutions to achieve better business practices for Army and reduce out-of-pocket expenses incurred by soldiers.

Total Emergent Requirements\$ 18,979

FY 2003 Baseline Funding.....\$ 410,479

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -1

Revised FY 2003 Current Estimate.....\$ 410,478

4. Price Change.....\$ 11,405

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

a) Transfers In

Transformation of Installation Management (TIM)\$ 67,968

The Transformation Installation Management (TIM) business reengineering initiative enhances the day-to-day operations of the Army's Base Operations. Initially, TIM centralized all resources and functions that were traditionally funded and those functions that over time became funded out of base operations. After a comprehensive review of these functions was performed. The Army identified some functions as critical mission support functions. Therefore, these training support functions and resources were transferred to the mission accounts. Resources are being transferred from the Base Support Subactivity Group 325 Base Operations and properly realigned to Training Support mission account. These resources support civilian pay for 895 personnel and supporting operations cost.

Total Transfers In\$ 67,968

b) Transfers Out

U.S. Army Criminal Investigation Command (USACIC)\$ -747

This transfer reflects a movement of 3 companies in U.S. Army Criminal Investigation Command from a Table of Distribution and Allowances (TDA) organization to a Table of Organization and Equipment (TOE) organization, to better support the Army's overall warfighting mission. The transfer specifically moves 819 military personnel and the mission of criminal investigations, logistics security, information assurance and domestic threat intelligence. The transfer is from Subactivity Group 435 and Subactivity Group 324 to Subactivity Group 114.

Total Transfers Out\$ -747

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004	\$	701
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There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Tactical Support - Maintenance of Tactical Equipment	\$	11,177
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(FY 2003 Base: \$ 40,894) This increase is the result of the Institutional Training Resource Model (ITRM) projections of schoolhouse repair parts requirements based on student throughput and the OPTEMPO prescribed in programs of instruction (POI).

The OPTEMPO establishes the equipment usage needed to qualify soldiers and leaders in their skill, job and rank. For example, each student must drive a tank 14 miles to be qualified as a 19K (Armor Crewman). The ITRM model applies standard Army cost factors to the number of students to determine the estimated cost. The increase in cost factors reflects the impact of change in the three-year moving average (FY 2000-2002) of repair parts demand and activity that encompasses the changes in Direct Support Repair Exchange (DSRX), price and credit rates.

Total Program Increases	\$	11,878
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Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases

a) One-Time FY 2003 Costs

- 1) Military Training Specific Allotment (MTSA) Pilot Program\$ -18,979
This reduction represents the one-time FY03 cost of funding the Military Training Service Support Pilot Program. The initiative centralized funds for training service support requirements for temporary duty students to the installations that train the soldier. This test will identify effective short and long-term solutions to achieve better business practices for Army and reduce out-of-pocket expenses incurred by soldiers.
- 2) DLI Language Net\$ -1,000
Reversal of one-time costs funded in FY03 Defense Appropriation
- 3) Fort Knox Distance Learning\$ -2,100
Reversal of one-time costs funded in FY03 Defense Appropriation

b) Annualization of FY 2003 Program Decreases

Total Program Decreases\$ -22,079

FY 2004 Budget Request.....\$ 478,903

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Training Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	4,241	3,795	4,433	4,313	638	-120
Officer	988	906	1,179	1,139	273	-40
Enlisted	3,253	2,889	3,254	3,174	365	-80
<u>Civilian End Strength (Total)</u>	2,853	2,495	3,413	3,291	918	-122
U.S. Direct Hire	2,851	2,494	3,412	3,290	918	-122
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	2,851	2,494	3,412	3,290	918	-122
Foreign National Indirect Hire	2	1	1	1	0	0
<u>Military Average Strength (Total)</u>	4,109	4,018	4,113	4,373	95	260
Officer	1,044	947	1,042	1,159	95	117
Enlisted	3,065	3,071	3,071	3,214	0	143
<u>Civilian Full-Time Equivalent (Total)</u>	2,835	2,446	3,341	3,269	895	-72
U.S. Direct Hire	2,833	2,445	3,340	3,268	895	-72
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	2,833	2,445	3,340	3,268	895	-72
Foreign National Indirect Hire	2	1	1	1	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	324	Totals															
Line	Line		FY 2002	Foreign	Price	Price	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Adjust	Percent	Amount	Amount	Program	Curr	Percent	Amount	Amount	Program	
0101	EXEC, GEN, SPEC SCHEDULE	160362	0	3.28%	5254	-11424	154192	3.74%	5773	64361	224326	C	2.59%	5801	-5032	225095	
0103	WAGE BOARD	19058	0	2.77%	528	-5304	14282	3.11%	444	1254	15980	C	2.10%	335	-965	15349	
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	15	0	0.00%	0	-15	0	0.00%	C	0	0	C	0.00%	C	C	0	
0106	BENEFITS TO FORMER EMPLOYEES	62	0	0.00%	0	-36	26	0.00%	C	-8	18	C	0.00%	C	-1	17	
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	1175	0	0.00%	0	-1175	0	0.00%	C	0	0	C	0.00%	C	C	0	
0199	TOTAL CIV PERSONNEL COMP	180672	0	3.20%	5782	-17954	168500	3.69%	6217	65607	240324	C	2.55%	6135	-5995	240461	
0308	TRAVEL OF PERSONS	86337	0	1.10%	949	-9373	77913	1.50%	1165	-16533	62548	C	1.60%	1000	973	64521	
0399	TOTAL TRAVEL	86337	0	1.10%	949	-9373	77913	1.50%	1165	-16533	62548	C	1.60%	1000	973	64521	
0401	DFSC FUEL	315	0	-16.00%	-49	44	310	8.30%	25	82	417	C	3.30%	14	175	606	
0402	SERVICE FUEL	199	0	-16.00%	-32	28	195	8.30%	15	51	262	C	3.30%	5	105	377	
0411	ARMY MANAGED SUPPLIES & MATERIALS	22350	0	9.20%	2057	267	24674	4.50%	1111	4540	30325	C	1.50%	454	4504	35283	
0412	NAVY MANAGED SUPPLIES & MATERIALS	-25	0	9.60%	-2	415	388	6.10%	24	-24	388	C	4.00%	15	-15	388	
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	10	0	10.30%	1	17	28	18.30%	5	-5	28	C	10.30%	3	-3	28	
0415	DLA MANAGED SUPPLIES & MATERIALS	6981	0	3.50%	244	-2182	5043	-2.90%	-145	1770	6667	C	1.50%	101	637	7405	
0416	GSA MANAGED SUPPLIES & MATERIALS	213	0	1.10%	2	-61	154	1.50%	2	-2	154	C	1.60%	2	-2	154	
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	30043	0	7.39%	2221	-1472	30792	3.37%	1037	6412	38241	C	1.56%	595	5402	44241	
0502	ARMY EQUIPMENT	377	0	9.20%	35	4	416	4.50%	15	86	521	C	1.50%	5	60	589	
0503	NAVY EQUIPMENT	0	0	9.60%	0	3	3	6.10%	C	0	3	C	4.00%	C	C	3	
0505	AIR FORCE EQUIPMENT	0	0	10.30%	0	3	3	18.30%	1	-1	3	C	10.30%	C	C	3	
0506	DLA EQUIPMENT	58	0	3.50%	2	-18	42	-2.90%	-2	2	42	C	1.50%	C	C	42	
0507	GSA MANAGED EQUIPMENT	3695	0	1.10%	40	-1066	2669	1.50%	41	-41	2669	C	1.60%	44	-44	2669	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	4130	0	1.86%	77	-1074	3133	1.88%	55	46	3238	C	1.61%	52	15	3306	
0601	ARMY (ORDNANCE)	350	0	-27.00%	-94	112	368	1.40%	5	-51	322	C	10.10%	33	23	378	
0613	NAVAL AVIATION DEPOTS	17	0	8.80%	1	-18	0	-2.40%	C	0	0	C	2.40%	C	C	0	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	4562	0	6.20%	283	-1387	3458	-2.00%	-65	69	3458	C	0.30%	10	-10	3458	
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	0	0	-1.00%	0	147	147	1.50%	2	-2	147	C	1.60%	2	-2	147	
0679	COST REIMBURSABLE PURCHASES	4	0	1.10%	0	-4	0	1.50%	C	0	0	C	1.60%	C	C	0	
0699	TOTAL INDUSTRIAL FUND PURCHASES	4933	0	3.85%	190	-1150	3973	-1.56%	-62	16	3927	C	1.15%	45	11	3983	
0707	AMC TRAINING	11	0	-1.90%	0	-11	0	2.70%	C	0	0	C	1.00%	C	C	0	
0718	MTMC LINER OCEAN TRANSPORTATION	0	0	-8.40%	0	1	1	-2.60%	C	0	1	C	-2.20%	C	C	1	
0771	COMMERCIAL TRANSPORTATION	354	0	1.10%	4	-56	302	1.50%	5	-5	302	C	1.60%	5	-5	302	
0799	TOTAL TRANSPORTATION	365	0	1.10%	4	-66	303	1.65%	5	-5	303	C	1.65%	5	-5	303	
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	29	-7	3.45%	1	12	35	2.86%	1	0	50	15	4.00%	2	C	68	
0913	PURCHASED UTILITIES	11	0	1.10%	0	-11	0	1.50%	C	0	0	C	1.60%	C	C	0	
0914	PURCHASED COMMUNICATIONS	6463	0	1.10%	70	-16	6517	1.50%	95	-61	6554	C	1.60%	105	-105	6550	
0917	POSTAL SERVICES (U.S.P.S.)	1469	0	0.00%	0	187	1656	0.00%	C	0	1656	C	0.00%	C	C	1656	
0920	SUPPLIES/MATERIALS (NON FUND)	17135	0	1.10%	189	-3449	13875	1.50%	205	-334	13750	C	1.60%	220	9762	23732	
0921	PRINTING AND REPRODUCTION	6	0	1.10%	0	34	40	1.50%	1	-1	40	C	1.60%	1	-1	40	
0922	EQUIPMENT MAINTENANCE BY CONTRACT	5746	0	1.10%	62	-2245	3563	1.50%	52	50	3666	C	1.60%	55	305	4030	
0923	FACILITY MAINTENANCE BY CONTRACT	9682	0	1.10%	106	-2852	6936	1.50%	104	20	7060	C	1.60%	112	264	7436	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	324	Totals																
Line	Line	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
			Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		
0925	EQUIPMENT PURCHASES (NON FUND)	15661	0	1.10%	171	-5980	9852	0	1.50%	147	394	10393	C	1.60%	165	6013	16571	
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	1	0	1.10%	0	-1	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0930	OTHER DEPOT MAINTENANCE	0	0	1.10%	0	8	8	0	1.50%	C	0	8	C	1.60%	C	C	8	
0932	MGMT & PROFESSIONAL SPT SVCS	3472	0	1.10%	38	-3002	508	0	1.50%	7	-7	508	C	1.60%	E	-E	508	
0933	STUDIES, ANALYSIS, & EVALUATIONS	163	0	1.10%	2	3579	3744	0	1.50%	5E	-51	3749	C	1.60%	6C	-5E	3754	
0934	ENGINEERING & TECHNICAL SERVICES	1243	0	1.10%	14	-1257	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0937	LOCALLY PURCHASED FUEL	556	0	-16.00%	-88	151	619	0	8.30%	51	86	756	C	3.30%	2E	287	1068	
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	0	0	1.10%	0	0	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0989	OTHER CONTRACTS	149784	6	1.10%	1646	-72925	78511	1046	1.50%	1194	1381	82132	1044	1.60%	133C	66987	151493	
0998	OTHER COSTS	0	0	1.10%	1	-1	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0999	OTHER PURCHASES	211421	-1	1.05%	2212	-87768	125864	1060	1.53%	1921	1477	130322	106C	1.60%	2087	83445	216914	
9999	GRAND TOTAL	517901	-1	2.21%	11435	-118857	410478	1060	2.52%	10345	57020	478903	106C	2.07%	992C	83843	573729	

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

I. Description of Operations Financed:

Provides vital support to all aspects of training and readiness, as well as quality of life for our soldiers and their families. As with any city, base operations support at Training and Doctrine Command (TRADOC) installations is provided through numerous in-house and contractor run organizations. Funding supports:

Base Operations:

Logistics Services: Supports supply operations, maintenance of installation equipment, transportation services, food services, laundry and dry cleaning.

Engineering Services: Supports utility operations, municipal services such as refuse collection and disposal operations, leased space, and environmental oversight and compliance with national and local laws.

Personnel and Community Services: Supports the operation of personnel support functions for military and civilians. Also included is Morale, Welfare and Recreation services such as gyms, libraries, craft shops, which are made available to soldiers and their families.

Antiterrorism/Force Protection Services: Supports Law Enforcement, Physical Security, and Antiterrorism operations. To ensure the protection of personnel and facilities, funding is provided for services related to vehicle registration, visitor pass control facilities and procedures; communications, lighting and security guard entry control point; vehicle inspection areas; controlled access to mission essential and/or vulnerable areas (MEVAs), High Risk Personnel (HRP), High Risk Targets (HRTs); and Antiterrorism training to support and test security procedures and installation defensive measures to protect from terrorist attack.

Operations of Utilities: Procurement, production and distribution of utilities including expenses for connection charges, increased costs from utility privatization, purchased electricity, steam, hot water, fuels and other utilities; and operation of electrical, heating, air conditioning, refrigeration, water distribution, and wastewater collection and treatment plants and systems.

Utilities Privatization: privatization transfers ownership of utility systems (electric, gas, water and wastewater) to private entities. Privatization provides reliable, safe and efficient utility services and reduces the Army's unfinanced requirement to modernize utility plants. Privatization contracts often increase utility operating costs because the new owners pass the cost of

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

I. Description of Operations Financed (Continued):

recapitalization back to the Army in the form of higher rates. The Army has 36 systems pending sources selection decision in FY 2004.

Municipal Services: Custodial, Pest control, Refuse handling operations, Snow/Ice/Sand removal and Street sweeping. Facilities Engineer Services to include Public Works Management, Real Estate/Real Property Administration, Master Planning and fire and emergency services.

Family Programs: Army Family Programs are Army Community Service (ACS), Child and Youth Services (CYS), Army Family Team Building (AFTB), and Army Family Action Plan (AFAP) in both Active and Reserve Components. CYS funding in FY04 supports Army's ability to meet 65% of the child care demand, and provides services for 20% of eligible DOD youth during out-of-school parental work hours. ACS is funded at levels to ensure increased self-sufficiency, community cohesion, personnel and family preparedness in all phases of deployment, mobilization, stability operations and homeland defense. AFTB funding facilitates building of stronger, more self-reliant families by providing education and readiness training. AFAP is funded to ensure installations can provide this grassroots program which is a mechanism to raise well-being issues of concern and a protocol to work the issues until they are resolved.

Base Communication: Provides base communications support. Functions supported include communications leased from local vendors, maintenance of end-user communications equipment (radios, pagers, fax, others), and includes Civilian Pay, Local Phone Service, Commercial Long Distance, Cell Phone Support, C4 Tech Support and Contract Maintenance.

Environmental Conservation/Compliance/Prevention: Environmental Conservation provides for protection and preservation of natural and cultural resources on Army controlled property. Compliance funds projects and activities implemented to correct deficiencies and achieve compliance with current or new federal, state, local, host nation or final governing standards for environmental quality and management. Prevention funds projects and activities that implement prevention based solutions to correct deficiencies and to achieve and maintain compliance with environmental requirements, regulations, and executive orders, and polices at Army installations.

Audio Visual: Funds audiovisual support services associated with production, acquisition, and support of visual images, either permanently recorded or temporarily displayed, transmitted, or reproduced including in-house or contract operations. Includes graphic art, photo lab, and visual information library equipment maintenance.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA Headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement policies and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

This subactivity group operates and maintains all fifteen installations located under TRADOC.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Base Operations Support	1,017,537	1,006,102	936,557	864,010	819,604	918,600
Total	1,017,537	1,006,102	936,557	864,010	819,604	918,600

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		1,006,102	864,010	819,604
Congressional Adjustments (Distributed)		1,000		
Congressional Adjustments (Undistributed)		-55,739		
Adjustments to Meet Congressional Intent		0		
General Provisions		-14,806		
SUBTOTAL APPROPRIATED AMOUNT		936,557		
Fact-of-Life Changes		-72,547		
SUBTOTAL BASELINE FUNDING		864,010		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			-20,865	17,786
Functional Transfers			-80,048	0
Program Changes			56,507	81,210
CURRENT ESTIMATE		864,010	819,604	918,600

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....		\$1,006,102
1. Congressional Adjustments		
a) Distributed Adjustments		
DoD Monterey Bay Center Furniture & Equipment	\$ 1,000	
Total Distributed Adjustments		\$ 1,000
b) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$ -49,226	
2) Federal Employees Compensation Act (FECA) Surcharge	\$ -592	
3) Undistributed Adjustment	\$ -507	
4) Utilities Privatization	\$ -2,034	
5) Unobligated Balance	\$ -3,380	
Total Undistributed Adjustments		\$ -55,739
c) General Provisions		
1) Section 8135 - Revised Economic Assumptions	\$ -9,553	
2) Section 8133 - Travel	\$ -1,873	
3) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -1,758	
4) Section 8103 - Government Purchase Card Savings	\$ -1,622	
Total General Provisions		\$ -14,806

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Appropriated Amount.....\$ 936,557

2. Fact-Of-Life Changes

a) Functional Transfers

1) Transfers In

Transformation of Installation Management (TIM)\$ 482

Funds provided for the implementation of the Installation Management Agency, (IMA) program management and regional operations. This action aligns resources for the new Transformation of Installation management (TIM) structure and provide equitable, efficient, and effective management of the Army installations.

Total Transfers In\$ 482

2) Transfers Out

Army Contract Agency (ACA) Reorganization\$ -4,003

Transfers missions, functions, resources, and personnel assets from the previously decentralized contracting processes into one organization. Designated to eliminate redundant contracts, ACA leverages Army-wide requirements and gains efficiencies while maintaining effective local capabilities. ACA will act as the single coordinating element, and from the base to deploy contingency contracting operational support to the war fighting commands. This transfer reflects realignment of Army resources between OMA Subactivity Groups 131, Base Support, 133, Management and Operational Headquarters, 324, Training Support, 325, Base Support, 422, Central Supply Activities, 431, Administrative, 432 Service wide Support, and 435 Other Service Support.

Total Transfers Out\$ -4,003

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-Of-Life Changes (Continued)

b) Emergent Requirements

1) Program Growth

Contingency Operations (CONOPS) Support\$ 12,600
 Funds were realigned to OMA Subactivity Groups 325,
 Base Operations Support, 411, Security Programs, 421,
 Servicewide Transportation, and 435, Other Service Support
 in support of emergent Balkan Operations requirements.

2) Program Reductions

Transformation of Installation Management (TIM)\$ -81,626
 This decrease in funding represents the cross leveling
 of our Base Support resources resulting from consolidating
 functions.

FY 2003 Baseline Funding.....\$ 864,010

Revised FY 2003 Current Estimate.....\$ 864,010

3. Price Change.....\$ -20,865

4. Functional Transfers

a) Transfers In

1) Single Stock Fund\$ 10,600

Funds were transferred as a result of the Directorate of
 Logistic (DOL) reimbursable cost for services performed
 under the national Maintenance and Single Stock Fund (SSF)
 programs. Converting SSF reimbursable funding from the
 Army Materiel Command (AMC) to direct funding under

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers (Continued)

a) Transfers In (Continued)

1) Single Stock Fund (Continued)

Installation Management Agency (IMA) supply operations.
Funds transferred from BA1, BA3, and BA4 to BASOPS
accounts to support the Army's supply mission.

2) International Military Education Training (IMET)\$ 1,190

This increase represents an increased in indirect costs
associated with expanding the class capacity to support
the increase in IMET funded students. While IMET tuition
costs is reimbursed, IMET tuition costs do not cover
infrastructure costs such as labs required for language
training, equipment, furniture, classrooms, libraries,
qualified instructors and additional courses.

Total Transfers In\$ 11,790

b) Transfers Out

Transformation of Installation Management (TIM)\$ -78,257

The Transformation of Installation Management (TIM) is one
of several of the Army's Realignment Task Force (RTF)
initiatives that enhance the day-to-day operations of the
Army. TIM reforms Army installation management by
establishing a new organizational structure and funding
methodology for Army garrisons worldwide. It enables
installation commanders to better focus on operational
missions and keeps Army installations uniform relative to
quality of life measures. This transfer represents the
realignment of Mission and Base Support personnel pay and
support costs. Funds will be centrally managed by a newly
established Installation Management Agency (IMA), seven
Regional Offices and the Army Reserve Office. These offices

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers (Continued)

b) Transfers Out (Continued)

Transformation of Installation Management (TIM) (Continued) will provide chain of command oversight of Army garrison base operations and assist installation commanders' focus on mission.

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 748

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Transformation of Installation Management (TIM)\$ 62,889

This increase in funding represents Phase II of the Transformation of Installation Management (TIM). Funds supports personnel, pay, and support costs. Funding will be centrally managed by the newly established Installation Management Agency (IMA), seven regional offices, Army Reserve Offices, and the associated installations. These offices will provide chain of command oversight of the Army Garrison base operations and to assist installation commanders focus on mission.

Total Program Increases\$ 62,889

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Decreases

Program Decreases in FY 2004

1) Base Communications\$ -11,711
(FY 2003 Base: \$25,059) Resources have been streamlined to support equitable standards at all Army Installations worldwide and improve the delivery of services to commanders, soldiers and their families. The Army's intent is to streamline headquarters, create more agile and responsive staff, reduce layers of review and approval, and allow commanders to focus on their mission.

2) Leases (Real Estate Leases)\$ -9,000
(FY 2003 Base: \$0) Decrease in funding is the result of the realignment of funds to pay must fund leases for additional lease space for 450 personnel, primarily in support of Homeland Defense initiatives.

Total Program Decreases\$ -20,711

FY 2004 Budget Request.....\$ 819,604

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Command and Staff (\$ in Thousands)	55,945	62,697	51605	46847
(Military ES)	1282	1266	454	459
(Civilian FTE)	697	603	416	395
 Number of Bases, Total	 16	 16	 16	 16
(CONUS)	16	16	16	16
(Overseas)	0	0	0	0
 Population Served, Total	 228,349	 230,191	 228,723	 228,739
(Military)	162,474	164,729	163,838	164,348
(Civilian)	65,875	65,462	64,885	64,391
 B. Operations (\$ in Thousands)	 296,833	 274,700	 178893	 189672
(Military ES)				
(Civilian FTE)	2155	1907	1419	1342
 Population Served, Total	 228,349	 230,191	 228,723	 228,739
(Military)	162,474	164,729	163,838	164,348
(Civilian)	65,875	65,462	64,885	64,391
 C. Engineering Services (\$ in Thousands)	 281,015	 137,782	 246196	 280404
(Military ES)	88	87	15	14
(Civilian FTE)	1,340	1,663	1,525	1,506
 No. of Officer Quarters	 238	 238	 238	 238
No. of Enlisted Quarters	41,456	41,456	41,456	41,456
 Payment to GSA (\$000)	 0	 0	 0	 0
Standard Level User Charges (\$000)	0	0	0	0
GSA Leased Space (000 Sq Ft)	0	0	0	0
Non-GSA lease Payment (\$00)	0	8,809	8,741	6,973
Non-GSA Leased Space (000 Sq Ft)	0	302	302	302

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Utilities:				
Electricity (MWH)	1,416,650	1,409,495	1,409,495	1,409,495
Heating (MBTU)	5,870,073	5,779,299	5,779,299	5,779,299
Water, Plants, Systems (000 GPD)	83,794	83,794	83,794	83,794
Sewage & Waste Systems (000 GPD)	99,577	99,577	99,577	99,577
Air Conditioning & Refrigeration (Ton)	31,861	31,861	31,861	31,861
D. Logistics Services (\$ in Thousands)	281,015	137,782	246196	280404
(Military ES)	130	106	111	111
(Civilian FTE)	1,207	1,069	1,030	976
Population Served, Total	228,349	230,191	228,723	228,739
(Military)	162,474	164,729	163,838	164,348
(Civilian)	65,875	65,462	64,885	64,391
Number of Motor Vehicles				
Owned	606	606	606	606
Leased	6611	6611	6611	6611
E. Personnel and Community Services (\$ in Thousands)	120,784	92,969	101,930	118,799
Personnel Support	55,008	51,565	52749	52856
(Military ES)	623	621	629	629
(Civilian FTE)	807	511	502	479
Morale, Welfare and Recreation	27,277	19,948	15470	21046
(Military ES)	6	7	0	0
(Civilian FTE)	864	798	788	764
Child and Youth Development Programs	38,499	21,456	33711	44897
Number of Child Development Centers	46	46	46	46
Number of Family Child Care Homes	534	534	534	534
Total Military Child Pop (Infant - 12)	74,418	74,418	74,418	74,418
Total Required Child Care Space	23,146	23,146	23,146	23,146
Total Spaces CDC, FCC, and School Age	15,045	15,097	15,045	15,045
% Spaces in Relation to Required Space	68%	68%	68%	68%
Number of Youth Facilities	18	18	18	18

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

Total Military Youth Pop (Grade 1-12)	74,418	74,418	74,418	74,418
Number of Youth Served	14,884	14,884	14,884	14,884
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
F. Audio Visual - Visual Information (\$ in Thousand)	17,609	17,720	1427	2149
(Military ES)	25	25	0	0
(Civilian FTE)	216	195	9	9
Population Served, Total	228,349	230,191	228,723	228,739
(Military)	162,474	164,729	163,838	164,348
(Civilian)	65,875	65,462	64,885	64,391
G. Base Communication (\$ in Thousand)	25,025	25,059	13496	21027
(Military ES)	85	83	83	77
(Civilian FTE)	168	152	150	149
Population Served, Total	228,349	230,191	228,723	228,739
(Military)	162,474	164,729	163,838	164,348
(Civilian)	65,875	65,462	64,885	64,391
	1,078,226	748,709	839,743	939,302

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Base Operations Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	2,873	2,805	1,803	1,785	-1,002	-18
Officer	545	545	201	207	-344	6
Enlisted	2,328	2,260	1,602	1,578	-658	-24
<u>Civilian End Strength (Total)</u>	7,900	7,030	5,837	5,617	-1,193	-220
U.S. Direct Hire	7,900	7,030	5,837	5,617	-1,193	-220
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	7,900	7,030	5,837	5,617	-1,193	-220
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	2,706	2,839	2,304	1,794	-535	-510
Officer	295	545	373	204	-172	-169
Enlisted	2,411	2,294	1,931	1,590	-363	-341
<u>Civilian Full-Time Equivalent (Total)</u>	7,477	6,898	5,839	5,620	-1,059	-219
U.S. Direct Hire	7,477	6,898	5,839	5,620	-1,059	-219
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	7,477	6,898	5,839	5,620	-1,059	-219
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	325	Totals															
Line	Line		Foreign	Price	Price	Foreign	Price	Price	Program	Foreign	Price	Price	Program	Foreign	Price	Price	Program
Item	Description	FY 2002	Curr	Growth	Growth	Curr	Growth	Growth	Growth	Adjust	Percent	Amount	Growth	Adjust	Percent	Amount	Growth
		Program	Adjust	Percent	Amount	Program	Program	Program	Program	Program	Percent	Amount	Program	Program	Percent	Amount	Program
0101	EXEC, GEN, SPEC SCHEDULE	373669	0	3.38%	12640	-1024	385285	-8.41%	-3241	-113318	239549	679	-11087	2.84%	679	-11087	235260
0103	WAGE BOARD	34454	0	4.29%	1478	4401	40333	-9.78%	-394	-5078	31310	66	-181	2.12%	66	-181	30163
0106	BENEFITS TO FORMER EMPLOYEES	212	0	0.00%	0	-61	151	0.00%	0	-51	100	0	-1	0.00%	0	-1	99
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	2120	0	0.00%	0	1500	3620	0.00%	0	-418	3202	0	-57	0.00%	0	-57	2626
0111	DISABILITY COMPENSATION	13740	0	0.00%	0	3581	17321	0.00%	0	7909	25230	0	821	0.00%	0	821	26051
0199	TOTAL CIV PERSONNEL COMP	424195	0	3.33%	14118	8397	446710	-8.14%	-3636	-110956	299391	746	-1265	2.49%	746	-1265	294199
0308	TRAVEL OF PERSONS	28669	0	1.10%	316	1391	30376	1.50%	45	-10473	20358	32	-67	1.60%	32	-67	20005
0399	TOTAL TRAVEL	28669	0	1.10%	316	1391	30376	1.50%	45	-10473	20358	32	-67	1.60%	32	-67	20005
0401	DFSC FUEL	307	0	-16.00%	-48	43	302	8.30%	2	12	339	11	4	3.30%	11	4	354
0402	SERVICE FUEL	759	0	-16.00%	-121	109	747	8.30%	6	27	836	27	3	3.30%	27	3	866
0411	ARMY MANAGED SUPPLIES & MATERIALS	5993	0	9.20%	551	372	6916	4.50%	31	50	7276	10	-42	1.50%	10	-42	6960
0415	DLA MANAGED SUPPLIES & MATERIALS	5935	0	3.50%	208	-32	6111	-2.90%	-17	286	6221	94	1	1.50%	94	1	6333
0416	GSA MANAGED SUPPLIES & MATERIALS	590	0	1.10%	6	36	632	1.50%	1	2	644	11	1	1.60%	11	1	656
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	414	414	1.50%	1	1	421	0	-7	1.60%	0	-7	420
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	13584	0	4.39%	596	942	15122	1.57%	23	378	15737	25	-40	1.64%	25	-40	15589
0502	ARMY EQUIPMENT	663	0	9.20%	60	9	732	4.50%	3	-1	764	11	-27	1.50%	11	-27	748
0503	NAVY EQUIPMENT	76	0	9.60%	7	-5	78	6.10%	4	-2	80	4	-2	4.00%	4	-2	82
0506	DLA EQUIPMENT	55	0	3.50%	2	-2	55	-2.90%	-2	3	56	1	0	1.50%	1	0	57
0507	GSA MANAGED EQUIPMENT	5564	0	1.10%	62	88	5714	1.50%	8	-18	5781	9	-7	1.60%	9	-7	5796
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	6358	0	2.06%	131	90	6579	1.82%	12	-18	6681	10	-107	1.63%	10	-107	6683
0613	NAVAL AVIATION DEPOTS	11	0	8.80%	1	0	12	-2.40%	0	1	13	0	1	2.40%	0	1	14
0633	DEFENSE PUBLICATION & PRINTING SERVICE	1436	0	6.20%	89	-121	1404	-2.00%	-2	38	1414	4	2	0.30%	4	2	1420
0634	NAVAL PUBLIC WORK CENTERS: UTILITIES	798	0	1.10%	9	-27	780	-8.00%	-6	64	782	2	-1	2.60%	2	-1	784
0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	8	0	2.70%	0	84	92	-2.60%	-2	4	94	2	0	2.60%	2	0	96
0648	ARMY INFORMATION SERVICES (CANCELLED)	364	0	1.10%	4	-368	0	1.50%	0	0	0	0	0	1.60%	0	0	0
0661	DEPOT MAINTENANCE (AIR FORCE): ORGANIC	19	0	13.80%	3	-1	21	19.10%	4	-2	23	2	0	9.40%	2	0	25
0673	DEFENSE FINANCING & ACCOUNTING SERVICE	132423	0	-4.50%	-5959	-55082	71382	14.20%	1013	-8943	72575	312	1378	4.30%	312	1378	89479
0679	COST REIMBURSABLE PURCHASES	561	0	1.10%	6	-567	0	1.50%	0	0	0	0	0	1.60%	0	0	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	135620	0	-4.31%	-5847	-56082	73691	13.64%	1004	-8838	74901	314	1376	4.20%	314	1376	91818
0717	MTMC GLOBAL POV	3	0	-14.70%	0	-3	0	15.60%	0	0	0	0	0	4.60%	0	0	0
0771	COMMERCIAL TRANSPORTATION	6509	0	1.10%	71	507	7087	1.50%	107	38	7232	11	-121	1.60%	11	-121	7227
0799	TOTAL TRANSPORTATION	6512	0	1.09%	71	504	7087	1.51%	107	38	7232	11	-121	1.60%	11	-121	7227
0913	PURCHASED UTILITIES	65915	0	1.10%	725	-2034	64606	1.50%	96	274	65849	105	-93	1.60%	105	-93	65965
0914	PURCHASED COMMUNICATIONS	7412	0	1.10%	81	-345	7148	1.50%	107	-192	7063	11	-10	1.60%	11	-10	7076
0915	RENTS (NON-GSA)	0	0	1.10%	0	8809	8809	1.50%	13	-200	8741	14	-190	1.60%	14	-190	6973
0917	POSTAL SERVICES (U.S.P.S.)	1252	0	0.00%	0	628	1880	0.00%	0	172	2052	0	52	0.00%	0	52	2572
0920	SUPPLIES/MATERIALS (NON FUND)	48194	0	1.10%	529	-8461	40262	1.50%	60	0	40865	65	-64	1.60%	65	-64	40879
0922	EQUIPMENT MAINTENANCE BY CONTRACT	12724	0	1.10%	139	-2782	10081	1.50%	151	-100	10132	16	-9	1.60%	16	-9	10199
0923	FACILITY MAINTENANCE BY CONTRACT	64977	0	1.10%	716	0	65693	1.50%	98	30000	96678	154	-90	1.60%	154	-90	97323
0925	EQUIPMENT PURCHASES (NON FUND)	12767	0	1.10%	142	75	12984	1.50%	19	76470	89649	143	0	1.60%	143	0	91083
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	28	0	1.10%	0	-28	0	1.50%	0	0	0	0	0	1.60%	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	325	Totals																
Line	Line	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
			Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		
0932	MGMT & PROFESSIONAL SPT SVCS	33	0	1.10%	0	-33	0	0	1.50%	C	0	0	C	1.60%	C	C	C	0
0933	STUDIES, ANALYSIS, & EVALUATIONS	44	0	1.10%	0	-44	0	0	1.50%	C	0	0	C	1.60%	C	C	C	0
0937	LOCALLY PURCHASED FUEL	3893	0	-16.00%	-623	1066	4336	0	8.30%	36C	-282	4414	C	3.30%	14E	-6E		4494
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	19085	0	1.10%	209	-17878	1416	0	1.50%	21	137	1574	C	1.60%	2E	377		1976
0989	OTHER CONTRACTS	139062	0	1.10%	1529	-89292	51299	0	1.50%	76E	-1473	50595	C	1.60%	81C	8343E		134844
0998	OTHER COSTS	27213	0	1.10%	298	-11580	15931	0	1.50%	23E	1522	17692	C	1.60%	28C	172C		19695
0999	OTHER PURCHASES	402599	0	0.93%	3745	-121899	284445	0	1.59%	4531	106328	395304	C	1.61%	6367	8140E		483079
9999	GRAND TOTAL	1017537	0	1.29%	13130	-166657	864010	0	-2.41%	-2086E	-23541	819604	C	2.17%	1778E	8121C		918600

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Basic Skill and Advanced Training
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

I. Description of Operations Financed:

The Sustainment, Restoration and Modernization (SRM) program involves the maintenance and repair of the real property infrastructure on an installation. SRM has two distinct categories, Sustainment and Restoration/Modernization. Additionally the Demolition program supports the reduction of the sustainable inventory.

Sustainment:

Sustainment provides resources for maintenance and repair necessary to sustain facilities in its current condition. It includes regularly scheduled adjustments, inspections, preventive maintenance tasks, emergency response, and service calls for minor repairs. The Army goal is to fully sustain (100%) the Army's inventory to prevent further facility deterioration. The Army places a priority on this goal as demonstrated by a 93% funding level for FY 2004. Accordingly, the Army goal is to fully fund all requirements of its strategic mobility inventory to prevent any facility deterioration. The Army continues to place high priority on this goal and has extended the FY 2003 funding level of 93% in FY 2004.

Restoration/Modernization:

These resources, typically programmed as focused facility initiatives, are used for repair/replacement work, restoration of facilities damaged due to lack of sustainment resources, excessive age, natural disaster, fire, accident, alteration of facilities solely to implement new or higher standards (including regulatory changes), accommodation of new functions, or replacement of building components that typically last more than 50 years (such as foundations and structural members).

Demolition:

Demolition of excess facilities supplements the SRM program. The demolition program objective is to eliminate undesirable or excess infrastructure that, over time, reduces the overall resource burden for upkeep of its physical plant. The Army has demolished 47.5 Million square feet to date and plans to continue its policy of demolishing one square foot per one square foot of new construction.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement polices and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

This Subactivity Group operates and maintains the entire real property inventory at all the installations located under U.S. Army Materiel Command, Military Traffic Management Command, Army Test and Evaluation Command and the Army Medical Command.

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Facilities Sustain & Restoration & Mod Prog	242,743	351,864	369,654	338,914	392,550	387,161
Total	242,743	351,864	369,654	338,914	392,550	387,161

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	351,864	338,914	392,550
Congressional Adjustments (Distributed)	2,300		
Congressional Adjustments (Undistributed)	-4,984		
Adjustments to Meet Congressional Intent	26,123		
General Provisions	-5,649		
SUBTOTAL APPROPRIATED AMOUNT	369,654		
Fact-of-Life Changes	-30,740		
SUBTOTAL BASELINE FUNDING	338,914		
Anticipated Supplemental	0		
Reprogramming	0		
Price Change		2,726	6,403
Functional Transfers		-2,271	0
Program Changes		53,181	-11,792
CURRENT ESTIMATE	338,914	392,550	387,161

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	351,864
1. Congressional Adjustments		
a) Distributed Adjustments		
Restoration and Modernization of Dining Facilities	\$	2,300
Total Distributed Adjustments	\$	2,300
b) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-3,125
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-245
3) Undistributed Adjustment	\$	-211
4) Unobligated Balance	\$	-1,403
Total Undistributed Adjustments	\$	-4,984
c) Adjustments to Meet Congressional Intent		
1) Airborne Barracks - Fort Benning, Georgia	\$	2,000
2) Congressional SRM Alignment	\$	24,123
Total Adjustments to Meet Congressional Intent	\$	26,123
d) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-730
2) Section 8103 - Government Purchase Card Savings	\$	-674

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

d) General Provisions (Continued)

3) Section 8133 - Travel	\$	-284
4) Section 8135 - Revised Economic Assumptions	\$	-3,961

Total General Provisions\$ -5,649

FY 2003 Appropriated Amount.....\$ 369,654

2. Fact-of-Life Changes

a) Functional Transfers

Transfers Out

Fort Greely Base Support\$ -2,621

Congress gave OSD authority to retain Fort Greely to support development of a ballistic missile defense system. ACSIM notified USARPAC and SMDC of the decision to transition ownership of the retained portion of Fort Greely (hereinafter referred to as "Right-Sized Fort Greely). FY 03 costs for all currently on-board personnel (46), DOIM requirements for recurring communications costs, information management, and for one-time system upgrades (including an upgraded phone switch, new LAN servers). (Funds reprogrammed to SAG 131)

Total Transfers Out\$ -2,621

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Technical Adjustments

Decreases

Demolition of Excess Facilities\$ -14,432
 Reprogramming of Demolition of Excess Facility to
 realign funding to requirements for demolition in SAG 439.

Total Technical Adjustments\$ -14,432

c) Emergent Requirements

Program Reductions

a) Transformation of Installation Management (TIM)\$ -13,618
 Reprogrammed by Installation management agency for
 expected execution in FY 2003. (Funds reprogrammed to
 SAG 131).

b) Transformation of Installation Management (TIM)\$ -69
 BOS - SRM Alignment - Realigns funding from Sub-
 Activity Groups (SAG) 316, 326, 439 to SAGs 132 and
 214 for facilities sustainment.

Total Program Reductions\$ -13,687

FY 2003 Baseline Funding.....\$ 338,914

Revised FY 2003 Current Estimate.....\$ 338,914

3. Price Change.....\$ 2,726

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers

Transfers Out

Transformation of Installation Management (TIM)\$ -2,271

The Transformation of Installation Management (TIM) is one of several of the Army's Realignment Task Force (RTF) initiatives that enhance the day-to-day operations of the Army. TIM reforms Army installation management by establishing a new organizational structure and funding methodology for Army garrisons worldwide. It enables installation commanders to better focus on operational missions and keep Army installations uniform relative to quality of life measures. This transfer represents the realignment of Mission and Base Support personnel pay and support costs. Funds will be centrally managed by a newly established Installation Management Agency (IMA), seven Regional Offices and the Army Reserve Office. These offices will provide chain of command oversight of Army garrison base operations and assist installation commanders' focus on mission.

Total Transfers Out\$ -2,271

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 40

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 40

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004

1) Facilities Sustainment\$ 47,541

This increase in funding provides sustainment for maintenance and repair, on the Army's aging infrastructure for preventive maintenance of utility systems; exterior maintenance of buildings; heating, ventilation, and air conditioning system repairs; plumbing and electrical repairs; roof replacements; and road repairs. This will reverse the long-term accumulation of deficiencies in facilities, in terms of deterioration, obsolescence and operational capacity. Sustainment of our installation is funded at 93% of requirements.

2) Demolition of Excess Facilities\$ 5,600

Demolition of excess facilities supplements the SRM program. The demolition program objective is to eliminate undesirable or excess infrastructure that, over time, reduces the overall resource burden for upkeep of its physical plant. The Army has demolished 47.5 MSF to date and plan to continue its policy of demolishing one square foot per one square foot of new construction. The Army's goal is to demolish 2.7 MSF of excess facilities in SAGs 316, 326 and 439.

Total Program Growth in FY 2004\$ 53,141

FY 2004 Budget Request.....\$ 392,550

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Facilities Sustainment (\$000)	172,988	338,914	381,167	378,708
B. Facilities Restoration & Modernization (\$000)	69,286	0	888	558
Utilities (XXX)				
Buildings (KSF)	80,380	75,977	88,336	88,367
Pavements (KSY)	85,494	88,243	88,243	88,243
Land (AC)	2,777,595	2,964,556	2,964,556	2,964,556
Other Facilities (KSF)	2,649	2,504	2,911	2,912
Railroad Trackage (KLF)	634	671	672	673
Facility Reduction Program (\$000)	469	0	10,495	7,895
C. Administration & Support *	36,341	50,837	57,308	56,890
Number of A&E Contracts**				
Planning & Design Funds *	6,929	0	89	56
Military Average Strength				
Civilian Personnel Full-Time Equivalents				
Total Personnel	0	0	0	0
Number of Installations	16	16	16	16
"C" Rating	C3	C3	C3	C3

* Memo entries - Dollars included in Facilities Sustainment and Restoration & Modernization

** This Information is Not Currently Available

Budget Activity/Activity Group: Training and Recruiting/Basic Skill and Advanced Training
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	3	3	3	3	0	0
Officer	0	0	0	0	0	0
Enlisted	3	3	3	3	0	0
<u>Civilian End Strength (Total)</u>	619	347	342	332	-5	-10
U.S. Direct Hire	619	347	342	332	-5	-10
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	619	347	342	332	-5	-10
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	1	3	3	3	0	0
Officer	0	0	0	0	0	0
Enlisted	1	3	3	3	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	744	342	339	331	-3	-8
U.S. Direct Hire	744	342	339	331	-3	-8
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	744	342	339	331	-3	-8
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	326	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	15280	0	0.51%	78	-12882	2476	0	-6.38%	-158	-1627	691	C	7.24%	50	-118	623
0103	WAGE BOARD	27091	0	2.36%	640	-10202	17529	0	-10.72%	-187	-1198	14452	C	2.16%	312	-322	14441
0106	BENEFITS TO FORMER EMPLOYEES	358	0	0.00%	0	-328	30	0	0.00%	C	-7	23	C	0.00%	C	C	23
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	275	0	0.00%	0	-275	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP	43004	0	1.67%	718	-23687	20035	0	-10.17%	-2037	-2832	15166	C	2.39%	362	-441	15087
0308	TRAVEL OF PERSONS	388	0	1.10%	4	-62	330	0	1.50%	5	-31	304	C	1.60%	5	-13	296
0399	TOTAL TRAVEL	388	0	1.03%	4	-62	330	0	1.52%	5	-31	304	C	1.64%	5	-13	296
0415	DLA MANAGED SUPPLIES & MATERIALS	169	0	3.50%	6	-8	167	0	-2.90%	-5	-12	150	C	1.50%	2	-15	137
0416	GSA MANAGED SUPPLIES & MATERIALS	106	0	1.10%	1	-42	65	0	1.50%	1	-1	65	C	1.60%	1	-1	65
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	275	0	2.55%	7	-50	232	0	-1.72%	-4	-13	215	C	1.40%	3	-16	202
0506	DLA EQUIPMENT	1	0	3.50%	0	0	1	0	-2.90%	C	0	1	C	1.50%	C	C	1
0507	GSA MANAGED EQUIPMENT	42	0	1.10%	0	-20	22	0	1.50%	C	0	22	C	1.60%	C	C	22
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	43	0	0.00%	0	-20	23	0	0.00%	C	0	23	C	0.00%	C	C	23
0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	340	0	2.70%	9	-29	320	0	-2.60%	-8	28	340	C	2.60%	9	-3	346
0699	TOTAL INDUSTRIAL FUND PURCHASES	340	0	2.65%	9	-29	320	0	-2.50%	-8	28	340	C	2.65%	9	-3	346
0771	COMMERCIAL TRANSPORTATION	198	0	1.10%	2	-4	196	0	1.50%	3	-3	196	C	1.60%	3	-3	196
0799	TOTAL TRANSPORTATION	198	0	1.01%	2	-4	196	0	1.53%	3	-3	196	C	1.53%	3	-3	196
0920	SUPPLIES/MATERIALS (NON FUND)	16470	0	1.10%	181	-962	15689	0	1.50%	235	1980	17904	C	1.60%	285	21	18211
0922	EQUIPMENT MAINTENANCE BY CONTRACT	2	0	1.10%	0	5	7	0	1.50%	C	0	7	C	1.60%	C	20	27
0923	FACILITY MAINTENANCE BY CONTRACT	100199	0	1.10%	1102	122813	224114	0	1.50%	3362	52435	279911	C	1.60%	4475	-9404	274986
0925	EQUIPMENT PURCHASES (NON FUND)	8402	0	1.10%	92	-92	8402	0	1.50%	125	-168	8360	C	1.60%	134	-134	8360
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	21745	0	1.10%	239	-2002	19982	0	1.50%	300	1156	21438	C	1.60%	343	57	21838
0989	OTHER CONTRACTS	29172	0	1.10%	321	-397	29096	0	1.50%	437	-1251	28282	C	1.60%	452	-1515	27220
0998	OTHER COSTS	22505	0	1.10%	247	-2264	20488	0	1.50%	307	-391	20404	C	1.60%	325	-361	20369
0999	OTHER PURCHASES	198495	0	1.10%	2182	117101	317778	0	1.50%	4767	53761	376306	C	1.60%	6021	-11316	371011
9999	GRAND TOTAL	242743	0	1.20%	2922	93249	338914	0	0.80%	2725	50910	392550	C	1.63%	6400	-11792	387161

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

I. Description of Operations Financed:

RECRUITING AND ADVERTISING - Recruiting is a key component of the Army's imperative to maintain the highest quality force possible. This request provides funding to recruit sufficient manpower to sustain the Active Army. Quality requirements in the rapidly diminishing market of eligibles necessitate innovative marketing methods to attract and access recruits with the particular qualifications needed to operate the Army's modern, technologically advanced weaponry, telecommunications systems, and equipment. By placing an emphasis on college and high school senior/graduate markets, prospects are recruited. Performance measures are the number of recruit contracts.

Advertising finances the use of mass media advertising and publicity for persuasively communicating reasons for enlistment to young people and those adults (e.g., family members, school officials) who may influence their decisions. Our best prospects are motivated by opportunities for personal growth in challenging situations; help in pursuing long range occupational and educational goals through technical training; and money for college. Advertising is for enlisted and officer recruiting.

II. Force Structure Summary:

The recruiting force structure consists of U.S. Army Recruiting Command (USAREC), which has 5 separate brigades providing command and control of 41 battalions and 243 separate companies. This force structure is geographically dispersed nationwide in support of the recruiting stations.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Recruiting and Advertising	449,321	458,788	445,430	451,827	468,035	483,583
Total	449,321	458,788	445,430	451,827	468,035	483,583

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	458,788	451,827	468,035	
Congressional Adjustments (Distributed)	-5,000			
Congressional Adjustments (Undistributed)	-7,424			
Adjustments to Meet Congressional Intent	0			
General Provisions	-934			
SUBTOTAL APPROPRIATED AMOUNT	445,430			
Fact-of-Life Changes	6,397			
SUBTOTAL BASELINE FUNDING	451,827			
Anticipated Supplemental	0			
Reprogramming	0			
Price Change		7,108	8,058	
Functional Transfers		2,714	0	
Program Changes		6,386	7,490	
CURRENT ESTIMATE	451,827	468,035	483,583	

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	458,788
1. Congressional Adjustments		
a) Distributed Adjustments		
Contract Recruiting Companies	\$	-5,000
Total Distributed Adjustments	\$	-5,000
b) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-7,120
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-41
3) Unobligated Balance	\$	-229
4) Undistributed Adjustment	\$	-34
Total Unobligated Balance	\$	-7,424
c) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-119
2) Section 8103 - Government Purchase Card Savings	\$	-110
3) Section 8135 - Revised Economic Assumptions	\$	-659
4) Section 8133 - Travel	\$	-46
Total General Provisions	\$	-934
FY 2003 Appropriated Amount.....	\$	445,430

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

Personnel Security Screening Program (PSSP)	\$ 3,300
Realigns resources related to the PSSP from Total Personnel Command to the US Army Recruiting Command (USAREC), within the Operations and Maintenance, Army appropriation from Subactivity Group (SAG) 433, Manpower Management, to SAG 331, Recruiting and Advertising. PSSP ensures applicants requesting Military Occupational Specialties (MOS) requiring Top Secret Clearances (TSC) are screened for clearances prior to being accessed into the Army. This transfer would enhance the program by providing direct accession support.	

2) Transfers Out

Partnership For Youth Success (PaYS)	\$ -210
Funding realigned to Subactivity Group 434 to support the Army Career and Alumni Program (ACAP) portion of the PAYS program.	

b) Emergent Requirements

Program Growth

NASCAR Advertising	\$ 3,307
Funding provided to support the Army Motor Sports Pilot Program.	

FY 2003 Baseline Funding.....	\$ 451,827
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Revised FY 2003 Current Estimate.....	\$ 451,827
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Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Price Change.....\$ 7,108

4. Functional Transfers

a) Transfers In

Army Marketing Program\$ 5,899

(FY 2003 Base: \$196,944) The Army has consolidated its resources and oversight of advertising and marketing by establishing the Army Marketing Program. The increase represents the consolidation of the program's resources that are being realigned from Subactivity Group 336. The Army marketing program encompasses the requirements from across the Army to include the US Army Recruiting Command, Cadet Command and HQ Department of the Army. This program supports such items as, event marketing, television advertising, pamphlet production, National Hot Rod Association, the Army Brand Group, and other marketing and advertising items. Funding increase is reflected in the OP-32 line 989.

b) Transfers Out

Personnel Security Investigation\$ -3,185

This reflects the transfer of DoD Personnel Security Investigations activities to the Office of Personnel Management (OPM). The OPM will be the central provider of these services for the Government.

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 206

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004

Army Recruit Info Support System	\$ 6,180
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(FY 2003 Base: \$23,184) This increase will support the replacement of 2,686 Recruiter Work Station laptops for the Army, National Guard and Army Reserve recruiting force. The recruiter's laptop is his pacing item, as important to the recruiter as a rifle is to a combat soldier. The recruiters operate in a dynamic and competitive market and must have rugged and reliable equipment to avoid costly "out of battle" down time for maintenance and repairs.

This program supports the Army Recruiting Mission for all military components. Funding provides core information technology hardware/software services for US Army Recruiting Command (USAREC), including support personnel, and post-deployment system support (PDSS) for the Army Recruiting Information Support System (ARISS). Funding increase is generally reflected in the OP-32 line 925.

FY 2004 Budget Request.....	\$ 468,035
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Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

IV. Performance Criteria and Evaluation Summary (Continued):

RECRUITING AND ADVERTISING

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
Non-Prior Service Males	59.8	55.4	52.5	56.6	-2.9	4.1
Non-Prior Service Females	13.5	14.0	14.8	16.0	0.8	1.1
Total Non-Prior Service	73.3	69.4	67.3	72.5	-2.1	5.2
Prior Service	6.3	4.4	5.0	5.0	0.6	0.0
Total	79.6	73.8	72.3	77.5	-1.5	5.2

Total represent the accessions target.

I-III A - represent the target for recruits scoring in the 3 highest test score categories.

HSDG - High School Diploma Graduates.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Recruiting and Advertising

V. Personnel Summary:

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>Change</u>	<u>Change</u>
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>FY</u>	<u>FY</u>
					<u>2003/FY</u>	<u>2004/FY</u>
					<u>2004</u>	<u>2005</u>
<u>Active Military End Strength (Total)</u>	10,120	8,974	8,947	8,922	-27	-25
Officer	756	648	621	621	-27	0
Enlisted	9,364	8,326	8,326	8,301	0	-25
 <u>Civilian End Strength (Total)</u>	 1,109	 1,092	 1,119	 1,119	 27	 0
U.S. Direct Hire	1,109	1,092	1,119	1,119	27	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	1,109	1,092	1,119	1,119	27	0
Foreign National Indirect Hire	0	0	0	0	0	0
 <u>Military Average Strength (Total)</u>	 9,594	 9,547	 8,960	 8,934	 -587	 -26
Officer	680	702	634	621	-68	-13
Enlisted	8,914	8,845	8,326	8,313	-519	-13
 <u>Civilian Full-Time Equivalent (Total)</u>	 1,149	 1,071	 1,084	 1,097	 13	 13
U.S. Direct Hire	1,149	1,071	1,084	1,097	13	13
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	1,149	1,071	1,084	1,097	13	13
	0	0	0	0	0	0

Personnel Summary Explanations:

FY 2003 fully implemented the 10 Contract Recruiting Companies, which allowed for the reduction in military recruiters in FY 2004.

 Foreign National Indirect Hire

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	331	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	61738	0	3.84%	2369	4503	68610	0	2.78%	1900	978	71497	C	2.77%	1977	748	74222
0103	WAGE BOARD	645	0	4.34%	28	121	794	0	2.90%	20	3	820	C	2.20%	18	C	838
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	2	2	0	0.00%	C	0	2	C	0.00%	C	C	2
0111	DISABILITY COMPENSATION	0	0	0.00%	0	370	370	0	0.00%	C	13	383	C	0.00%	C	14	397
0199	TOTAL CIV PERSONNEL COMP	62383	0	3.84%	2397	4996	69776	0	2.77%	1930	994	72702	C	2.74%	1990	762	75459
0308	TRAVEL OF PERSONS	62999	0	1.10%	693	-2714	60978	0	1.50%	914	-4261	57631	C	1.60%	922	70	58631
0399	TOTAL TRAVEL	62999	0	1.10%	693	-2714	60978	0	1.50%	914	-4261	57631	C	1.60%	922	70	58631
0411	ARMY MANAGED SUPPLIES & MATERIALS	287	0	9.20%	26	-1	312	0	4.50%	10	-7	318	C	1.50%	5	10	339
0415	DLA MANAGED SUPPLIES & MATERIALS	4	0	3.50%	0	0	4	0	-2.90%	C	0	4	C	1.50%	C	C	4
0416	GSA MANAGED SUPPLIES & MATERIALS	386	0	1.10%	4	-1	389	0	1.50%	0	-6	389	C	1.60%	7	-7	389
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	677	0	4.43%	30	-2	705	0	2.70%	10	-13	711	C	1.69%	12	0	732
0502	ARMY EQUIPMENT	314	0	9.20%	28	0	342	0	4.50%	10	14	371	C	1.50%	5	1	377
0507	GSA MANAGED EQUIPMENT	13	0	1.10%	0	-1	12	0	1.50%	C	0	12	C	1.60%	C	C	12
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	327	0	8.56%	28	-1	354	0	4.24%	10	14	383	C	1.31%	5	1	389
0633	DEFENSE PUBLICATION & PRINTING SERVICE	11194	0	6.20%	694	1634	13522	0	-2.00%	-271	970	14221	C	0.30%	40	290	14557
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	0	0	-1.00%	0	46	46	0	1.50%	1	-1	46	C	1.60%	1	-1	46
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	0	0	1.10%	0	1993	1993	0	0.00%	C	8	2001	C	1.60%	30	377	2410
0699	TOTAL INDUSTRIAL FUND PURCHASES	11194	0	6.20%	694	3673	15561	0	-1.74%	-270	977	16268	C	0.47%	70	660	17013
0771	COMMERCIAL TRANSPORTATION	1172	0	1.10%	13	278	1463	0	1.50%	20	-14	1471	C	1.60%	20	-10	1475
0799	TOTAL TRANSPORTATION	1172	0	1.11%	13	278	1463	0	1.50%	20	-14	1471	C	1.56%	20	-10	1475
0913	PURCHASED UTILITIES	1	0	1.10%	0	134	135	0	1.50%	0	-2	135	C	1.60%	0	-2	135
0914	PURCHASED COMMUNICATIONS	3060	0	1.10%	34	-377	2717	0	1.50%	41	56	2814	C	1.60%	40	60	2922
0917	POSTAL SERVICES (U.S.P.S.)	2709	0	0.00%	0	2202	4911	0	0.00%	C	63	4974	C	0.00%	C	20	4999
0920	SUPPLIES/MATERIALS (NON FUND)	107836	0	1.10%	1187	241	109264	0	1.50%	1630	630	111532	C	1.60%	1780	-770	112541
0921	PRINTING AND REPRODUCTION	16107	0	1.10%	177	-6106	10178	0	1.50%	150	-129	10202	C	1.60%	160	-162	10203
0922	EQUIPMENT MAINTENANCE BY CONTRACT	3800	0	1.10%	42	94	3936	0	1.50%	50	-8	3987	C	1.60%	64	-40	4002
0923	FACILITY MAINTENANCE BY CONTRACT	0	0	1.10%	0	0	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	18181	0	1.10%	199	62	18442	0	1.50%	277	5152	23871	C	1.60%	380	100	24361
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	14	0	1.10%	0	-14	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0930	OTHER DEPOT MAINTENANCE	0	0	1.10%	0	182	182	0	1.50%	0	-3	182	C	1.60%	0	-3	182
0932	MGMT & PROFESSIONAL SPT SVCS	32	0	1.10%	0	-32	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0933	STUDIES, ANALYSIS, & EVALUATIONS	176	0	1.10%	2	-178	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0937	LOCALLY PURCHASED FUEL	61	0	-16.00%	-10	16	67	0	8.30%	0	-1	71	C	3.30%	0	0	78
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	0	0	1.10%	0	0	0	0	1.50%	1	-1	0	C	1.60%	1	-1	0
0989	OTHER CONTRACTS	158592	0	1.10%	1744	-7178	153158	0	1.50%	2297	5646	161101	C	1.60%	2570	6780	170461
0999	OTHER PURCHASES	310569	0	1.09%	3375	-10954	302990	0	1.48%	4470	11403	318869	C	1.58%	5020	5990	329884
9999	GRAND TOTAL	449321	0	1.61%	7230	-4724	451827	0	1.57%	7100	9100	468035	C	1.72%	8050	7490	483583

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Recruiting and Other Training and Education
Subactivity Group: Examining

I. Description of Operations Financed:

EXAMINING - The Army, as the DoD Executive Agent, provides funding and personnel resources to support the operation of the United States Military Entrance Processing Command (USMEPCOM). This Joint Service Command aptitudinally and medically qualifies and administratively processes individuals for all Armed Services. USMEPCOM enlists applicants during peacetime and inducts registrants conscripted through the Selective Service System (SSS) during mobilization. Aptitude testing is conducted in the Military Entrance Processing Stations (MEPS), at approximately 553 Mobile Examining Team sites, and in both CONUS and OCONUS schools by MEPS and Office of Personnel Management personnel. Requested funding also supports the Joint Computer Center (JCC), which is shared with the SSS (and will be used by the SSS if the draft is reactivated). Performance measures are the MEPS accession workload, production testing, medical testing, and aptitude testing for all Services.

II. Force Structure Summary:

The examining force structure consists of a jointly staffed command and two separate brigade equivalent commands that provide command and control of 65 MEPS. MEPCOM is funded through TRADOC with operational control remaining with the Office of the Assistant Secretary of Defense for Personnel and Readiness. The MEPS are geographically dispersed throughout the Continental United States, Hawaii, Alaska, and Puerto Rico.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Examining

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Examining	76,313	87,568	79,674	79,674	83,269	82,809
Total	76,313	87,568	79,674	79,674	83,269	82,809

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	87,568	79,674	83,269	
Congressional Adjustments (Distributed)	0			
Congressional Adjustments (Undistributed)	-7,894			
Adjustments to Meet Congressional Intent	0			
General Provisions	0			
SUBTOTAL APPROPRIATED AMOUNT	79,674			
Fact-of-Life Changes	0			
SUBTOTAL BASELINE FUNDING	79,674			
Anticipated Supplemental	0			
Reprogramming	0			
Price Change		1,679	1,817	
Functional Transfers		0	0	
Program Changes		1,916	-2,277	
CURRENT ESTIMATE	79,674	83,269	82,809	

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Examining

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	87,568
1. Congressional Adjustments		
Undistributed Adjustments		
Civil Service Retirement System (CSRS) Accrual Reversal	\$	-7,894
Total Congressional Adjustments	\$	-7,894
FY 2003 Appropriated Amount.....	\$	79,674
FY 2003 Baseline Funding.....	\$	79,674
Revised FY 2003 Current Estimate.....	\$	79,674
2. Price Change.....	\$	1,679
3. Program Increases		
a) One-Time FY 2004 Costs		
Additional Compensable Day in FY 2004	\$	145
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).		
b) Program Growth in FY 2004		
Military Entrance Processing Command (MEPCOM) Integrated Resource System	\$	1,771
(FY 2003 Base: \$12,567) The funding supports the MEPCOM Integrated Resource System (MIRS) which is a joint system that processes all new enlisted accession into the Armed Forces. MIRS provides the automation infrastructure and support		

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Examining

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

Military Entrance Processing Command (MEPCOM) Integrated Resource System (Continued) required for operations of the 65 Military Entrance Processing Stations and Headquarters MEPCOM. Army is the Executive Agent. This increase supports a 20% life cycle replacement for 15 MIRS servers. It also funds a transformation initiative to make MIRS a web-based application. Funding increase is reflected in the OP-32 lines 925 and 989.

Total Program Increases	\$	1,916
FY 2004 Budget Request.....	\$	83,269

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Examining

IV. Performance Criteria and Evaluation Summary:

EXAMINING

(# in 000s)	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>MEPS Accession Workload (1)</u>						
Army (Active and RC)	138.62	144.8	150.5	144.2	5.7	-6.3
Navy	53.3	49.5	55.7	58.2	6.2	2.5
Air Force	36.5	39.3	35.9	33.3	-3.4	-2.6
Marines	39.5	42.7	41.4	42.3	-1.3	0.9
Coast Guard	4.3	4.9	4.9	4.9	0.0	0.0
Total	272.2	281.2	288.4	282.9	7.2	-5.5
<u>Production Testing (1)</u>						
Army	298.6	318.8	326.3	313.1	7.5	-13.2
Navy	109.2	105.7	115.2	120.8	9.5	5.6
Air Force	86.5	99.6	89.7	83.4	-9.9	-6.3
Marines	64.1	71.5	69.0	71.0	-2.5	2.0
Coast Guard	14.9	13.6	13.6	13.6	0.0	0.0
Total	573.2	609.1	613.9	601.9	4.8	-12.0
<u>Medical Testing (1)</u>						
Army	200.7	198.1	203.3	195.4	5.3	-7.9
Navy	74.9	70.8	79.9	83.4	9.1	3.5
Air Force	64.0	71.8	64.0	59.7	-7.8	-4.3
Marines	54.8	58.6	56.7	58.2	-1.9	1.5
Coast Guard	9.9	9.0	9.0	9.0	0.0	0.0
Total	404.3	408.3	412.8	405.6	4.5	-7.2
Aptitude Testing (Students)	776.9	792.4	808.3	824.4	15.9	16.1

Notes: (1) MEPS Accession Workload, Production Testing (Enlistment Testing), and Medical Exams data (FY03-FY05) from Apr 2002 Workload Forecast Report (FY02 from QuIC-R); and (2) Student Aptitude Testing Data (from QuIC-R SY 02 as of 17 Jul 02). Forecast years based on 2% increase per year.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Examining

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	736	604	604	604	0	0
Officer	127	129	129	129	0	0
Enlisted	609	475	475	475	0	0
<u>Civilian End Strength (Total)</u>	791	981	981	981	0	0
U.S. Direct Hire	791	981	981	981	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	791	981	981	981	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	663	670	604	604	-66	0
Officer	121	128	129	129	1	0
Enlisted	542	542	475	475	-67	0
<u>Civilian Full-Time Equivalent (Total)</u>	906	962	962	962	0	0
U.S. Direct Hire	906	962	962	962	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	906	962	962	962	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	332	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	43984	0	3.70%	1628	3020	48632	0	2.66%	1296	99	50027	C	2.65%	1324	-87	51264
0103	WAGE BOARD	163	0	5.52%	9	92	264	0	2.65%	7	1	272	C	2.21%	6	1	279
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	21	21	0	0.00%	C	1	22	C	0.00%	C	1	23
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	16	0	0.00%	0	-16	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0111	DISABILITY COMPENSATION	0	0	0.00%	0	503	503	0	0.00%	C	18	521	C	0.00%	C	18	539
0199	TOTAL CIV PERSONNEL COMP	44163	0	3.71%	1637	3620	49420	0	2.64%	1306	119	50842	C	2.62%	1330	-67	52105
0308	TRAVEL OF PERSONS	3781	0	1.10%	42	-256	3567	0	1.50%	54	-54	3567	C	1.60%	57	-57	3567
0399	TOTAL TRAVEL	3781	0	1.11%	42	-256	3567	0	1.51%	54	-54	3567	C	1.60%	57	-57	3567
0415	DLA MANAGED SUPPLIES & MATERIALS	1	0	3.50%	0	0	1	0	-2.90%	C	0	1	C	1.50%	C	C	1
0416	GSA MANAGED SUPPLIES & MATERIALS	37	0	1.10%	0	-9	28	0	1.50%	C	0	28	C	1.60%	C	C	28
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	38	0	0.00%	0	-9	29	0	0.00%	C	0	29	C	0.00%	C	C	29
0502	ARMY EQUIPMENT	159	0	9.20%	14	-1	172	0	4.50%	8	-1	179	C	1.50%	8	-11	171
0507	GSA MANAGED EQUIPMENT	473	0	1.10%	5	-5	473	0	1.50%	7	-7	473	C	1.60%	8	-8	473
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	632	0	3.01%	19	-6	645	0	2.33%	15	-8	652	C	1.69%	11	-19	644
0601	ARMY (ORDNANCE)	20	0	-27.00%	-5	-4	11	0	1.40%	C	0	11	C	10.10%	1	-1	11
0633	DEFENSE PUBLICATION & PRINTING SERVICE	1383	0	6.20%	86	-79	1390	0	-2.00%	-28	39	1401	C	0.30%	4	18	1420
0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	76	0	2.70%	2	156	234	0	-2.60%	-8	6	234	C	2.60%	6	-6	234
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	0	0	1.10%	0	660	660	0	0.00%	C	5	665	C	1.60%	11	-1	675
0699	TOTAL INDUSTRIAL FUND PURCHASES	1479	0	5.61%	83	733	2295	0	-1.48%	-34	50	2311	C	0.95%	22	7	2340
0771	COMMERCIAL TRANSPORTATION	357	0	1.10%	4	-259	102	0	1.50%	2	-2	102	C	1.60%	2	-2	102
0799	TOTAL TRANSPORTATION	357	0	1.12%	4	-259	102	0	1.96%	2	-2	102	C	1.96%	2	-2	102
0913	PURCHASED UTILITIES	169	0	1.10%	2	-93	78	0	1.50%	1	-1	78	C	1.60%	1	-1	78
0914	PURCHASED COMMUNICATIONS	341	0	1.10%	3	-344	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0917	POSTAL SERVICES (U.S.P.S.)	1315	0	0.00%	0	-290	1025	0	0.00%	C	-5	1020	C	0.00%	C	-180	840
0920	SUPPLIES/MATERIALS (NON FUND)	1517	0	1.10%	16	481	2014	0	1.50%	30	36	2080	C	1.60%	36	-219	1894
0921	PRINTING AND REPRODUCTION	9	0	1.10%	0	-9	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	5203	0	1.10%	58	-557	4704	0	1.50%	71	66	4841	C	1.60%	77	28	4941
0923	FACILITY MAINTENANCE BY CONTRACT	3	0	1.10%	0	-3	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	2245	0	1.10%	25	-30	2240	0	1.50%	38	1233	3506	C	1.60%	58	528	4091
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	580	0	1.10%	6	-586	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0930	OTHER DEPOT MAINTENANCE	0	0	1.10%	0	3	3	0	1.50%	C	0	3	C	1.60%	C	C	3
0933	STUDIES, ANALYSIS, & EVALUATIONS	749	0	1.10%	8	-757	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0989	OTHER CONTRACTS	13728	0	1.10%	151	-327	13552	0	1.50%	204	482	14238	C	1.60%	228	-2291	12175
0998	OTHER COSTS	4	0	1.10%	0	-4	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	25863	0	1.04%	269	-2516	23616	0	1.44%	338	1811	25766	C	1.53%	398	-2138	24022
9999	GRAND TOTAL	76313	0	2.69%	2054	1307	79674	0	2.11%	1678	1916	83269	C	2.18%	1817	-2277	82809

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Recruiting and Other Training and Education
Subactivity Group: Off-Duty and Voluntary Education

I. Description of Operations Financed:

OFF-DUTY AND VOLUNTARY EDUCATION - These funds provide military members an opportunity to improve skills and prepare for future assignments. This program resources the Army Continuing Education System (ACES) which is an integrated system of self-development education providing programs and services that support Army readiness, recruitment and retention. Additionally, the program maximizes job proficiency by providing personal and professional development of the soldier. ACES also provides Veterans' benefits counseling which aids the soldier in making informed career decisions by providing information regarding unemployment rates, education benefits earned, and reserve component opportunities and benefits. Also included is the Veterans Education Assistance Program (VEAP), as authorized by Public Law 94-502 and Public Law 96-342, which provides funds to support contract obligations for educational incentives from 1 January 1977 through 30 June 1985. Basic VEAP replaced the Vietnam Era GI Bill which terminated on 31 December 1976. All Service members regardless of rank, who signed contracts 1 January 1977 through 30 June 1985, are eligible to participate in Basic VEAP. Service member contributions must be matched 2:1 by the Army. Effective 1 July 1985, because of the new All Volunteer Educational Program (Montgomery GI Bill), new enrollments are no longer authorized in Basic VEAP. Performance measures for ACES are the number of active soldier students.

The significant change in this subactivity group is reflected in the expansion of Tuition Assistance to include Online Education Program. The Army has soldiers serving all over the world, therefore, traditional classrooms no longer meet their needs. The budget will provide more soldiers with the opportunity to continue their post-secondary education online anytime and anywhere.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Off-Duty and Voluntary Education

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002	FY2003			FY 2004	FY 2005
	<u>Actual</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Off-Duty and Voluntary Education	182,013	208,860	202,003	201,635	226,011	309,273
Total	182,013	208,860	202,003	201,635	226,011	309,273

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	208,860	201,635	226,011
Congressional Adjustments (Distributed)	0		
Congressional Adjustments (Undistributed)	-5,238		
Adjustments to Meet Congressional Intent	0		
General Provisions	-1,619		
SUBTOTAL APPROPRIATED AMOUNT	202,003		
Fact-of-Life Changes	-368		
SUBTOTAL BASELINE FUNDING	201,635		
Anticipated Supplemental	0		
Reprogramming	0		
Price Change		5,191	5,816
Functional Transfers		0	0
Program Changes		19,185	77,446
CURRENT ESTIMATE	201,635	226,011	309,273

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Off-Duty and Voluntary Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	208,860
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-4,501
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-100
3) Unobligated Balance	\$	-554
4) Undistributed Adjustment	\$	-83
Total Undistributed Adjustments	\$	-5,238
b) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	645
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-287
3) Section 8103 - Government Purchase Card Savings	\$	-266
4) Section 8133 - Travel	\$	-133
5) Section 8135 - Revised Economic Assumptions	\$	-1,578
FY 2003 Appropriated Amount.....	\$	202,003

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Off-Duty and Voluntary Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Growth

a) Defense Language Proficiency Test	\$ 155
Funds proficiency test material, cassette tapes and test booklets.	
b) Headquarter, U.S. Army Garrison, Japan	\$ 269
Funding supports the conversion of the 17th Area Support Group to the HQ, U.S. Army Garrison, Japan.	

FY 2003 Baseline Funding.....\$ 202,427

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation	\$ -792
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Revised FY 2003 Current Estimate.....\$ 201,635

4. Price Change.....\$ 5,191

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004	\$ 106
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).	

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Off-Duty and Voluntary Education

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004

Army Tuition Assistance Program\$ 19,079

(FY 2003 Base: \$155,094) - This program provides college tuition assistance for both traditional and online college courses. This budget reflects an increase in the participation of soldiers in online courses. The program provide soldiers post-secondary education opportunities at 100% or \$250 per semester hour up to \$4500 per fiscal year, whichever is less. Using the technology package (laptop computer, and Internet Service Provider account) provided by the Army, soldiers access a university system that provides virtual classrooms, materials, discussion groups, virtual libraries, encyclopedias, assessment tools, tutoring, academic advisement, and administrative and technical support. The Army portal allows soldiers to access online classes from 47 states, 4 U.S. territories, and 36 countries including Afghanistan, Bosnia, and Kuwait. Funding increase is reflected in the OP-32 lines 920 & 989.

FY 2004 Budget Request.....\$ 226,011

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Off-Duty and Voluntary Education

IV. Performance Criteria and Evaluation Summary:

OFF DUTY AND VOLUNTARY EDUCATION: ARMY CONTINUING EDUCATION SYSTEM

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>CHANGE</u> <u>FY 2003/FY 2004</u>	<u>CHANGE</u> <u>FY 2004/FY 2005</u>
Tuition Assistance (Enrollments)	209,000	291,196	340,802	325,686	49,606	-15,116
Tests Administered * (Tests)	480,000	480,000	480,000	480,000	0	0
Functional Academic Skills Training (FAST)	53,000	51,000	51,000	51,000	0	0
(Enrollments)						
American/Army Registry Transcript System (AARTS) Manuscripts	211,000	258,000	258,000	258,000	0	0

* Types of Tests:

- (1) Diagnostics
- (2) Military
- (3) Academic
- (4) Interest Inventory

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Off-Duty and Voluntary Education

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	8	10	10	9	0	-1
Officer	0	0	0	0	0	0
Enlisted	8	10	10	9	0	-1
<u>Civilian End Strength (Total)</u>	494	543	541	539	-2	-2
U.S. Direct Hire	467	521	519	517	-2	-2
Foreign National Direct Hire	8	8	8	8	0	0
Total Direct Hire	475	529	527	525	-2	-2
Foreign National Indirect Hire	19	14	14	14	0	0
<u>Military Average Strength (Total)</u>	4	9	10	9	1	-1
Officer	0	0	0	0	0	0
Enlisted	4	9	10	9	1	-1
<u>Civilian Full-Time Equivalentents (Total)</u>	481	534	516	532	-18	16
U.S. Direct Hire	457	512	494	510	-18	16
Foreign National Direct Hire	5	8	8	8	0	0
Total Direct Hire	462	520	502	518	-18	16
Foreign National Indirect Hire	19	14	14	14	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	333	Totals																
Line	Line	Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC. GEN. SPEC SCHEDULE		29035	0	4.12%	1197	5696	35928	0	2.56%	91€	-1274	35573	€	2.71%	96€	1197	37735
0103	WAGE BOARD		36	0	0.00%	0	-36	0	0	0.00%	€	0	0	€	0.00%	€	€	0
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)		50	-26	16.00%	8	149	181	56	2.76%	€	17	259	34	2.32%	€	€	299
0105	SEPARATION LIABILITY (FNDH)		1	0	0.00%	0	1	2	0	0.00%	€	-1	1	€	0.00%	€	€	1
0106	BENEFITS TO FORMER EMPLOYEES		0	0	0.00%	0	8	8	0	0.00%	€	-1	7	€	0.00%	€	€	7
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS		59	0	0.00%	0	-59	0	0	0.00%	€	0	0	€	0.00%	€	€	0
0110	UNEMPLOYMENT COMPENSATION		322	0	0.00%	0	-322	0	0	0.00%	€	0	0	€	0.00%	€	€	0
0199	TOTAL CIV PERSONNEL COMP		29503	-26	4.08%	1205	5437	36119	56	2.56%	924	-1259	35840	34	2.71%	971	1197	38042
0308	TRAVEL OF PERSONS		395	0	1.10%	4	2	401	0	1.50%	€	-6	401	€	1.60%	€	-€	401
0399	TOTAL TRAVEL		395	0	1.01%	4	2	401	0	1.50%	€	-6	401	€	1.50%	€	-€	401
0411	ARMY MANAGED SUPPLIES & MATERIALS		26	0	9.20%	2	0	28	0	4.50%	1	2	31	€	1.50%	€	€	39
0412	NAVY MANAGED SUPPLIES & MATERIALS		0	0	9.60%	0	1	1	0	6.10%	€	0	1	€	4.00%	€	€	1
0415	DLA MANAGED SUPPLIES & MATERIALS		2	0	3.50%	0	0	2	0	-2.90%	€	0	2	€	1.50%	€	€	2
0416	GSA MANAGED SUPPLIES & MATERIALS		6	0	1.10%	0	3	9	0	1.50%	€	0	9	€	1.60%	€	€	9
0499	TOTAL SUPPLIES & MATERIALS PURCHASES		34	0	5.88%	2	4	40	0	2.50%	1	2	43	€	0.00%	€	€	51
0502	ARMY EQUIPMENT		7	0	9.20%	1	0	8	0	4.50%	€	1	9	€	1.50%	€	€	11
0507	GSA MANAGED EQUIPMENT		8	0	1.10%	0	4	12	0	1.50%	€	0	12	€	1.60%	€	€	12
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES		15	0	6.67%	1	4	20	0	0.00%	€	1	21	€	0.00%	€	€	23
0601	ARMY (ORDNANCE)		180	0	-27.00%	-49	59	190	0	1.40%	€	0	193	€	10.10%	1€	-10€	106
0633	DEFENSE PUBLICATION & PRINTING SERVICE		130	0	6.20%	8	-87	51	0	-2.00%	-1	1	51	€	0.30%	€	€	51
0699	TOTAL INDUSTRIAL FUND PURCHASES		310	0	-13.23%	-41	-28	241	0	0.83%	€	1	244	€	7.79%	1€	-10€	157
0707	AMC TRAINING		-2	0	-1.90%	0	2	0	0	2.70%	€	0	0	€	1.00%	€	€	0
0771	COMMERCIAL TRANSPORTATION		37	0	1.10%	0	-18	19	0	1.50%	€	0	19	€	1.60%	€	€	19
0799	TOTAL TRANSPORTATION		35	0	0.00%	0	-16	19	0	0.00%	€	0	19	€	0.00%	€	€	19
0901	FOR NATIONAL INDIRECT HIRE (FNIH)		387	-62	3.36%	13	29	367	135	3.54%	1€	21	536	15€	3.36%	1€	1	708
0902	SEPARATION LIABILITY (FNIH)		1	0	0.00%	0	-1	0	0	0.00%	€	0	0	€	0.00%	€	€	0
0914	PURCHASED COMMUNICATIONS		22	0	1.10%	0	15	37	0	1.50%	1	-1	37	€	1.60%	1	-1	37
0920	SUPPLIES/MATERIALS (NON FUND)		4360	0	1.10%	48	2686	7094	0	1.50%	10€	6291	13491	€	1.60%	21€	566€	19370
0921	PRINTING AND REPRODUCTION		30	0	1.10%	0	-30	0	0	1.50%	€	0	0	€	1.60%	€	€	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT		13	0	1.10%	0	22	35	0	1.50%	1	35	71	€	1.60%	1	1	73
0923	FACILITY MAINTENANCE BY CONTRACT		430	0	1.10%	5	-435	0	0	1.50%	€	0	0	€	1.60%	€	€	0
0925	EQUIPMENT PURCHASES (NON FUND)		515	0	1.10%	6	327	848	0	1.50%	1€	44	905	€	1.60%	14	€	925
0932	MGMT & PROFESSIONAL SPT SVCS		1581	0	1.10%	17	-1598	0	0	1.50%	€	0	0	€	1.60%	€	€	0
0933	STUDIES, ANALYSIS, & EVALUATIONS		709	0	1.10%	8	-717	0	0	1.50%	€	0	0	€	1.60%	€	€	0
0989	OTHER CONTRACTS		143673	-28	1.10%	1580	11189	156414	1563	1.50%	237€	14056	174403	1567	1.60%	281€	70681	249467
0999	OTHER PURCHASES		151721	-90	1.11%	1677	11487	164795	1698	1.52%	250€	20446	189443	172€	1.62%	306€	76351	270580
9999	GRAND TOTAL		182013	-116	1.56%	2848	16890	201635	1754	1.70%	3437	19185	226011	175€	1.80%	406€	7744€	309273

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Recruiting and Other Training and Education
Subactivity Group: Civilian Education and Training

I. Description of Operations Financed:

CIVILIAN EDUCATION AND TRAINING - These funds ensure that Army civilian employees receive the training necessary to achieve optimum performance of their mission assignments. Civilians, like military members, must be prepared to meet the challenges of their assignments as they progress into more complex and demanding positions. Training is performed at military installations, training centers, colleges and universities, and civilian contract facilities. Included are the Army Intern Program, Competitive Professional Training, Senior Service Schools, Fellowships, and Leader Development. The intern program provides placement into highly specialized occupations that are not available through normal labor market sources. Interns, normally hired at the GS 5/7 level, undergo an intensive, structured 18-24 month program. Competitive Professional Training encompasses functionally designed and developed training in universities, training-with-industry, developmental assignments, and training courses. Senior Service Schools, Fellowships, and Leader Development support training for executive and managerial leadership positions with the Army. Performance measures are the number of interns and training loads.

ACQUISITION CORPS TRAINING PROGRAM - These funds insure that the Army is in compliance with the Defense Acquisition Workforce Improvement Act, Public Law 101-510. Included are professional development assignments and tuition assistance for civilian and military acquisition training.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Civilian Education and Training

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Civilian Education and Training	81,240	99,193	92,021	92,021	92,536	101,119
Total	81,240	99,193	92,021	92,021	92,536	101,119

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	99,193	92,021	92,536
Congressional Adjustments (Distributed)	1,000		
Congressional Adjustments (Undistributed)	-8,093		
Adjustments to Meet Congressional Intent	0		
General Provisions	-79		
SUBTOTAL APPROPRIATED AMOUNT	92,021		
Fact-of-Life Changes	0		
SUBTOTAL BASELINE FUNDING	92,021		
Anticipated Supplemental	0		
Reprogramming	0		
Price Change		2,223	2,197
Functional Transfers		0	0
Program Changes		-1,708	6,386
CURRENT ESTIMATE	92,021	92,536	101,119

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Civilian Education and Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	99,193
1. Congressional Adjustments		
a) Distributed Adjustments		
Fort Lewis Online Technology Pilot Program Training	\$	1,000
b) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-3
2) Unobligated Balance	\$	-21
3) Undistributed Adjustment	\$	-3
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-8,066
Total Undistributed Adjustments	\$	-8,093
c) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-11
2) Section 8103 - Government Purchase Card Savings	\$	-10
3) Section 8133 - Travel	\$	-1
4) Section 8135 - Revised Economic Assumptions	\$	-57
FY 2003 Appropriated Amount.....	\$	92,021
FY 2003 Baseline Funding.....	\$	92,021
Revised FY 2003 Current Estimate.....	\$	92,021

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Civilian Education and Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Price Change.....\$ 2,223

3. Program Increases

One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 193

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total Program Increases\$ 193

4. Program Increases

Program Growth in FY 2004

Intern Program\$ 4,754

This program accesses highly qualified, mobile, and diverse individuals to develop a cadre of candidates for placement into critical civilian career program positions. This program fills the 'officer-equivalent' of the civilian work force. These high caliber employees represent the feeder group for future senior level technical, managerial, and executive civilian positions within Army. Army has increased the number of authorizations in FY 2004 from 950 to 1,030 to better execute the ramp of intern accessions. Funding increase is reflected in the OP-32 line 199.

Total Program Increases\$ 4,754

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Civilian Education and Training

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Decreases

a) One-Time FY 2003 Costs

Fort Lewis Online Technology Pilot Program Training\$ -1,000
 Reversal of one-time costs funded in FY03 Defense
 Appropriation.

b) Program Decreases in FY 2004

Army Civilian Education and Training Program\$ -5,655
 (FY 2003 Base: \$31,936) This reduction represents the
 decrease in training and operation requirements. The training
 requirement decreased 171 students from FY 2003 level of 2,854
 to the FY 2004 level of 2,683. The resources for this program
 supports professional and leadership training. The program's
 objective is to develop the future civilian leaders of the
 Army, by educating and training personnel to be highly skilled
 and qualified to fulfill mission requirements. Funding
 reduction is reflected in the OP-32 line 989.

Total Program Decreases\$ -6,655

FY 2004 Budget Request.....\$ 92,536

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Civilian Education and Training

IV. Performance Criteria and Evaluation Summary:

CIVILIAN EDUCATION AND TRAINING:
CIVILIAN TRAINING, EDUCATION AND DEVELOPMENT

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
Career Program Interns (Funded Workyears)	950	950	1,030	1,030	80	0
Leadership Development (Training Load)	2,078	2,854	2,683	2,683	-171	0
Competitive Professional Training (Training Load)	3,738	5,708	5,752	5,906	44	154
Senior Service Schools and Fellowships (Training Load)	15	15	15	15	0	0

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Civilian Education and Training

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	13	14	14	14	0	0
Officer	13	14	14	14	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	948	1,074	1,154	1,154	80	0
U.S. Direct Hire	947	1,074	1,154	1,154	80	0
Foreign National Direct Hire	1	0	0	0	0	0
Total Direct Hire	948	1,074	1,154	1,154	80	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	13	13	14	14	1	0
Officer	13	13	14	14	1	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	1,001	1,072	1,152	1,152	80	0
U.S. Direct Hire	1,001	1,072	1,152	1,152	80	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	1,001	1,072	1,152	1,152	80	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	334	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	53229	0	3.91%	2082	6852	62163	0	2.86%	1776	4946	68885	C	2.64%	1816	-86	70618
0103	WAGE BOARD	41	0	0.00%	0	-41	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	2	0	0.00%	0	-2	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	12	12	0	0.00%	C	0	12	C	0.00%	C	C	12
0199	TOTAL CIV PERSONNEL COMP	53272	0	3.91%	2082	6821	62175	0	2.86%	1776	4946	68897	C	2.64%	1816	-86	70630
0308	TRAVEL OF PERSONS	10107	0	1.10%	111	-600	9618	0	1.50%	146	-745	9018	C	1.60%	146	-146	9018
0399	TOTAL TRAVEL	10107	0	1.10%	111	-600	9618	0	1.51%	146	-745	9018	C	1.61%	146	-146	9018
0416	GSA MANAGED SUPPLIES & MATERIALS	1	0	1.10%	0	2	3	0	1.50%	C	0	3	C	1.60%	C	C	3
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	1	0	0.00%	0	2	3	0	0.00%	C	0	3	C	0.00%	C	C	3
0507	GSA MANAGED EQUIPMENT	1	0	1.10%	0	2	3	0	1.50%	C	0	3	C	1.60%	C	C	3
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	1	0	0.00%	0	2	3	0	0.00%	C	0	3	C	0.00%	C	C	3
0601	ARMY (ORDNANCE)	2	0	-27.00%	-1	-1	0	0	1.40%	C	0	0	C	10.10%	C	C	0
0620	FLEET AUXILIARY FORCE(NAVY TRANS)	5	0	12.60%	1	-6	0	0	1.70%	C	0	0	C	0.60%	C	C	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	54	0	6.20%	3	7	64	0	-2.00%	-1	2	65	C	0.30%	C	1	66
0648	ARMY INFORMATION SERVICES (CANCELLED)	21	0	1.10%	0	-21	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0679	COST REIMBURSABLE PURCHASES	447	0	1.10%	5	-452	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	529	0	1.51%	8	-473	64	0	-1.56%	-1	2	65	C	0.00%	C	1	66
0717	MTMC GLOBAL POV	2	0	-14.70%	0	-2	0	0	15.60%	C	0	0	C	4.60%	C	C	0
0771	COMMERCIAL TRANSPORTATION	326	0	1.10%	4	-84	246	0	1.50%	4	-3	247	C	1.60%	4	-3	248
0799	TOTAL TRANSPORTATION	328	0	1.22%	4	-86	246	0	1.63%	4	-3	247	C	1.62%	4	-3	248
0914	PURCHASED COMMUNICATIONS	61	0	1.10%	1	-8	54	0	1.50%	1	1	56	C	1.60%	1	1	58
0917	POSTAL SERVICES (U.S.P.S.)	0	0	0.00%	0	3	3	0	0.00%	C	1	4	C	0.00%	C	C	4
0920	SUPPLIES/MATERIALS (NON FUND)	365	0	1.10%	4	56	425	0	1.50%	6	74	505	C	1.60%	6	27	540
0921	PRINTING AND REPRODUCTION	0	0	1.10%	0	12	12	0	1.50%	C	0	12	C	1.60%	C	C	12
0922	EQUIPMENT MAINTENANCE BY CONTRACT	106	0	1.10%	1	263	370	0	1.50%	6	5	381	C	1.60%	6	14	401
0923	FACILITY MAINTENANCE BY CONTRACT	10	0	1.10%	0	-8	2	0	1.50%	C	0	2	C	1.60%	C	C	2
0925	EQUIPMENT PURCHASES (NON FUND)	902	0	1.10%	10	883	1795	0	1.50%	27	-21	1801	C	1.60%	26	66	1895
0926	OTHER OVERSEAS PURCHASES	0	0	1.10%	0	1	1	0	1.50%	C	0	1	C	1.60%	C	C	1
0932	MGMT & PROFESSIONAL SPT SVCS	143	0	1.10%	2	-125	20	0	1.50%	C	0	20	C	1.60%	C	C	20
0934	ENGINEERING & TECHNICAL SERVICES	2	0	1.10%	0	0	2	0	1.50%	C	0	2	C	1.60%	C	C	2
0989	OTHER CONTRACTS	15413	0	1.10%	170	1645	17228	0	1.50%	256	-5968	11519	C	1.60%	186	6512	18216
0999	OTHER PURCHASES	17002	0	1.11%	188	2722	19912	0	1.50%	296	-5908	14303	C	1.60%	226	6616	21151
9999	GRAND TOTAL	81240	0	2.95%	2393	8388	92021	0	2.42%	2226	-1708	92536	C	2.37%	2197	6386	101119

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Recruiting and Other Training and Education
Subactivity Group: Junior Reserve Officers' Training Corps

I. Description of Operations Financed:

JUNIOR RESERVE OFFICERS' TRAINING CORPS (JROTC) - JROTC is a public service program available to high school students. This program fosters good citizenship, patriotism, and leadership skills for this valuable potential pool of military applicants. This program supported 1,510 JROTC units in FY 2002, and grows to 1,555 units in FY 2003 and 1,600 units in FY 2004. Performance measures are the number of units, and the number of students each unit supports.

The significant change in this subactivity group is the correction to the instructor pay rates and the resourcing of additional instructors to outfit 45 additional units and reduce the student/instructor ratio at other units. The FY 2004 budget will support 4,144 instructors.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Junior Reserve Officers' Training Corps

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Junior Reserve Officers' Training Corps	92,043	97,512	97,061	97,061	129,978	136,628
Total	92,043	97,512	97,061	97,061	129,978	136,628

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	97,512	97,061	129,978
Congressional Adjustments (Distributed)	0		
Congressional Adjustments (Undistributed)	-451		
Adjustments to Meet Congressional Intent	0		
General Provisions	0		
SUBTOTAL APPROPRIATED AMOUNT	97,061		
Fact-of-Life Changes	0		
SUBTOTAL BASELINE FUNDING	97,061		
Anticipated Supplemental	0		
Reprogramming	0		
Price Change		1,452	2,138
Functional Transfers		0	0
Program Changes		31,465	4,512
CURRENT ESTIMATE	97,061	129,978	136,628

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Junior Reserve Officers' Training Corps

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	97,512
1. Congressional Adjustments		
Undistributed Adjustments		
Civil Service Retirement System (CSRS) Accrual Reversal	\$	-451
Total Congressional Adjustments	\$	-451
FY 2003 Appropriated Amount.....	\$	97,061
FY 2003 Baseline Funding.....	\$	97,061
Revised FY 2003 Current Estimate.....	\$	97,061
2. Price Change.....		
	\$	1,452
3. Program Increases		
a) One-Time FY 2004 Costs		
Additional Compensable Day in FY 2004	\$	12
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).		
b) Program Growth in FY 2004		
Junior Reserve Officers Training Corps (JROTC)	\$	31,453
(FY 2003 Base: \$97,061) This increase to Junior Reserve Officers Training Corps allows the Army to offer the program to 45 more schools. It also funds a long-standing under calculation for instructor pay that has previously been made up out of the programs' day-to-day operations and provides		

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Junior Reserve Officers' Training Corps

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

Junior Reserve Officers Training Corps (JROTC) (Continued) funding to support 4,144 instructors' pay. Additionally, there is an increased effort to develop and field an accredited curriculum, which incorporates the latest educational methodologies and technology in an effort to align the program with the latest educational concepts. Resources are provided to develop an automated system for headquarters administration and pay, cadet records management, and electronic communications.

These funds support the operations of the Army's JROTC program in CONUS and OCONUS locations as mandated by the U.S. Congress. It funds retired military instructor salaries, unit supplies, and equipment to include cadet uniforms, summer camps for 10% of the enrolled cadets, and travel and per diem costs for instructors. Without these resources the Army could not continue its JROTC program, which has strong public support and provides many candidates for service academies, senior ROTC programs and enlistees for America's Army. Funding increases are reflected in the OP-32 line 989. The instructors are contracted and therefore funded in line 989.

Total Program Increases	\$ 31,465
FY 2004 Budget Request.....	\$ 129,978

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
 Subactivity Group: Junior Reserve Officers' Training Corps

IV. Performance Criteria and Evaluation Summary:

JUNIOR RESERVE OFFICERS' TRAINING CORPS (JROTC)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
Number of JROTC Units Authorized	1510	1,555	1,600	1,645	45	45
CONUS (Cadet Command)	1493	1,538	1583	1,628	45	45
Overseas	17	17	17	17	0	0
Number of JROTC Units Funded	1510	1,555	1,600	1,645	45	45
Average Number of Enrollments	250,008	272,579	280,079	287,579	7,500	7,500

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Junior Reserve Officers' Training Corps

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	37	37	26	25	-11	-1
Officer	20	20	9	9	-11	0
Enlisted	17	17	17	16	0	-1
<u>Civilian End Strength (Total)</u>	50	55	69	72	14	3
U.S. Direct Hire	50	55	69	72	14	3
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	50	55	69	72	14	3
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	18	37	31	25	-6	-6
Officer	10	20	14	9	-6	-5
Enlisted	8	17	17	16	0	-1
<u>Civilian Full-Time Equivalent (Total)</u>	48	54	61	69	7	8
U.S. Direct Hire	48	54	61	69	7	8
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	48	54	61	69	7	8
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	335	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	2776	0	4.47%	124	745	3645	0	3.07%	112	516	4273	C	3.04%	130	592	4995
0199	TOTAL CIV PERSONNEL COMP	2776	0	4.47%	124	745	3645	0	3.07%	112	516	4273	C	3.04%	130	592	4995
0308	TRAVEL OF PERSONS	2500	0	1.10%	27	-646	1881	0	1.50%	28	-28	1881	C	1.60%	30	-30	1881
0399	TOTAL TRAVEL	2500	0	1.08%	27	-646	1881	0	1.49%	28	-28	1881	C	1.59%	30	-30	1881
0411	ARMY MANAGED SUPPLIES & MATERIALS	271	0	9.20%	25	2	298	0	4.50%	13	49	360	C	1.50%	5	-65	300
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	16	0	10.30%	2	-18	0	0	18.30%	C	0	0	C	10.30%	C	C	0
0415	DLA MANAGED SUPPLIES & MATERIALS	1445	0	3.50%	51	64	1560	0	-2.90%	-45	-136	1379	C	1.50%	21	-1	1399
0416	GSA MANAGED SUPPLIES & MATERIALS	94	0	1.10%	1	7	102	0	1.50%	2	-2	102	C	1.60%	2	-2	102
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	1826	0	4.33%	79	55	1960	0	-1.53%	-30	-89	1841	C	1.52%	28	-65	1801
0502	ARMY EQUIPMENT	47	0	9.20%	4	1	52	0	4.50%	2	6	60	C	1.50%	1	-5	52
0506	DLA EQUIPMENT	34	0	3.50%	1	2	37	0	-2.90%	-1	1	37	C	1.50%	1	-1	37
0507	GSA MANAGED EQUIPMENT	313	0	1.10%	3	22	338	0	1.50%	5	-5	338	C	1.60%	5	-5	338
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	394	0	2.03%	8	25	427	0	1.41%	6	2	435	C	1.61%	7	-15	427
0633	DEFENSE PUBLICATION & PRINTING SERVICE	180	0	6.20%	11	-158	33	0	-2.00%	-1	1	33	C	0.30%	C	C	33
0679	COST REIMBURSABLE PURCHASES	450	0	1.10%	5	-455	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	630	0	2.54%	16	-613	33	0	-3.03%	-1	1	33	C	0.00%	C	C	33
0914	PURCHASED COMMUNICATIONS	43	0	1.10%	0	-43	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0917	POSTAL SERVICES (U.S.P.S.)	35	0	0.00%	0	-24	11	0	0.00%	C	0	11	C	0.00%	C	C	11
0920	SUPPLIES/MATERIALS (NON FUND)	5411	0	1.10%	60	364	5835	0	1.50%	85	206	6129	C	1.60%	95	-23	6204
0921	PRINTING AND REPRODUCTION	5	0	1.10%	0	-5	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	19	0	1.10%	0	68	87	0	1.50%	1	-1	87	C	1.60%	1	-1	87
0923	FACILITY MAINTENANCE BY CONTRACT	6	0	1.10%	0	-6	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	358	0	1.10%	4	25	387	0	1.50%	5	-8	385	C	1.60%	5	-5	385
0989	OTHER CONTRACTS	78040	0	1.10%	858	3897	82795	0	1.50%	1242	30866	114903	C	1.60%	1835	4063	120804
0999	OTHER PURCHASES	83917	0	1.10%	922	4276	89115	0	1.50%	1337	31063	121515	C	1.60%	1943	4033	127491
9999	GRAND TOTAL	92043	0	1.28%	1176	3842	97061	0	1.50%	1452	31465	129978	C	1.64%	2135	4512	136628

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Training and Recruiting
Activity Group: Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

I. Description of Operations Financed:

Recruiting, Other Training, and Education Base Operations Support program. This sub-activity funds the base support at Recruiting and Examining Facilities. Minimum essential resources are provided to cover the costs associated with maintaining the leased recruiting stations for all Services and leased Military Entrance Processing Stations. Functions financed are:

Leases: Minimum essential resources are provided to cover the costs associated with maintaining the leased recruiting stations for all Services and leased Military Entrance Processing Stations (MEPS).

Base Communications: Funds the operation and maintenance of telephone dial central offices, telecommunications centers, and leased communications, including long distance tolls.

Audiovisual: Funds audiovisual media that enables personnel to manage, administer, and operate equipment for the United States Army Recruiting Command and the United States Military Entrance Processing Command (USMEPCOM) including Military Entrance Processing Stations.

Cost drivers are the number and square feet of leased facilities. The Army is the Department of Defense Executive Agent for all Services' recruiting facilities and Military Entrance Processing Stations (MEPS).

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA Headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement policies and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

This sub-activity group supports operations at MEPS and Recruiting leased facilities that are geographically dispersed throughout the Continental United States, Hawaii, Alaska, and Puerto Rico.

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Base Operations Support	252,527	250,316	248,563	246,592	238,993	250,342
Total	252,527	250,316	248,563	246,592	238,993	250,342

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	250,316	246,592	238,993
Congressional Adjustments (Distributed)	2,300		
Congressional Adjustments (Undistributed)	-1,743		
Adjustments to Meet Congressional Intent	-2,300		
General Provisions	-10		
SUBTOTAL APPROPRIATED AMOUNT	248,563		
Fact-of-Life Changes	-1,971		
SUBTOTAL BASELINE FUNDING	246,592		
Anticipated Supplemental	0		
Reprogramming	0		
Price Change		2,487	3,889
Functional Transfers		0	0
Program Changes		-10,086	7,460
CURRENT ESTIMATE	246,592	238,993	250,342

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	250,316
1. Congressional Adjustments		
a) Distributed Adjustments		
Security, Communication and Information Operations	\$	2,300
Total Distributed Adjustments	\$	2,300
b) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-1,738
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-1
3) Unobligated Balance	\$	-4
Total Undistributed Adjustments	\$	-1,743
c) Adjustments to Meet Congressional Intent		
Security, Communication and Information Operations	\$	-2,300
Total Adjustments to Meet Congressional Intent	\$	-2,300
d) General Provisions		
1) Section 8135 - Revised Economic Assumptions	\$	-8
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-1
3) Section 8103 - Government Purchase Card Savings	\$	-1
Total General Provisions	\$	-10

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Appropriated Amount.....	\$	248,563
2. Fact-of-Life Changes		
Emergent Requirements		
Program Reductions		
Transformation of Installation Management (TIM)	\$	-1,971
This decrease in funding represents the cross leveling of our Base Support resources resulting from consolidating functions.		
Total Program Reductions	\$	-1,971
FY 2003 Baseline Funding.....	\$	246,592
Revised FY 2003 Current Estimate.....	\$	246,592
3. Price Change.....	\$	2,487
4. Functional Transfers		
Transfers Out		
Army Marketing Program	\$	-5,899
(FY 2003 Base \$5,899) The Army has consolidated its resources and oversight of advertising and marketing by establishing the Army Marketing Program. The decrease represents the consolidation of the program's resources that is being realigned to Subactivity Group 331. The Army marketing program spans the requirements from across the Army to include USAREC, Cadet Command and HQDA. Funding will support such items as event marketing, television advertising, pamphlet production, National Hot Rod Association, the Army Brand Group, and other marketing and advertising items. This decrease is reflected in line 0914 in the OP-32.		

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers (Continued)

Transfers Out (Continued)

Army Marketing Program (Continued)

Total Transfers Out\$ -5,899

5. Program Increases

One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 25

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 25

6. Program Decreases

Program Decreases in FY 2004

Base Communications\$ -4,212

(FY 2003 Base: \$30,864) Resources have been streamlined to support equitable standards at all Army Installations worldwide and improve the delivery of services to commanders, soldiers and their families. The Army's intent is to streamline headquarters, create more agile and responsive staff, reduce layers of review and approval, and allow commanders to focus on their mission. This decrease in reflected in line 0914 in the OP-32.

Total Program Decreases\$ -4,212

Total Program Increase/Decrease\$ -4,187

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2004 Budget Request.....\$ 238,993

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Engineering Services (\$000)	212,050	206,226	209,088	218,176
B. Payment to GSA (\$ in Thousands)	47,181	49,661	49,588	50,168
Standard Level User Charges (\$ in Thousands)	44,675	47,155	47,082	47,662
GSA Leased Space (000 Sq Ft)	2,587	2,499	2,499	2,445
C. Non-GSA lease Payment (\$ in Thousands)	164,869	156,565	168,241	174,981
Non-GSA Leased Space (000 Sq Ft)	6,068	6,128	6,311	6,500
D. Audio Visual - Visual information (\$ in Thousands)	7,147	7,764	1,857	1,900
E. Base Communication (\$ in Thousands)	33,330	30,864	28,048	30,266
	252,527	244,854	238,993	250,342

Number of Recruiting Stations

Army	2,021	2,046	2,048	2,046
Navy	1,723	1,703	1,649	1,645
Air Force	1,455	1,460	1,464	1,464
Marines	1,464	1,474	1,481	1,481
AFRES	159	167	176	179
Total	6,822	6,850	6,818	6,815
 Total Leases	 2,773	 2,800	 2,850	 2,850
 Number of Military Entrance Processing Stations	 65	 65	 65	 65

Budget Activity/Activity Group: Training and Recruiting/Recruiting and Other Training and Education
Subactivity Group: Base Operations Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	155	194	194	194	0	0
U.S. Direct Hire	155	194	194	194	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	155	194	194	194	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	155	190	190	190	0	0
U.S. Direct Hire	155	190	190	190	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	155	190	190	190	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	336	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	12869	0	3.01%	387	-1504	11752	0	-9.71%	-1141	-1637	8974	C	2.89%	25C	-44	9189
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	3	3	0	0.00%	C	-1	2	C	0.00%	C	C	2
0199	TOTAL CIV PERSONNEL COMP	12869	0	3.01%	387	-1501	11755	0	-9.71%	-1141	-1638	8976	C	2.89%	25C	-44	9191
0308	TRAVEL OF PERSONS	698	0	1.10%	8	-72	634	0	1.50%	C	-159	484	C	1.60%	E	4	496
0399	TOTAL TRAVEL	698	0	1.15%	8	-72	634	0	1.42%	C	-159	484	C	1.65%	E	4	496
0411	ARMY MANAGED SUPPLIES & MATERIALS	237	0	9.20%	22	3	262	0	4.50%	12	-6	268	C	1.50%	4	-E	264
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	237	0	9.28%	22	3	262	0	4.58%	12	-6	268	C	1.49%	4	-E	264
0601	ARMY (ORDNANCE)	24	0	-27.00%	-6	8	26	0	1.40%	C	-26	0	C	10.10%	C	C	0
0620	FLEET AUXILIARY FORCE(NAVY TRANS)	42	0	12.60%	5	-47	0	0	1.70%	C	0	0	C	0.60%	C	C	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	23	0	6.20%	2	-25	0	0	-2.00%	C	0	0	C	0.30%	C	C	0
0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	507	0	2.70%	14	-521	0	0	-2.60%	C	0	0	C	2.60%	C	C	0
0679	COST REIMBURSABLE PURCHASES	2154	0	1.10%	24	-2178	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	2750	0	1.42%	39	-2763	26	0	0.00%	C	-26	0	C	0.00%	C	C	0
0771	COMMERCIAL TRANSPORTATION	25	0	1.10%	0	-25	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0799	TOTAL TRANSPORTATION	25	0	0.00%	0	-25	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0912	RENTAL PAYMENTS TO GSA (SLUC)	47181	0	2.10%	991	1489	49661	0	1.70%	844	-917	49588	C	1.50%	744	-164	50168
0913	PURCHASED UTILITIES	6352	0	1.10%	70	-2264	4158	0	1.50%	62	-820	3400	C	1.60%	54	-3E	3415
0914	PURCHASED COMMUNICATIONS	14742	0	1.10%	162	-2932	11972	0	1.50%	18C	-6429	5723	C	1.60%	92	3532	9349
0915	RENTS (NON-GSA)	164869	0	1.10%	1814	-1309	165374	0	1.50%	2481	386	168241	C	1.60%	2691	404C	174981
0920	SUPPLIES/MATERIALS (NON FUND)	1758	0	1.10%	20	-20	1758	0	1.50%	2E	-10	1774	C	1.60%	2E	3	1806
0922	EQUIPMENT MAINTENANCE BY CONTRACT	3	0	1.10%	0	0	3	0	1.50%	C	1	4	C	1.60%	C	1	5
0925	EQUIPMENT PURCHASES (NON FUND)	1043	0	1.10%	12	-66	989	0	1.50%	14	-468	535	C	1.60%	E	124	667
0989	OTHER CONTRACTS	0	0	1.10%	0	0	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	235948	0	1.30%	3069	-5102	233915	0	1.54%	3607	-8257	229265	C	1.58%	361E	750E	240391
9999	GRAND TOTAL	252527	0	1.40%	3525	-9460	246592	0	1.01%	2487	-10086	238993	C	1.63%	388E	746C	250342

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Security Programs
Subactivity Group: Security programs

I. Description of Operations Financed:

SECURITY PROGRAMS - the Security programs activity group consists of (7) programs, including the Consolidated Cryptologic Program (CCP), General Defense Intelligence Program (GDIP), the Foreign Counterintelligence Program (FCIP), Security and Intelligence Activities Program (S&IAP), Personnel Security Investigations (PSI), Defense Joint Counter-Intelligence Program (DJCIP), and Arms Control treaties implementation and compliance.

The CCP, GDIP, and FCIP are part of the National Foreign Intelligence Program (NFIP), regulated by Executive Order 12333. The respective program managers are: CCP - Director, National Security Agency (NSA); GDIP - Director, Defense Intelligence Agency (DIA); FCIP - Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD, C3I).

The CCP, GDIP, and FCIP budgets are fully documented and justified in classified submissions and are available on request to individuals with the appropriate security clearance.

The S&IAP supports Army readiness at tactical, operational, and strategic levels of command through counterintelligence and other intelligence support activities. S&IAP missions and functions leverage the efforts of theater Armies and Commands through access to national level intelligence assets. S&IAP provides direct funding for the operation of various intelligence and Counterintelligence/Security Countermeasures activities at all levels of command.

The Personnel Security Investigation (PSI) program reimburses the Defense Security Service (DSS) and the Office of Personnel Management (OPM) to perform Army military and civilian personnel investigations in accordance with national standards (e.g., Executive Order 12968), policy, and regulation to meet accession, commissioning, and promotion requirements, as well as to provide access to government systems, facilities, and classified information. Effective FY 2004 PSI will only reimburse OPM to perform these investigations. PSI also provides operating expenses for the US Army Central Personnel Security Clearance Facility (CCF) for adjudication of PSIs, award/denial of security clearances, and related functions.

The Defense Joint Counter-Intelligence Program (DJCIP), responds to the growing need for Defense to mitigate existing threats from foreign intelligence services and terrorists. This program strengthens the DoD ability to respond to foreign intelligence service and terrorist threats on the Department's critical technologies, infrastructure, military operations, and personnel. The DJCIP complements DoD Foreign Counterintelligence Program (FCIP) activities in the National Foreign Intelligence Program (NFIP).

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

I. Description of Operations Financed (Continued):

Arms Control Treaty and agreement implementation and compliance funding supports all operating and development activities performed in accordance with statutory and regulatory treaty and legally binding agreement guidance. Activities are directly associated with implementing arms control treaties and agreements and sustaining compliance after treaty/agreement entry into force.

The performance measure for Security Programs is the National Military Intelligence Estimate. The cost drivers for Arms Control Treaty implementation and compliance are the number of inspections scheduled for each individual treaty, and restructuring operational requirements through coordination between the Army Staff, the Army Secretariat, the Joint Staff, and the Office of the Secretary of Defense.

II. Force Structure Summary:

See classified submission for this information.

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Security programs	580,071	572,013	604,140	649,675	591,622	606,190
Total	580,071	572,013	604,140	649,675	591,622	606,190

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	572,013	649,675	591,622	
Congressional Adjustments (Distributed)	15,000			
Congressional Adjustments (Undistributed)	18,993			
Adjustments to Meet Congressional Intent	0			
General Provisions	-1,866			
SUBTOTAL APPROPRIATED AMOUNT	604,140			
Fact-of-Life Changes	46,925			
SUBTOTAL BASELINE FUNDING	651,065			
Anticipated Supplemental	0			
Reprogramming	-1,390			
Price Change		14,976	12,831	
Functional Transfers		20,782	0	
Program Changes		-93,811	1,737	
CURRENT ESTIMATE	649,675	591,622	606,190	

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	572,013
1. Congressional Adjustments		
a) Distributed Adjustments		
1) Battle Space Character	\$	2,000
2) Continuity of Operations	\$	2,000
3) Information Dominance	\$	1,000
4) Security and Investigation Backlog	\$	10,000
Total Distributed Adjustments	\$	15,000
b) Undistributed Adjustments		
1) Classified Programs	\$	42,153
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-54
3) Undistributed Adjustment	\$	-46
4) Unobligated Balance	\$	-323
5) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-22,737
Total Undistributed Adjustments	\$	18,993
c) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-598
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-165

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) General Provisions (Continued)

3) Section 8103 - Government Purchase Card Savings	\$ -158
4) Section 8133 - Travel	\$ -56
5) Section 8135 - Revised Economic Assumptions	\$ -889

Total General Provisions\$ -1,866

FY 2003 Appropriated Amount.....\$ 604,140

2. Fact-of-Life Changes

a) Functional Transfers

Transfers In

Central Clearance Facility (CCF) Realignment\$ 6,195

Transfers mission and resources of Central Clearance Facility (CCF) to Intelligence Security Command (INSCOM) from Total Personnel Command, within the Operations and Maintenance, Army appropriation from Subactivity Group (SAG) 438, Base Support, SAG 433, Manpower Management, and SAG 434, Other Personnel Support, to SAG 411, Security Program. This transfer is in compliance with Title 10 and provides a more agile, responsive, and adaptive staff to achieve the Army's vision, creating a leaner, more integrated and streamlined headquarters through realignment. CCF grants, denies or revokes security clearances and determines Sensitive Compartmented Information (SCI) access eligibility for the Department of Army military, civilian and contract personnel. CCF supports the Immigration and Naturalization Service

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

Transfers In (Continued)

Central Clearance Facility (CCF) Realignment (Continued)
 process for soldiers to obtain U.S. citizenship and grants
 limited access authorization for foreign nationals. CCF
 screens and reviews security files for individuals
 considered for promotion to Colonel, General Officer, or
 SES. Personnel considered for brigade or battalion level
 command; Drill SGT, or recruiter duties; and selected
 other assignments are also screened and databased.

b) Emergent Requirements

Program Growth

Contingency Operations (CONOPS) Support\$ 40,730
 Funds were realigned from OMA Subactivity Group 135,
 Miscellaneous Activities to OMA Subactivity Groups 325,
 Base Operations Support, 411, Security Programs, 421,
 Servicewide Transportation, and 435, Other Service Support
 in support of emergent Balkan Operations requirements.
 The increase in this program is reflected on Line 0998
 Other Cost in the OP-32.

Total Fact-of-Life Changes\$ 46,925

FY 2003 Baseline Funding.....\$ 651,065

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

- a) Classified Programs\$ -1,159
See classified submission for details.
- b) Foreign Currency Fluctuation\$ -231
Realigns the distribution between Major Commands
and Subactivity Groups for foreign currency.

Total Reprogrammings\$ -1,390

Revised FY 2003 Current Estimate.....\$ 649,675

4. Price Change.....\$ 14,976

5. Functional Transfers

Transfers In

Transformation of Installation Management (TIM)\$ 20,782

The Transformation of Installation Management (TIM) is one of several of the Army's Realignment Task Force (RTF) Initiatives that enhances the day-to-day operations of the Army. This transfer represents the realignment of Mission and Base Support personnel, pay and support costs. Through close analysis of the realigned resources, these resources were identified as support to mission functions (not Base Support Operations), and are being realigned back to their appropriate programs.

Total Functional Transfers\$ 20,782

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases

One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 647
 There will be an additional compensable workday in FY 2004.
 This results in an increase in civilian manpower costs due to
 a greater number of workdays in FY 2004 (262 days) as compared
 to FY 2003 (261 days).

Total Program Increases\$ 647

7. Program Decreases

a) One-Time FY 2003 Costs

1) Classified Programs - Congressional Adjustment\$ -42,153
 2) Battle Space Character\$ -2,000
 This was a one-time increase in FY 2003, based on
 Congressional guidance.
 3) Continuity of Operations\$ -2,000
 This was a one-time increase in FY 2003, based on
 Congressional guidance.
 4) Information Dominance\$ -1,000
 This was a one-time increase in FY 2003, based on
 Congressional guidance.

Total One-Time FY 2003 Costs\$ -47,153

b) Program Decreases in FY 2004

1) Personnel Security Investigations (PSI)\$ -41,294
 (FY 2003 Base: \$83,678) This reduction reflects the

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

b) Program Decreases in FY 2004 (Continued)

1) Personnel Security Investigations (PSI) (Continued)
elimination of the back-log in security investigations and
the return of the program to its recurring, annual
requirement.

2) Classified Programs\$ -5,515
See classified submission for details.

3) Army Arms Control Program\$ -496
(FY 2003 Base: \$27,379) Reductions are for
efficiencies in implementing and managing ongoing
treaties, which is reflected in reduced travel, supplies
and equipment purchases.

Total Program Decreases in FY 2004\$ -47,305

FY 2004 Budget Request.....\$ 591,622

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

IV. Performance Criteria and Evaluation Summary:

Information is classified and can be found in the Classified FY 2004 Congressional Budget Justification Books, Volume II, III, and XI, available to properly cleared individuals.

Budget Activity/Activity Group: Administration and Servicewide Activities/Security Programs
Subactivity Group: Security programs

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	4,319	4,888	4,929	4,929	41	0
Officer	696	902	920	920	18	0
Enlisted	3,623	3,986	4,009	4,009	23	0
<u>Civilian End Strength (Total)</u>	2,401	2,543	2,870	2,914	327	44
U.S. Direct Hire	2,201	2,416	2,753	2,797	337	44
Foreign National Direct Hire	102	81	80	82	-1	2
Total Direct Hire	2,303	2,497	2,833	2,879	336	46
Foreign National Indirect Hire	98	46	37	35	-9	-2
<u>Military Average Strength (Total)</u>	3,509	4,603	4,908	4,929	305	21
Officer	525	799	911	920	112	9
Enlisted	2,984	3,804	3,997	4,009	193	12
<u>Civilian Full-Time Equivalent (Total)</u>	2,380	2,529	2,790	2,873	261	83
U.S. Direct Hire	2,170	2,402	2,673	2,756	271	83
Foreign National Direct Hire	103	81	80	82	-1	2
Total Direct Hire	2,273	2,483	2,753	2,838	270	85
Foreign National Indirect Hire	107	46	37	35	-9	-2

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	411	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	180405	0	3.82%	6900	18714	206019	0	2.94%	604	12788	224856	0	2.84%	637	403	235268
0103	WAGE BOARD	898	0	1.89%	17	-432	483	0	3.11%	1	54	552	0	2.36%	1	-1	564
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	1082	-381	9.52%	103	1446	2250	795	3.38%	7	-40	3081	47	2.08%	64	81	3704
0105	SEPARATION LIABILITY (FNDH)	0	0	0.00%	0	1	1	0	0.00%	0	-1	0	0	0.00%	0	0	0
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	5	5	0	0.00%	0	1	6	0	0.00%	0	0	6
0111	DISABILITY COMPENSATION	0	0	0.00%	0	43	43	0	0.00%	0	2	45	0	0.00%	0	2	47
0199	TOTAL CIV PERSONNEL COMP	182385	-381	3.85%	7020	19777	208801	795	2.94%	614	12804	228540	47	2.82%	645	411	239589
0308	TRAVEL OF PERSONS	32283	0	1.10%	355	645	33283	0	1.50%	49	-1499	32283	0	1.60%	517	-517	32283
0399	TOTAL TRAVEL	32283	0	1.10%	355	645	33283	0	1.50%	49	-1499	32283	0	1.60%	517	-517	32283
0402	SERVICE FUEL	3	0	-16.00%	0	-3	0	0	8.30%	0	0	0	0	3.30%	0	0	0
0411	ARMY MANAGED SUPPLIES & MATERIALS	774	0	9.20%	71	-55	790	0	4.50%	3	18	844	0	1.50%	1	24	881
0415	DLA MANAGED SUPPLIES & MATERIALS	590	0	3.50%	21	0	611	0	-2.90%	-1	6	599	0	1.50%	0	-62	546
0416	GSA MANAGED SUPPLIES & MATERIALS	1795	0	1.10%	20	7	1822	0	1.50%	27	173	2022	0	1.60%	3	212	2266
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	3162	0	3.54%	112	-51	3223	0	1.40%	4	197	3465	0	1.56%	54	174	3693
0505	AIR FORCE EQUIPMENT	5	0	10.30%	1	-6	0	0	18.30%	0	0	0	0	10.30%	0	0	0
0506	DLA EQUIPMENT	40	0	3.50%	1	0	41	0	-2.90%	-1	5	45	0	1.50%	1	0	51
0507	GSA MANAGED EQUIPMENT	3180	0	1.10%	35	13	3228	0	1.50%	4	306	3582	0	1.60%	57	37	4015
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	3225	0	1.15%	37	7	3269	0	1.44%	47	311	3627	0	1.60%	5	381	4066
0601	ARMY (ORDNANCE)	5713	0	-27.00%	-1543	786	4956	0	1.40%	6	-1594	3431	0	10.10%	347	-120	2578
0620	FLEET AUXILIARY FORCE(NAVY TRANS)	2	0	12.60%	0	0	2	0	1.70%	0	0	2	0	0.60%	0	0	2
0630	NAVAL RESEARCH LABORATORY	25	0	3.40%	1	-26	0	0	1.10%	0	0	0	0	3.00%	0	0	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	167	0	6.20%	10	-10	167	0	-2.00%	-3	3	167	0	0.30%	0	0	167
0648	ARMY INFORMATION SERVICES (CANCELLED)	78	0	1.10%	1	-27	52	0	1.50%	1	-53	0	0	1.60%	0	0	0
0678	DEFENSE SECURITY SERVICE	101362	0	7.90%	8008	-25692	83678	0	3.00%	251	-41294	44894	0	0.00%	0	216	47060
0679	COST REIMBURSABLE PURCHASES	827	0	1.10%	9	30	866	0	1.50%	1	-41	838	0	1.60%	1	-2	831
0699	TOTAL INDUSTRIAL FUND PURCHASES	108174	0	6.00%	6486	-24939	89721	0	2.89%	259	-42979	49332	0	0.73%	36	94	50638
0703	AMC SAAM/JCS EXERCISES	16	0	0.04%	0	0	16	0	-1.30%	0	-2	14	0	1.60%	0	-1	13
0707	AMC TRAINING	3	0	-1.90%	0	0	3	0	2.70%	0	0	3	0	1.00%	0	0	3
0717	MTMC GLOBAL POV	11	0	-14.70%	-2	2	11	0	15.60%	2	-2	11	0	4.60%	0	0	11
0771	COMMERCIAL TRANSPORTATION	1199	0	1.10%	13	78	1290	0	1.50%	1	-109	1200	0	1.60%	1	-1	1200
0799	TOTAL TRANSPORTATION	1229	0	0.90%	11	80	1320	0	1.59%	21	-113	1228	0	1.55%	1	-2	1227
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	614	-88	6.03%	37	488	1051	147	1.24%	1	-624	587	13	3.07%	1	-12	731
0902	SEPARATION LIABILITY (FNIH)	10	0	0.00%	0	-10	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0913	PURCHASED UTILITIES	136	0	1.10%	1	21	158	0	1.50%	2	-24	136	0	1.60%	2	-2	136
0914	PURCHASED COMMUNICATIONS	9490	0	1.10%	104	2995	12589	0	1.50%	18	-3288	9490	0	1.60%	152	-152	9490
0917	POSTAL SERVICES (U.S.P.S.)	430	0	0.00%	0	82	512	0	0.00%	0	-82	430	0	0.00%	0	0	430
0920	SUPPLIES/MATERIALS (NON FUND)	8648	0	1.10%	95	35	8778	0	1.50%	13	742	9652	0	1.60%	154	101	10821
0921	PRINTING AND REPRODUCTION	16	0	1.10%	0	0	16	0	1.50%	0	0	16	0	1.60%	0	0	16
0922	EQUIPMENT MAINTENANCE BY CONTRACT	35316	0	1.10%	388	9915	45619	0	1.50%	68	8912	55215	0	1.60%	88	-78	55314
0923	FACILITY MAINTENANCE BY CONTRACT	6471	0	1.10%	71	329	6871	0	1.50%	10	-503	6471	0	1.60%	104	-10	6469
0925	EQUIPMENT PURCHASES (NON FUND)	78668	0	1.10%	865	12707	92240	0	1.50%	138	-784	92840	0	1.60%	148	404	94729

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	411	Totals																
Line	Line	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
			Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	35	0	1.10%	0	23	58	0	1.50%	1	-24	35	C	1.60%	1	-1	35	
0932	MGMT & PROFESSIONAL SPT SVCS	14970	0	1.10%	165	-15135	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0933	STUDIES, ANALYSIS, & EVALUATIONS	3994	0	1.10%	44	-4038	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0934	ENGINEERING & TECHNICAL SERVICES	2494	0	1.10%	27	-2521	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	25270	0	1.10%	278	841	26389	0	1.50%	39E	-1515	25270	C	1.60%	404	-404	25270	
0989	OTHER CONTRACTS	62991	-287	1.10%	690	10363	73757	51	1.50%	1107	-1970	72945	377	1.60%	117C	-3304	71191	
0998	OTHER COSTS	60	0	1.10%	1	41959	42020	0	1.50%	63C	-42590	60	C	1.60%	1	1	62	
0999	OTHER PURCHASES	249613	-375	1.11%	2766	58054	310058	198	1.50%	4641	-41750	273147	51E	1.60%	4377	-334E	274694	
9999	GRAND TOTAL	580071	-756	2.89%	16787	53573	649675	993	2.15%	1398C	-73029	591622	99C	2.00%	1183E	1737	606190	

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Logistics Operations
Subactivity Group: Servicewide Transportation

I. Description of Operations Financed:

SERVICEWIDE TRANSPORTATION - Provides funding for worldwide movement of materiel for Army force modernization, sustainment, and restructuring. Servicewide Transportation operations include the movement of materiel between Army depots and Army customers, the movement of goods and mail to support service members worldwide, the management of ground transportation, and Port Operations. Funding supports Second Destination Transportation of Army supplies and equipment transported by the Air Mobility Command (AMC), Military Sealift Command (MSC), Military Traffic Management Command (MTMC), and commercial carriers. It also supports other traffic management services.

SECOND DESTINATION TRANSPORTATION - Provides for line haul, over ocean, and inland transportation for the worldwide movement of Army supplies and equipment to and from the depots, between commands and to overseas commands by civilian and military air and surface modes. This activity funds the over ocean transportation of: Army civilian employees, their dependents, and their personal property in conjunction with a permanent change of station OCONUS; the movement of APO mail and Army and Air Force Exchange Service (AAFES) products; subsistence; fielding and directed materiel redistribution of major end items and ammunition to fill equipment readiness shortages. It also funds the security escort of ammunition movements within CONUS; the costs of charter, rental, or lease of transportation movement equipment; services not available on government tariff basis; and other fact of life necessities.

In FY 2003, the Army has centralized its management of inland transportation: to synchronize budgeting between inland and over ocean; to link budget requirements to projected movements of force structure changes and depot workloads; to make the funding process responsive to changing requirements and Army priorities; to provide greater clarity of true inland and over ocean bills reducing the number of default billing problems.

Starting in FY 04, Army will also reimburse DLA for over ocean movement of DLA managed secondary items to Army customers.

The performance measures are short tons and measurement tons of cargo shipped.

TRAFFIC MANAGEMENT - Provides a variety of traffic management services including the Guaranteed Traffic Management Program, Line Haul Carrier Qualifications, commercial travel services including travel office fees, port handling fixed costs for readiness, and strategic wartime planning. Contract costs for safety and security monitoring are also funded in this program.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Servicewide Transportation

II. Force Structure Summary:

This Subactivity Group funds the Army's transportation program provided by Military Traffic Management Command (MTMC). The following activities and installations are supported by this Subactivity Group:

Military Traffic Management Command:

Deployment Support Command - CONUS, Fort Eustis, VA
598th Transportation Group, Rotterdam, The Netherlands
599th Transportation Group, Hawaii
Transportation Engineering Activity (TEA), Fort Eustis, VA

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Servicewide Transportation

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Servicewide Transportation	692,451	608,608	591,609	620,576	661,551	634,739
Total	692,451	608,608	591,609	620,576	661,551	634,739

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	608,608	620,576	661,551	
Congressional Adjustments (Distributed)	-16,000			
Congressional Adjustments (Undistributed)	-40			
Adjustments to Meet Congressional Intent	0			
General Provisions	-959			
SUBTOTAL APPROPRIATED AMOUNT	591,609			
Fact-of-Life Changes	28,967			
SUBTOTAL BASELINE FUNDING	620,576			
Anticipated Supplemental	0			
Reprogramming	0			
Price Change		11,460	10,413	
Functional Transfers		0	0	
Program Changes		29,515	-37,225	
CURRENT ESTIMATE	620,576	661,551	634,739	

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Servicewide Transportation

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$ 608,608
1. Congressional Adjustments	
a) Distributed Adjustments	
1) Military Traffic Management Command (MTMC) DRMEC Demo Project Including RAPID	\$ 2,000
2) Second Destination Transportation	\$ -18,000
b) Undistributed Adjustments	
1) Federal Employees Compensation Act (FECA) Surcharge	\$ -5
2) Undistributed Adjustment	\$ -5
3) Unobligated Balance	\$ -30
c) General Provisions	
1) Section 8082 - Foreign Currency Fluctuations	\$ -845
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -16
3) Section 8103 - Government Purchase Card Savings	\$ -14
4) Section 8133 - Travel	\$ -6
5) Section 8135 - Revised Economic Assumptions	\$ -78
FY 2003 Appropriated Amount.....	\$ 591,609

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Servicewide Transportation

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

1) One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program\$ -22
 This one-time decrease is due to realigning funds to
 Subactivity Group 324 in order to support Military
 Training Service Support Pilot Program.

2) Program Growth

a) Contingency Operations (CONOPS) Support\$ 19,390
 This increase is a result of realigning resources
 from OMA Subactivity Group 135, Miscellaneous
 Activities, in support of emergent Balkan Operations
 requirements.

b) Second Destination Transportation\$ 9,800

FY 2003 Baseline Funding.....\$ 620,777

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -201
 Realigns the distribution between Major Commands and
 Subactivity Groups for foreign currency.

Revised FY 2003 Current Estimate.....\$ 620,576

4. Price Change.....\$ 11,460

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Servicewide Transportation

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases

Program Growth in FY 2004

Second Destination Transportation\$ 31,515
(FY 2003 Base \$632,036) This increase is attributable to a change in the working capital fund pricing methodology for over ocean movement costs for secondary items. As a result, the costs are financed on a direct reimbursable basis rather than through the cost recovery factor in the working capital fund rates. This new financing methodology increases visibility and accountability of the costs, and is more comparable with the private sector. The net changes can be seen in line 0799 in the OP-32.

6. Program Decreases

One-Time FY 2003 Costs

Military Traffic Management Command (MTMC) DRMEC Demo Project Including RAPID\$ -2,000
This decrease is due to a one-time congressional plus up.

FY 2004 Budget Request.....\$ 661,551

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Servicewide Transportation

IV. Performance Criteria and Evaluation Summary:

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>UNITS</u>	<u>\$(000)</u>	<u>UNITS</u>	<u>\$(000)</u>	<u>UNITS</u>	<u>\$(000)</u>	<u>UNITS</u>	<u>\$(000)</u>
CARGO Measurement Ton¹	1,253,074	172,340	1,268,750	171,345	1,738,007	223,595	1,710,133	223,324
CARGO Short Ton¹	36,346	170,867	19,792	103,278	16,274	86,367	12,101	65,184
CARGO ST JCS/Special								
Assignment Airlift Mission²	10	8,154	16	13,000	10	8,265	10	8,400
AAFES³	1,323,908	138,444	1,510,616	150,070	1,323,377	129,497	1,327,682	131,867
Subsistence	99,413	19,560	111,627	20,865	115,472	21,260	115,392	21,564
APO	92,450	<u>76,724</u>	81,971	<u>69,048</u>	80,348	<u>68,358</u>	80,709	<u>69,695</u>
		586,089		527,606		538,342		520,034

¹. Due to direct appropriation to DLA for over ocean movement of DLA secondary items.

². Due to a number of special assignments, which is the cost driver for this line.

³. This variation reflects a result of a new program called "direct booking" of ocean liner cargo, reducing the ocean line rate by as much as 30%.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Servicewide Transportation

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	92	104	104	104	0	0
Officer	37	44	44	44	0	0
Enlisted	55	60	60	60	0	0
<u>Civilian End Strength (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	101	97	104	104	7	0
Officer	39	40	44	44	4	0
Enlisted	62	57	60	60	3	0
<u>Civilian Full-Time Equivalent (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	421	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		
0308	TRAVEL OF PERSONS		1875	0	1.10%	20	605	2500	0	1.50%	37	63	2600	C	1.60%	41	€	€	2650
0399	TOTAL TRAVEL		1875	0	1.07%	20	605	2500	0	1.48%	37	63	2600	C	1.58%	41	€	€	2650
0703	AMC SAAM/JCS EXERCISES		8154	0	0.04%	3	4843	13000	0	-1.30%	-16€	-4566	8265	C	1.60%	13€	€	€	8400
0705	AMC CHANNEL CARGO		170867	0	11.00%	18795	-86384	103278	0	1.70%	175€	-18667	86367	C	0.60%	51€	-21701	€	65184
0708	MSC CHARTERED CARGO		21317	0	37.40%	7973	1210	30500	0	-42.70%	-1302€	-477	17000	C	4.80%	81€	-331€	€	14500
0717	MTMC GLOBAL POV		3606	0	-14.70%	-530	1424	4500	0	15.60%	70€	8	5210	C	4.60%	24€	€	€	5500
0718	MTMC LINER OCEAN TRANSPORTATION		149835	0	-8.40%	-12586	6801	144050	0	-2.60%	-374€	-11305	129000	C	-2.20%	-283€	173€	€	127900
0719	MTMC CARGO OPERATIONS (PORT HANDLING)		20607	0	-38.30%	-7892	1279	13994	0	20.00%	279€	-793	16000	C	4.20%	67€	-267€	€	14000
0721	MTMC (PORT HANDLING)		106362	0	-38.30%	-40737	27345	92970	0	20.00%	18594	11645	123209	C	4.20%	517€	-1367€	€	114705
0771	COMMERCIAL TRANSPORTATION		183023	0	1.10%	2013	4319	189355	0	1.50%	284€	55666	247861	C	1.60%	396€	445€	€	256277
0799	TOTAL TRANSPORTATION		663771	0	-4.97%	-32961	-39163	591647	0	1.65%	975€	31511	632912	C	1.37%	8681	-3512€	€	606466
0920	SUPPLIES/MATERIALS (NON FUND)		0	27	1.10%	0	-27	0	1254	1.50%	1€	-1273	0	1254	1.60%	2€	-1274	€	0
0932	MGMT & PROFESSIONAL SPT SVCS		100	0	1.10%	1	-101	0	0	1.50%	C	0	0	C	1.60%	C	C	€	0
0989	OTHER CONTRACTS		26696	0	1.10%	293	-560	26429	0	1.50%	39€	-78€	26039	C	1.60%	417	-83€	€	25623
0998	OTHER COSTS		9	0	1.10%	0	-9	0	0	1.50%	C	0	0	C	1.60%	C	C	€	0
0999	OTHER PURCHASES		26805	27	1.10%	294	-697	26429	1254	1.57%	41€	-2059	26039	125€	1.68%	437	-2107	€	25623
9999	GRAND TOTAL		692451	27	-4.71%	-32647	-39255	620576	1254	1.64%	1020€	29515	661551	125€	1.38%	915€	-3722€	€	634739

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Logistics Operations
Subactivity Group: Central Supply Activities

I. Description of Operations Financed:

CENTRAL SUPPLY ACTIVITIES - Provides funding for End-Item Management that supports equipping, deploying, and sustaining the U.S. Army and other U.S. military services worldwide.

End Item Materiel Management Activities field, redistribute, procure, modernize and sustain all Army Weapon Systems/Major End Items (EI). Programs include Supply Depot Operations (SDO) at Defense Logistics Agency (DLA) and Army depots and arsenals; National Inventory Control Point (NICP) operations; EI Procurement Offices supporting Program Executive Offices and Foreign Military Sales. End Item Materiel Management Activities do not support conventional ammunition and secondary items.

Performance measures involve: SDO- EI receipts, issues, storage, and other supply services performed; NICP- number of weapon system fleets and EI densities managed, and requisitions processed; Procurement Operations - number of EI contracts administered.

End Item Management contributes to the total logistics effort worldwide and improves readiness and responsiveness for forces in the field. Specific functions included are:

NATIONAL INVENTORY CONTROL POINTS - Performs inventory management, materiel fielding and redistribution, requisition processing functions, and provides major end item disposition instructions to field activities.

CENTRAL PROCUREMENT OPERATIONS - Procurement offices process procurement actions, prepare and issue solicitation documents, evaluate bids and proposals, conduct contract negotiations and awards, and exercise contract management and oversight.

END ITEM SUPPLY DEPOT OPERATIONS - Provides for issue, receipt, storage, Care of Supplies in Storage (COSIS), Packaging above level C, set assembly and disassembly of major end items, and supports the Recapitalization Program. End Item Supply Depot Operations are predominantly performed by Defense Logistics Agency (DLA) depots, which is reimbursed by the Army for the work performed. Residual Army depots and arsenals perform SDO functions for missile ammunition and other unique or hazardous end item requirements.

SUSTAINMENT SYSTEMS TECHNICAL SUPPORT (SSTS) - Sustainment Systems Technical Support provides critical technical and engineering services to correct safety deficiencies, modernization, and reliability enhancements for post-production weapon systems thereby ensuring the operational readiness of the Legacy Force. SSTS begins the first full fiscal year after final production of the last item,

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

I. Description of Operations Financed (Continued):

and continues until the weapon system is retired from the Army inventory. SSTS is the only source of funds for component re-engineering, modification design, and technical support for the Army's Recapitalization and National Maintenance programs. This program also funds updates to maintenance technical manuals to reflect engineering changes. These updates ensure soldiers have current manuals, which results in higher productivity in maintenance shops, reduced diagnostics and repair cycle time, and increased operational availability. Ultimately, this program increases operational readiness and decreases operation and support (O&S) costs.

Four key engineering service processes provided by SSTS are failure analysis, failure forecasting, component redesign, and maintenance procedure redesign. Furthermore, SSTS funds the maintenance Logistics Assistance Representative (LAR) program, which is instrumental in providing technical support to field maintenance activities.

II. Force Structure Summary:

This Subactivity Group reimburses the Defense Logistics Agency (DLA) for Supply Depot Operations performed at DLA depots and provides direct funding to U.S. Army Materiel Command depots and arsenals manpower. Funding for the End Item Materiel Management Programs supports operations performed at the U.S. Army Materiel Command, its major subordinate commands, and Program Executive Offices.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Central Supply Activities	460,259	547,994	517,846	516,760	491,835	478,758
Total	460,259	547,994	517,846	516,760	491,835	478,758

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	547,994	516,760	491,835	
Congressional Adjustments (Distributed)	3,200			
Congressional Adjustments (Undistributed)	-33,249			
Adjustments to Meet Congressional Intent	0			
General Provisions	-99			
SUBTOTAL APPROPRIATED AMOUNT	517,846			
Fact-of-Life Changes	-1,086			
SUBTOTAL BASELINE FUNDING	516,760			
Anticipated Supplemental	0			
Reprogramming	0			
Price Change		10,324	11,914	
Functional Transfers		7,863	0	
Program Changes		-43,112	-24,991	
CURRENT ESTIMATE	516,760	491,835	478,758	

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	547,994
1. Congressional Adjustments		
a) Distributed Adjustments		
Pulse Technology Army Battery Management	\$	3,200
Total Distributed Adjustments	\$	3,200
b) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-33,218
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-4
3) Undistributed Adjustment	\$	-3
4) Unobligated Balance	\$	-24
Total Undistributed Adjustments	\$	-33,249
c) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-6
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-14
3) Section 8103 - Government Purchase Card Savings	\$	-12
4) Section 8135 - Revised Economic Assumptions	\$	-67
Total General Provisions	\$	-99
FY 2003 Appropriated Amount.....	\$	517,846

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

Transformation of Installation Management (TIM)\$ 138

As part of Transformation Installation Management (TIM) business reengineering initiative, the Army has conducted a comprehensive review of all Base Support accounts. As a result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, in order to create a more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on warfighting tasks, all mission based functions pertaining to force readiness support were transferred to the appropriate readiness account. This increase reflects the proper realignment of the associated support costs from Base Support to mission accounts.

2) Transfers Out

Army Contract Agency (ACA) Reorganization\$ -1,762

This transfer is a result of realignment task force initiatives to eliminate redundant contracts and gain efficiencies by consolidating resources to the Army Contracting Agency.

b) Emergent Requirements

Program Growth

Central Supply Activities\$ 539

This increase is a result of realigning resources to match adjusted program requirements in Central Supply Activities.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Central Supply Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Baseline Funding.....	\$	516,761
3. Reprogrammings/Supplemental		
Reprogrammings		
Decreases		
Foreign Currency Fluctuation	\$	-1
Realigns the distribution between Major Commands and Subactivity Groups for foreign currency.		
Revised FY 2003 Current Estimate.....	\$	516,760
4. Price Change.....	\$	10,324
5. Functional Transfers		
Transfers In		
Transformation of Installation Management (TIM)	\$	7,863
The Transformation of Installation Management (TIM) is one of several Realignment Task Force (RTF) Initiatives that enhances the day-to-day operations of the Army. This transfer represents the realignment of Mission and Base Support personnel, pay and support costs. Through close analysis of the realigned resources, these resources were identified as support to mission functions (not Base Support Operations), and are being realigned back to their appropriate programs.		
6. Program Increases		
a) One-Time FY 2004 Costs		
Additional Compensable Day in FY 2004	\$	775
There will be an additional compensable workday in FY 2004.		

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

a) One-Time FY 2004 Costs (Continued)

Additional Compensable Day in FY 2004 (Continued)
This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Supply Depot Operations (SDO)\$ 4,537
(FY 2003 Base: \$52,946) This increase funds the SDO requirement for the High Mobility Multi-Purpose Wheeled Vehicle (HMMWV), which is being inducted into the Recapitalization Rebuild Program in FY2004, as well as newly validated Recapitalization requirements for Multiple Launch Rocket System (MLRS). In addition, the increase for additional funding supports the receipt, issue and storage mission for weapons systems being returned from OCONUS, and initiates a Care and Preservation of Supplies in Storage (COSIS) program to protect expensive and important military assets.

7. Program Decreases

a) Program Decreases in FY 2004

End Item Materiel Management\$ -45,224
(FY 2003 Base: \$479,576) The Army is managing risk in resourcing its requirements for End Item Materiel Management programs for the following:

a) National Inventory Control Points - A decrease of \$4,522,000 reduces support for national level major end item (weapon system) in-house inventory management,

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

a) Program Decreases in FY 2004 (Continued)

End Item Materiel Management (Continued)
including the issue requisitions/disposition instructures
critical to the unit fielding of new and replacement
equipment, and asset visibility. It also reduces support for
maintenance of the Army Central Logistics Data Bank (ACLDB),
which is the Army's data warehouse for logistics information.

b) Central Procurement Operations - A decrease
of \$1,809,000 reduces support for contract negotiations,
management and oversight.

c) Sustainment Systems Technical Support
(SSTS) - A decrease of \$19,899,000 reduces SSTS support for
the National Maintenance Program's single national repair
standard for Non-Recapitalized Weapon systems and the deferral
of funding for the annual Army Publications Program until
FY05.

d) SSTS Recapitalization - A decrease of
\$18,994,000 is directly tied to a decrease in SSTS rebuild
recapitalization requirements. Each year, SSTS requirements
will decrease if no new weapon systems are identified for
recapitalization. In FY 2004, SSTS rebuild recapitalization
requirements decreased for: Abrams, Blackhawk, Chinook,
Patriot, Small Emplacement Excavator (SEE), Field Artillery
Ammunition Support Vehicle (FAASV), High Mobility Multipurpose
Wheeled Vehicle (HMMWV), Firefinder, and M88A1 Recovery
Vehicle.

b) One-Time FY 2003 Costs

Pulse Technology Army Battery Management\$ -3,200
This decrease is due to a one-time congressional plus up.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2004 Budget Request.....\$ 491,835

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Central Supply Activities

IV. Performance Criteria and Evaluation Summary:

SUPPLY DEPOT OPERATIONS

	FY 2002	FY 2003	FY 2004	FY 2005
<u>Number of Receipts/Issues</u>				
DLA Depots- CL VII End-Item (EI) Eaches	194,070	209,217	221,256	164,003
DLA Depots-CL VII End-Item Lines	21,251	26,982	27,056	22,843
Army Depots-CL VII End Items	87,615	149,917	151,662	151,662
Army Arsenal-CL VII End Items	6,642	12,376	12,672	13,270
 <u>DLA Depots-Reimbursable Workload</u>				
COSIS-Number of CL VII EI Eaches performed	0	752	769	225
<u>Packaging Above Level C-</u>				
Number of CL VII EI Eaches Performed	177	1,344	1,717	1,624
<u>Set Assemble/Disassembly-</u>				
Number of CL VII EI Eaches Performed	11	2,315	2,315	1,270
Storage-CU FT occupied	32,806,282	32,695,261	32,467,987	32,240,711
 <u>Army Depots</u>				
CL V Missiles-Short Tons Issued/Received	5,987	9,872	9,918	10,516
MLRS Contract Storage Bunkers-Number Leased	70	68	66	0
<u>Rough and Ready Watercraft Contract Storage</u>				
Number of Work Hours	0	0	0	0
 <u>Special Workload Requirements-</u>				
Number of Work Hours	0	67,815	85,642	57,274

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

IV. Performance Criteria and Evaluation Summary (Continued):

END ITEM MATERIEL MANAGEMENT

<u>End Item Inventory Control Point Operations</u>	FY 2002	FY 2003	FY 2004	FY 2005
Number of End Items Managed	16,562	16,231	15,906	15,588
Number of Requisitions Processed	85,307	89,572	91,363	93,190
 <u>End Item Procurement Operations</u>				
Number of Procurement Actions Under \$25,000	8,128	8,941	9,119	9,301
Number of Procurement Actions \$25,000 and Over	9,604	10,563	10,774	10,989
Number of PRONs/MIPRs Processed	39,010	39,427	40,216	41,020
Number of Contracts Managed	23,294	23,543	24,014	24,494

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Central Supply Activities

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	99	118	88	88	-30	0
Officer	58	69	46	46	-23	0
Enlisted	41	49	42	42	-7	0
<u>Civilian End Strength (Total)</u>	3,455	3,148	2,952	2,724	-196	-228
U.S. Direct Hire	3,452	3,148	2,952	2,724	-196	-228
Foreign National Direct Hire	3	0	0	0	0	0
Total Direct Hire	3,455	3,148	2,952	2,724	-196	-228
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	90	108	102	88	-6	-14
Officer	46	63	57	46	-6	-11
Enlisted	44	45	45	42	0	-3
<u>Civilian Full-Time Equivalent (Total)</u>	3,297	3,087	2,945	2,781	-142	-164
U.S. Direct Hire	3,294	3,087	2,945	2,781	-142	-164
Foreign National Direct Hire	3	0	0	0	0	0
Total Direct Hire	3,297	3,087	2,945	2,781	-142	-164
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	422	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Adjust	Growth	Growth	Growth	Program	Adjust	Percent	Growth	Growth	Program	Program
				Adjust	Percent	Amount				Percent	Amount				Percent	Amount			
0101	EXEC, GEN, SPEC SCHEDULE	277165	277165	0	3.18%	8826	-22152	263839	0	2.54%	6691	-13071	257459	C	2.51%	6464	-16082	247841	
0103	WAGE BOARD	610	610	0	4.75%	29	184	823	0	2.31%	19	-123	719	C	2.23%	19	C	735	
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	251	251	0	0.00%	0	-251	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0106	BENEFITS TO FORMER EMPLOYEES	3	3	0	0.00%	0	-3	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	2458	2458	0	0.00%	0	-2458	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0199	TOTAL CIV PERSONNEL COMP	280487	280487	0	3.16%	8855	-24680	264662	0	2.54%	6710	-13194	258178	C	2.51%	6480	-16082	248576	
0308	TRAVEL OF PERSONS	8318	8318	0	1.10%	92	-591	7819	0	1.50%	117	-273	7663	C	1.60%	122	-352	7433	
0399	TOTAL TRAVEL	8318	8318	0	1.11%	92	-591	7819	0	1.50%	117	-273	7663	C	1.61%	122	-352	7433	
0401	DFSC FUEL	6	6	0	-16.00%	-1	-5	0	0	8.30%	C	0	0	C	3.30%	C	C	0	
0402	SERVICE FUEL	0	0	0	-16.00%	0	8	8	0	8.30%	1	0	9	C	3.30%	C	C	9	
0411	ARMY MANAGED SUPPLIES & MATERIALS	713	713	0	9.20%	65	9	787	0	4.50%	39	-16	806	C	1.50%	12	-29	792	
0416	GSA MANAGED SUPPLIES & MATERIALS	541	541	0	1.10%	6	16	563	0	1.50%	9	1	573	C	1.60%	9	1	583	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	1260	1260	0	5.56%	70	28	1358	0	3.31%	48	-15	1388	C	1.51%	21	-29	1384	
0502	ARMY EQUIPMENT	613	613	0	9.20%	56	8	677	0	4.50%	30	-1	706	C	1.50%	11	-29	692	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	613	613	0	9.14%	56	8	677	0	4.43%	30	-1	706	C	1.56%	11	-29	692	
0601	ARMY (ORDNANCE)	8644	8644	0	-27.00%	-2334	12308	18618	0	1.40%	261	1971	20850	C	10.10%	2100	-3840	19116	
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	7498	7498	0	5.30%	397	-7273	622	0	8.30%	52	253	927	C	2.00%	19	-322	624	
0603	DLA DISTRIBUTION DEPOT (ARMY ONLY)	7298	7298	0	4.20%	307	1153	8758	0	1.50%	131	1869	10758	C	1.60%	172	-2860	8070	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	5855	5855	0	6.20%	363	808	7026	0	-2.00%	-141	-210	6675	C	0.30%	20	-220	6475	
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	580	580	0	-1.00%	-6	122	696	0	1.50%	10	-45	661	C	1.60%	11	-31	641	
0648	ARMY INFORMATION SERVICES (CANCELLED)	6	6	0	1.10%	0	-6	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0679	COST REIMBURSABLE PURCHASES	18328	18328	0	1.10%	202	3464	21994	0	1.50%	330	-1430	20894	C	1.60%	332	-960	20267	
0699	TOTAL INDUSTRIAL FUND PURCHASES	48209	48209	0	-2.22%	-1071	10576	57714	0	1.11%	642	2408	60765	C	4.38%	2661	-8232	55193	
0717	MTMC GLOBAL POV	25	25	0	-14.70%	-4	11	32	0	15.60%	9	-7	30	C	4.60%	1	-3	28	
0771	COMMERCIAL TRANSPORTATION	1085	1085	0	1.10%	12	205	1302	0	1.50%	20	-85	1237	C	1.60%	20	-57	1200	
0799	TOTAL TRANSPORTATION	1110	1110	0	0.72%	8	216	1334	0	1.87%	29	-92	1267	C	1.66%	21	-60	1228	
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	1165	1165	0	0.00%	0	-1165	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0913	PURCHASED UTILITIES	11	11	0	1.10%	0	4	15	0	1.50%	C	-1	14	C	1.60%	C	-2	12	
0914	PURCHASED COMMUNICATIONS	359	359	0	1.10%	4	69	432	0	1.50%	9	-28	410	C	1.60%	9	-19	398	
0917	POSTAL SERVICES (U.S.P.S.)	19	19	0	0.00%	0	6	25	0	0.00%	C	-1	24	C	0.00%	C	-4	20	
0920	SUPPLIES/MATERIALS (NON FUND)	3679	3679	-6	1.10%	40	384	4097	8	1.50%	62	-34	4133	C	1.60%	69	1	4208	
0921	PRINTING AND REPRODUCTION	7	7	0	1.10%	0	3	10	0	1.50%	C	0	10	C	1.60%	C	-2	8	
0922	EQUIPMENT MAINTENANCE BY CONTRACT	1092	1092	0	1.10%	12	206	1310	0	1.50%	20	-85	1245	C	1.60%	20	-57	1208	
0923	FACILITY MAINTENANCE BY CONTRACT	277	277	0	1.10%	3	44	324	0	1.50%	9	-21	308	C	1.60%	9	-19	298	
0925	EQUIPMENT PURCHASES (NON FUND)	1512	1512	0	1.10%	16	264	1792	0	1.50%	27	-4	1815	C	1.60%	29	4	1848	
0932	MGMT & PROFESSIONAL SPT SVCS	12355	12355	0	1.10%	137	-1615	10877	0	1.50%	162	-170	10870	C	1.60%	174	29	11070	
0933	STUDIES, ANALYSIS, & EVALUATIONS	2304	2304	0	1.10%	26	-2330	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0934	ENGINEERING & TECHNICAL SERVICES	45312	45312	0	1.10%	498	20720	66530	0	1.50%	999	-1388	66140	C	1.60%	1059	-1069	66130	
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	9394	9394	0	1.10%	103	1024	10521	0	1.50%	159	-682	9995	C	1.60%	160	-460	9695	
0989	OTHER CONTRACTS	41213	41213	0	1.10%	453	43847	85513	0	1.50%	1282	-21554	65241	C	1.60%	1042	1460	67744	
0998	OTHER COSTS	1563	1563	0	1.10%	18	169	1750	0	1.50%	27	-114	1663	C	1.60%	29	-79	1613	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	422	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description		Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0999	OTHER PURCHASES		120262	-6	1.09%	1310	61630	183196	8	1.50%	2746	-24082	161868	8	1.60%	2586	-213		164252
9999	GRAND TOTAL		460259	-6	2.02%	9320	47187	516760	8	2.00%	10316	-35249	491835	8	2.42%	11906	-24991		478758

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Logistics Operations
Subactivity Group: Logistic Support Activities

I. Description of Operations Financed:

LOGISTICS SUPPORT ACTIVITIES - Provides for a variety of logistics support functions which equip, deploy and sustain the Army and other Service forces worldwide. The FY 2004/FY 2005 budget reflects a significant increase in Spares to replenish depleted inventory, while providing the minimum essential resources required to support near-term readiness for logistics support programs and vital Army missions.

Logistics Support Activities (LSA) contain the worldwide Logistics Management Systems for Class VII End Item fielding and redistribution, Class IX unit-level and wholesale requisitioning and distribution, and readiness and asset visibility reporting. LSAs also include worldwide Logistics Assistance Offices, providing technical supply and maintenance assistance to the field soldier; Radioactive Waste Disposal; End Item Demilitarization; the Army's Domestic Standardization Program; Logistics Information Management; Weapon Systems Lifecycle Management and cost-benefit analyses; the National Program Office; and Troop Issue Subsistence Activities. LSA cost drivers are the number of work years of effort.

Logistics Support functions contribute to the total logistics effort worldwide and improve readiness and responsiveness to the forces in the field. Specific functions included are:

LOGISTICS SUPPORT - Provides resources for worldwide Logistics Management Systems for Weapon Systems fielding and redistribution, unit-level and wholesale repair parts and spares requisitioning and distribution, and readiness and asset visibility reporting. Logistics Support also includes worldwide Logistics Assistance Offices that provide technical supply and maintenance assistance to the field soldier. Additionally, weapon systems life cycle management and cost forecasting and modeling support to Program Executive Office and Army Materiel Command weapon system managers are funded through this Subactivity Group.

Spares - Over several years, the Army has experienced a spares shortfall due to increased OPTEMPO, contingency demands for repair parts, and aging equipment. As a result there was a decline in spares stock availability and a corresponding increase in backorders. In order to rectify this shortfall, the Army has taken aggressive measures to replenish depleted inventory by realigning resources internally, starting in FY 2002. The following funding stream reflects the Army's conscientious effort to rectify the spares problem and to minimize risk in maintaining readiness.

FY 2002	FY 2003	FY 2004	FY 2005
\$250,000,000	\$406,000,000*	\$658,000,000	\$100,000,000

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

I. Description of Operations Financed (Continued):

*This funding level includes \$90 million of Operation & Maintenance (O&M), National Guard, and \$24 million of O&M, Reserve.

Without additional resources to purchase and replenish the spares inventory to acceptable levels, OPTEMPO, contingency operations and the readiness of the Army as a whole is at risk.

RADIOACTIVE WASTE/UNWANTED RADIOACTIVE MATERIAL - Provides resources for costs, manpower, and operation of facilities identified for disposal of radioactive waste or unwanted radioactive material. Includes Army Executive Agency responsibilities for operation of program in support of the Air Force, Defense Logistics Agency and other Services under inter-service or intra-government support agreements and/or studies.

INFORMATION MANAGEMENT - Provides operations and maintenance resources for computer system analysis, design, and programming. Information Management also funds automation technical support, and associated personnel, equipment, and other costs in support of mission data processing facilities. Also provides funds to operate an organization or activity responsible for designing, coding, testing, and documenting and subsequently maintaining/modifying computer operations or applications programs for Army wide use.

THE NATIONAL PROGRAM OFFICE (NPO) - The NPO was established to move the Army to a centrally coordinated and controlled repair-based logistics system. Headquarters U.S. Army Materiel Command (USAMC), as the National Maintenance Manager (NMM), established the NPO as the focal point for all Major Subordinate Command maintenance requirements.

The NMM will distribute the total sustainment maintenance workload across depot and below depot activities based on national need, through a national requirements determination process. The National Maintenance Program (NMP), directed by the NMM, establishes two categories of management for Army maintenance: National and Field. The primary focus of the national category of management is sustainment readiness, repair and return to the single stock fund of class IX components managed by the NMM. Under the NMP, items repaired and returned to stock will be repaired by an approved national maintenance provider, (i.e., organic depots, contractor facilities, or below depot maintenance activities) to an overhaul standard. The focus of the field category of management is support to near-term readiness, repair in accordance with the maintenance standard and return to user. The field category consists of the Organizational, Direct Support and General Support levels of maintenance.

TROOP ISSUE SUBSISTENCE ACTIVITIES (TISA) - Provides for requisitioning, receiving, storing, issuing and selling of subsistence items to appropriated fund dining facilities, and Reserve and

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

I. Description of Operations Financed (Continued):

National Guard organizations. This includes field rations and support of all organizational/unit dining facility operations.

OP-32 - FY 2002 execution data has been analyzed, and changes have been made to build consistency in how the O&M Army resources are planned and executed. Upon this analysis future year resources are projected out to portray a snap shot of what program dollars would buy.

In the FY 2004 budget, this Subactivity Group (SAG) has a significant increase in Line 0411, Army Managed Supplies and Materials, on the OP-32. This is a direct result of increased funding to improve adequate availability of spares. The following matrix provides the net growth of in the line 0411 from FY 2002 to FY 2005, including price growth.

	FY 2002	FY 2003	FY 2004	FY 2005
Price Growth (\$000)		\$23,307	\$13,306	\$9,936
Net Program Growth (\$000)		\$19,040	\$353,462	(\$567,760)
Resources Executed/Programmed (\$000)	\$253,337	\$295,684	\$662,452	\$104,628

Discrepancies between the funding stream for spares and what is in the line are due to price growth and costs for other recurring Army managed supplies and materials.

Without the increased spares funding, this SAG would have an overall program decrease for all the fiscal years.

II. Force Structure Summary:

This Subactivity Group provides funding for the Army's logistics support activities. The following activities and installations are supported by this budget activity group: Headquarters U.S. Army Materiel Command (USAMC); Communications-Electronics Command (CECOM); Aviation Missile Command (AMCOM); Industrial Operations Command (IOC); Soldier and Biological Chemical Command (SBCCOM); Tank-Automotive and Armaments Command (TACOM); Simulation, Training and Instrumentation Command (STRICOM); Laboratory Command (LABCOM); U.S. Army Security Assistance Command (USASAC); Installation and Services Activity (ISA); Army Materiel Systems Analysis Activity (AMSAA); Security Support Activity (SSA); Program Manager Rocky Mountain Arsenal; and Logistic Support Activity (LOGSA).

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Logistic Support Activities	678,648	356,424	370,492	676,920	1,058,760	502,174
Total	678,648	356,424	370,492	676,920	1,058,760	502,174

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		356,424	676,920	1,058,760
Congressional Adjustments (Distributed)		3,000		
Congressional Adjustments (Undistributed)		-16,045		
Adjustments to Meet Congressional Intent		29,006		
General Provisions		-1,893		
SUBTOTAL APPROPRIATED AMOUNT		370,492		
Fact-of-Life Changes		306,428		
SUBTOTAL BASELINE FUNDING		676,920		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			21,241	18,020
Functional Transfers			41,394	0
Program Changes			319,205	-574,606
CURRENT ESTIMATE		676,920	1,058,760	502,174

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....\$ 356,424

1. Congressional Adjustments

a) Distributed Adjustments

1) AIT/RIED Sierra Army Depot\$ 1,000
 2) Electronic Maintenance System (EMS) Interactive Program\$ 1,000
 3) Logistics & Technology Program\$ 1,000

Total Distributed Adjustments\$ 3,000

b) Undistributed Adjustments

1) Civil Service Retirement System (CSRS) Accrual Reversal\$ -16,492
 2) Anti-Corrosion Programs\$ 1,000
 3) Federal Employees Compensation Act (FECA) Surcharge\$ -43
 4) Undistributed Adjustment\$ -67
 5) Unobligated Balance\$ -443

Total Undistributed Adjustments\$ -16,045

c) Adjustments to Meet Congressional Intent

1) Stryker Brigade Combat Team (SBCT) Implementation\$ 27,506
 2) Corrosion Prevention and Control Program at CCAD and Fort Hood\$ 1,500

Total Adjustments to Meet Congressional Intent\$ 29,006

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

d) General Provisions

1) Section 8082 - Foreign Currency Fluctuations	\$ -106
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -230
3) Section 8103 - Government Purchase Card Savings	\$ -213
4) Section 8133 - Travel	\$ -63
5) Section 8135 - Revised Economic Assumptions	\$ -1,281

Total General Provisions\$ -1,893

FY 2003 Appropriated Amount.....\$ 370,492

2. Fact-of-Life Changes

a) Functional Transfers

Transfers Out

Network Enterprise and Technology Command (NETCOM) Stand- Up	\$ -699
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This transfer is a result of realigning missions, resources, and personnel assets to Subactivity Group 432 for NETCOM, in order to improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements

1) One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program\$ -70
This one-time decrease is due to realigning funds to Subactivity Group 324 in order to support Military Training Service Support Pilot Program.

2) Program Growth

a) Logistics Support Activities\$ 15,386
This increase is due to realigning resources to fund the Ceremonial Rifles program, Clearinghouse program, Fellows program, and the Logistics Integrated Data Base (LIDB). The Ceremonial Rifles program provides: all ceremonial rifles, in coordination with local law enforcement agencies; rifle compliance inspections; management of a multi-billion dollar inventory. The Clearinghouse program provides the logistics, safety, security, and facilities support for the Historical Clearinghouse at Anniston Army Depot. The Fellows program funds building a multi-skilled/functional workforce that supports the Army-wide core competencies in logistics. This increase specifically funds targeted recruitment costs to replenish the residual civilian workforce with the high quality replacements in the right number at the right time. LIDB is a mechanism that ensures data integrity across Army corporate databases and provides support for feeder systems for the Army's OPTEMPO models.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

2) Program Growth (Continued)

b) Spares\$ 292,000

This increase is a result of realigning internal resources as a concerted effort to replenish the depleted spares inventory.

3) Program Reductions

Aviation Transformation Plan\$ -139

This decrease is a result of full implementation of the Aviation Transformation Plan in FY 2003 for Army Material Command (AMC - Navy Test Pilot School) decreased the number of required hours for OH-58AC because they will be turned in prior to the end of the year.

FY 2003 Baseline Funding.....\$ 676,970

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -50

Realigns the distribution between Major Commands and Subactivity Groups for foreign currency.

Revised FY 2003 Current Estimate.....\$ 676,920

4. Price Change.....\$ 21,241

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

a) Transfers In

Transformation of Installation Management (TIM)\$ 41,394

As part of Transformation Installation Management (TIM) business reengineering initiative, a comprehensive review of all Base Support accounts was performed. As a result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, to create a more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on warfighting tasks, all mission based functions pertaining to Force Readiness support were transferred to the appropriate readiness account. This increase reflects the proper realignment of manpower and the associated support costs from Base Support to mission (Forces Readiness Operations Support) accounts.

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 536

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

1) Spares\$ 366,000

(FY 2003 Base: \$292,000) This is a major stride, investing internal resources, to increase the spares stock availability for training and operations. This is in addition to the FY 2003 increment.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

2) Logistics Support Activities	\$	1,036
This increase specifically supports the Corrosion Prevention and Control Program, which is a congressionally mandated program. This program provides capabilities for Army's existing maintenance facilities to perform minor repairs on Army's major end items and protect equipment from destruction.		

7. Program Decreases

One-Time FY 2003 Costs

1) AIT/RFID Sierra Army Depot	\$	-1,000
One-time congressional plus up in FY 2003.		
2) Corrosion Prevention & Control Program at Corpus Christi Army Depot & Ft Hood	\$	-1,500
One-time congressional plus up in FY 2003.		
3) EMS Point to Point Wiring & Signal Tracing	\$	-1,000
One-time congressional plus up in FY 2003.		
4) Logistics & Technology Program	\$	-1,000
One-time congressional plus up in FY 2003.		
5) Stryker Brigade Combat Team	\$	-27,506
One-time plus up to comply with congressional intent in FY 2003.		
6) Anti-Corrosion Costs	\$	-1,000
One-time plus up to comply with congressional intent in FY 2003.		

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

One-Time FY 2003 Costs (Continued)

7) Logistics Support Activities\$ -15,361
 One-time FY 2003 adjustment made to resource Ceremonial
 Rifles program, Clearinghouse program, Fellows program,
 and the Logistics Integrated Data Base (LIDB).

FY 2004 Budget Request.....\$1,058,760

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

IV. Performance Criteria and Evaluation Summary:

LOGISTICS SUPPORT ACTIVITIES

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>
Logistics Support Activities					
Number of Work Years of effort	1656	1625	2076	2067	451

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Logistic Support Activities

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	518	544	672	669	128	-3
Officer	325	327	377	375	50	-2
Enlisted	193	217	295	294	78	-1
<u>Civilian End Strength (Total)</u>	1,724	1,592	2,111	2,102	519	-9
U.S. Direct Hire	1,648	1,534	2,047	2,038	513	-9
Foreign National Direct Hire	33	27	27	27	0	0
Total Direct Hire	1,681	1,561	2,074	2,065	513	-9
Foreign National Indirect Hire	43	31	37	37	6	0
<u>Military Average Strength (Total)</u>	476	531	608	670	77	62
Officer	335	326	352	376	26	24
Enlisted	141	205	256	294	51	38
<u>Civilian Full-Time Equivalent (Total)</u>	1,656	1,625	2,076	2,067	451	-9
U.S. Direct Hire	1,609	1,550	2,013	2,004	463	-9
Foreign National Direct Hire	11	45	27	27	-18	0
Total Direct Hire	1,620	1,595	2,040	2,031	445	-9
Foreign National Indirect Hire	36	30	36	36	6	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	423	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	124002	0	3.31%	4106	-4875	123233	0	3.52%	4341	44074	171650	0	2.58%	4425	-985	175086
0103	WAGE BOARD	2821	0	4.22%	119	334	3274	0	2.96%	97	188	3559	0	2.19%	75	7	3644
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	118	-157	37.29%	44	992	997	184	1.81%	15	-365	834	105	2.04%	17	2	962
0105	SEPARATION LIABILITY (FNDH)	3	0	0.00%	0	2	5	0	0.00%	0	-1	4	0	0.00%	0	0	4
0106	BENEFITS TO FORMER EMPLOYEES	42	0	0.00%	0	-30	12	0	0.00%	0	-2	10	0	0.00%	0	0	10
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	1101	0	0.00%	0	-1101	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0110	UNEMPLOYMENT COMPENSATION	6045	0	0.00%	0	-6045	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0111	DISABILITY COMPENSATION	39108	0	0.00%	0	-333	38775	0	0.00%	0	-3277	35498	0	0.00%	0	1255	36754
0199	TOTAL CIV PERSONNEL COMP	173240	-157	2.46%	4269	-11056	166296	184	2.68%	4455	40617	211555	105	2.14%	4520	275	216460
0308	TRAVEL OF PERSONS	5970	0	1.10%	65	-5	6030	0	1.50%	90	-119	6001	0	1.60%	97	-697	5401
0399	TOTAL TRAVEL	5970	0	1.09%	65	-5	6030	0	1.49%	90	-119	6001	0	1.62%	97	-697	5401
0401	DFSC FUEL	0	0	-16.00%	0	0	0	0	8.30%	0	0	0	0	3.30%	0	0	0
0402	SERVICE FUEL	116	0	-16.00%	-19	95	192	0	8.30%	15	45	253	0	3.30%	5	60	321
0411	ARMY MANAGED SUPPLIES & MATERIALS	253337	0	9.20%	23307	19040	295684	0	4.50%	13305	353462	662452	0	1.50%	9935	-567760	104628
0415	DLA MANAGED SUPPLIES & MATERIALS	821	0	3.50%	29	-33	817	0	-2.90%	-25	74	868	0	1.50%	14	212	1094
0416	GSA MANAGED SUPPLIES & MATERIALS	269	0	1.10%	2	-16	255	0	1.50%	3	48	306	0	1.60%	4	71	381
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	0	0	0	1.50%	0	0	0	0	1.60%	0	645	649
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	254543	0	9.16%	23319	19086	296948	0	4.48%	13302	353629	663879	0	1.50%	9962	-566765	107073
0502	ARMY EQUIPMENT	1040	0	9.20%	95	13	1148	0	4.50%	55	213	1414	0	1.50%	21	25	1464
0506	DLA EQUIPMENT	907	0	3.50%	32	-41	898	0	-2.90%	-25	147	1019	0	1.50%	15	235	1270
0507	GSA MANAGED EQUIPMENT	646	0	1.10%	7	-20	633	0	1.50%	5	118	760	0	1.60%	12	175	945
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	2593	0	5.17%	134	-48	2679	0	1.34%	35	478	3193	0	1.50%	45	435	3679
0601	ARMY (ORDNANCE)	4053	0	-27.00%	-1094	1366	4325	0	1.40%	61	374	4760	0	10.10%	481	-1175	4062
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	19629	0	5.30%	1040	-17578	3091	0	8.30%	257	256	3604	0	2.00%	72	-762	2914
0603	DLA DISTRIBUTION DEPOT (ARMY ONLY)	734	0	4.20%	31	160	925	0	1.50%	14	23	962	0	1.60%	15	-110	867
0633	DEFENSE PUBLICATION & PRINTING SERVICE	5082	0	6.20%	315	193	5590	0	-2.00%	-111	335	5814	0	0.30%	17	-595	5233
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	12243	0	-1.00%	-122	1346	13467	0	1.50%	202	337	14006	0	1.60%	224	-1625	12605
0648	ARMY INFORMATION SERVICES (CANCELLED)	50	0	1.10%	1	-51	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0679	COST REIMBURSABLE PURCHASES	8611	0	1.10%	95	766	9472	0	1.50%	142	237	9851	0	1.60%	155	-1145	8866
0699	TOTAL INDUSTRIAL FUND PURCHASES	50402	0	0.53%	266	-13798	36870	0	1.53%	565	1562	38997	0	2.48%	967	-5417	34547
0717	MTMC GLOBAL POV	44	0	-14.70%	-6	17	55	0	15.60%	5	4	68	0	4.60%	3	-10	61
0771	COMMERCIAL TRANSPORTATION	339	0	1.10%	3	85	427	0	1.50%	5	96	529	0	1.60%	5	-61	476
0799	TOTAL TRANSPORTATION	383	0	-0.78%	-3	102	482	0	3.11%	15	100	597	0	1.84%	11	-71	537
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	1060	-148	2.55%	27	-176	763	384	4.06%	31	185	1363	437	3.45%	47	1	1848
0913	PURCHASED UTILITIES	6	0	1.10%	0	2	8	0	1.50%	0	2	10	0	1.60%	0	-1	9
0914	PURCHASED COMMUNICATIONS	375	0	1.10%	4	93	472	0	1.50%	7	106	585	0	1.60%	5	-67	527
0917	POSTAL SERVICES (U.S.P.S.)	123	0	0.00%	0	32	155	0	0.00%	0	37	192	0	0.00%	0	-15	173
0920	SUPPLIES/MATERIALS (NON FUND)	5263	296	1.10%	61	2012	7632	-318	1.50%	105	1463	8886	-295	1.60%	137	2565	11293
0921	PRINTING AND REPRODUCTION	22	0	1.10%	0	6	28	0	1.50%	0	7	35	0	1.60%	0	-3	32
0922	EQUIPMENT MAINTENANCE BY CONTRACT	10999	0	1.10%	121	979	12099	0	1.50%	182	-2602	9679	0	1.60%	155	-1125	8711
0923	FACILITY MAINTENANCE BY CONTRACT	5753	0	1.10%	63	512	6328	0	1.50%	95	158	6581	0	1.60%	105	-765	5923

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	423	Totals															
Line	Line	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
			Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount	
0925	EQUIPMENT PURCHASES (NON FUND)	3942	0	1.10%	43	2322	6307	0	1.50%	94	1137	7538	C	1.60%	120	1711	9369
0932	MGMT & PROFESSIONAL SPT SVCS	20563	0	1.10%	226	-8963	11826	0	1.50%	177	-342	11661	C	1.60%	186	-556	11289
0933	STUDIES, ANALYSIS, & EVALUATIONS	1543	0	1.10%	17	-1560	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0934	ENGINEERING & TECHNICAL SERVICES	4880	0	1.10%	53	-3882	1051	0	1.50%	16	-14	1052	C	1.60%	17	-17	1052
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	59042	0	1.10%	651	-61	59632	0	1.50%	896	-22712	37816	C	1.60%	602	-1596	36820
0989	OTHER CONTRACTS	76831	0	1.10%	845	-16362	61314	0	1.50%	916	-13093	49140	C	1.60%	787	-2496	47431
0998	OTHER COSTS	1115	0	1.10%	12	-1127	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	191517	148	1.11%	2123	-26173	167615	66	1.51%	2526	-35668	134538	141	1.61%	2166	-2367	134477
9999	GRAND TOTAL	678648	-9	4.45%	30173	-31892	676920	250	3.10%	20991	360599	1058760	250	1.68%	17770	-574606	502174

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Logistics Operations
Subactivity Group: Ammunition Management

I. Description of Operations Financed:

AMMUNITION MANAGEMENT - Provides funding for the Army to perform its assigned mission as the DoD Single Manager for Conventional Ammunition (SMCA) and as DoD executive agent for chemical and biological matters. The Ammunition Management budget provides support for the full range of DoD conventional ammunition management as it relates to SMCA items in addition to non-SMCA items stored at Army wholesale sites. Activities include national inventory control point (NICP), and depot supply and maintenance operations for all conventional ammunition requirements worldwide. Ammunition management funds support 'cradle to grave' operations within the life-cycle of conventional ammunition, including procurement, storage, distribution, maintenance, and demilitarization. The conventional ammunition program supports National Guard and Army Reserve training, and generates cost avoidance, through Golden Cargo exercises. Funding supports the ammunition modernization of the Pacific and European theaters and improvements to ammunition management systems, improving velocity management and wholesale to retail asset visibility. Ammunition management functions also support the efficient packaging of munitions for rapid deployment and ensures availability of munitions, at the right place, at the right time, to meet contingency requirements. Conventional ammunition management cost drivers are directly related to the size of the CONUS ammunition inventory, as well as the quantity of ammunition procured, issued, received, maintained and demilitarized.

As DoD executive agent for chemical and biological matters, this activity includes funding for storage, maintenance, and surveillance of toxic chemical agents and munitions for the Army. Ammunition functions support the equipping, deploying and sustaining of ammunition for the Army and other Services worldwide:

CONVENTIONAL AMMUNITION- Provides resources for acquisition planning and logistical support for conventional ammunition assigned to the SMCA. This includes depot supply and maintenance operations purchased through the Defense Working Capital Fund (DWCF), central procurement activities, and logistical administrative support. Depot supply and maintenance operations include receipts, issues, second destination transportation, inventory/accountability, surveillance, rewarehousing and maintenance. Also included in this program are the Stockpile Reliability program, and operation of the NICP and NMP for conventional ammunition. Ammunition NICP and NMP functions include asset distribution to customers; maintenance engineering; development of configuration control data; technical data and quality control standards; malfunction and deficiency investigations; Ammunition Stockpile Reliability Program (ASRP); automation enhancements; Ammunition Peculiar Equipment (APE) development; maintenance; industrial preparedness operations. Conventional ammunition includes all explosive and kinetic energy munitions, but excludes nuclear and biological devices.

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Ammunition Management

I. Description of Operations Financed (Continued):

Conventional Ammunition Activities not funded as Single Manager for Conventional Ammunition (Non-SMCA) - Provides resources for ammunition activities that are not funded under the SMCA. These activities include ammunition in-land transportation (CONUS line haul), renovation, maintenance engineering support, development of configuration control data, technical data, and quality control standards for conventional ammunition. Includes preparation of publications such as technical manuals, depot maintenance work requirements, and technical data packages. Also includes logistics support for non-SMCA items to include storage, inventory, surveillance, and maintenance.

TOXIC CHEMICAL MATERIALS - Provides funding for the Army, as DoD Executive Agent for chemical and biological matters, to provide safe, secure, and environmentally sound storage of toxic chemical materials until they are destroyed. The Army currently provides proper storage, maintenance, and surveillance of over 25,000 tons of toxic chemical agents located at eight CONUS storage sites. This program provides the storage facilities with chemical monitoring, leaking vessel isolation/containerization, safety and security requirements for these highly sensitive munitions awaiting demilitarization and destruction.

II. Force Structure Summary:

This Subactivity Group provides funding for the Army's ammunition logistics operations at several major commands and major subordinate commands, and also supports TIM realignments for Program Manager for Nuclear, Biological, and Chemical Defense Systems, and Base Realignment and Closure Office. Organizations that perform ammunition management functions include Headquarters, U.S. Army Materiel Command (USAMC); U.S. Army Tank-Automotive and Armaments Command (TACOM); U.S. Army Operations Support Command, (OSC); Defense Ammunition Center; Soldier, Biological and Chemical Command (SBCCOM); as well as Army ammunition plants/activities, arsenals, and depots.

Arsenals: Pine Bluff, AR

Active Ammunition Plants: Crane, IN; Holston, TN; Iowa, IA; Lake City, MO; Lone Star, TX; McAlester, OK; Milan, TN; Radford, VA

Ammunition Depots: Anniston, AL; Blue-Grass, KY; Sierra, CA; Tooele, UT; Letterkenny, PA; Red River, TX; Hawthorne, NV

Chemical Activities: Pine Bluff, AR; Lexington Blue Grass, KY; Edgewood (Aberdeen), MD; Anniston, AL

Chemical Depots: Pueblo, CO; Umatilla, OR; Deseret, UT; Newport, IN

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Ammunition Management

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Ammunition Management	392,031	311,789	296,058	296,086	330,129	263,871
Total	392,031	311,789	296,058	296,086	330,129	263,871

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	311,789	296,086	330,129
Congressional Adjustments (Undistributed)	-15,710		
Adjustments to Meet Congressional Intent	0		
General Provisions	-21		
SUBTOTAL APPROPRIATED AMOUNT	296,058		
Fact-of-Life Changes	28		
SUBTOTAL BASELINE FUNDING	296,086		
Anticipated Supplemental	0		
Reprogramming	0		
Price Change		5,703	16,866
Functional Transfers		12,031	0
Program Changes		16,309	-83,124
CURRENT ESTIMATE	296,086	330,129	263,871

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Ammunition Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....\$ 311,789

1. Congressional Adjustments

a) Undistributed Adjustments

1) Federal Employees Compensation Act (FECA) Surcharge\$ -1

2) Civil Service Retirement System (CSRS) Accrual Reversal\$ -15,709

b) General Provisions

1) Section 8082 - Foreign Currency Fluctuations\$ -20

2) Section 8103 - Government Purchase Card Savings\$ -1

FY 2003 Appropriated Amount.....\$ 296,058

2. Fact-of-Life Changes

Functional Transfers

1) Transfers In

Transformation of Installation Management (TIM)\$ 115

As part of Transformation Installation Management (TIM) business reengineering initiative, the Army has conducted a comprehensive review of all Base Support accounts. As a result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, in order to create a more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on warfighting tasks, all mission based functions pertaining to force readiness support were transferred to the appropriate

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Ammunition Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

Functional Transfers (Continued)

1) Transfers In (Continued)

Transformation of Installation Management (TIM)
 (Continued)

readiness account. This increase reflects the proper
 realignment of manpower and the associated support costs
 from Base Support to mission accounts.

2) Transfers Out

Network Enterprise and Technology Command (NETCOM) Stand-
 Up\$ -87

This transfer is a result of realigning missions,
 resources, and personnel assets to NETCOM, in order to
 improve the capacity, performance, and security of all
 Army networks including those of the Army National Guard
 and Army Reserve.

FY 2003 Baseline Funding.....\$ 296,086

Revised FY 2003 Current Estimate.....\$ 296,086

3. Price Change.....\$ 5,703

4. Functional Transfers

Transfers In

Transformation of Installation Management (TIM)\$ 12,031

As part of Transformation Installation Management (TIM)
 business reengineering initiative, the Army has conducted a
 comprehensive review of all Base Support accounts. As a

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Ammunition Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers (Continued)

Transfers In (Continued)

Transformation of Installation Management (TIM) (Continued) result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, in order to create a more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on warfighting tasks, all mission based functions pertaining to force readiness support were transferred to the appropriate readiness account. This increase reflects the proper realignment of manpower and the associated support costs from Base Support to mission accounts.

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 344

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Ammunition Management\$ 15,965

(FY 2003 Base: \$314,164) This FY 2004 increase supports the annual call forward and retrograde program for the European and Pacific theaters, in order to sustain readiness training. Additionally, the increase funds maintenance of conventional ammunition Priority one stocks, unserviceable items for which the Army has less than 70 percent of war reserve requirements

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Ammunition Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

Ammunition Management (Continued)
or less than two years training stockage, and reduces the
backlog of readiness inspections to evaluate the
serviceability of stocks.

FY 2004 Budget Request.....\$ 330,129

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Ammunition Management

IV. Performance Criteria and Evaluation Summary:

CONVENTIONAL AMMUNITION

<u>Ammunition Management</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Number of Short Tons Shipped				
Issues	155,000	103,489	135,000	17,980
Receipts	131,559	83242	108,090	32,610
Number of Short Tons				
Maintenance	5,818	-	1,729	2,569
Unserviceable Stockpile	186,607	180,789	180,789	179,460
Support Activities				
Field Service Short Tons in Storage	2,032,000	1,928,000	1,928,000	1,928,000
Number of Lots Inspected				
Periodic Inspections	18,500	9,500	9,500	9,500
Safety in Storage Inspections	9,200	15,500	15,500	15,500
Safety Inspections (Sites)		14,000	14,000	14,000

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
 Subactivity Group: Ammunition Management

IV. Performance Criteria and Evaluation Summary (Continued):

TOXIC CHEMICAL MUNITIONS

	<u>Standard for Inspections</u> <u>(per year) Req'd by Regulation/Law</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Storage Facilities:					
Square Footage	N/A	2,629,823	2,629,823	2,491,823	2,491,823
# Structures	N/A	779	779	771	771
Inspections:					
Storage Monitoring Inspection (SMI)	Various	54,420	54,407	46,204	46,204
Inventory Inspections (INV)	1	7,317	7,396	7,282	7,282
Lightning Protection System Inspections (LPSI)	Various SemiAnnual/Biennial	1,597	1,597	1,597	1,597
Intrusion Detection System Inspection/ Test (IDSI/T)	Various Quarterly/SemiAnnual	9,755	9,763	9,751	9,751

Budget Activity/Activity Group: Administration and Servicewide Activities/Logistics Operations
Subactivity Group: Ammunition Management

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	48	56	59	59	3	0
Officer	36	41	42	42	1	0
Enlisted	12	15	17	17	2	0
<u>Civilian End Strength (Total)</u>	1,671	1,461	1,380	1,210	-81	-170
U.S. Direct Hire	1,671	1,461	1,380	1,210	-81	-170
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	1,671	1,461	1,380	1,210	-81	-170
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	46	51	57	59	6	2
Officer	32	38	41	42	3	1
Enlisted	14	13	16	17	3	1
<u>Civilian Full-Time Equivalent (Total)</u>	1,495	1,434	1,368	1,270	-66	-98
U.S. Direct Hire	1,495	1,434	1,368	1,270	-66	-98
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	1,495	1,434	1,368	1,270	-66	-98
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	424	Totals																
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount		
0101	EXEC, GEN, SPEC SCHEDULE	104178	0	0	3.48%	3630	720	108528	0	2.56%	2777	-4557	106744	0	2.48%	2647	-8114	101277
0103	WAGE BOARD	9277	0	0	3.97%	368	375	10020	0	2.65%	266	-887	9399	0	2.06%	194	-1045	8548
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	26	0	0	0.00%	0	-26	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0106	BENEFITS TO FORMER EMPLOYEES	32	0	0	0.00%	0	-29	3	0	0.00%	0	0	3	0	0.00%	0	0	3
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	994	0	0	0.00%	0	-994	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0199	TOTAL CIV PERSONNEL COMP	114507	0	0	3.49%	3998	46	118551	0	2.56%	3035	-5444	116146	0	2.45%	2841	-9155	109828
0308	TRAVEL OF PERSONS	2853	0	0	1.10%	31	-2884	0	0	1.50%	0	1282	1282	0	1.60%	21	-1303	0
0399	TOTAL TRAVEL	2853	0	0	1.09%	31	-2884	0	0	0.00%	0	1282	1282	0	1.64%	21	-1303	0
0401	DFSC FUEL	91	0	0	-16.00%	-15	14	90	0	8.30%	7	4	101	0	3.30%	3	2	106
0402	SERVICE FUEL	109	0	0	-16.00%	-17	300	392	0	8.30%	33	13	438	0	3.30%	14	3	455
0411	ARMY MANAGED SUPPLIES & MATERIALS	778	0	0	9.20%	72	9	859	0	4.50%	35	-18	880	0	1.50%	13	-25	865
0415	DLA MANAGED SUPPLIES & MATERIALS	435	0	0	3.50%	15	-106	344	0	-2.90%	-10	-24	310	0	1.50%	4	-32	282
0416	GSA MANAGED SUPPLIES & MATERIALS	115	0	0	1.10%	1	-7	109	0	1.50%	1	1	111	0	1.60%	1	1	113
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	1528	0	0	3.66%	56	210	1794	0	3.90%	70	-24	1840	0	1.90%	35	-54	1821
0502	ARMY EQUIPMENT	1221	0	0	9.20%	112	15	1348	0	4.50%	61	-2	1407	0	1.50%	21	-51	1377
0506	DLA EQUIPMENT	104	0	0	3.50%	3	218	325	0	-2.90%	-5	-3	313	0	1.50%	5	1	319
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	1325	0	0	8.68%	115	233	1673	0	3.11%	52	-5	1720	0	1.51%	25	-50	1696
0601	ARMY (ORDNANCE)	166879	0	0	-27.00%	-45057	9608	131430	0	1.40%	1840	-8895	124375	0	10.10%	12562	-9454	127483
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	445	0	0	5.30%	24	71	540	0	8.30%	45	171	756	0	2.00%	15	-461	310
0633	DEFENSE PUBLICATION & PRINTING SERVICE	498	0	0	6.20%	31	-529	0	0	-2.00%	0	299	299	0	0.30%	1	-300	0
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	1954	0	0	-1.00%	-20	-1934	0	0	1.50%	0	1172	1172	0	1.60%	15	-1191	0
0679	COST REIMBURSABLE PURCHASES	16493	0	0	1.10%	181	-16674	0	0	1.50%	0	1003	1003	0	1.60%	15	-1015	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	186269	0	0	-24.07%	-44841	-9458	131970	0	1.43%	1885	-6250	127605	0	9.88%	12613	-12425	127793
0771	COMMERCIAL TRANSPORTATION	18143	0	0	1.10%	199	-10489	7853	0	1.50%	115	8341	16312	0	1.60%	261	-16573	0
0799	TOTAL TRANSPORTATION	18143	0	0	1.10%	199	-10489	7853	0	1.50%	115	8341	16312	0	1.60%	261	-16573	0
0902	SEPARATION LIABILITY (FNIH)	13	0	0	0.00%	0	-13	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0913	PURCHASED UTILITIES	747	0	0	1.10%	8	-755	0	0	1.50%	0	389	389	0	1.60%	5	-395	0
0914	PURCHASED COMMUNICATIONS	423	0	0	1.10%	4	-427	0	0	1.50%	0	220	220	0	1.60%	4	-224	0
0917	POSTAL SERVICES (U.S.P.S.)	21	0	0	0.00%	0	-21	0	0	0.00%	0	17	17	0	0.00%	0	-17	0
0920	SUPPLIES/MATERIALS (NON FUND)	1719	0	0	1.10%	19	-607	1131	0	1.50%	17	-7	1141	0	1.60%	15	3	1162
0921	PRINTING AND REPRODUCTION	161	0	0	1.10%	2	-163	0	0	1.50%	0	84	84	0	1.60%	1	-85	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	28740	0	0	1.10%	317	-22057	7000	0	1.50%	105	24572	31677	0	1.60%	507	-32184	0
0923	FACILITY MAINTENANCE BY CONTRACT	1071	0	0	1.10%	12	-1083	0	0	1.50%	0	1097	1097	0	1.60%	15	-1115	0
0925	EQUIPMENT PURCHASES (NON FUND)	2470	0	0	1.10%	27	-1151	1346	0	1.50%	20	-3	1363	0	1.60%	22	3	1388
0932	MGMT & PROFESSIONAL SPT SVCS	2201	0	0	1.10%	24	-2225	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0934	ENGINEERING & TECHNICAL SERVICES	36	0	0	1.10%	0	-36	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0937	LOCALLY PURCHASED FUEL	16	0	0	-16.00%	-3	5	18	0	8.30%	1	-1	18	0	3.30%	1	0	19
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	1442	0	0	1.10%	15	-1457	0	0	1.50%	0	1586	1586	0	1.60%	25	-1612	0
0989	OTHER CONTRACTS	28346	-20	0	1.10%	311	-3887	24750	24	1.50%	372	2486	27632	24	1.60%	442	-7934	20164
0999	OTHER PURCHASES	67406	-20	0	1.09%	736	-33877	34245	24	1.50%	515	30440	65224	24	1.60%	1045	-43560	22733

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	424	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
9999	GRAND TOTAL	392031		-20	-10.13%	-39706	-56219	296086	24	1.92%	5679	28340	330129	24	5.10%	16842	-83124	263871	

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Administration

I. Description of Operations Financed:

MANAGEMENT HEADQUARTERS - Funds personnel, information management and information technology related activities, information/public affairs, audit, cost analysis, financial management, equipment, and administrative costs for those Army headquarters (and the direct support integral to their operation) that provide support to administrative and servicewide activities, and whose primary mission is to manage, or command the programs and operations of the Army and their major military units, organizations, or agencies.

As the DoD executive agent, this subactivity group also includes requirements for operations and maintenance of Pentagon common information technology for the U. S. Army Technology Agency.

On October 1, 2002, the Information Management Support Center was redesignated as the U.S. Army Information Technology Agency (ITA), a field operating agency under the operational control of the Office of the Administrative Assistant. The ITA includes the Directorates of Network Security Services-Pentagon, Defense Telecommunications Services-Washington, Army Information Management Support Center, Network Infrastructure Services and Operations-Pentagon (NISA-P), Pentagon Data Center Services, Pentagon Telecommunications Center, and the Information Technology Integration-Pentagon. This does not include cost of war funding contained in the Department's Defense Emergency Response Fund Congressional Justification Book.

SAG 431 OP-32 Summary: Line 0991 shows Foreign Currency funds which are issued in the year of execution and are not programmed in future years. Foreign Currency funds issued in this Subactivity Group are for disbursements by the Finance and Accounting Office subject to foreign currency revaluation.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

II. Force Structure Summary:

This Subactivity Group provides Management Headquarters funding for the Departmental Headquarters and the following major field commands:

- Office, Secretary of the Army
- U.S. Army Acquisition Executive Support Agency
- U.S. Army Contracting Agency
- U.S. Army Corps of Engineers (Less Civil Works)
- U.S. Army Criminal Investigation Command
- U.S. Army Information Technology Agency
- U.S. Army Intelligence and Security Command
- U.S. Army Materiel Command
- U.S. Army Space and Missile Defense Command

Also included is funding for support of the associated Field Operating Agencies and Major Subordinate Commands.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>	Current <u>Estimate</u>		
Administration	818,767	638,845	559,019	585,442	664,135	684,097
Total	818,767	638,845	559,019	585,442	664,135	684,097

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE		CHANGE	
		<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>		
BASELINE FUNDING		638,845	585,442		664,135	
Congressional Adjustments (Distributed)		-16,400				
Congressional Adjustments (Undistributed)		-55,646				
Adjustments to Meet Congressional Intent		0				
General Provisions		-7,780				
SUBTOTAL APPROPRIATED AMOUNT		559,019				
Fact-of-Life Changes		26,423				
SUBTOTAL BASELINE FUNDING		585,442				
Anticipated Supplemental		0				
Reprogramming		0				
Price Change				13,266		14,743
Functional Transfers				19,100		0
Program Changes				46,327		5,219
CURRENT ESTIMATE		585,442		664,135		684,097

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$ 638,845
1. Congressional Adjustments	
a) Distributed Adjustments	
1) Administration	\$ -17,000
2) Critical Infrastructure Protection Continental United States Support	\$ 600
b) Undistributed Adjustments	
1) Federal Employees Compensation Act (FECA) Surcharge	\$ -350
2) Civil Service Retirement System (CSRS) Accrual Reversal	\$ -53,101
3) Undistributed Adjustment	\$ -286
4) Unobligated Balance	\$ -1,909
c) Adjustments to Meet Congressional Intent	
d) General Provisions	
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -995
2) Section 8103 - Government Purchase Card Savings	\$ -917
3) Section 8133 - Travel	\$ -272
4) Section 8135 - Revised Economic Assumptions	\$ -5,596
FY 2003 Appropriated Amount.....	\$ 559,019

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

- | | | | |
|----|---|----|-------|
| a) | Army Contract Agency (ACA) Reorganization | \$ | 8,166 |
| | Transfers missions, functions, resources, and personnel assets from the previously decentralized contracting processes into one organization. Designated to eliminate redundant contracts, ACA leverages Army-wide requirements and gains efficiencies while maintaining effective local capabilities. ACA will act as the single coordinating element, and form the base to deploy contingency contracting operational support to the warfighting commands. This transfer reflects realignment of Army resources between OMA Subactivity Groups 131, Base Support Operations, 133, Management & Operational Headquarters, 324, Training Support, 325, Base Operations Support, 422, Central Supply Activities, 431 Administration, 432, Servicewide Support and 435 Other Service Support. | | |
| b) | Transformation of Installation Management (TIM) | \$ | 5,707 |
| | This increase reflects the proper realignment of manpower and the associated support costs from Base Support to mission (Forces Readiness Operations Support) accounts for Transformation Installation Management (TIM). As part of the TIM business reengineering initiative, the Army conducted a comprehensive review of all Base Support accounts. As a result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, to create a more agile and responsive staff, reduce layers of review and | | |

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

1) Transfers In (Continued)

- b) Transformation of Installation Management (TIM)
(Continued)
approval, and allow mission commanders to focus on
warfighting tasks, all mission based functions
pertaining to Force Readiness support were transferred
to the appropriate readiness account.

- c) U.S. Army Publication Agency Information Management
Realignment\$ 1,383
Realigned U.S. Army Publication Agency's
Directorate of Information Management to the
Information Technology Agency. Funds 18 civilian
workyears and support costs. Realigned funds from
Subactivity Group 432 to Subactivity Group 431.

- d) Deputy Chief of Staff for Operations Contracts\$ 1,305
Realigns funds to Headquarters, Department of the
Army, Deputy Chief of Staff for Operations contractor
support for Total Army Analysis, Quadrennial Defense
Review, Force XXI, from Subactivity Group 435, Other
Service Support.

- e) Field Operating Activities Realignment\$ 1,257
Realigns funds supporting Field Operating
Activities reorganized with Headquarters elements from
Subactivity Group 435, Other Service Support.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

2) Transfers Out

a) Network Enterprise and Technology Command (NETCOM)	
Stand-Up	\$ -3,676
Transfers missions, functions, resources and personnel assets of major commands (MACOM) headquarters, MACOM intermediate and support organizations that previously supported information technology functions to NETCOM. In October 2002 (FY 2003), Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command. Consolidating the infostructure will improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve. By leveraging information and network technologies to create a shared situational awareness, we are changing the way we fight discarding old paradigms and embracing commercial industry philosophies. This transfer reflects realignment of Army resources between OMA Subactivity Groups 114, Echelon Above Corps Support Forces, 121, Force Readiness Operations Support, 122, Land Forces Systems Readiness, 133, Management & Operational Headquarters, 212, Army Prepositioned Stocks, 324, Training Support, 423, Logistic Support Activities, 424 Ammunition Management, 431 Administration, 433, Manpower Management, 438 Base Operations Support.	
b) Program Executive Office Reorganization	\$ -4,252
Transfers missions, functions, resources, and personnel assets from the Deputies for Systems	

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

2) Transfers Out (Continued)

b) Program Executive Office Reorganization (Continued)
Acquisition for Missiles Command (MICOM), Tank-automotive Command (TACOM) and Communications Electronics Command (CECOM) dedicated to the acquisition program support. The Program Executive Officer and Program Manager Reorganization requires that all acquisition programs report to a PEO or to the Army Acquisition Executive. This reorganization eliminated the duplication of effort in two major Army Commands. Reorganization is designed to ensure that there is only one chain of authority for acquisition programs within the Army. Realigns funds between Subactivity Group 431, Administration, and Subactivity 432, Servicewide Communications.

b) Emergent Requirements

Program Growth

a) Army Management Headquarters Activities Realignment\$ 5,308

The National Defense Authorization Act of FY 2000 mandated reductions to Army Management Headquarters (AMHA) accounts originally programmed for FY 2003 have been pushed back to FY 2004 and FY 2005. Programmed reductions for FY 2003 were deferred to later years pending the completion of the Realignment Task Force review and Headquarters reorganization. As more personnel will be on the rolls in FY 2003 than anticipated in the President Budget FY 2003 submission, commensurate increases in civilian pay and decreases in transition costs were required.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

Program Growth (Continued)

b) Business Initiatives Council	\$	2,825
(FY 2003 Base: \$1,500) Funds the Army's participation in the DoD Business Initiative Council (BIC) process. A team comprised of Department of the Army civilians and contractors administrate and run the process for the Army. The mission of the DoD and Army BIC is to improve efficiency of the DoD and Army business operation by identifying and implementing business reform actions and reallocating savings to higher priority efforts.		
c) Force Management School	\$	1,000
(FY 2003 Base: \$0) Funds the Force Management School History of the Army project. Funds are used to develop the database software, the web enabled database itself, web page and display charts. Funds will also be used to add the specific branch histories.		
d) Strategic Readiness System	\$	7,400
(FY 2003 Base: \$0) Increase pays for the cost of development of the pilot program, fielding, implementation and training for the automated Strategic Readiness System (SRS). SRS is an automated balance score card which enables the leadership to reach consensus on mission goals and objectives at all levels down to the battalion level, facilitates measuring performance of goals and objectives, and ensures readiness status is reported in a timely manner.		

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Baseline Funding.....	\$ 585,442
Revised FY 2003 Current Estimate.....	\$ 585,442
3. Price Change.....	\$ 13,266
4. Functional Transfers	
a) Transfers In	
1) Information Technology Agency	\$ 17,100
Increase funds purchase, operation, and maintenance of Command and Control Survivability Program (CCSP) initiatives acquired and installed by the Pentagon Renovation Program. CCSP provides significant upgrades, new equipment, redundancy, and enhancements to the Pentagon IT infrastructure, including IT hardware and software. CCSP acquires and installs enhancements and turns systems over to ITA for operation and maintenance. Funds purchase performance based contracts, supplies and equipment necessary to operate and maintain enhanced IT infrastructure.	
2) Financial Management Modernization	\$ 2,000
Transfers funds from Operation & Maintenance, Defense- Wide, to implement the new and complex changes to the accounting requirements for military equipment. The accounting changes are critical to achieving a favorable opinion on DoD financial statements and consolidated financial statements of the federal government.	
b) Transfers Out	
Program Executive Office Enterprise Information Systems	\$ -3,844
Realignment of funds implementing the Program Executive Officer and Program Manager. Realigns funds between	

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers (Continued)

b) Transfers Out (Continued)

Program Executive Office Enterprise Information Systems
(Continued)

Subactivity Group 431, Administration, and Subactivity 432, Servicewide Communications. The Program Executive Officer and Program Manager Reorganization requires that all acquisition programs report to a PEO or to the Army Acquisition Executive. This reorganization eliminated the duplication of effort in two major Army Commands. Reorganization is designed to ensure that there is only one chain of authority for acquisition programs within the Army.

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 1,241

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

1) Personnel Transformation Initiative\$ 8,916

(FY 2003 Base: \$0) This increase will provide funding for the newly established Headquarters Department of the Army Personnel Transformation Task Force. This funding will provide for all aspects of program definition, functional process assessment, systems integration, and analysis support. Support will also be necessary to develop, field, and sustain an Army-wide electronic Human

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

1) Personnel Transformation Initiative (Continued)

Resource (Army eHR) system using a web-based military/civilian, multi-component enterprise approach for all human resource functions.

2) Army Communication Transformation Initiatives\$ 7,133

(FY 2003 Base: \$0) The FY 2004 funding increase supports the Strategic Communications Initiatives (SCI) and the continued development and broader deployment of the Worldwide Individual Augmentation System (WIAS). Funding for the SCI supports the design, development, execution, and synchronization efforts for The Army Vision, Strategic Communications Campaign Plan, and Army Transformation. The Army Vision, Transformation, and Training and Leader Development issues must be communicated to domestic (internal and external to The Army) as well as international audiences. Furthermore, SCI is the executive agent for most of the Army leadership conferences, joint warfighters, and leader development programs. Key programs include the Army Strategic Communications Synchronization, the Army Strategic Leadership Program, and the Eisenhower National Security Series, formerly known as the Fletcher Conference. Another program supporting the Army's Transformation is the deployment of the WIAS. It is a web-based integrated management information system used to manage Individual Augmentation requirements in support of Combatant Commanders throughout the world. WIAS supports the total Army and will be the system used for requesting, tasking, assigning and managing Individual Augmentees in support of contingency operations.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 3) Information Technology Agency\$ 19,482
(FY 2003 Base: \$58,179) Increase supports ongoing requirements for Army Management Headquarters Activities (AMHA) Information Technology Agency, formerly Network Infrastructure Systems Agency - Pentagon (NISA-P). Funds pay for increase in service level for the Global War on Terrorism Command and Control and contingency operations; expanding Defense Message System capability, faster outage resolution for transmitting images, and an upgrade in contractor skill level for 24 hours per day/7 days per week operations. Increase supports efforts for the automation needs of several systems - the Deputy Chief of Staff, G-3 classified system, the Headquarters Department of the Army enterprise network (HEN), the Deputy Chief of Staff, G-1 database system for management of Army personnel, and the Civilian Manpower Integration Costing System (CMICS). Increase also continues efforts for the Fiscal Year Defense Program (FYDP) improvement for seamless integration of the Army's FYDP database linkage to the Office of the Secretary of Defense as required for all Components.
- 4) Pentagon Telecommunications Center\$ 9,705
(FY 2003 Base: \$86,372) This increase provides funding for the Pentagon Telecommunications Center, and the Command and Control (C2) Communications mission. The agency reorganization, directed by the Secretary of the Army, eliminated 136 soldiers from the US Army Information Technology Agency (formerly NISA-P) and returned them to the field. The reorganization task force directed that soldiers be replaced with contractor personnel, to be purchased with O&M funding.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- | | |
|---|----------|
| 5) Corps of Engineers Military to Civilian Conversion | \$ 831 |
| (FY 2003 Base: \$0) Increase will pay for civilian positions converted from military positions in the U.S. Army Corps of Engineers that were reallocated to tactical units. | |
| 6) Army Management Headquarters Administration | \$ 2,863 |
| (FY 2003 Base: \$437,120) Increase provides the additional funds necessary to support Army Management Headquarters Activities. As automated business processes, tracking systems, and reliance on information management/information technology related activities increases, additional funding is necessary to operate and maintain these systems. Army has benefited through more expedient communications with the field and better tracking of Army-wide activities. | |

FY 2004 Budget Request.....\$ 664,135

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

IV. Performance Criteria and Evaluation Summary:

The prime performance measure is workyears of effort in Personnel Summary (shown on page 431-9) per established OSD guidance.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Administration

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	2,041	1,893	1,872	1,857	-21	-15
Officer	1,537	1,514	1,495	1,490	-19	-5
Enlisted	504	379	377	367	-2	-10
<u>Civilian End Strength (Total)</u>	3,909	4,291	4,175	4,125	-116	-50
U.S. Direct Hire	3,908	4,290	4,174	4,124	-116	-50
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	3,908	4,290	4,174	4,124	-116	-50
Foreign National Indirect Hire	1	1	1	1	0	0
<u>Military Average Strength (Total)</u>	2,079	1,966	1,882	1,864	-84	-18
Officer	1,558	1,525	1,504	1,492	-21	-12
Enlisted	521	441	378	372	-63	-6
<u>Civilian Full-Time Equivalent (Total)</u>	3,936	4,210	4,126	4,041	-84	-85
U.S. Direct Hire	3,935	4,209	4,125	4,040	-84	-85
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	3,935	4,209	4,125	4,040	-84	-85
Foreign National Indirect Hire	1	1	1	1	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	431	Totals																
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program	
0101	EXEC. GEN. SPEC SCHEDULE	359318	0	3.71%	13348	26364	399030	0	2.61%	10415	-7345	402100	C	2.60%	10451	-9115	403436	
0103	WAGE BOARD	2349	0	4.38%	103	415	2867	0	2.86%	82	1	2950	C	2.17%	64	5	3019	
0106	BENEFITS TO FORMER EMPLOYEES	20	0	0.00%	0	32	52	0	0.00%	C	1	53	C	0.00%	C	-1	52	
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	3699	0	0.00%	0	-3699	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0111	DISABILITY COMPENSATION	2	0	0.00%	0	-2	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0199	TOTAL CIV PERSONNEL COMP	365388	0	3.68%	13451	23110	401949	0	2.61%	10497	-7343	405103	C	2.60%	10515	-9111	406507	
0308	TRAVEL OF PERSONS	13500	0	1.10%	148	-3962	9686	0	1.50%	145	4452	14283	C	1.60%	225	1015	15527	
0399	TOTAL TRAVEL	13500	0	1.10%	148	-3962	9686	0	1.50%	145	4452	14283	C	1.60%	225	1015	15527	
0411	ARMY MANAGED SUPPLIES & MATERIALS	638	0	9.20%	58	1	697	0	4.50%	31	43	771	C	1.50%	12	5	792	
0416	GSA MANAGED SUPPLIES & MATERIALS	187	0	1.10%	2	-56	133	0	1.50%	2	62	197	C	1.60%	3	15	215	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	825	0	7.27%	60	-55	830	0	3.98%	33	105	968	C	1.55%	15	24	1007	
0502	ARMY EQUIPMENT	15	0	9.20%	1	0	16	0	4.50%	1	0	17	C	1.50%	C	1	18	
0507	GSA MANAGED EQUIPMENT	830	0	1.10%	8	-242	596	0	1.50%	5	-9	596	C	1.60%	10	42	648	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	845	0	1.07%	9	-242	612	0	1.63%	10	-9	613	C	1.63%	10	43	666	
0601	ARMY (ORDNANCE)	874	0	-27.00%	-236	298	936	0	1.40%	13	44	993	C	10.10%	100	-427	666	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	96	0	6.20%	6	-33	69	0	-2.00%	-1	34	102	C	0.30%	C	5	111	
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	53	0	-1.00%	-1	-14	38	0	1.50%	1	17	56	C	1.60%	1	3	60	
0648	ARMY INFORMATION SERVICES (CANCELLED)	989	0	1.10%	10	-328	671	0	1.50%	10	-681	0	C	1.60%	C	C	0	
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	103	0	1.10%	1	-30	74	0	0.00%	C	35	109	C	1.60%	2	-2	109	
0679	COST REIMBURSABLE PURCHASES	357	0	1.10%	4	-105	256	0	1.50%	4	117	377	C	1.60%	5	27	410	
0699	TOTAL INDUSTRIAL FUND PURCHASES	2472	0	-8.74%	-216	-212	2044	0	1.32%	27	-434	1637	C	6.66%	105	-390	1356	
0771	COMMERCIAL TRANSPORTATION	245	0	1.10%	3	-421	-173	0	1.50%	-3	435	259	C	1.60%	4	15	281	
0799	TOTAL TRANSPORTATION	245	0	1.22%	3	-421	-173	0	1.73%	-3	435	259	C	1.54%	4	15	281	
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	50	-7	2.00%	1	-7	37	15	2.70%	1	1	54	17	3.70%	2	C	73	
0913	PURCHASED UTILITIES	30	0	1.10%	0	-8	22	0	1.50%	C	10	32	C	1.60%	1	2	35	
0914	PURCHASED COMMUNICATIONS	350	0	1.10%	4	-103	251	0	1.50%	4	115	370	C	1.60%	5	27	403	
0917	POSTAL SERVICES (U.S.P.S.)	64	0	0.00%	0	-18	46	0	0.00%	C	22	68	C	0.00%	C	5	74	
0920	SUPPLIES/MATERIALS (NON FUND)	10742	10	1.10%	118	-3162	7708	-15	1.50%	115	3557	11366	-17	1.60%	182	824	12355	
0921	PRINTING AND REPRODUCTION	153	0	1.10%	2	-45	110	0	1.50%	2	50	162	C	1.60%	3	11	176	
0922	EQUIPMENT MAINTENANCE BY CONTRACT	9343	0	1.10%	102	-2741	6704	0	1.50%	101	3080	9885	C	1.60%	155	703	10746	
0923	FACILITY MAINTENANCE BY CONTRACT	604	0	1.10%	7	-178	433	0	1.50%	5	200	639	C	1.60%	10	45	695	
0925	EQUIPMENT PURCHASES (NON FUND)	44362	0	1.10%	488	842	45692	0	1.50%	685	686	47063	C	1.60%	753	655	48475	
0932	MGMT & PROFESSIONAL SPT SVCS	27511	0	1.10%	303	-10356	17458	0	1.50%	252	1074	18794	C	1.60%	301	-1385	17710	
0933	STUDIES, ANALYSIS, & EVALUATIONS	13502	0	1.10%	148	-13068	582	0	1.50%	5	-9	582	C	1.60%	5	11	602	
0934	ENGINEERING & TECHNICAL SERVICES	5587	0	1.10%	61	-3	5645	0	1.50%	84	-79	5650	C	1.60%	90	-90	5650	
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	10141	0	1.10%	110	-2974	7277	0	1.50%	105	3344	10730	C	1.60%	172	762	11664	
0989	OTHER CONTRACTS	115661	0	1.10%	1272	-47806	69127	0	1.50%	1037	52081	122245	C	1.60%	1955	11373	135574	
0991	FOREIGN CURRENCY VARIANCE	184774	0	1.10%	2033	-186807	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0998	OTHER COSTS	12618	0	1.10%	138	-3354	9402	0	1.50%	141	4089	13632	C	1.60%	215	671	14521	
0999	OTHER PURCHASES	435492	3	1.10%	4787	-269788	170494	0	1.50%	2557	68221	241272	C	1.60%	3861	13620	258753	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	431	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
9999	GRAND TOTAL	818767		3	2.23%	18242	-251570	585442	0	2.27%	13266	65427	664135	0	2.22%	14743	5219	684097	

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Servicewide Communications

I. Description of Operations Financed:

SERVICEWIDE COMMUNICATIONS

Includes Communication Systems Support, Computer Security, Information Security, and Information Services. Two key organizations financed by this Subactivity Group are the Network Enterprise Technology Command, activated in October 2002, and the National Science Center for Communications and Electronics.

ORGANIZATIONS

NETWORK ENTERPRISE TECHNOLOGY COMMAND - In October 2002 (FY 03), Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command. Missions, functions, resources and personnel assets of major commands (MACOM) headquarters, MACOM intermediate and support organizations that previously supported information technology functions were transferred to NETCOM. Consolidating the infostructure will improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve. By leveraging information and network technologies to create a shared situational awareness, we are changing the way we fight by discarding old paradigms and embracing commercial industry philosophies.

The NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS (NSCCE) - Was created under Congressional authority (Public Law 99-145, 1985) and is a partnership between the U.S. Army and a private not-for profit foundation in Augusta, GA. Its mission is to support improved education and technological literacy in the nation through interactive exhibits and educational programs. In April 1997 the partnership opened its permanent building, with over 250 participatory, interactive exhibits of science and technology. This location also serves as a home base for education outreach programs extending across the country.

COMMUNICATION SYSTEMS SUPPORT

Includes Long Haul Communications, Satellite Communications Ground Environment, and U.S. Army Space Activities.

LONG HAUL COMMUNICATIONS - Encompasses the worldwide installation, operation, and maintenance of "point-to-point" communications systems between Army facilities. Resources also provide all in-house, engineering support to design and implement long haul telecommunications projects. Also supports system rehabilitation, quality assurance, the removal of obsolete or excess equipment, Electronic Data Interchange (EDI), and the consolidation of Army publications development and distribution. The goal

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

I. Description of Operations Financed (Continued):

of the latter two initiatives is to establish a computer-to-computer, paperless exchange of business transactions using approved automation and telecommunications standards

SATELLITE COMMUNICATIONS GROUND ENVIRONMENT - A component of the Defense Satellite Communications System (DSCS) which is a worldwide, joint system supporting warfighters. DSCS is a set of five joint, operational communications satellites (plus on-orbit backups) operating in the super high frequency (SHF) band. DSCS provides communications between deployed tactical forces and their sustaining bases. DSCS is an integral element of the evolving CONUS-based, power projection Army Force concept.

U.S. ARMY SPACE ACTIVITIES - Supports all Army space activities except those dedicated to the Defense Satellite Communications System (DSCS) and funds the U.S. Army Space and Missile Defense Command (SMDC).

COMPUTER SECURITY (COMPUSEC)

Insures the sustainment of information during all phases of military operations in all environments. Funds support training, purchase of security hardware, software and services, travel, and contractor salaries. It provides management and oversight of the Biometrics program including doctrine, plans, policy, standards, requirements, coordination, and provides secure storage of central biometrics data. It supports detection of system intrusions and alterations and implements a defense-in-depth strategy using technical solutions. Supports defensive information warfare requirements in land information warfare activities.

BIOMETRICS PROGRAM supports functional program management to oversee the planning, programming, and policy for emerging Army-wide requirements for electronic business technologies and standards to include smart cards, electronic data interchange (EDI), biometrics, and Army-wide implementation of a Public Key Infrastructure (PKI) and Public Key Enabling (PKE) capabilities. These technologies, and others, will permit the Army to deploy the Army portion of a common, integrated set of PKI services that satisfy the requirements for digital signatures and encryption capabilities. The Army's Command, Control, Communications and Computers (C4)Enabling Technologies program is the umbrella program that executes defense and federal direction for integrating enabling technologies into major Army business processes.

INFORMATION SECURITY (INFOSEC)

Provides resources for the protection of telecommunications and information systems that process classified or national security related information. INFOSEC systems secure Army tactical and strategic communications, command and control, electronic warfare and information systems. INFOSEC prevents exploitation through interception and unauthorized electronic access. It also ensures authenticity, confidentiality, integrity, and the availability of the information and the system. INFOSEC funding

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

I. Description of Operations Financed (Continued):

supports computer security requirements, the U.S. Army Communications Security Logistics Activity (CSLA), Theater Communication Security (COMSEC) Logistics Support Centers, and troop units which function as inventory control centers, depots, and maintenance support to lower echelons. In addition, INFOSEC supports the COMSEC Division of the Tobyhanna Army Depot (TOAD), which receives, stores, issues, maintains, and disposes of (by destruction) INFOSEC equipment. Also included in the COMSEC program are computer-security software procurement, training, and related travel.

COMMUNICATIONS SECURITY LOGISTICS ACTIVITY (CSLA) - Provides wholesale level supply and maintenance management of COMSEC equipment in support of Army telecommunications and information systems. CSLA provides New Equipment Training (NET)/technical assistance to all users of Army COMSEC equipment; maintains encryption code for 24 thousand line items of equipment; processes 32 thousand requisitions annually; supports an Army inventory of 714 thousand items of COMSEC equipment; and processes 90 thousand material release orders for encryption codes.

TOBYHANNA ARMY DEPOT - Provides depot level maintenance and modification, and maintenance of INFOSEC equipment in direct support of tactical, intelligence and weapon systems. This depot also receives, stores, issues and maintains accountability of codes and cryptographic keys in support of 16,000 cryptonets worldwide. The maintenance workload consists of major and secondary end item overhaul, training to support the repair mission, unscheduled Army COMSEC maintenance, DoD lead for maintenance and follow-on training on test equipment used for depot level testing of COMSEC equipment, and support to maintenance programs.

INFORMATION SERVICES

Provides resources for the CECOM Acquisition Center - Washington Operations Office, Army Acquisition Executive Support Agency, Printing and Publication Services, Information Management Automation Support, and Information Program Management.

CECOM ACQUISITION CENTER - WASHINGTON OPERATIONS OFFICE - Administers Army ADP contracts having an estimated contract life cycle value in excess of \$10 million.

ARMY ACQUISITION EXECUTIVE SUPPORT AGENCY (AAESA) - Supports program management staff offices of the Program Executive Office-Enterprise Information Systems (PEO-EIS), which oversee major Army information management system acquisitions for over 20 sustaining base programs.

PRINTING AND PUBLICATION SERVICES - Supports the operation of the U.S. Army Publishing Agency (and its distribution center in St. Louis) for Army-wide publication and distribution of regulatory, doctrinal, and technical publications, and administrative forms.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

I. Description of Operations Financed (Continued):

INFORMATION MANAGEMENT AUTOMATION SUPPORT

Provides centralized data center operations, under a fee-for-service relationship with Defense Information Systems Agency (DISA), for Standard Army Management Information Systems (STAMIS) processed at Defense Enterprise Computing Centers in support of over 70 Army installations in CONUS, and oversees installations in Japan, Korea, Hawaii, Alaska, and Panama. Also funds the hardware and software maintenance for Army Data Centers in Germany providing standard army management information systems support for the European personnel, logistics, financial, and medical communities. Resources systems engineering, integration, quality assurance, field assistance, software research, and test-bed services in support of all Army software development and information management initiatives. Also sustains software reuse and data management programs supporting DoD Corporate Information Management and Business Process Improvement.

INFORMATION PROGRAM MANAGEMENT - Supports information centers, visual information, records management, and mailroom activities, to include the operations and maintenance of the Pentagon Audio-Visual Information Center that provides joint visual information services.

Significant OP-32 Adjustments: Two line items in the OP-32 show significant changes. Line item 0648, Army Information Services, shows the program and execution for two Software Design Agencies in the Army Material Command. Both of these agencies have reorganized, resulting in manpower reductions and realignments. The design function will be managed through contracts, purchase of commercial off-the-shelf products, and through DoD Information Services Agencies. Funding is reflected in Line 0914. The second line item, Line 0677, reflects changes in communications services pricing directed by Congress. In FY 2002, Congress transferred Tier-One funds from customer accounts to the Defense Information systems Agency (DISA), Operation & Maintenance, Defense Wide. The FY 2003 Defense Appropriations Act did not transfer the funding but directed the Department to do so beginning in FY 2004.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

II. Force Structure Summary:

This budget activity provides funding for the Departmental Headquarters and the following major field commands:

- U.S. Army Acquisition Executive Support Agency
- U.S. Army Corps of Engineers (Less Civil Works)
- U.S. Army Criminal Investigation Command
- U.S. Army Intelligence and Security Command
- U.S. Army Materiel Command
- U.S. Army Network Enterprise and Technology Command
- U.S. Army Space and Missile Defense Command
- Military Traffic Management Command

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Servicewide Communications	539,284	655,796	618,041	621,531	623,102	621,129
Total	539,284	655,796	618,041	621,531	623,102	621,129

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	655,796	621,531	623,102
Congressional Adjustments (Distributed)	-16,500		
Congressional Adjustments (Undistributed)	-14,796		
General Provisions	-6,459		
SUBTOTAL APPROPRIATED AMOUNT	618,041		
Fact-of-Life Changes	3,490		
SUBTOTAL BASELINE FUNDING	621,531		
Price Change		9,886	11,035
Functional Transfers		-35,804	0
Program Changes		27,489	-13,008
CURRENT ESTIMATE	621,531	623,102	621,129

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	655,796
1. Congressional Adjustments		
a) Distributed Adjustments		
1) Army Enterprise Architecture	\$	-6,000
2) Army Information Systems	\$	-6,000
3) Biometrics Support	\$	9,500
4) Collaboration Planning/Enablers	\$	2,500
5) Critical Infrastructure Protection Continental United States Support	\$	500
6) Joint Military Intelligence Program - Continental United States (CONUS) Support	\$	5,000
7) Servicewide Communications	\$	-22,000
Total Distributed Adjustments	\$	-16,500
b) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-293
2) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-12,633
3) Undistributed Adjustment	\$	-246
4) Unobligated Balance	\$	-1,624
Total Undistributed Adjustments	\$	-14,796

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) General Provisions

1) Section 8082 - Foreign Currency Fluctuations	\$ -149
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -845
3) Section 8103 - Government Purchase Card Savings	\$ -780
4) Section 8133 - Travel	\$ -146
5) Section 8135 - Revised Economic Assumptions	\$ -4,539

Total General Provisions\$ -6,459

FY 2003 Appropriated Amount.....\$ 618,041

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

a) Network Enterprise and Technology Command (NETCOM) Stand-Up	\$ 8,580
<p style="padding-left: 40px;">Transfers missions, functions, resources and personnel assets of major commands (MACOM) headquarters, MACOM intermediate and support organizations that previously supported information technology functions to NETCOM. In October 2002 (FY 03), Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command. Consolidating the infostructure will improve the capacity, performance,</p>	

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

1) Transfers In (Continued)

a) Network Enterprise and Technology Command (NETCOM) Stand-Up (Continued) and security of all Army networks including those of the Army National Guard and Army Reserve. By leveraging information and network technologies to create a shared situational awareness, we are changing the way we fight - discarding old paradigms and embracing commercial industry philosophies. This transfer reflects realignment of Army resources between OMA Subactivity Groups 114, Echelon Above Corps Support Forces, 122, Land Forces Systems Readiness, 133, Management & Operational Headquarters, 212, Army Prepositioned Stocks, 324, Training Support, 423, Logistic Support Activities, 424 Ammunition Management, 431 Administration, 433, Manpower Management, 438 Base Operations Support.

b) Program Executive Office/Program Manager (PEO/PM) Realignment\$ 4,252
Transfers missions, functions, resources, and personnel assets from the Deputies for Systems Acquisition for Missiles Command (MICOM), Tank-automotive Command (TACOM) and Communications Electronics Command (CECOM) dedicated to the acquisition program support. The Program Executive Officer and Program Manager Reorganization requires that all acquisition programs report to a PEO or to the Army Acquisition Executive. This reorganization eliminated the duplication of effort in two major Army Commands. Reorganization is designed to ensure that

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

1) Transfers In (Continued)

b) Program Executive Office/Program Manager (PEO/PM)
Realignment (Continued)
there is only one chain of authority for acquisition
programs within the Army. Realigns funds between
Subactivity Group 431, Administration, and Subactivity
432, Servicewide Communications.

2) Transfers Out

a) Army Contract Agency (ACA) Reorganization\$ -4,654
Transfers missions, functions, resources, and
personnel assets from the previously decentralized
contracting processes into one organization.
Designated to eliminate redundant contracts, ACA
leverages Army-wide requirements and gains
efficiencies while maintaining effective local
capabilities. ACA will act as the single coordinating
element, and from the base to deploy contingency
contracting operational support to the warfighting
commands. This transfer reflects realignment of Army
resources between OMA Subactivity Groups 131, Base
Support Operations, 133, Management & Operational
Headquarters, 324, Training Support, 325, Base
Operations Support, 422, Central Supply Activities,
431 Administration, 432, Servicewide Support and 435
Other Service Support.

b) Personnel Electronic Records Management\$ -7,960
Realigns funding for the Personnel Electronic
Records Management System (PERMS), an automated system

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

2) Transfers Out (Continued)

b) Personnel Electronic Records Management (Continued)
for records management and selection board support
using Optical Digital Imagery technology and that
eliminates the requirement for duplicate personnel
records. The realignment from Subactivity Group 432
to 434 aligns funds with the Total Army Personnel
Command for improved visibility and management.

c) U.S. Army Publication Agency Information Management
Realignment\$ -1,383
 Realigned U.S. Army Publication Agency's
 Directorate of Information Management to the
 Information Technology Agency. Funds 18 civilian
 workyears and support costs. Funds realigned from
 Subactivity Group 432 to Subactivity Group 431.

b) Emergent Requirements

1) One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program\$ -51
 Military Training Service Support Pilot Program to
 test, analyze and implement the Army's proposed initiative
 to distribute funds for training service support
 requirements for Temporary Duty students to the
 installations that train the soldier.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

2) Program Growth

Realignment Task Force Initiatives\$ 4,779

The National Defense Authorization Act of FY 2000 mandated reductions to Army Management Headquarters (AMHA) accounts originally programmed for FY 2003 have been pushed back to FY 2004 and FY 2005. Programmed reductions for FY 2003 were deferred to later years pending the completion of the Realignment Task Force review and Headquarters reorganization. As more personnel will be on the rolls in FY 2003 than anticipated in the President Budget FY 2003 submission, commensurate increases in civilian pay and decreases in transition costs were required.

FY 2003 Baseline Funding.....\$ 621,604

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -73

Revised FY 2003 Current Estimate.....\$ 621,531

4. Price Change.....\$ 9,886

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

a) Transfers In

- | | |
|--|----------|
| 1) Global Combat Support System-Army (GCSS-A) | \$ 6,650 |
| Transfers funding from the Research, Development, Technology, and Evaluation appropriation, Subactivity Group SAG 373, to the Operations and Maintenance, Army appropriation, SAG 432, to support a continued requirement for warfighting readiness and sustainment of global logistic legacy systems, as necessary, until the modernized, replacement system is in place and implemented to full operational capability within the forces. | |
| 2) Network Enterprise and Technology Command (NETCOM) Stand-Up | \$ 7,316 |
| Transfers missions, functions, resources and personnel assets of major commands (MACOM) headquarters, MACOM intermediate and support organizations that previously supported information technology functions to NETCOM. In October 2002 (FY 2003), Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command. Consolidating the infostructure will improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve. By leveraging information and network technologies to create a shared situational awareness, we are changing the way we fight - discarding old paradigms and embracing commercial industry philosophies. This transfer reflects realignment of Army resources between OMA and RDTE, OPA, and OMAR appropriations. | |
| 3) Information Services Decapitalization | \$ 2,795 |
| Transfers customer funds previously supporting the Army Information Services Small Computer Program which is being | |

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

a) Transfers In (Continued)

- 3) Information Services Decapitalization (Continued)
 decapitalized from the Army Working Capital Fund (AWCF) at the end of FY 2003. Information services agencies are being reorganized with some manpower reductions and realignments. Associated funds have been transferred to Communications & Electronics Command where the workload will be handled through contracts and DoD Information Services Agencies. Resources were transferred out of SAG 131 and SAG 438, Base Support into SAG 432, Servicewide Communications.

- 4) Civilian Personnel Operations Systems Modernization program\$ 3,667
 Transfers resources related to civilian personnel information management systems from Subactivity Group 433, Manpower Management to Subactivity Group 432, Servicewide Communication, to centralize resources in one SAG for total information management program visibility.

- 5) Nuclear Arms Control\$ 9,844
 Transfers the Nuclear Army Control Technology Program from the Defense Threat Reduction Agency, Operation & Maintenance, Defense Wide.

- 6) Joint Logistics Warfighter (JWLI) Initiative\$ 2,500
 Transfers funding for the Joint Logistics Warfighter from the Defense Logistics Agency, Operation & Maintenance, Defense Wide.

- 7) Program Executive Office Enterprise Information Systems\$ 3,844
 Realignment of funds implementing the Program Executive

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

a) Transfers In (Continued)

- 7) Program Executive Office Enterprise Information Systems
(Continued)
Officer and Program Manager Office. Realigns funds
between Subactivity Group 431, Administration, and
Subactivity 432, Servicewide Communications.

- 8) Defense Satellite Communications System\$ 6,641
Reallocates funds for the Defense Satellite
Communications System teleport from Forces Command to
Network Enterprise Technology Command to pay teleport
bill. Transfers from OPA and RDTE.

- Total Transfers In\$ 43,257

b) Transfers Out

- 1) Communication Infrastructure\$ -1,163
This transfer from OMA SAG 121, Force Readiness
Operations Support, SAG 122, Land Forces Systems
Readiness, SAG 131, Base Operations Support and SAG 432,
Servicewide Communications going to Other Procurement,
Army realigns funds in support of Combatant Commanders'
Command, Control, Communication, and Computers (C4)
Sustainment and modernization. This Combatant Commander
(Pacific Command and U.S. Army Pacific C4) realignment
initiative supports the sustainment and improvements and
helps bridge the gap of critical shortfalls in critical C4
infrastructure such as secure and nonsecure voice, video,
and data networks with associated operations &
maintenance, automation, information processing,
information management, information technology support
services, web-based capabilities, technology tools, and C4
connectivity.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

b) Transfers Out (Continued)

2) Tier-One Telecommunications	\$ -45,200
Transfers funds for Tier-One telecommunications costs to Operaton & Maintenance, Defense-Wide as directed by the FY 2003 Defense Appropriations Act.	
3) Enhanced Mobile Satellite System (EMSS)	\$ -12,400
Transferred to Defense Information Services Agency, Operation & Maintenance, Defense Wide, to finance the EMSS program.	
4) Defense Continuity Program Office (DCPO)	\$ -1,100
Transfers civilian spaces and funds to the Defense Logistics Agency, Operation & Maintenance, Defense Wide.	
5) Joint Computer Aided Acquisition and Logistics Support Program	\$ -19,100
Restructures funding for the Army's Joint Computer- Aided Acquisition and Logistics Support (JCALS) program to comply with the Acquisition Decision Memorandum dated October 4, 2002 to complete Software Package (SWP) 3.1.2. And to enter sustainment mode after complete the SWP upgrade. Funds transfer to Operation & Maintenance, Defense Wide.	
Total Transfers Out	\$ -78,963

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004	\$ 362
There will be an additional compensable workday in FY 2004.	

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

a) One-Time FY 2004 Costs (Continued)

Additional Compensable Day in FY 2004 (Continued)

This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

- | | |
|---|----------|
| 1) Army Records Management Information Programs | \$ 6,000 |
| (FY 2003 Base: \$17,583) Increase funds a growing reimbursement requirement to the National Archives and Records Administration (NARA) which maintains the Official Military Personnel Files (OMPF) of inactive, retired or deceased service members. NARA provides government agencies and eligible service members, retirees, and veterans and their families copies of records on demand. Demands for records have increased as a result of the President's commitment to the veteran community to process claims more efficiently and effectively and by National Defense Authorization Act for Fiscal Year 2002 (Section 556) extending eligibility of the Korean War Medal to all veterans serving in the Republic of Korea between 1950 and present. | |
| 2) Army Enterprise Architecture | \$ 4,150 |
| (FY 2003 Base: \$4,735) Increase pays for contractor support base of engineers, analysts, and managers to develop and support the architectures needed to modernize and transform the force. Army Enterprise Architecture (AEA) controls communications costs by conducting detailed reviews to identify inappropriate expenditures before funds are obligated. These funds are critical to the Army's ability to follow guidance on Information | |

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 2) Army Enterprise Architecture (Continued)
Technology Network Consolidation and Integration Software
Technology on page 200 of the FY 2003 House Committee on
Appropriations Report and to achieve goals articulated in
the updated AEA Exhibit 300, Capital Asset Plan and
Business Case.

- 3) Decapitalization of Information Systems\$ 7,500
(FY 2003 Base: \$0) Increase funds core costs of
reorganized Software Engineering Centers. Information
services agencies are being decapitalized from the Army
Working Capital Fund with some manpower reductions and
realignments. This increase funds management and
administration support infrastructure costs associated
with the decapitalization.

- 4) Electronic Military Personnel Office\$ 2,000
(FY 2003 Base: \$2,712) Increase fully funds the
electronic Military Personnel Office (eMILPO) executive
software maintenance and software license maintenance
costs. eMILPO tracks the number of days a soldier is
deployed from his/her duty station as directed by Congress
in FY 2002, a system known as PERSTEMPO. Increase also
funds the Tactical Personnel System/Army Company
Information System which is the tactical personnel
strength management system that performs the functions of
manifest, updates, personnel loss estimate, task forcing,
crew status, and reports.

- 5) Major Command Mission Automated Database Programs
Sustainment\$ 3,200
(FY 2003 Base: \$21,182) Increase funds the

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

5) Major Command Mission Automated Database Programs
Sustainment (Continued)

Installation Support Modules (ISM) which encompass all information management resources and activities used to plan, organize, train, equip, mobilize, deploy and sustain the force at 52 Army installation throughout the United States and overseas. ISM consists of nine standard, automated software applications packaged into functional modules that integrate day-to-day Army installation business practices and processes. The ISM modules are Central Issue Facility, Drug and Alcohol Management Information Human Resources System - Field System, Education Management Information System, In-Processing/Record Utility Update, Out-Processing/Record Utility Update, Personnel Locator, Transition Processing, Automated Instructional Management System-PC, and Range Facility Management Support System - Converged.

6) Land Information Warfare Operations\$ 4,179

(FY 2003 Base: \$41,500) Increase supports Army Computer Network Defense (CND) capabilities which respond to network incidents and intrusions on Army information systems as they are detected. This effort directly supports Information Assurance. Increase supports expansion of the Army's core CND program in response to increased projections in both incidents and intrusions. Program expansion includes additional technical and manpower requirements for the Army Computer Emergency Response Team (ACERT), which provides central security monitoring for Army information systems, and the Regional Computer Emergency Response Teams (RCERTS), which provide

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

6) Land Information Warfare Operations (Continued)
regional support to Army commands. Additionally, it
enables Army to enhance its predictive analysis capability
to proactively counter threat efforts.

Total Program Growth in FY 2004\$ 27,029

FY 2004 Budget Request.....\$ 623,102

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

IV. Performance Criteria and Evaluation Summary:

COMMUNICATIONS/INFORMATION SECURITY

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Supply and Maintenance:				
Requisition Line Items	37,154	37,154	37,154	37,154
Line Items	18,669	14,361	14,361	14,361
Major End Items Overhauled	6,890	6,890	6,890	6,890
Modification Work Orders Applied	1,300	1,300	1,300	1,300
COMSEC Demilitarization	3,800	5,000 NOTE 2	5,000	5,000
COMSEC Parts demilitarization	31,418	37,000 NOTE 2	37,000	37,000
B. COMSEC Audits/Inspections	250	500 NOTE 1	500	500
C. COMSEC Facilities Approval	100	100	100	100
D. COMSEC Incident Cases	715	1,200	1,200	1,200
E. Number of Information Systems Security/ Multilevel Information Systems Security Initiative Training Classes	150	170	170	170
F. Technical Publications	9	7	7	7

NOTE1 Increase due to new PKI/KMI/DMS Audit and inspection mission.

NOTE2 This is a 18 year program to destroy COMSEC products in preparation for COMSEC Modernization.

ARMY SPACE ACTIVITIES

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Number of Spacetrack Element Sets Updates provided to the U.S. Army Space Command	40,000	48,000	48,000	48,000
B. Number of Joint Tactical Ground Stations Sections Supported	5	5	5	5

NATIONAL SCIENCE CENTER

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Number of visitors/participants in National Science Center Programs	229,000	252,000	277,000	305,000

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Servicewide Communications

V. Personnel Summary:

	FY 2002	FY 2003	FY 2004	FY 2005	Change	Change
					FY 2003/FY 2004	FY 2004/FY 2005
<u>Active Military End Strength (Total)</u>	665	620	715	744	95	29
Officer	126	137	166	167	29	1
Enlisted	539	483	549	577	66	28
<u>Civilian End Strength (Total)</u>	1,181	1,262	1,414	1,417	152	3
U.S. Direct Hire	1,180	1,262	1,414	1,417	152	3
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	1,180	1,262	1,414	1,417	152	3
Foreign National Indirect Hire	1	0	0	0	0	0
<u>Military Average Strength (Total)</u>	680	642	667	729	25	62
Officer	137	131	151	166	20	15
Enlisted	543	511	516	563	5	47
<u>Civilian Full-Time Equivalent (Total)</u>	1,193	1,235	1,385	1,387	150	2
U.S. Direct Hire	1,193	1,235	1,385	1,387	150	2
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	1,193	1,235	1,385	1,387	150	2
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	432	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	92538	0	3.72%	3440	6984	102962	0	3.00%	3086	14563	120611	C	2.62%	3157	68	123836
0103	WAGE BOARD	3412	0	0.38%	13	-3077	348	0	2.59%	6	2	359	C	2.23%	8	-1	366
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	26	26	0	0.00%	C	0	26	C	0.00%	C	2	28
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	1000	0	0.00%	0	-1000	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP	96950	0	3.56%	3453	2933	103336	0	3.00%	3096	14565	120996	C	2.62%	3166	68	124230
0308	TRAVEL OF PERSONS	11454	0	1.10%	127	1472	13053	0	1.50%	196	1182	14431	C	1.60%	231	10	14672
0399	TOTAL TRAVEL	11454	0	1.11%	127	1472	13053	0	1.50%	196	1182	14431	C	1.60%	231	10	14672
0401	DFSC FUEL	10	0	-16.00%	-2	-3	5	0	8.30%	C	0	5	C	3.30%	C	1	6
0411	ARMY MANAGED SUPPLIES & MATERIALS	636	0	9.20%	59	-1	694	0	4.50%	32	13	739	C	1.50%	10	12	761
0412	NAVY MANAGED SUPPLIES & MATERIALS	22	0	9.60%	2	2	26	0	6.10%	2	0	28	C	4.00%	1	-1	28
0415	DLA MANAGED SUPPLIES & MATERIALS	145	0	3.50%	5	15	165	0	-2.90%	-5	23	183	C	1.50%	3	-7	179
0416	GSA MANAGED SUPPLIES & MATERIALS	163	0	1.10%	1	22	186	0	1.50%	3	17	206	C	1.60%	3	-7	202
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	976	0	6.66%	65	35	1076	0	2.97%	32	53	1161	C	1.46%	17	-2	1176
0502	ARMY EQUIPMENT	35	0	9.20%	3	-1	37	0	4.50%	1	0	38	C	1.50%	C	2	40
0507	GSA MANAGED EQUIPMENT	6980	0	1.10%	77	897	7954	0	1.50%	116	721	8794	C	1.60%	141	-296	8636
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	7015	0	1.14%	80	896	7991	0	1.50%	120	721	8832	C	1.60%	141	-297	8676
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	6289	0	5.30%	333	-6622	0	0	8.30%	C	0	0	C	2.00%	C	C	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	1902	0	6.20%	118	241	2261	0	-2.00%	-46	284	2500	C	0.30%	7	-52	2455
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	1507	0	-1.00%	-15	2304	3796	0	1.50%	57	-373	3480	C	1.60%	56	-171	3365
0648	ARMY INFORMATION SERVICES (CANCELLED)	15810	0	1.10%	174	-2916	13068	0	1.50%	196	-13264	0	C	1.60%	C	C	0
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	2653	0	1.10%	29	341	3023	0	0.00%	C	319	3342	C	1.60%	56	-113	3282
0677	COMMUNICATIONS SERVICES (DISA) TIER 1(CA	14905	0	0.00%	0	40940	55845	0	0.00%	C	-50351	5494	C	0.00%	C	3626	9123
0679	COST REIMBURSABLE PURCHASES	431	0	1.10%	5	55	491	0	1.50%	7	44	542	C	1.60%	6	-20	531
0699	TOTAL INDUSTRIAL FUND PURCHASES	43497	0	1.48%	644	34343	78484	0	0.27%	216	-63341	15358	C	0.81%	126	3273	18756
0703	AMC SAAM/JCS EXERCISES	28	0	0.04%	0	5	33	0	-1.30%	C	3	36	C	1.60%	1	-1	36
0771	COMMERCIAL TRANSPORTATION	829	0	1.10%	9	107	945	0	1.50%	14	86	1045	C	1.60%	17	-36	1026
0799	TOTAL TRANSPORTATION	857	0	1.05%	9	112	978	0	1.43%	14	89	1081	C	1.67%	18	-37	1062
0902	SEPARATION LIABILITY (FNIH)	2	0	0.00%	0	-2	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0912	RENTAL PAYMENTS TO GSA (SLUC)	4	0	2.10%	0	-4	0	0	1.70%	C	0	0	C	1.50%	C	C	0
0913	PURCHASED UTILITIES	431	0	1.10%	4	56	491	0	1.50%	7	45	543	C	1.60%	6	-16	533
0914	PURCHASED COMMUNICATIONS	50009	0	1.10%	550	23425	73984	0	1.50%	1110	20078	95172	C	1.60%	1523	-11456	85236
0917	POSTAL SERVICES (U.S.P.S.)	2321	0	0.00%	0	324	2645	0	0.00%	C	279	2924	C	0.00%	C	-52	2872
0920	SUPPLIES/MATERIALS (NON FUND)	19795	-207	1.10%	215	2755	22558	266	1.50%	342	1774	24940	266	1.60%	406	-1117	24492
0922	EQUIPMENT MAINTENANCE BY CONTRACT	57108	0	1.10%	628	7343	65079	0	1.50%	976	5896	71951	C	1.60%	1151	-2444	70658
0923	FACILITY MAINTENANCE BY CONTRACT	9111	0	1.10%	100	-171	9040	0	1.50%	136	818	9994	C	1.60%	160	-336	9815
0925	EQUIPMENT PURCHASES (NON FUND)	65039	0	1.10%	716	8363	74118	0	1.50%	1112	6714	81944	C	1.60%	1311	-2784	80471
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	189	0	1.10%	2	24	215	0	1.50%	3	20	238	C	1.60%	4	-6	234
0932	MGMT & PROFESSIONAL SPT SVCS	5920	0	1.10%	66	-5986	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0933	STUDIES, ANALYSIS, & EVALUATIONS	3958	0	1.10%	45	-4003	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0934	ENGINEERING & TECHNICAL SERVICES	2029	0	1.10%	22	-1064	987	0	1.50%	16	14	1016	C	1.60%	17	14	1047
0937	LOCALLY PURCHASED FUEL	2	0	-16.00%	0	0	2	0	8.30%	C	0	2	C	3.30%	C	C	2

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

Oper. & Maint., Army
OP32 EXHIBIT (\$ 000)

SAG:	432	Totals																
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount		
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	86319		0	1.10%	949	1640	88908	0	1.50%	1334	1333	91575	0	1.60%	1464	1283	94323
0989	OTHER CONTRACTS	75291		0	1.10%	828	1430	77549	0	1.50%	1163	1164	79876	0	1.60%	1274	620	81774
0998	OTHER COSTS	1007		0	1.10%	11	19	1037	0	1.50%	14	15	1068	0	1.60%	17	14	1100
0999	OTHER PURCHASES	378535		-207	1.09%	4136	34149	416613	266	1.49%	6214	38150	461243	264	1.59%	7334	-16290	452557
9999	GRAND TOTAL	539284		-207	1.58%	8514	73940	621531	266	1.59%	9884	-8581	623102	264	1.77%	11035	-13274	621129

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Manpower Management

I. Description of Operations Financed:

MANPOWER MANAGEMENT - The administration and professional personnel management of the Army's active service members and civilian employees. Included in this request are resources to support the U.S. Army Personnel Command (PERSCOM) and related Personnel Field Operating Agencies.

PERSCOM's primary mission is to develop and implement procedures for the assignment and proper utilization of active duty officer and enlisted personnel; manage, analyze, and operate soldier life-cycle support functions; administer professional development programs; and, provide/operate personnel service support systems. The active Army's unit personnel readiness is directly related to how well PERSCOM manages the promotion and distribution of soldiers. Funding supports the command's workforce infrastructure and automated personnel management systems.

Also included in this Subactivity Group are resources required to support the Army's civilian personnel operations for recruiting, accessing, and retaining army civilian personnel. This effort is part of the DoD-wide Civilian Personnel Regionalization and Systems Modernization program. Efficiencies have been achieved through modernizing the information system and improving the servicing ratio by reducing the number of civilian personnel specialists. In conjunction with the development and deployment of a modern, standard data system, the Defense Civilian Personnel Data System (DCPDS), the regionalized civilian personnel services provides streamlined civilian personnel service delivery afforded by more efficient and effective organizational structures and business process improvements.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

II. Force Structure Summary:

This Subactivity Group provides funding for the Departmental Headquarters and the following major field commands:

- U.S. Army Forces Command
- U.S. Army Training and Doctrine Command
- U.S. Army Material Command
- U.S. Army Corp of Engineers
- U.S. Army Medical Command
- U.S. Army Military Academy
- U.S. Army Military District of Washington
- U.S. Army Test and Evaluation Command
- U.S. Army/U.S. Forces Korea
- U.S. Army Pacific
- U.S. Army South
- U.S. Army Europe
- PEO Enterprise Information Systems
- Office, Chief, Army Reserve

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Manpower Management	153,958	245,901	215,389	196,124	210,202	227,443
Total	153,958	245,901	215,389	196,124	210,202	227,443

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE		CHANGE	
		<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>		
BASELINE FUNDING		245,901	196,124	210,202		
Congressional Adjustments (Distributed)		-3,000				
Congressional Adjustments (Undistributed)		-24,350				
Adjustments to Meet Congressional Intent		0				
General Provisions		-3,162				
SUBTOTAL APPROPRIATED AMOUNT		215,389				
Fact-of-Life Changes		-19,265				
SUBTOTAL BASELINE FUNDING		196,124				
Anticipated Supplemental		0				
Reprogramming		0				
Price Change			5,295	5,856		
Functional Transfers			-3,667	0		
Program Changes			12,450	11,385		
CURRENT ESTIMATE		196,124	210,202	227,443		

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$ 245,901
1. Congressional Adjustments	
a) Distributed Adjustments	
Manpower Management	\$ -3,000
b) Undistributed Adjustments	
1) Federal Employees Compensation Act (FECA) Surcharge	\$ -129
2) Undistributed Adjustment	\$ -106
3) Unobligated Balance	\$ -708
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$ -23,407
c) General Provisions	
1) Section 8082 - Foreign Currency Fluctuations	\$ -262
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -367
3) Section 8103 - Government Purchase Card Savings	\$ -338
4) Section 8133 - Travel	\$ -134
5) Section 8135 - Revised Economic Assumptions	\$ -2,061
FY 2003 Appropriated Amount.....	\$ 215,389

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

a) Functional Transfers

Transfers Out

- a) Central Clearance Facility (CCF) Realignment\$ -5,728
Transfers mission and resources of Central Clearance Facility (CCF) to Intelligence Security Command (INSCOM) from Total Personnel Command, within the Operations and Maintenance, Army appropriation from Subactivity Group (SAG) 438, Base Support, SAG 433, Manpower Management, and SAG 434, Other Personnel Support, to SAG 411, Security Program. This transfer is in compliance with Title 10 and provides a more agile, responsive, and adaptive staff to achieve the Army's vision, creating a leaner, more integrated and streamlined headquarters through realignment. CCF grants, denies or revoke security clearances and determines Sensitive Compartmented Information (SCI) access eligibility for the Department of Army military, civilian and contract personnel. CCF supports the Immigration and Naturalization Service process for soldiers to obtain U.S. citizenship and grants limited access authorization for foreign nationals. CCF screens and reviews security files for individuals considered for promotion to Colonel, General Officer, or SES. Personnel considered for brigade or battalion level command; Drill SGT, or recruiter duties; and selected other assignments are also screened and databased.
- b) Personnel Security Screening Program (PSSP)\$ -3,300
Realigns resources related to the Personnel Security Screening Program (PSSP) from Total Personnel Command to the US Army Recruiting Command (USAREC),

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

Transfers Out (Continued)

b) Personnel Security Screening Program (PSSP)
(Continued)

within the Operations and Maintenance, Army appropriation from Subactivity Group (SAG) 433, Manpower Management, to SAG 331, Recruiting and Advertising. PSSP ensures applicants requesting Military Occupational Specialties (MOS) requiring Top Secret Clearances (TSC), are screened for clearances prior to being accessed into the Army. This transfer enhances the program by providing direct accession support.

c) Transformation of Installation Management (TIM)\$ -2,091

The Transformation of Installation Management (TIM) is one of several of the Army's Realignment Task Force (RTF) Initiatives that enhances the day-to-day operations of the Army. This transfer represents the realignment of Mission and Base Support personnel, pay and support costs. Through close analysis of the realigned resources, these resources were identified as support to Base Support Operations (not mission functions), and are being realigned back to their appropriate programs.

b) Emergent Requirements

Program Reductions

Manpower Management\$ -8,054

The Army is managing risk in resourcing Manpower

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

Program Reductions (Continued)

Manpower Management (Continued)

Management program requirements. These costs are travel, inter-service support requirements for Civilian Personnel Operations Centers (CPOCs), located on working capital fund installations, and contractual services for advertisement to recruit specific hard-to-fill civilian vacancies and training.

FY 2003 Baseline Funding.....\$ 196,216

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -92
 Realigns the distribution between Major Commands and Subactivity Groups for foreign currency.

Revised FY 2003 Current Estimate.....\$ 196,124

4. Price Change.....\$ 5,295

5. Functional Transfers

Transfers Out

Civilian Personnel Operations Systems Modernization Program\$ -3,667
 Transfers resources related to civilian personnel

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

Transfers Out (Continued)

Civilian Personnel Operations Systems Modernization Program
(Continued)
information management systems from Subactivity Group 433,
Manpower Management to Subactivity Group 432, Servicewide
Communication, to centralize resources in one SAG for total
information management program visibility.

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 546

There will be an additional compensable workday in FY 2004.
This results in an increase in civilian manpower costs due to
a greater number of workdays in FY 2004 (262 days) as compared
to FY 2003 (261 days).

b) Program Growth in FY 2004

Manpower Management\$ 11,904

(FY 2003 Base: \$198,298) This increase funds additional
recurring support costs for the Army Benefits Center-Civilian
(ABC-C), Ft. Riley, KS. The Ft. Riley Center is identified as
the agency to provide customer service and administrative
support to the uniformed service members for the Army Thrift
Savings Plan, implemented to comply with the Department of
Defense (DoD) Directive 1341.4. Additionally, the increase
funds the management of the Army Boards (enlisted and officer)
that requires a large TDY account to select the proper mix of
board members and make the process equitable. The TDY account
depends on the number of members in the boards and the number
of boards being held throughout the fiscal year.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2004 Budget Request.....\$ 210,202

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

IV. Performance Criteria and Evaluation Summary:

Number of Regional Civilian Personnel Office sites:

<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
9	8	8	8

*One site closed (Jun 02) - Ft. Benning, GA.

Average Number of Customers serviced by Personnel Specialist:

Civilian Personnel Office Center (CPOC)	- 133:1
Civilian Personnel Advisory Center (CPAC)	- 200:1

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Manpower Management

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	554	478	470	470	-8	0
Officer	293	260	255	255	-5	0
Enlisted	261	218	215	215	-3	0
<u>Civilian End Strength (Total)</u>	2,756	2,824	2,695	2,673	-129	-22
U.S. Direct Hire	2,645	2,620	2,500	2,478	-120	-22
Foreign National Direct Hire	40	23	14	14	-9	0
Total Direct Hire	2,685	2,643	2,514	2,492	-129	-22
Foreign National Indirect Hire	71	181	181	181	0	0
<u>Military Average Strength (Total)</u>	561	515	473	470	-42	-3
Officer	166	276	257	255	-19	-2
Enlisted	395	239	216	215	-23	-1
<u>Civilian Full-Time Equivalent (Total)</u>	1,761	2,769	2,643	2,630	-126	-13
U.S. Direct Hire	1,680	2,568	2,451	2,438	-117	-13
Foreign National Direct Hire	10	23	14	14	-9	0
Total Direct Hire	1,690	2,591	2,465	2,452	-126	-13
Foreign National Indirect Hire	71	178	178	178	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	433	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	115686	0	5.30%	6128	61322	183136	0	2.51%	459	-10746	176989	C	2.65%	468	-133	180338
0103	WAGE BOARD	449	0	1.34%	6	-297	158	0	0.63%	1	-105	54	C	1.85%	1	C	55
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	123	-50	17.07%	21	480	574	31	1.92%	11	-196	420	1	2.14%	9	1	448
0105	SEPARATION LIABILITY (FNDH)	0	0	0.00%	0	16	16	0	0.00%	C	0	16	C	0.00%	C	1	17
0106	BENEFITS TO FORMER EMPLOYEES	539	0	0.00%	0	-364	175	0	0.00%	C	-2	173	C	0.00%	C	3	176
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	625	0	0.00%	0	-625	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP	117422	-50	5.24%	6155	60532	184059	31	2.51%	4611	-11049	177652	1	2.64%	469	-132	181034
0308	TRAVEL OF PERSONS	5680	0	1.10%	62	-5742	0	0	1.50%	C	4396	4396	C	1.60%	7	172	6191
0399	TOTAL TRAVEL	5680	0	1.09%	62	-5742	0	0	0.00%	C	4396	4396	C	1.59%	7	172	6191
0411	ARMY MANAGED SUPPLIES & MATERIALS	0	0	9.20%	0	500	500	0	4.50%	2	-10	512	C	1.50%	8	-17	503
0416	GSA MANAGED SUPPLIES & MATERIALS	0	0	1.10%	0	196	196	0	1.50%	3	1	200	C	1.60%	3	C	203
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	0	0	0.00%	0	696	696	0	3.59%	2	-9	712	C	1.54%	11	-17	706
0502	ARMY EQUIPMENT	0	0	9.20%	0	444	444	0	4.50%	2	-1	463	C	1.50%	7	-1	454
0507	GSA MANAGED EQUIPMENT	0	0	1.10%	0	83	83	0	1.50%	1	0	84	C	1.60%	1	1	86
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	0	0	0.00%	0	527	527	0	3.98%	21	-1	547	C	1.46%	8	-1	540
0601	ARMY (ORDNANCE)	1244	0	-27.00%	-336	695	1603	0	1.40%	2	105	1730	C	10.10%	17	-93	972
0633	DEFENSE PUBLICATION & PRINTING SERVICE	793	0	6.20%	49	-842	0	0	-2.00%	C	753	753	C	0.30%	2	51	806
0648	ARMY INFORMATION SERVICES (CANCELLED)	568	0	1.10%	6	158	732	0	1.50%	11	-743	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	2605	0	-10.79%	-281	11	2335	0	1.41%	3	115	2483	C	7.13%	177	-88	1778
0771	COMMERCIAL TRANSPORTATION	815	0	1.10%	9	-824	0	0	1.50%	C	774	774	C	1.60%	12	42	828
0799	TOTAL TRANSPORTATION	815	0	1.10%	9	-824	0	0	0.00%	C	774	774	C	1.55%	12	42	828
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	2789	-792	5.84%	163	2460	4620	1648	3.18%	147	1	6416	187	3.40%	21	C	8509
0914	PURCHASED COMMUNICATIONS	245	0	1.10%	3	-248	0	0	1.50%	C	233	233	C	1.60%	4	12	249
0917	POSTAL SERVICES (U.S.P.S.)	459	0	0.00%	0	-109	350	0	0.00%	C	125	475	C	0.00%	C	3	508
0920	SUPPLIES/MATERIALS (NON FUND)	0	828	1.10%	9	638	1475	-1255	1.50%	3	1265	1488	-146	1.60%	C	149	1515
0921	PRINTING AND REPRODUCTION	131	0	1.10%	1	-32	100	0	1.50%	1	24	125	C	1.60%	2	13	140
0922	EQUIPMENT MAINTENANCE BY CONTRACT	6509	0	1.10%	72	-5595	986	0	1.50%	1	2563	3564	C	1.60%	57	2857	6478
0923	FACILITY MAINTENANCE BY CONTRACT	299	0	1.10%	3	-302	0	0	1.50%	C	314	314	C	1.60%	5	23	342
0925	EQUIPMENT PURCHASES (NON FUND)	0	0	1.10%	0	598	598	0	1.50%	9	-1	606	C	1.60%	1	1	617
0932	MGMT & PROFESSIONAL SPT SVCS	40	0	1.10%	0	-40	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0933	STUDIES, ANALYSIS, & EVALUATIONS	20	0	1.10%	0	-20	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	6092	0	1.10%	67	-6159	0	0	1.50%	C	3204	3204	C	1.60%	51	447	7731
0989	OTHER CONTRACTS	9352	0	1.10%	103	-9077	378	0	1.50%	6	6829	7213	C	1.60%	11	131	8642
0998	OTHER COSTS	1500	0	1.10%	16	-1516	0	0	1.50%	C	0	0	C	1.60%	C	163	1635
0999	OTHER PURCHASES	27436	36	1.59%	437	-19402	8507	393	2.13%	181	14557	23638	4	1.95%	46	1186	36366
9999	GRAND TOTAL	153958	-14	4.15%	6382	35798	196124	424	2.48%	4871	8783	210202	424	2.58%	543	11385	227443

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Other Personnel Support

I. Description of Operations Financed:

OTHER PERSONNEL SUPPORT - Personnel support programs for the Army's active duty servicemembers and their families, civilian employees, and the Army community.

AMERICAN FORCES RADIO AND TELEVISION SERVICE (AFRTS) - The Army is the DoD executive for AFRTS supporting Army-operated American Forces Radio and Television Service sites sustaining essential 24 hour-a-day normal, contingency, and wartime broadcasting service outside the continental United States. Functions performed include the production and broadcasting of time-sensitive radio and television command information announcements, news, sports, public affairs and entertainment programming and operation and maintenance radio/TV program production and transmission facilities. AFRTS serves a critical morale function for service members and DoD civilians serving overseas.

ARMY CAREER AND ALUMNI PROGRAM (ACAP) - ACAP is the Army's program that delivers the mandated transition services required by Sections 1142 and 1143, Title X U.S.C. ACAP provides separating and retiring soldiers, civilians and their family members with the skills they need to obtain appropriate post-Army employment and to maximize the use of benefits earned through their Army service. The program offers a complete spectrum of preseparation counseling, transition service activities, and information relating to transition assistance benefits and job search skills. There are 50 ACAP Centers worldwide. In addition, ACAP provides outreach services to soldiers stationed in remote and isolated locations.

MILITARY BURIAL HONORS - Funds travel, per diem, training, and training equipment for active duty personnel on burial honor details for Army deceased active duty, retirees, and veterans. Funds transportation or reimbursement for transportation, expenses, material, equipment and training for veteran organizations and other authorized providers who perform military burial honors. FY 2000 National Defense Authorization Act requires that military funeral honors be provided all eligible veterans upon request.

CHAPLAIN ACTIVITIES - Provides funds for programs such as Family Life Ministry, Minority/Multi-Cultural Ministries, ethics and personal effectiveness training, innovative worship opportunities in an environment of changing life styles, moral leadership training, and lay leadership development. Funds refurbishment and replacement of unserviceable chapel items, clinical pastoral education, a program of parish development, religious education, religious retreats and training programs at installations. Provides funds for ecclesiastical relations with official representatives of American religious organizations, upon which the Army is dependent for qualified clergy to serve as Army chaplains. Also

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

supports the "Family Life" centers, which provide premarital counseling and education, marriage enrichment workshops, communication skills development seminars, personal growth seminars, parent-child relationship classes, and marriage and family counseling.

CORRECTIONAL FACILITIES - Provides resources for administration and operation of Army correctional facilities, to include the U.S. Disciplinary Barracks, Fort Leavenworth, Kansas. Provides correctional custody, management, professional services support, education, vocational and employment training and administration of prisoners confined in Army correctional treatment facilities. Also funds requirements for Army prisoners confined in foreign penal institutions.

DISPOSITION OF REMAINS - Provides for recovery, identification, preparation (cremation when authorized), transportation, and interment of remains of soldiers and limited benefits for certain deceased civilian employees. Provides for the transportation of remains of soldiers and certain civilian employee dependents, and transportation of remains of retired soldiers (and their dependents) who die while admitted to a military medical facility in the United States. Provides funds for the travel of certain relatives to attend funeral services of soldiers who died while on active duty and authorized travel for family members of seriously ill/injured active duty soldiers. Additionally, provides funding for operations of the U.S. Army Central Identification Laboratory, Hawaii (USA CILHI), and casualty operations at U.S. Total Army Personnel Command. Supports the search, recovery, identification, and repatriation effort of the Vietnam War, Korean War, World War II, and Cold War unaccounted for Americans worldwide. This mission includes those initiatives dedicated towards informing POW/MIA family members and the general public of efforts to resolve the POW/MIA issues and to coordinate among government agencies.

DRUG ABUSE PREVENTION - The Army operates a comprehensive drug prevention and control program designed to counter substance abuse throughout the worldwide Army community. The program addresses prevention, identification, treatment and rehabilitation. Provides resources to conduct field and forensic biochemical testing for service applicants, Active Army and civilian personnel. Funds development and implementation of education and awareness programs for drug prevention.

PERSONNEL INFORMATION SYSTEMS - Information Systems which support all aspects of the Manpower Management and Personnel Support functions.

MISCELLANEOUS - Provides resources for Armed Forces Professional Entertainment and USO celebrity shows, talent contests and other miscellaneous overseas personnel activities. Provides funding for the Golden Knights Army Parachute Team, the Army Field Bands, the Boy and Girl Scout Jamborees, the National Museum and international sports competitions.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

II. Force Structure Summary:

This subactivity provides funding for the Departmental Headquarters and the following major field commands:

- Office, Secretary of the Army
- U.S. Army Military District of Washington
- U.S. Army Materiel Command
- U.S. Army South
- U.S. Army Pacific Command
- U.S. Army Europe and Seventh Army
- U.S. Army Training and Doctrine Command
- U.S. Military Academy
- U.S. Army Forces Command
- U.S. Military Enlistment Processing Command
- U.S. Army Corps of Engineers (Less Civil Works)
- Eighth U.S. Army

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
 Subactivity Group: Other Personnel Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002	FY2003			FY 2004	FY 2005
	<u>Actual</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Other Personnel Support	234,421	204,749	190,172	197,787	198,716	214,640
Total	234,421	204,749	190,172	197,787	198,716	214,640
B. <u>Reconciliation Summary:</u>			<u>CHANGE</u>	<u>CHANGE</u>	<u>CHANGE</u>	
			<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING			204,749	197,787		198,716
Congressional Adjustments (Distributed)			4,400			
Congressional Adjustments (Undistributed)			-8,442			
Adjustments to Meet Congressional Intent			0			
General Provisions			-10,535			
SUBTOTAL APPROPRIATED AMOUNT			190,172			
Fact-of-Life Changes			7,706			
SUBTOTAL BASELINE FUNDING			197,878			
Anticipated Supplemental			0			
Reprogramming			-91			
Price Change				3,748		3,817
Functional Transfers				-26,451		0
Program Changes				23,632		12,107
CURRENT ESTIMATE			197,787	198,716		214,640

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	204,749
1. Congressional Adjustments		
a) Distributed Adjustments		
1) Chaplain Building Strong and Ready Families	\$	1,000
2) Army Chapel Renovation	\$	3,400
b) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-142
2) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-7,394
3) Undistributed Adjustment	\$	-118
4) Unobligated Balance	\$	-788
c) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-7,293
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-411
3) Section 8103 - Government Purchase Card Savings	\$	-380
4) Section 8133 - Travel	\$	-135
5) Section 8135 - Revised Economic Assumptions	\$	-2,316
FY 2003 Appropriated Amount.....	\$	190,172

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Functional Transfers

1) Transfers In

a) Personnel Electronic Records Management\$ 7,960
Realigns funding for the Personnel Electronic Records Management System (PERMS), an automated system for records management and selection board support using Optical Digital Imagery technology that eliminates the requirement for duplicate personnel records. The realignment from Subactivity Group 432 to 434 aligns funds with the Total Army Personnel Command for improved visibility and management.

b) Partnership for Youth Success (PAYS)\$ 210
Transfers the Army Career and Alumni Program (ACAP) portion of the PAYS program, an Army partnership with private companies that extend preferred hiring status to participating soldiers. ACAP is responsible for the identification, location, and notification of PAYS participants after they are enrolled upon recruitment. Funds are transferred from Subactivity Group 331, Recruiting and Advertising.

2) Transfers Out

Central Clearance Facility (CCF) Realignment\$ -464
Transfers mission and resources of Central Clearance Facility (CCF) to Intelligence Security Command (INSCOM) from Total Personnel Command, within the Operations and Maintenance, Army appropriation from Subactivity Group (SAG) 438, Base Support, SAG 433, Manpower Management, and SAG 434, Other Personnel Support, to SAG 411, Security Program. This transfer is in compliance with Title 10 and

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

Functional Transfers (Continued)

2) Transfers Out (Continued)

Central Clearance Facility (CCF) Realignment (Continued) provides a more agile, responsive, and adaptive staff to achieve the Army's vision, creating a leaner, more integrated and streamlined headquarters through realignment. CCF grants, denies or revoke security clearances and determines Sensitive Compartmented Information (SCI) access eligibility for the Department of Army military, civilian and contract personnel. CCF supports the Immigration & Naturalization Service process for soldiers to obtain U.S. citizenship, grants limited access authorization for foreign nationals, and screens and reviews security files for individuals considered for promotion to Colonel, General Officer, or SES.

FY 2003 Baseline Funding.....\$ 197,878

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -91

Revised FY 2003 Current Estimate.....\$ 197,787

4. Price Change.....\$ 3,748

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

Transfers Out

Community and Family Support Center (CFSC)\$ -26,451

Transfers funds for the Community and Family Support Center, which develops and implements program policy, management, and operations to achieve Congressional, DoD, and Army Objectives for Morale Welfare and Recreation (MWR) and Family programs. Includes funding for manpower and operational support for Child Development Services, Youth Services, Army Community Service, Community Recreation Programs, Sports and Fitness programs, Army Entertainment programs, Army Family Team Building, Army Family Action Plan, oversight of MWR programs, and limited support of utilities and repair and maintenance for Morale Welfare activities in Europe. Includes funds specifically designated for transitional compensation for spouses and dependents, domestic violence case resolution, Active Component family research, and resources for DoD library book acquisition (DoD executive agent). Transfers funding from Subactivity Group 434, Other Personnel Support to Subactivity Group 438, Base Operations.

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 177

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004

- | | |
|---|----------|
| 1) Personnel Transformation Initiative | \$ 7,119 |
| (FY 2003 Base: \$0) This increase provides funding for the newly established Headquarters Department of the Army Personnel Transformation Task Force. This funding will provide for all aspects of program definition, functional process assessment, integration, and systems integration and analysis support. Support will also be necessary to develop, field, and sustain an Army-wide electronic Human Resource (Army eHR) system using a web-based military/civilian, multi-component enterprise approach for all human resource functions. | |
| 2) Boy Scouts | \$ 3,255 |
| (FY 2003 Base: \$1,171) This increase is part of the "ramp up" for the 2005 Boy Scouts National Jamboree and includes additional training and travel for coordination and conferences, additional temporary employees supporting the Jamboree, and the final purchase of modular tents to replace the GP Medium tents that the Boy Scouts sleep in during the Jamboree. The Army provides basic support in medical, signal, military police, public affairs, and aviation for the conduct of the Quadrennial Boy Scouts of America National Jamboree at Fort A. P. Hill which is a major national-international media event. Army support to the scouting program is a result of Congressional Legislation in 1972. | |
| 3) Unaccounted for Service Members from Previous Conflicts | \$ 8,926 |
| (FY 2003 Base: \$48,200) This increase expedites recovery efforts by supporting additional scientific and support staffing, additional investigation and recovery missions, DNA analysis, and host nation support in. The | |

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

3) Unaccounted for Service Members from Previous Conflicts
(Continued)
Personnel Accounting Program (PAP) was established under the FY 1999 National Defense Authorization Act (NDAA), Section 566, 22 September 1998. Congress mandated acceleration of recovery efforts for individuals Missing in Action from the Cold War, Vietnam, Korea, and World War II.

4) National Army Museum Program\$ 4,155
(FY 2003 Base: \$4,659) This increase funds the start up support cost for the Center of Military History. This funds the site selection process and begins project support and museum development for the National Museum of the U.S. Army (NMUSA). The additional support cost includes 17 additional employees, museum curators, conducting concept studies and establishing designing plans.

FY 2004 Budget Request.....\$ 198,716

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

IV. Performance Criteria and Evaluation Summary:

DISPOSITION OF REMAINS

Bodies Not Recovered (BNR) From Previous Wars:	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Vietnam (Southeast Asia)	1,907	*	*	*
Korea	8,195	*	*	*
World War II	78,968	*	*	*
Gulf War	1	*	*	*
Somalia	2	*	*	*

* NOTES:

1. VIETNAM BNR are military and civilian whose remains are not recovered and not identified. To be no longer counted as BNR, bodies must be recovered AND identified.
2. KOREA BNR are defined the same as Vietnam BNR, but do not include civilians and do not have zone of conflict restrictions.
3. Future year numbers cannot be forecast.

ARMY CAREER AND ALUMNI PROGRAM (ACAP)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Number of Personnel Processed through ACAP	255,401	246,435	245,850	248,739

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Personnel Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	1,797	1,879	1,912	1,906	33	-6
Officer	127	144	146	144	2	-2
Enlisted	1,670	1,735	1,766	1,762	31	-4
<u>Civilian End Strength (Total)</u>	1,286	872	868	868	-4	0
U.S. Direct Hire	1,230	822	818	818	-4	0
Foreign National Direct Hire	28	29	29	29	0	0
Total Direct Hire	1,258	851	847	847	-4	0
Foreign National Indirect Hire	28	21	21	21	0	0
<u>Military Average Strength (Total)</u>	1,575	1,837	1,895	1,909	58	14
Officer	117	135	145	145	10	0
Enlisted	1,458	1,702	1,750	1,764	48	14
<u>Civilian Full-Time Equivalentents (Total)</u>	1,258	857	853	853	-4	0
U.S. Direct Hire	1,214	807	803	803	-4	0
Foreign National Direct Hire	19	29	29	29	0	0
Total Direct Hire	1,233	836	832	832	-4	0
Foreign National Indirect Hire	25	21	21	21	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	434	Totals																
Line	Line	Description	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item			Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount		
0101	EXEC. GEN. SPEC SCHEDULE		67606	0	2.73%	1843	-14285	55164	0	2.64%	1455	-292	56327	C	2.65%	1492	-103	57716
0103	WAGE BOARD		1394	0	2.44%	34	-481	947	0	2.75%	25	3	976	C	2.15%	21	1	998
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)		637	-100	5.81%	37	336	910	211	3.19%	25	-1	1149	124	2.09%	24	2	1299
0106	BENEFITS TO FORMER EMPLOYEES		4	0	0.00%	0	60	64	0	0.00%	C	2	66	C	0.00%	C	1	67
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS		41	0	0.00%	0	-41	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP		69682	-100	2.75%	1914	-14411	57085	211	2.65%	1510	-288	58518	124	2.63%	1537	-95	60080
0308	TRAVEL OF PERSONS		19569	0	1.10%	215	-940	18844	0	1.50%	283	-401	18726	C	1.60%	300	1385	20411
0399	TOTAL TRAVEL		19569	0	1.10%	215	-940	18844	0	1.50%	283	-401	18726	C	1.60%	300	1385	20411
0401	DFSC FUEL		187	0	-16.00%	-30	-18	139	0	8.30%	12	6	157	C	3.30%	5	35	198
0402	SERVICE FUEL		339	0	-16.00%	-54	49	334	0	8.30%	25	12	374	C	3.30%	12	35	419
0411	ARMY MANAGED SUPPLIES & MATERIALS		1661	0	9.20%	152	21	1834	0	4.50%	83	-39	1878	C	1.50%	27	91	1996
0415	DLA MANAGED SUPPLIES & MATERIALS		399	0	3.50%	14	-70	343	0	-2.90%	-10	8	341	C	1.50%	5	25	375
0416	GSA MANAGED SUPPLIES & MATERIALS		561	0	1.10%	6	-84	483	0	1.50%	7	-11	479	C	1.60%	5	40	527
0499	TOTAL SUPPLIES & MATERIALS PURCHASES		3147	0	2.80%	88	-102	3133	0	3.83%	120	-24	3229	C	1.77%	57	225	3515
0502	ARMY EQUIPMENT		1680	0	9.20%	154	-161	1673	0	4.50%	75	-3	1745	C	1.50%	25	253	2024
0506	DLA EQUIPMENT		157	0	3.50%	5	-27	135	0	-2.90%	-4	4	135	C	1.50%	2	11	148
0507	GSA MANAGED EQUIPMENT		738	0	1.10%	8	-111	635	0	1.50%	10	-15	630	C	1.60%	10	54	694
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES		2575	0	6.49%	167	-299	2443	0	3.32%	81	-14	2510	C	1.51%	35	315	2866
0601	ARMY (ORDNANCE)		139	0	-27.00%	-38	76	177	0	1.40%	2	8	187	C	10.10%	15	-15	191
0633	DEFENSE PUBLICATION & PRINTING SERVICE		192	0	6.20%	12	-39	165	0	-2.00%	-3	2	164	C	0.30%	C	15	180
0671	COMMUNICATIONS SERVICES (DISA) TIER 2		9	0	1.10%	0	-1	8	0	0.00%	C	0	8	C	1.60%	C	1	9
0699	TOTAL INDUSTRIAL FUND PURCHASES		340	0	-7.65%	-26	36	350	0	-0.29%	-1	10	359	C	5.29%	15	2	380
0719	MTMC CARGO OPERATIONS (PORT HANDLING)		19	0	-38.30%	-7	5	17	0	20.00%	3	-3	17	C	4.20%	1	C	18
0771	COMMERCIAL TRANSPORTATION		1802	0	1.10%	20	-271	1551	0	1.50%	23	-33	1541	C	1.60%	25	130	1696
0799	TOTAL TRANSPORTATION		1821	0	0.71%	13	-266	1568	0	1.66%	25	-36	1558	C	1.67%	25	130	1714
0901	FOR NATIONAL INDIRECT HIRE (FNIH)		1124	-112	2.58%	29	-189	852	233	3.05%	25	1	1112	265	3.24%	35	-1	1412
0902	SEPARATION LIABILITY (FNIH)		1	0	0.00%	0	-1	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0912	RENTAL PAYMENTS TO GSA (SLUC)		1	0	2.10%	0	-1	0	0	1.70%	C	0	0	C	1.50%	C	C	0
0913	PURCHASED UTILITIES		47	0	1.10%	1	-7	41	0	1.50%	1	-2	40	C	1.60%	1	3	44
0914	PURCHASED COMMUNICATIONS		325	0	1.10%	4	-49	280	0	1.50%	4	-6	278	C	1.60%	4	24	306
0917	POSTAL SERVICES (U.S.P.S.)		48	0	0.00%	0	-6	42	0	0.00%	C	-1	41	C	0.00%	C	4	45
0920	SUPPLIES/MATERIALS (NON FUND)		13927	0	1.10%	153	-219	13861	0	1.50%	205	-319	13750	C	1.60%	220	1367	15337
0922	EQUIPMENT MAINTENANCE BY CONTRACT		32932	0	1.10%	362	-4948	28346	0	1.50%	425	-624	28147	C	1.60%	450	2385	30983
0923	FACILITY MAINTENANCE BY CONTRACT		352	0	1.10%	4	-53	303	0	1.50%	5	-8	300	C	1.60%	5	25	331
0925	EQUIPMENT PURCHASES (NON FUND)		14211	0	1.10%	156	-2135	12232	0	1.50%	183	-269	12146	C	1.60%	194	1030	13370
0932	MGMT & PROFESSIONAL SPT SVCS		1804	0	1.10%	20	-1824	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0933	STUDIES, ANALYSIS, & EVALUATIONS		166	0	1.10%	3	-169	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0937	LOCALLY PURCHASED FUEL		30	0	-16.00%	-5	10	35	0	8.30%	2	-1	36	C	3.30%	2	1	39
0987	OTHER INTRA-GOVERNMENTAL PURCHASES		29827	0	1.10%	328	-4482	25673	0	1.50%	385	-565	25493	C	1.60%	405	2161	28062
0988	GRANTS		4500	0	1.10%	49	-4549	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0989	OTHER CONTRACTS		37992	0	1.10%	418	-5711	32699	0	1.50%	490	-716	32473	C	1.60%	520	2752	35745

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	434	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0999	OTHER PURCHASES		137287	-112	1.11%	1522	-24333	114364	233	1.51%	1725	-2510	113816	265	1.62%	1840	9753		125674
9999	GRAND TOTAL		234421	-212	1.66%	3893	-40315	197787	444	1.89%	3745	-3263	198716	385	1.92%	3817	11718		214640

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Other Service Support

I. Description of Operations Financed:

OTHER SERVICE SUPPORT

This subactivity group provides for a variety of worldwide support functions that are necessary to enable the Army to comply with provisions of Public Laws and Department of Defense (DoD) Directives. Several functions and activities are funded in this activity group because the effort benefits DoD or the Army as a whole, or are better managed through one consolidated area.

ARMY KNOWLEDGE ONLINE (AKO) - The catalyst for leading the Army into the world of web technology and providing a single overall virtual network. Programs included in AKO are the Army Flow Model, Army Knowledge Online, Army Knowledge Online Secret Internet Protocol Router Network (SIPRNET), Army Help Desk, Advanced Technology Integration, Network Engineering, Chief Technology Operations and Headquarters, Department of the Army (HQDA) Data Sharing Initiative. AKO provides seamless, integrated, real-time command and control between the Joint Chief of Staff, HQDA and subordinate agencies within the Army Enterprise 24 hours a day, 7 days a week.

ARMY MUSEUM SYSTEM - This provides support for all certified Army museums that comprise the Army Museum System at Army installations worldwide.

CRIMINAL INVESTIGATION COMMAND (CID) CRIMINAL INVESTIGATIONS - This involves the detection, investigation and reporting of crime, support of the Army Crime Prevention Program and providing protective service support to DoD and Department of the Army officials. CID responsibilities include crime prevention surveys, DNA Analysis/Convicted Offender Program, drug operations, computer crime vulnerability assessments, information assurance operations, logistics security, domestic Threat Intelligence, war crimes investigations and white collar crime operations.

CID AUTOMATED FINGERPRINT REPOSITORY - The Automated Fingerprint Identification System (AFIS) is maintained by the US Army Criminal Investigation Laboratory, and consists of an automated searchable database of finger and palm prints, facilitating criminal investigations.

CRIMINAL LABORATORY - Laboratory examines various types of evidence gathered during investigations from field elements. The crime laboratory supports not only U.S. Army Criminal Investigations Command (USACIDC) but also all Department of Defense (DoD) law enforcement agencies worldwide.

CRIME RECORDS CENTER - A multifaceted organization supporting the US Army, Department of Defense, Federal and local law enforcement agencies and security agencies worldwide. Missions include

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

I. Description of Operations Financed (Continued):

collection, safeguarding, and correlation of Army law enforcement records, and the dissemination of Army criminal history information to authorized users; management of the Army Law Enforcement Freedom of Information Act and Privacy Act Program; and management of the Army Law Enforcement Polygraph Program.

DEFENSE FINANCE AND ACCOUNTING SERVICES - The Office, Secretary of the Army centrally manages the Defense Finance and Accounting funds used to pay for finance and accounting services performed for the Army on a reimburseable basis.

ENVIRONMENTAL RESTORATION ACTIVITY - This provides an expanded effort in restoration where lands have been contaminated, damaged or disturbed by Department of Defense (DoD) activities. Included are installation restoration, building demolition and debris removal, and other hazardous waste operations.

MERGED ACCOUNT - The account is used to pay prior-year bills with reprogrammed current year dollars

PUBLIC AFFAIRS - This provides support for all public information and community relations activities at Army installations worldwide.

PUBLIC INFORMATION - All functions and activities which are performed primarily for the purpose of providing official information about the military departments and defense agencies to the public media, such as press, radio and television, magazines and books, motion pictures, or other outlets. Public information products are generated in response to requests for information and initiatives of the DoD to fulfill its obligation of informing the public within the bounds of security.

RESERVE COMPONENT EQUIPMENT MODERNIZATION - Funds Army Reserve and National Guard fielding for displaced (cascaded) equipment. Includes displaced equipment training, travel, fielding logistics, sets, kits, outfits, and repair parts for prescribed load lists and authorized stockage lists

U.S. ARMY CONTRACT AGENCY - All functions and activities from the previously decentralized contracting processes have been reorganizaed into the U.S. Army Contract Agency (ACA). Designated to eliminate redundant contracts, ACA leverages Army-wide requirements and gains efficiencys while maintaining effective local capabilities. ACA acts as the single coordinating element, and operates from the base to deploy contingency contracting operational support to the warfighting commands.

Significant OP-32 Adjustments: The FY 2002 program shows \$616,437 executed for the Environmental Restoration Program. These funds are programmed by Department of Defense and issued to the Army in the year of execution. Large increases in Other Purchases are due to the Environmental Restoration Program. Line 0920 shows an increase in FY 2004 programmed for the Reserve Component Equipment

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

I. Description of Operations Financed (Continued):

Modernization . Funds are required to purchase sets, kits, and outfits necessary to make Apache, Chinook, and Black Hawk weapon systems fully mission capable and fully stock repair parts levels in maintenance activities.

II. Force Structure Summary:

This budget activity provides funding for the Army's management and support activities to include the Departmental Headquarters and the following major field commands:

- Office, Secretary of the Army
- U.S. Army Contracting Agency
- U.S. Army Military District of Washington
- U.S. Army Materiel Command
- U.S. Army Southern Command
- U.S. Army Pacific Command
- U.S. European Command
- U.S. Army Criminal Investigation Command
- U.S. Army Europe and Seventh Army
- U.S. Army Corps of Engineers (Less Civil Works)
- Eighth U. S. Army
- U.S. Army Forces Command
- U.S. Army Training and Doctrine Command

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Other Service Support	1,210,301	623,408	583,729	621,503	707,558	650,803
Total	1,210,301	623,408	583,729	621,503	707,558	650,803

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	623,408	621,503	707,558	
Congressional Adjustments (Distributed)	-10,000			
Congressional Adjustments (Undistributed)	-24,371			
Adjustments to Meet Congressional Intent	0			
General Provisions	-5,308			
SUBTOTAL APPROPRIATED AMOUNT	583,729			
Fact-of-Life Changes	37,852			
SUBTOTAL BASELINE FUNDING	621,581			
Anticipated Supplemental	0			
Reprogramming	-78			
Price Change		43,288	20,561	
Functional Transfers		-21,343	0	
Program Changes		64,110	-77,316	
CURRENT ESTIMATE	621,503	707,558	650,803	

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$ 623,408
1. Congressional Adjustments	
a) Distributed Adjustments	
Other Service Support	\$ -10,000
b) Undistributed Adjustments	
1) Federal Employees Compensation Act (FECA) Surcharge	\$ -232
2) Civil Service Retirement System (CSRS) Accrual Reversal	\$ -23,457
3) Undistributed Adjustment	\$ -192
4) Unobligated Balance	\$ -1,290
5) Memorial Events	\$ 800
c) General Provisions	
1) Section 8082 - Foreign Currency Fluctuations	\$ -158
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -670
3) Section 8103 - Government Purchase Card Savings	\$ -620
4) Section 8133 - Travel	\$ -169
5) Section 8135 - Revised Economic Assumptions	\$ -3,691
FY 2003 Appropriated Amount.....	\$ 583,729

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

- | | | | |
|----|--|----|--------|
| a) | Army Contract Agency (ACA) Reorganization | \$ | 38,093 |
| | Transfers missions, functions, resources, and personnel assets from the previously decentralized contracting processes into one organization. Designated to eliminate redundant contracts, ACA leverages Army-wide requirements and gains efficiencies while maintaining effective local capabilities. ACA will act as the single coordinating element to deploy contingency contracting operational support to the warfighting commands. This transfer reflects realignment of Army resources between OMA Subactivity Groups 131, Base Support Operations, 133, Management & Operational Headquarters, 324, Training Support, 325, Base Operations Support, 422, Central Supply Activities, 431 Administration, 432, Servicewide Support and 435 Other Service Support. | | |
| b) | Network Enterprise and Technology Command (NETCOM) Stand-Up | \$ | 247 |
| | Transfers missions, functions, resources and personnel assets of major commands (MACOM) headquarters, MACOM intermediate and support organizations that previously supported information technology functions to NETCOM. In October 2002 (FY 03), Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command. Consolidating the infostructure will improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve. By | | |

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

1) Transfers In (Continued)

b) Network Enterprise and Technology Command (NETCOM)
Stand-Up (Continued)
leveraging information and network technologies to create a shared situational awareness, we are changing the way we fight - discarding old paradigms and embracing commercial industry philosophies. This transfer reflects realignment of Army resources between OMA Subactivity Groups 114, Echelon Above Corps Support Forces, 121, Force Readiness Operations Support, 122, Land Forces Systems Readiness, 133, Management & Operational Headquarters, 212, Army Prepositioned Stocks, 324, Training Support, 423, Logistic Support Activities, 424 Ammunition Management, 431 Administration, 433, Manpower Management, 438 Base Operations Support.

2) Transfers Out

a) Deputy Chief of Staff for Operations Contracts	\$	-1,305
Realigns funds that support the Total Army Analysis, Quadrennial Defense Review, Force XXI, to Subactivity Group 431, Administration.		
b) Field Operating Activity Realignment	\$	-1,244
Realigns funds supporting Field Operating Activities reorganized with Headquarters elements to		

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

Subactivity Group 431, Administration.

b) Emergent Requirements

1) One-time Costs

Military Training Specific Allotment (MTSA) Pilot Program\$ -703
(FY 2003 Base: \$7,322) This reduction represents the one-time FY03 cost of funding the Military Training Service Support Pilot Program. The initiative centralized funds for training service support requirements for temporary duty students to the installations that train the soldier. This test will identify effective short and long-term solutions to achieve better business practices for Army and reduce out-of-pocket expenses incurred by soldiers.

2) Program Growth

a) Operation Enduring Freedom Support\$ 650
(FY 2003 Base: \$0) This increase funds Headquarters, Department of the Army staff functions and participation directly related to contingency operations in the Operation Enduring Freedom.

b) Contingency Operations (CONOPS) Support\$ 4,495
(FY 2003 Base: \$0) This increase funds Headquarters, Department of the Army staff functions and participation directly related to contingency operations in the Balkans, Kosovo, and Southwest Asia.

FY 2003 Baseline Funding.....\$ 623,962

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

- a) Foreign Currency Fluctuation\$ -78
- b) Defense Property Accountability System (DPAS)\$ -2,381
 Transfers funds to the DPAS program management
 office at the Defense Logistics Agency, Operation &
 Maintenance, Defense Wide Appropriation.

Revised FY 2003 Current Estimate.....\$ 621,503

4. Price Change.....\$ 43,288

5. Functional Transfers

a) Transfers Out

- 1) U.S. Army Criminal Investigation Command (USACIC)\$ -13,460
 Transfers 3 companies in US Army Criminal Investigation
 Command from a Table of Distribution and Allowances (TDA)
 organization to a Table of Organization and Equipment
 (TOE) organization to better support the Army's overall
 warfighting mission. The transfer specifically moves 819
 military personnel and the missions of criminal
 investigations, logistics security, information assurance
 and domestic threat intelligence. The transfer is from
 Subactivity Group 435 to Subactivity Group 114.
- 2) Apache Logistics Support\$ -3,798
 Transfers funds from the over-estimated Apache Fielding
 Logistics Support program to the Aircraft Procurement
 appropriation to buy four Longbow Crew Trainers for the
 four new Longbow Battalions.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

a) Transfers Out (Continued)

- | | | | |
|----|--|----|--------|
| 3) | Defense Property Accountability System (DPAS) | \$ | -2,424 |
| | Transfers funds to the DPAS program management office at the Defense Logistics Agency, Operation & Maintenance, Defense Wide Appropriation. | | |
| 4) | Single Stock Fund | \$ | -463 |
| | Transfers Directorate of Logistics, Army Material Command, reimbursable costs for services performed under the National Maintenance and Single Stock Fund (SSF) programs to Installation Management Agency direct funding for supply operations. Transfers from Budget Activity 1, 3, and 4 to BASOPS. | | |
| 5) | Defense Agencies Study | \$ | -1,200 |
| | Transfers funds to Operation & Maintenance, Defense-Wide, to support projected Department of Defense Inspector General financial statement audit workload. | | |

b) Transfers In

- | | | | |
|--|---|----|---|
| | Transfer of The Atlantic Area Responsibility | \$ | 2 |
| | This transfer is due to the ratification of Unified Command Plan (UCP) in June 2002, which required the transfer of the Atlantic Area of responsibility from the U.S. Joint Forces Command (USJFCOM) to U.S. European Command (EUCOM). Under this new plan, EUCOM will gain responsibility for Greenland, Iceland, and the Azores. Therefore, the transfer of the subunified command (Iceland Defense Forces and U.S. Forces Azores) personnel and funding from the Navy, the executive agent for USJFCOM, will be provided to the Army, the executive agent for EUCOM. | | |

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 622
 There will be an additional compensable workday in FY 2004.
 This results in an increase in civilian manpower costs due to
 a greater number of workdays in FY 2004 (262 days) as compared
 to FY 2003 (261 days).

b) Program Growth in FY 2004

- 1) Reserve Component Equipment Modernization\$ 31,000
 (FY 2003 Base: \$8,587) Program provides funds for
 National Guard fielding of equipment displaced from the
 Active Component. This increase provides the funding
 required for the fielding of AH-64 Apache Attack
 helicopters (\$17,930) and OH-58 Kiowa and CH-47 Chinook
 helicopters (\$7,142) that are cascaded to the National
 Guard as a part of the Department of the Army Aviation
 Transformation. Increase funds the purchase of required
 sets, kits, and outfits for Aviation Unit Level
 Maintenance units and their support Aviation Intermediate
 Maintenance units, prescribed load lists, and authorized
 stockage lists for the FY 2004 fielding. Also funds sets,
 kits, and outfits deferred from UH-60 Black Hawk
 helicopters fielded in FY 2003 (\$5,928). Funds include
 travel costs associated with the fielding and costs
 associated with displaced equipment training. Generally,
 this increase can be seen in line 0308, travel of persons
 and line 0920, supplies, materials (non fund).
- 2) Mass Transportation Subsidy\$ 4,000
 (FY 2003 Base: \$9,169) Mass Transportation Subsidy
 implements Executive Order 13150, Federal Workforce
 Transportation, which is an entitlement and pays for

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 2) Mass Transportation Subsidy (Continued)
commuting costs of federal civilian and military employees who use public transportation. Increase pays for subsidy payment increase from \$65 to \$100 per month and increased participation due to enhanced benefits.

- 3) Financial Operations\$ 17,000
(FY 2003 Base: \$243,405) Increase pays for services performed by Defense Finance and Accounting Operations.

- 4) Public Affairs\$ 2,396
(FY 2003 Base: \$10,917) Resources the increasing demand for Public Affairs operations such as media tours, speaker engagements, creation of web-based products, print, audio and video production and product dissemination. Funds will be used for programs linking Commanders' communications with their constituencies in an effort to advise military leadership on responding effectively to thousands of media and public queries. Queries range from weapons, recruiting challenges, racial prejudice, to domestic violence. Also funds a public outreach program to increase awareness of the many vital and successful Army efforts and missions including support to humanitarian disasters, and natural calamities, such as floods and fires.

- 5) Program Executive Office/Program Manager (PEO/PM)\$ 4,990
(FY 2003 Base: \$0) Supports three (3) Program Executive Offices; Ammo, Soldier, and Combat Service/Combat Service Support. The Program Executive Officer and Program Manager Reorganization requires that all acquisition programs report to a PEO or to the Army

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

5) Program Executive Office/Program Manager (PEO/PM)
(Continued)

Acquisition Executive. This reorganization eliminated the duplication of effort in two major Army Commands. Ensures one chain of authority for acquisition programs within the Army.

6) Military Personnel Service Center\$ 5,202

(FY 2003 Base: \$0) This increase funds contract functions and services that the Military Personnel Service Center (MPSC) provides. Its mission is to provide human resource functions and services that support active duty, guard and reserve soldiers, family members, civilians, and contractors assigned and attached to the Offices of the Secretary of Defense, Secretary of the Army, Joint and Army Staffs and their Field Operating Agencies throughout the world.

7. Program Decreases

a) Annualization of FY 2003 Program Decreases

b) Program Decreases in FY 2004

Document Automation and Production Service (DAPS)\$ -1,100

(FY 2003 Base: \$1,100) The decrease is due to the discontinued in-house support for the Document Automation and Production Service (DAPS). These services will be obtained from the private sector.

FY 2004 Budget Request.....\$ 707,558

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

IV. Performance Criteria and Evaluation Summary:

CRIMINAL INVESTIGATIONS	Actual	Estimate	Estimate	Estimate
	FY 2002	FY 2003	FY 2004	FY 2005
Reports of Investigations (ROI)(1)	11,576	11,550	11,550	11,550
Crime Prevention Surveys	743	600	600	600
Major Procurement Fraud Investigations & Recoveries (2)	101 \$42.3M	101 \$50M	101 \$50M	101 \$50M
Protective Services Missions LOAD (CONUS)(3)	11,379	8,000	8,000	8,000
Protective Services Missions LOAD(OCONUS)(3)	6,395	5,000	5,000	5,000
Freedom of Information Act Requests(4)	3,208	2,800	2,800	2,800
Records Released for Law Enf./Background Investigations	72,565	65,000	65,000	65,000
Name Check Requests	186,174	180,000	180,000	180,000
Polygraph Examinations(5)	1,514	1,700	1,700	1,700
Forensics Laboratory Cases	2,713	3,200	3,200	3,200

REMARKS:

(1) Forecast assumes a constant soldier population of approximately 490,000 with no dramatic changes in the Army's demographics, structure or recruiting efforts. The FY 02 increased ROI's are indicative of the Army's increased emphasis on the global war on terrorism, necessitating pro-active investigations, a direct result of the September 11, 2001 attack. Details supporting ROIs statistics are below (see Crime Category).

(2) Major procurement fraud investigations are difficult to forecast. This command maintains an annual average of 330 open fraud investigations and 300-400 sequence actions. Closing/settlement of on-going investigations hinges on many mitigating investigative circumstances, and could be delayed for several months, if not years. Subsequent projection of recoveries are also dependent upon completion of investigations and determination by AUSA (Assistant US Attorney).

(3) Increased mandays was due to the increased security posture provided to PSU Principals. Prior to 9/11 PSU only provided a detail for the SECDEF in Wash, DC. Post 9/11 we have a detail on all seven principals in Wash, DC. Additionally, the increased threat in CONUS and OCONUS caused an increase in the security posture for all travel missions. Finally, the number of assigned agents increased from 56 to 155 since 9/11.

(4) The increase in criminal history record checks in FY 02 can be attributed, in part, to the increased number of investigations (multiple offenders/suspects per case). In addition, the increased force protection emphasis, as a direct result of the September 11, 2001 attack, has also contributed to the increased number of name checks.

(5) FY 02 decrease is the result of a polygraph examiner shortage.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
 Subactivity Group: Other Service Support

IV. Performance Criteria and Evaluation Summary (Continued):

CRIME CATEGORY	FY 2002	FY 2003	FY 2004	FY 2005
Violent Crime	648	650	650	650
Murder, Voluntary Manslaughter	50	50	50	50
Rape	438	415	415	415
Robbery	53	55	55	55
Aggravated Assault	107	130	130	130
General Crime	3254	3300	3300	3300
Suicide	73	50	50	50
Economic Crime	1291	1300	1300	1300
Drug	6383	6300	6300	6300
TOTAL	11576	11550	11550	11550
(All Deaths)	327	350	350	350

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Other Service Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	1,598	1,629	898	806	-731	-92
Officer	799	841	529	496	-312	-33
Enlisted	799	788	369	310	-419	-59
<u>Civilian End Strength (Total)</u>	2,169	2,887	2,888	2,886	1	-2
U.S. Direct Hire	2,069	2,596	2,597	2,595	1	-2
Foreign National Direct Hire	29	59	59	59	0	0
Total Direct Hire	2,098	2,655	2,656	2,654	1	-2
Foreign National Indirect Hire	71	232	232	232	0	0
<u>Military Average Strength (Total)</u>	1,545	1,613	1,263	851	-350	-412
Officer	789	820	685	512	-135	-173
Enlisted	756	793	578	339	-215	-239
<u>Civilian Full-Time Equivalent (Total)</u>	2,159	2,834	2,835	2,835	1	0
U.S. Direct Hire	2,073	2,548	2,549	2,549	1	0
Foreign National Direct Hire	19	59	59	59	0	0
Total Direct Hire	2,092	2,607	2,608	2,608	1	0
Foreign National Indirect Hire	67	227	227	227	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	435	Totals															
Line	Line		FY 2002	Foreign	Price	Price	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Adjust	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	
				Adjust	Percent	Amount		Percent	Amount			Adjust	Percent	Amount			
0101	EXEC, GEN, SPEC SCHEDULE	234348	0	2.65%	6220	-44552	196016	2.47%	4841	209	201066	C	2.46%	4941	-193	205818	
0103	WAGE BOARD	5625	0	4.60%	259	1161	7045	3.99%	281	2660	9986	C	2.25%	221	4	10215	
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	363	-106	12.95%	47	973	1277	2.90%	37	32	1565	121	2.24%	31	C	1729	
0105	SEPARATION LIABILITY (FNDH)	6	0	0.00%	0	22	28	0.00%	C	-1	27	C	0.00%	C	C	27	
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	115	115	0.00%	C	2	117	C	0.00%	C	3	120	
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	527	0	0.00%	0	-527	0	0.00%	C	0	0	C	0.00%	C	C	0	
0111	DISABILITY COMPENSATION	0	0	0.00%	0	2002	2002	0.00%	C	-51	1951	C	0.00%	C	61	2020	
0199	TOTAL CIV PERSONNEL COMP	240869	-106	2.71%	6526	-40806	206483	2.50%	5151	2851	214712	121	2.42%	5201	-117	219929	
0308	TRAVEL OF PERSONS	35901	0	1.10%	395	-28898	7398	1.50%	111	4853	12362	C	1.60%	191	1953	14513	
0399	TOTAL TRAVEL	35901	0	1.10%	395	-28898	7398	1.50%	111	4853	12362	C	1.60%	191	1953	14513	
0401	DFSC FUEL	14	0	-16.00%	-2	-1	11	8.30%	1	1	13	C	3.30%	C	1	14	
0402	SERVICE FUEL	5	0	-16.00%	-1	1	5	8.30%	C	1	6	C	3.30%	C	C	6	
0411	ARMY MANAGED SUPPLIES & MATERIALS	5289	0	9.20%	487	-1	5775	4.50%	261	412	6447	C	1.50%	97	-732	5812	
0415	DLA MANAGED SUPPLIES & MATERIALS	554	0	3.50%	19	-162	411	-2.90%	-12	177	576	C	1.50%	1	-113	472	
0416	GSA MANAGED SUPPLIES & MATERIALS	953	0	1.10%	10	-767	196	1.50%	3	76	275	C	1.60%	4	-53	226	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	6815	0	7.53%	513	-930	6398	3.94%	252	667	7317	C	1.50%	111	-897	6530	
0502	ARMY EQUIPMENT	107	0	9.20%	9	-8	108	4.50%	4	3	115	C	1.50%	2	-7	110	
0507	GSA MANAGED EQUIPMENT	1799	0	1.10%	20	4664	6483	1.50%	97	19097	25677	C	1.60%	411	-10341	15744	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	1906	0	1.52%	29	4656	6591	1.53%	101	19100	25792	C	1.60%	413	-10351	15854	
0615	NAVY INFORMATION SERVICE (CANCELLED)	1440	0	1.10%	16	-1456	0	1.50%	C	0	0	C	1.60%	C	C	0	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	3523	0	6.20%	218	-3015	726	-2.00%	-11	305	1016	C	0.30%	3	-181	834	
0648	ARMY INFORMATION SERVICES (CANCELLED)	1025	0	1.10%	11	-78	958	1.50%	14	-972	0	C	1.60%	C	C	0	
0673	DEFENSE FINANCING & ACCOUNTING SERVICE	216588	0	-4.50%	-9746	42675	249517	14.20%	35431	-10978	273970	C	4.30%	11781	26344	312095	
0678	DEFENSE SECURITY SERVICE	4245	0	7.90%	335	-3705	875	3.00%	21	324	1225	C	0.00%	C	-211	1006	
0679	COST REIMBURSABLE PURCHASES	11359	0	1.10%	125	31870	43354	1.50%	651	-8721	35283	C	1.60%	561	-19357	16491	
0699	TOTAL INDUSTRIAL FUND PURCHASES	238180	0	-3.80%	-9041	66291	295430	12.22%	36101	-20042	311494	C	3.96%	12341	6583	330426	
0771	COMMERCIAL TRANSPORTATION	855	0	1.10%	9	-688	176	1.50%	3	68	247	C	1.60%	4	-41	203	
0799	TOTAL TRANSPORTATION	855	0	1.05%	9	-688	176	1.70%	3	68	247	C	1.62%	4	-41	203	
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	2455	-1056	9.25%	227	4791	6417	3.18%	204	75	8908	2511	3.35%	291	2	11722	
0902	SEPARATION LIABILITY (FNIH)	3	0	0.00%	0	-3	0	0.00%	C	0	0	C	0.00%	C	C	0	
0913	PURCHASED UTILITIES	815	0	1.10%	9	-656	168	1.50%	3	64	235	C	1.60%	4	-41	193	
0914	PURCHASED COMMUNICATIONS	3745	0	1.10%	41	-3014	772	1.50%	12	297	1081	C	1.60%	17	-211	887	
0917	POSTAL SERVICES (U.S.P.S.)	1362	0	0.00%	0	-1081	281	0.00%	C	112	393	C	0.00%	C	-71	323	
0920	SUPPLIES/MATERIALS (NON FUND)	8518	1353	1.10%	109	-8225	1755	1.50%	-1	31235	30836	-2361	1.60%	451	-26762	2170	
0921	PRINTING AND REPRODUCTION	165	0	1.10%	2	-133	34	1.50%	1	13	48	C	1.60%	1	-11	39	
0922	EQUIPMENT MAINTENANCE BY CONTRACT	8164	0	1.10%	89	-6571	1682	1.50%	21	649	2356	C	1.60%	31	-461	1934	
0923	FACILITY MAINTENANCE BY CONTRACT	48619	0	1.10%	535	-49154	0	1.50%	C	0	0	C	1.60%	C	C	0	
0925	EQUIPMENT PURCHASES (NON FUND)	23762	0	1.10%	261	-19127	4896	1.50%	73	1889	6858	C	1.60%	111	-1331	5629	
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	442	0	1.10%	5	-447	0	1.50%	C	0	0	C	1.60%	C	C	0	
0932	MGMT & PROFESSIONAL SPT SVCS	6422	0	1.10%	70	-166	6326	1.50%	91	100	6521	C	1.60%	104	101	6725	
0933	STUDIES, ANALYSIS, & EVALUATIONS	1390	0	1.10%	15	-1405	0	1.50%	C	0	0	C	1.60%	C	C	0	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	435	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0934	ENGINEERING & TECHNICAL SERVICES	1	0	1.10%	0	1608	1609	0	1.50%	24	-24	1609	0	1.60%	26	-26	1609
0937	LOCALLY PURCHASED FUEL	57	0	-16.00%	-9	-39	9	0	8.30%	0	1	10	0	3.30%	0	0	10
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	205234	0	1.10%	2258	-207492	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0988	GRANTS	24448	0	1.10%	269	-21889	2828	0	1.50%	42	1091	3961	0	1.60%	63	-773	3251
0989	OTHER CONTRACTS	343875	0	1.10%	3782	-276705	70952	0	1.50%	1064	-1016	71000	0	1.60%	1136	-44772	27364
0998	OTHER COSTS	6298	0	1.10%	69	-5069	1298	0	1.50%	19	501	1818	0	1.60%	29	-356	1492
0999	OTHER PURCHASES	685775	297	1.13%	7732	-594777	99027	64	1.57%	1556	34987	135634	154	1.68%	2282	-74722	63348
9999	GRAND TOTAL	1210301	191	0.51%	6163	-595152	621503	283	6.97%	43288	42484	707558	283	2.91%	20561	-77596	650803

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Army Claims

I. Description of Operations Financed:

ARMY CLAIMS - This activity funds the administration of the U.S. Army Claims Service and U.S. Army Legal Services Agency to include: personnel claims for lost or damaged personal property that occurs incident to service for active duty Army personnel, Department of the Army (DA) civilians and Department of Defense (DoD) civilians; tort claims for loss, injury or death caused by negligence of U.S. Army personnel, DA civilians and DoD civilians in areas such as medical malpractice, automobile accidents, environmental damages, maneuver damages, or damages caused by military operations; foreign claims for loss, injury, or death caused by U.S. Army personnel, DA civilians or DoD civilians assigned overseas regardless of line of duty; status of forces agreement (SOFA) claims pursuant to international agreements; affirmative claims made on behalf of the United States, such as third-party medical care, lost wages, Army property damaged by others; and claims against carriers for losses experienced by soldiers, DA civilians or DoD civilians during shipment of household goods. Also funded within this account are the Army's Victim/Witness Services program (designed to improve effectiveness of Army's response to sexual misconduct), miscellaneous repayments of erroneous collections, the Army's portion of the Overseas Banking Operation which provides day-to-day, personal banking services to our military members and civilian employees at OCONUS locations, International Cooperative Administrative Support Service (ICASS) State Department Support overseas and Civilian Unemployment Compensation. Beginning in FY 2001, includes mandatory payment to the German Government on behalf of German employees working for the U.S. Forces for accidents incurred related to work.

Performance Metrics: Personnel Claims - household goods shipments, natural disasters, unsuccessful recovery of losses from carriers incident to household good shipments, and transportation costs; Tort Claims - number of U.S. Army military personnel, number of Department of the Army and Department of Defense civilian personnel and operational tempo; Affirmative Claims - number of U.S. Army military personnel, number of Department of the Army and Department of Defense civilian personnel, number of contractors and operational tempo; SOFA Reimbursements - number of soldiers on active duty and DA/DoD civilians, deployments, exercises, operational tempo, transportation of heavy equipment across foreign soil and closure of installations overseas; and Army Board for Correction of Military Records - number of soldiers entitled to compensation for loss of pay or benefits due to an error made in their records.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Army Claims

II. Force Structure Summary:

This budget activity provides funding for the Departmental Headquarters and the following major field commands:

Office, Secretary of the Army
U.S. Army Acquisition Executive Support Agency
U.S. Army Military District of Washington
U.S. Army Forces Command
Eighth U.S. Army
U.S. Army Pacific Command
U.S. Army South
U.S. Army Europe and Seventh Army

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Army Claims

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Army Claims	103,553	112,215	108,654	108,518	116,691	115,042
Total	103,553	112,215	108,654	108,518	116,691	115,042

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	112,215	108,518	116,691
Congressional Adjustments (Distributed)	0		
Congressional Adjustments (Undistributed)	-573		
Adjustments to Meet Congressional Intent	-985		
General Provisions	-2,003		
SUBTOTAL APPROPRIATED AMOUNT	108,654		
Fact-of-Life Changes	0		
SUBTOTAL BASELINE FUNDING	108,654		
Anticipated Supplemental	0		
Reprogramming	-136		
Price Change		1,351	1,510
Functional Transfers		0	0
Program Changes		6,822	-3,159
CURRENT ESTIMATE	108,518	116,691	115,042

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Army Claims

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	112,215
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-80
2) Undistributed Adjustment	\$	-64
3) Unobligated Balance	\$	-429
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-985
Total Undistributed Adjustments	\$	-1,558
b) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-251
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-222
3) Section 8103 - Government Purchase Card Savings	\$	-204
4) Section 8133 - Travel	\$	-68
5) Section 8135 - Revised Economic Assumptions	\$	-1,258
Total General Provisions	\$	-2,003
FY 2003 Appropriated Amount.....	\$	108,654

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
 Subactivity Group: Army Claims

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Functional Transfers

Transfers Out

Field Operating Activity Realignment	\$ -13
Transfer from Subactivity 436 to Subactivity 435 to support payroll requirements.	

FY 2003 Baseline Funding.....	\$ 108,641
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3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation	\$ -123
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Revised FY 2003 Current Estimate.....	\$ 108,518
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4. Price Change.....	\$ 1,351
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5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004	\$ 23
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There will be an additional compensable workday in FY 2004.
 This results in an increase in civilian manpower costs due to
 a greater number of workdays in FY 2004 (262 days) as compared
 to FY 2003 (261 days).

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Army Claims

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004

Civilian Injury Compensation\$ 6,799
(FY 2003 Base: \$5,443) This increase includes costs of funeral pay and permanent compensation (75% annual salary) for 46 civilian employee deaths and injury compensation for 5 civilian employee injuries which occurred in the attack on the Pentagon, 11 September 2001. Program funds all costs of payments for employee work related injury, illness, or death. Reimburses the Department of Labor for compensation and medical costs paid for Army civilians. Reimbursement comes two fiscal years after payment is made to employees.

FY 2004 Budget Request.....\$ 116,691

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Army Claims

IV. Performance Criteria and Evaluation Summary:

CASELOAD

ACCOUNT NAME	FY 2002	FY 2003	FY 2004	FY 2005
Personnel Claims	37,355	38,000	38,000	38,000
Tort Claims	4,191	4,000	4,000	4,000
SOFA Reimbursements	2,500	3,000	3,200	3,400
Army Board for Correction of Military Records (ABCMR)	1,157	1,000	1,000	1,000
Affirmative Claims	50,000	50,000	50,000	50,000
Grand Total	95,203	96,000	96,200	96,400

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
 Subactivity Group: Army Claims

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	92	308	308	308	0	0
Officer	36	244	244	244	0	0
Enlisted	56	64	64	64	0	0
<u>Civilian End Strength (Total)</u>	126	108	108	108	0	0
U.S. Direct Hire	126	108	108	108	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	126	108	108	108	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	201	200	308	308	108	0
Officer	141	140	244	244	104	0
Enlisted	60	60	64	64	4	0
<u>Civilian Full-Time Equivalent (Total)</u>	142	106	106	106	0	0
U.S. Direct Hire	142	106	106	106	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	142	106	106	106	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	436	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	10030	0	2.48%	249	-2824	7455	0	2.67%	196	13	7667	0	2.67%	206	-13	7859
0103	WAGE BOARD	34	0	0.00%	0	-34	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0106	BENEFITS TO FORMER EMPLOYEES	130	0	0.00%	0	-120	10	0	0.00%	0	0	10	0	0.00%	0	1	11
0110	UNEMPLOYMENT COMPENSATION	9883	0	0.00%	0	8952	18835	0	0.00%	0	-2198	16637	0	0.00%	0	421	17058
0111	DISABILITY COMPENSATION	0	0	0.00%	0	5443	5443	0	0.00%	0	5691	11134	0	0.00%	0	-3914	7220
0199	TOTAL CIV PERSONNEL COMP	20077	0	1.24%	249	11417	31743	0	0.63%	196	3506	35448	0	0.58%	206	-3506	32148
0308	TRAVEL OF PERSONS	3176	0	1.10%	35	896	4107	0	1.50%	62	177	4346	0	1.60%	70	16	4434
0399	TOTAL TRAVEL	3176	0	1.10%	35	896	4107	0	1.51%	62	177	4346	0	1.61%	70	16	4434
0411	ARMY MANAGED SUPPLIES & MATERIALS	2	0	9.20%	0	0	2	0	4.50%	0	0	2	0	1.50%	0	0	2
0416	GSA MANAGED SUPPLIES & MATERIALS	462	0	1.10%	5	116	583	0	1.50%	6	24	616	0	1.60%	10	2	628
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	464	0	1.08%	5	116	585	0	1.54%	6	24	618	0	1.62%	10	2	630
0633	DEFENSE PUBLICATION & PRINTING SERVICE	158	0	6.20%	10	31	199	0	-2.00%	-4	16	211	0	0.30%	1	3	215
0699	TOTAL INDUSTRIAL FUND PURCHASES	158	0	6.33%	10	31	199	0	-2.01%	-4	16	211	0	0.47%	1	3	215
0771	COMMERCIAL TRANSPORTATION	14	0	1.10%	0	4	18	0	1.50%	0	1	19	0	1.60%	0	1	20
0799	TOTAL TRANSPORTATION	14	0	0.00%	0	4	18	0	0.00%	0	1	19	0	0.00%	0	1	20
0920	SUPPLIES/MATERIALS (NON FUND)	1115	-342	1.10%	8	623	1404	448	1.50%	26	-394	1486	446	1.60%	31	-446	1516
0922	EQUIPMENT MAINTENANCE BY CONTRACT	49	0	1.10%	1	12	62	0	1.50%	1	3	66	0	1.60%	1	0	67
0925	EQUIPMENT PURCHASES (NON FUND)	765	0	1.10%	8	190	963	0	1.50%	14	42	1019	0	1.60%	16	6	1040
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	35569	0	1.10%	391	-13857	22103	0	1.50%	332	954	23389	0	1.60%	374	101	23864
0989	OTHER CONTRACTS	10389	0	1.10%	114	59	10562	0	1.50%	156	457	11177	0	1.60%	176	46	11404
0998	OTHER COSTS	31777	0	1.10%	350	4645	36772	0	1.50%	552	1588	38912	0	1.60%	623	166	39704
0999	OTHER PURCHASES	79664	-342	1.09%	872	-8328	71866	448	1.51%	1082	2650	76049	446	1.61%	1222	-126	77595
9999	GRAND TOTAL	103553	-342	1.13%	1171	4136	108518	448	1.24%	1351	6374	116691	446	1.29%	1510	-3607	115042

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Real Estate Management

I. Description of Operations Financed:

REAL ESTATE MANAGEMENT - Provides for the supervision and direction of activities engaged in developing and publishing guidance, design drawings, bills of materials, construction management guides, and descriptions of prefabricated and relocatable facilities, buildings, and other structures required by land based military forces for base development, line of communications activities, and tactical operations.

Includes U.S. Army Corps of Engineers (USACE) Army-wide Engineering, Real Property, and Installation Support. Provides for command, control, and executive direction of USACE construction and real property management mission. Supports the Army's Executive Agency for DoD Real Estate functions providing real estate expertise and services DoD-wide. Provides for technical and management assistance to Major Commands and Army installations in Public Works services.

II. Force Structure Summary:

This subactivity provides funding for the Departmental Headquarters and the following major field commands:

U.S. Army Corps of Engineers (less Civil Works)

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Real Estate Management

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Real Estate Management	59,319	54,282	47,655	47,397	50,173	51,313
Total	59,319	54,282	47,655	47,397	50,173	51,313

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		54,282	47,397	50,173
Congressional Adjustments (Distributed)		-2,000		
Congressional Adjustments (Undistributed)		-4,622		
Adjustments to Meet Congressional Intent		0		
General Provisions		-5		
SUBTOTAL APPROPRIATED AMOUNT		47,655		
Fact-of-Life Changes		-258		
SUBTOTAL BASELINE FUNDING		47,397		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			1,190	1,205
Functional Transfers			363	0
Program Changes			1,223	-65
CURRENT ESTIMATE		47,397	50,173	51,313

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Real Estate Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	54,282
1. Congressional Adjustments		
a) Distributed Adjustments		
Real Estate Management	\$	-2,000
b) Undistributed Adjustments		
Civil Service Retirement System (CSRS) Accrual Reversal	\$	-4,622
c) General Provisions		
Section 8133 - Travel	\$	-5
FY 2003 Appropriated Amount.....	\$	47,655
2. Fact-of-Life Changes		
Emergent Requirements		
1) One-Time Costs		
Military Training Specific Allotment (MTSA) Pilot Program	\$	-19
This one-time decrease is due to realigning funds to Subactivity Group 324 in order to support Military Training Service Support Pilot Program.		
2) Program Reductions		
Real Estate Management	\$	-239
This decrease is due to realigning resources to fund Anti Terrorism and Force Protection (AT/FP) requirements.		
FY 2003 Baseline Funding.....	\$	47,397

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Real Estate Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Revised FY 2003 Current Estimate.....	\$	47,397
3. Price Change.....	\$	1,190
4. Functional Transfers		
Transfers In		
Field Force Engineering	\$	326
Realigns funds within OMA from SAG 213, Industrial Preparedness to SAG 437, Real Estate Management. The transfer centralizes funding for U.S. Army Corps of Engineers technical engineering support activities provided to Combatant Commanders.		
5. Program Increases		
a) One-Time FY 2004 Costs		
Additional Compensable Day in FY 2004	\$	128
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).		
b) Program Growth in FY 2004		
Real Estate Management	\$	1,132
This increase provides ongoing baseline support to Army Installations for appraisals, lease renewals, planning for real estate actions, leasing, disposals, inspections, audits, litigation's, boundary discrepancies, encroachment resolutions, surveying and mapping. These funds also include execution of the Congressional approved expanded outleasing initiative under Title 10 USC, Sec 2667. This authority		

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Real Estate Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

Real Estate Management (Continued)
provides Army with the opportunity to generate significant
revenues from the outleasing of available government owned
properties in support of Army Transformation.

FY 2004 Budget Request.....\$ 50,173

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Real Estate Management

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Leases In	1,535	1,535	1,535	1,535
Active Out Grants	17,075	17,587	18,115	18,658

NOTE: Leases In reflects the leasing of property from an outside source for use by a government entity. Active Out Grants are the granting of use of federally owned property to an outside source. Out grant (lease out) includes leases, easements, licenses and permits.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Real Estate Management

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	304	445	472	472	27	0
U.S. Direct Hire	304	445	472	472	27	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	304	445	472	472	27	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	304	437	463	463	26	0
U.S. Direct Hire	304	437	463	463	26	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	304	437	463	463	26	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	437	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	28445	0	4.22%	1199	6201	35845	0	2.82%	1012	2403	39260	C	2.63%	1032	-52	40233
0103	WAGE BOARD	50	0	22.00%	11	252	313	0	2.56%	2	1	322	C	1.86%	2	1	329
0199	TOTAL CIV PERSONNEL COMP	28495	0	4.25%	1210	6453	36158	0	2.82%	1020	2404	39582	C	2.62%	1032	-52	40562
0308	TRAVEL OF PERSONS	2611	0	1.10%	29	-689	1951	0	1.50%	22	-154	1826	C	1.60%	22	42	1903
0399	TOTAL TRAVEL	2611	0	1.11%	29	-689	1951	0	1.49%	22	-154	1826	C	1.59%	22	42	1903
0415	DLA MANAGED SUPPLIES & MATERIALS	18	0	3.50%	1	-1	18	0	-2.90%	-1	-1	16	C	1.50%	C	-1	15
0416	GSA MANAGED SUPPLIES & MATERIALS	322	0	1.10%	4	1	327	0	1.50%	2	1	333	C	1.60%	2	1	339
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	340	0	1.47%	5	0	345	0	1.16%	4	0	349	C	1.43%	2	C	354
0502	ARMY EQUIPMENT	149	0	9.20%	14	11	174	0	4.50%	2	-49	133	C	1.50%	2	2	137
0507	GSA MANAGED EQUIPMENT	920	0	1.10%	10	4	934	0	1.50%	14	3	951	C	1.60%	12	2	968
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	1069	0	2.25%	24	15	1108	0	1.99%	22	-46	1084	C	1.57%	17	4	1105
0633	DEFENSE PUBLICATION & PRINTING SERVICE	94	0	6.20%	6	-25	75	0	-2.00%	-1	6	80	C	0.30%	C	-2	78
0679	COST REIMBURSABLE PURCHASES	10087	0	1.10%	111	-4001	6197	0	1.50%	92	-1751	4539	C	1.60%	72	21	4633
0699	TOTAL INDUSTRIAL FUND PURCHASES	10181	0	1.15%	117	-4026	6272	0	1.47%	92	-1745	4619	C	1.58%	72	12	4711
0721	MTMC (PORT HANDLING)	52	0	-38.30%	-20	-32	0	0	20.00%	C	0	0	C	4.20%	C	C	0
0771	COMMERCIAL TRANSPORTATION	128	0	1.10%	1	-129	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0799	TOTAL TRANSPORTATION	180	0	-10.56%	-19	-161	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0914	PURCHASED COMMUNICATIONS	169	0	1.10%	2	-171	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0917	POSTAL SERVICES (U.S.P.S.)	39	0	0.00%	0	-39	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0920	SUPPLIES/MATERIALS (NON FUND)	16	0	1.10%	0	0	16	0	1.50%	C	0	16	C	1.60%	C	C	16
0921	PRINTING AND REPRODUCTION	26	0	1.10%	0	-26	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	74	0	1.10%	1	-75	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0923	FACILITY MAINTENANCE BY CONTRACT	915	0	1.10%	10	-925	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	269	0	1.10%	3	2	274	0	1.50%	4	0	278	C	1.60%	4	1	283
0932	MGMT & PROFESSIONAL SPT SVCS	0	0	1.10%	0	136	136	0	1.50%	2	-2	136	C	1.60%	2	-2	136
0934	ENGINEERING & TECHNICAL SERVICES	0	0	1.10%	0	1	1	0	1.50%	C	0	1	C	1.60%	C	C	1
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	10419	0	1.10%	115	-9398	1136	0	1.50%	17	1129	2282	C	1.60%	37	-511	1808
0989	OTHER CONTRACTS	4272	0	1.10%	47	-4319	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0998	OTHER COSTS	244	0	1.10%	3	-247	0	0	1.50%	C	0	0	C	1.60%	C	434	434
0999	OTHER PURCHASES	16443	0	1.10%	181	-15061	1563	0	1.47%	22	1127	2713	C	1.58%	42	-72	2678
9999	GRAND TOTAL	59319	0	2.61%	1547	-13469	47397	0	2.51%	1190	1586	50173	C	2.40%	1202	-62	51313

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Base Operations Support

I. Description of Operations Financed:

This sub-activity groups funds Base Operations Support for Land Forces. Base Support provides vital resources involved with operating and maintaining Army installations (major, minor, stations, other). Significant categories of support are listed below:

Logistics Services: Supports supply operations, maintenance of installation equipment, transportation services, food services, laundry and dry cleaning.

Engineering Services: Supports utility operations, municipal services such as refuse collection and disposal operations, leased space, and environmental oversight and compliance with national and local laws.

Personnel and Community Services: Support the operation of personnel support functions for military and civilians. Morale, Welfare and Recreation services, such as gyms, libraries, craft shops, are made available to soldiers and their families.

Anti-Terrorism/Force Protection: Supports Law Enforcement, Physical Security, and Antiterrorism operations. To protect personnel and facilities funding is provided for services related to vehicle registration, visitor pass control facilities and procedures; communications, lighting and security guard entry control point; vehicle inspection areas; controlled access to mission essential and/or vulnerable areas (MEVAs), High Risk Personnel (HRP), High Risk Targets (HRTs); and Antiterrorism training to support and test security procedures and installation defensive measures to protect from terrorist attack.

Operations of Utilities: Procurement, production and distribution of utilities including expenses for connection charges, increased costs from utility privatization, purchased electricity, steam, hot water, fuels and other utilities; and operation of electrical, heating, air conditioning, refrigeration, water distribution, and wastewater collection and treatment plants and systems.

Utilities Privatization: privatization transfers ownership of utility systems (electric, gas, water and wastewater) to private entities. Privatization provides reliable, safe and efficient utility services and reduces the Army's unfinanced requirement to modernize utility plants. Privatization contracts often increase utility operating costs because the new owners pass the cost of recapitalization back to the Army in the form of higher rates. The Army has 36 systems pending sources selection decision in FY 2004.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

I. Description of Operations Financed (Continued):

Real Estate Leases: All direct and reimbursable worldwide costs for GSA and non-GSA real estate leases:

- Increase funded for critical and operational and mission support leased space for 450 personnel, primarily in support of Homeland Defense initiatives and the CG INSCOM Transformation guidance to establish and expand the information Dominance Center.
- NCR leases increased by 6% per GSA/OSD guidance.
- NCR Increases for lease renewals and relocations. Initial tenant alterations/move costs need to be considered whenever there is a lease expiration in any Army-occupied GSA building based on the probability that the lease may not be renewed and agencies will be required to relocate. Non-renewals may be based on such factors as exorbitant increases in rental rates or a building not being able to be brought up to current standards.
- Pentagon Athletic Center rent increase in funding is a result of the Deputy Secretary of Defense approval of the concept and site of the new Pentagon Physical Fitness and Readiness Facility. The new construction will result in a net increase of square footage and consequently an increase in rental cost.

Municipal Services: Custodial, Pest control, Refuse handling operations, Snow/Ice/Sand removal and Street sweeping. Facilities Engineer Services to include Public Works Management, Real Estate/Real Property Administration, Master Planning and fire and emergency services

Family Programs: Army Family Programs are Army Community Service (ACS), Child and Youth Services (CYS), Army Family Team Building (AFTB), and Army Family Action Plan (AFAP) in both Active and Reserve Components. CYS funding in FY04 supports Army's ability to meet 65% of the child care demand, and provides services for 20% of eligible DOD youth during out-of-school parental work hours. ACS is funded at levels to ensure increased self-sufficiency, community cohesion, personnel and family preparedness in all phases of deployment, mobilization, stability operations and homeland defense. AFTB funding facilitates building of stronger, more self-reliant families by providing education and readiness training. AFAP is funded to ensure installations can provide this grassroots program which is a mechanism to raise well-being issues of concern and a protocol to work the issues until they are resolved.

Base Communication: Sustains the operation and maintenance of all non-tactical base equipment systems communications for the entire installation. Funds local and long distance, (toll) services, cellular service, telecommunications centers and telephone switches in CONUS and OCONUS, and equipment only requirements. Excludes long haul communication requirements.

Environmental Conservation/Compliance/Prevention: Environmental Conservation provides for protection and preservation of natural and cultural resources on Army controlled property. Compliance

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

I. Description of Operations Financed (Continued):

funds projects and activities implemented to correct deficiencies and achieve compliance with current or new Federal, state, local, host nation or final governing standards for environmental quality and management. Prevention funds projects and activities that implement prevention based solutions to correct deficiencies and to achieve and maintain compliance with environmental requirements, regulations, and executive orders, and polices at Army installations.

Audio Visual: Funds audiovisual support services associated with video production, acquisition, and support of visual images, either permanently recorded or temporarily displayed, transmitted, or reproduced including in-house or contract operations. Includes graphic art, photo lab, and visual information library equipment maintenance.

* This sub-activity does not include cost of war funding contained in the Department's Defense Emergency response Fund Congressional Justification Book.

** Spares Rebaseling Correction: In the rebaselining process for FY 2003, the Army accepted risk within Base Operations subactivity groups 131, 325 and 438. During the rebaselining process, these SAGs were incorrectly reduced by a duplicate amount. This error was not realized until final preparation began for the FY 2004/2005 Biennial Budget Estimates Justification Book, after all financial systems had closed. Accordingly, we are correcting the error in this budget exhibit. To match with the overall Department of Defense's submission by Budget Activity, the entire amount is shown in this SAG. However, of this \$176.0M correction, SAG 131 should be reimbursed \$134.2M, SAG 325 \$15.0M, and the remaining \$26.8M belongs in this SAG. Finally, this mistake was not extended in FY 2004 budget, it is only erroneously included in FY 2003 rebaselining report.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA Headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement policies and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property. This Subactivity Group operates and maintains all installations located under the Army Materiel Command and the Army Medical Command.

This Subactivity Group operates and maintains all installations located under the Army Materiel Command and the Army Medical Command.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Base Operations Support	1,171,524	1,298,623	1,246,465	1,326,821	1,194,134	1,364,249
Total	1,171,524	1,298,623	1,246,465	1,326,821	1,194,134	1,364,249

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>		<u>FY 2003/FY 2004</u>		<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		1,298,623		1,326,821		1,194,134
Congressional Adjustments (Distributed)		8,400				
Congressional Adjustments (Undistributed)		-43,610				
Adjustments to Meet Congressional Intent		-3,400				
General Provisions		-13,548				
SUBTOTAL APPROPRIATED AMOUNT		1,246,465				
Fact-of-Life Changes		1,224				
SUBTOTAL BASELINE FUNDING		1,247,689				
Anticipated Supplemental		0				
Reprogramming		79,132				
Price Change				-43,580		77,232
Functional Transfers				31,238		0
Program Changes				-120,345		92,883
CURRENT ESTIMATE			1,326,821	1,194,134		1,364,249

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....		\$1,298,623
1. Congressional Adjustments		
a) Distributed Adjustments		
1) Innovative Safety Management	\$	2,500
2) Worker Safety Pilot Program Expansion - Fort Bragg, NC and Watervliet, NY	\$	2,500
3) Army Conservation and Ecosystem Mgmt	\$	3,400
Total Distributed Adjustments	\$	8,400
b) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-545
2) Undistributed Adjustment	\$	-466
3) Utilities Privatization	\$	-1,760
4) Unobligated Balance	\$	-3,093
5) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-37,746
Total Undistributed Adjustments	\$	-43,610
c) Adjustments to Meet Congressional Intent		
Army Conservation and Ecosystem Mgmt	\$	-3,400
Total Adjustments to Meet Congressional Intent	\$	-3,400

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

d) General Provisions

1) Section 8135 - Revised Economic Assumptions	\$ -8,549
2) Section 8082 - Foreign Currency Fluctuations	\$ -1,600
3) Section 8133 - Travel	\$ -306
4) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -1,608
5) Section 8103 - Government Purchase Card Savings	\$ -1,485

Total General Provisions\$ -13,548

FY 2003 Appropriated Amount.....\$1,246,465

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

a) Transformation of Installation Management (TIM)	\$ 2,481
<p style="padding-left: 40px;">Funds provided for the implementation of the Installation Management Agency, (IMA) program management and regional operations. This action aligns resources for the new Transformation of Installation Management (TIM) structure and provide equitable, efficient, and effective management of the Army installations.</p>	

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

1) Transfers In (Continued)

b) Network Enterprise and Technology Command (NETCOM)
Stand-Up\$ 186
This transfer represents realigning missions, resources, and personnel assets to NETCOM, in order to improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve.

Total Transfers In\$ 2,667

2) Transfers Out

a) Army Contract Agency (ACA) Reorganization\$ -1,440
Transfers missions, functions, resources, and personnel assets from the previously decentralized contracting processes into one organization. Designated to eliminate redundant contracts, ACA leverages Army-wide requirements and gains efficiencies while maintaining effective local capabilities. ACA will act as the single coordinating element, and from the base to deploy contingency contracting operational support to the war fighting commands. This transfer reflects realignment of Army resources between OMA Subactivity Groups 131, Base Support Operations, 133, Management and Operational Headquarters, 324, Training Support, 325, Base Support Operations, 422, Central Supply Activities, 431 Administration, 432, Service wide Support, and 435 Other Service Support.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

2) Transfers Out (Continued)

b) Central Clearance Facility (CCF) Realignment\$ -3

Transfers mission and resources of Central Clearance Facility (CCF) to Intelligence Security Command (INSCOM) from Total Personnel Command, within the Operations and Maintenance, Army appropriation from Subactivity Group (SAG) 438, Base Support, SAG 433, Manpower Management, and SAG 434, Other Personnel Support, to SAG 411, Security Program. This transfer is in compliance with Title 10 and provides a more agile, responsive, and adaptive staff to achieve the Army's vision, creating a leaner, more integrated and streamlined headquarters through realignment.

Total Transfers Out\$ -1,443

b) Emergent Requirements

1) Technical Adjustments

Spares Rebaselining Correction\$ 176,000

During the rebaselining process, Base Operations subactivity groups were incorrectly reduced by a duplicate amount. This error was not realized until final preparation began for the FY 2004/2005 Biennial Budget Estimates Justification Book, after all financial systems had closed. Accordingly, we are correcting the error in this budget exhibit. To match with the overall Department of Defense's submission by Budget Activity, the entire amount is shown in this SAG. However, of this \$176.0M correction, SAG 131 should be reimbursed \$134.2M, SAG 325

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

1) Technical Adjustments (Continued)

Spares Rebaselining Correction (Continued)
\$15.0M, and the remaining \$26.8M belongs in this SAG.
Finally, this mistake was not extended in FY 2004 budget,
it is only erroneously included in FY 2003 rebaselining
report.

2) Program Reductions

Transformation of Installation Management (TIM)\$ -95,953
This decrease in funding represents the cross leveling
of our Base Support resources resulting from consolidating
functions.

Total Program Reductions\$ -95,953

FY 2003 Baseline Funding.....\$1,327,736

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

a) Employer Support of the Guard and Reserve - Leases\$ -244
Funds transfers Executive Agent financial
responsibilities from the Army Reserve (OMAR) to the
Defense Human Resources Activity (OMA).

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental (Continued)

Reprogrammings (Continued)

Decreases (Continued)

b) Foreign Currency Fluctuation\$ -671
Realigns funds among major commands and subactivity groups to adjust properly for foreign currency fluctuations.

Total Decreases\$ -915

Revised FY 2003 Current Estimate.....\$1,326,821

5. Price Change.....\$ -43,580

6. Functional Transfers

a) Transfers In

1) Community and Family Support Center (CFSC)\$ 26,451
This transfer in funding is the result of realignment of funding from mission to Base Operations Support effective FY04. The resources are used to fund the Community and Family Support Center, which develops and implements program policy, management, and operations to achieve Congressional, DoD, and Army Objectives for MWR/family programs. This MDEP includes funding for HQDA manpower and operational support for Child Development Services; Youth Services; Army Community Service; Community Recreation Programs; Sports and Fitness programs; Army Entertainment programs; Army Family team Building, Army Family Action Plan; oversight of MWR programs; and limited support of utilities and repair and maintenance for AFRC-Europe. Includes funds specifically

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Functional Transfers (Continued)

a) Transfers In (Continued)

- 1) Community and Family Support Center (CFSC) (Continued)
designated for transitional compensation for spouses and dependents, Active Component family research, and resources for DOD library book acquisition (DOD executive agent).

- 2) Single Stock Fund\$ 463
Funds were transferred as a result of the Directorate of Logistic (DOL) reimbursable costs for services performed under the National Maintenance and Single Stock Fund (SSF) programs. Converting SSF reimbursable funding from the Army Materiel Command (AMC) to direct funding under the Installation Management Agency (IMA) supply operations. Funds transferred from BA1, BA3, and BA4 to Base Operations accounts to support the Army's supply mission.

- 3) Pentagon Reservation Maintenance Revolving Fund\$ 33,900
This transfer supports the Command Communications Survivability Program. Funds will provide information technology capability to the Pentagon in case of a catastrophic event at the Pentagon. This increase is reflected in lines 0672 in the OP-32.

Total Transfers In\$ 60,814

b) Transfers Out

- 1) Transformation of Installation Management (TIM)\$ -28,328
The Transformation of Installation Management (TIM) is one of several of the Army's Realignment Task Force (RTF) initiatives that enhance the day-to-day operations of the

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Functional Transfers (Continued)

b) Transfers Out (Continued)

1) Transformation of Installation Management (TIM)
(Continued)

Army. TIM reforms Army installation management by establishing a new organizational structure and funding methodology for Army garrisons worldwide. It enables installation commanders to better focus on operational missions and keeps Army installations uniform relative to quality of life measures. This transfer represents the realignment of Mission and Base Support personnel pay and support costs. Funds will be centrally managed by a newly established Installation Management Agency (IMA), seven Regional Offices and the Army Reserve Office. These offices will provide chain of command oversight of Army garrison base operations and assist installation commanders' focus on mission.

2) Information Services Decapitalization\$ -1,000

The Army Information Services Business Area is being decapitalized from the Army Working Capital Fund (AWCF) at the end of FY 2003. Information services agencies are being reorganized with some manpower reductions and realignments. Associated customer funds have been transferred to Communications & Electronics Command where the workload will be handled through contracts and DoD Information Services Agencies. Resources were transferred out of SAG 131 and SAG 438, Base Support into SAG 432, Servicewide Communications.

3) Employer Support of the Guard and Reserve - Leases\$ -248

Funds transfers Executive Agent financial responsibilities from the Defense Human Resources Activity (OMA) to the Army Reserve (OMAR).

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Functional Transfers (Continued)

b) Transfers Out (Continued)

Total Transfers Out\$ -29,576

7. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 503

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 503

b) Program Growth in FY 2004

1) Pentagon Renovation & Reservation Facility\$ 64,960

(Base FY 2003: \$108,900) Increase in funding is a result of The Deputy Secretary of Defense approval of the concept and site of the new Pentagon Physical Fitness and Readiness Facility. The new construction will result in a net increase of square footage and consequently an increase in rental cost. Costs also cover enhanced security and overtime, heating and air conditioning increases, and finances the operations and renovation on the Pentagon Reservation. This increase is reflected in line 0672 in the OP-32.

2) Leases (Real Estate Leases)\$ 16,003

(Base FY 2003: \$47,845) Increase in funding is the result of the realignment of funds to pay must fund leases

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

2) Leases (Real Estate Leases) (Continued)

for additional leased space for 450 personnel, primarily in support of Homeland Defense initiative. This increase is reflected in line 0915 of the OP32.

3) Business Initiative Investment Fund\$ 2,000

(FY 2003 Base: 0) This increase will finance the manpower and other start-up costs associated with implementing approved business initiatives that will result in increased efficiency and reduced costs in Army business operations in future years. Commands will repay these investment costs using actual future savings realized from implementing these business initiatives. The recouped funds will be reapplied to the Business Initiative Investment Fund to pay for additional process improvement initiatives.

Total Program Increases\$ 82,963

8. Program Decreases

Program Decreases in FY 2004

1) Base Communications\$ -11,454

(FY 2003 Base \$37,255) Resources have been streamlined to support equitable standards at all Army Installations worldwide and improve the delivery of services to commanders, soldiers and their families. The Army's intent is to streamline headquarters, create more agile and responsive staff, reduce layers of review and approval, and allow commanders to focus on their mission. This decrease is reflected in line 0914 in the OP-32.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

8. Price Change (Continued)

Program Decreases in FY 2004 (Continued)

2) Spares Rebaselining Correction\$ -176,000

This decrease represents a clerical error made when applying the FY 2003 rebaselining adjustments, therefore for audit purposes this transaction must be corrected in FY 2004 as well. Details of this adjustments is addressed above. This decreased is reflected lines 0920, 0922, 0923 in the OP-32.

3) Transformation Installation Management\$ -16,357

This decrease in funding represents the cross leveling of our Base Support resources resulting from consolidating functions.

Total Program Decreases\$ -203,811

FY 2004 Budget Request.....\$1,194,134

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Command and Staff (\$ in Thousand)	47,875	18,910	73091	69817
(Military ES)	183	178	156	156
(Civilian FTE)	484	468	347	339
 Number of Bases, Total	 15	 15	 15	 15
Continental United States (CONUS)	13	13	13	13
Overseas (OCONUS)	2	2	2	2
 Population Served, Total	 85,062	 83,909	 82911	 82443
(Military)	18,384	18,981	18953	18953
(Civilian)	66,678	64,928	63958	63490
 B. Operations (\$ in Thousand)	 256,386	 219,302	 158979	 201736
(Military ES)	193	193	193	193
(Civilian FTE)	1,724	1,637	1211	1212
 Population Served, Total	 85,062	 83,909	 82911	 82443
(Military)	18,384	18,981	18953	18953
(Civilian)	66,678	64,928	63958	63490
 C. Engineering Services (\$ in Thousand)	 639,994	 668,893	 786735	 851371
(Military ES)	16	13	12	12
(Civilian FTE)	1,383	1,198	1122	1096
 No. of Officer Quarters	 81	 81	 81	 81
No. of Enlisted Quarters	6,393	6,393	6,393	6,393
 Payment to GSA (\$000)	 93,070	 93,793	 105987	 105543
Standard Level User Charges)	86,172	84,767	75667	77311
GSA leases Space (000 Sq.Ft.)	4,856	4,865	4385	4385
 Non-GSA Leased Payment (\$000)	 121,292	 133,047	 236436	 286235
Leased Space (000 Sq Ft)	2576	2596	2596	2596

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Utilities:				
Electricity (MWH)	1,118,592	1,112,941	1,112,941	1,112,941
Heating (MBTU)	6,421,008	6,321,713	6,321,713	6,321,713
Water, Plants, Systems (000 GPD)	91,724	91,724	91,724	91,724
Sewage & Waste Systems (000 GPD)	163,733	163,733	163,733	163,733
Air Conditioning & Refrigeration (Ton)	24,947	24,947	24,947	24,947
D. Logistics Services (\$ in Thousand)	75,295	102,923	35,756	87,785
(Military ES)	0	0	0	0
(Civilian FTE)	590	431	403	393
Population Served, Total	85,062	83,909	82911	82443
(Military)	18,384	18,981	18953	18953
(Civilian)	66,678	64,928	63958	63490
E. Personnel and Community Services (\$ in Thousand)	93,449	88,704	99,444	113,993
Personnel Support	30,517	13,950	12161	13743
(Military ES)	90	64	14	14
(Civilian FTE)	350	139	117	117
Morale, Welfare and Recreation	27,361	22,904	42,666	47,224
(Military ES)	0	0	0	0
(Civilian FTE)	385	429	430	428
Population Served, Total	85,062	83,909	82911	82443
(Military)	18,384	18,981	18953	18953
(Civilian)	66,678	64,928	63958	63490

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Child and Youth Development Programs	35,571	51,850	44617	53026
Number of Child Development Centers	43	43	43	43
Number of Family Child Care Homes	172	172	172	172
Total Military Child Pop (Infant - 12)	15,893	15,893	15,893	15,893
Total Required Child Care Space	12,381	12,381	12,381	12,381
Total Spaces CDC, FCC, and School Age	8,048	8,048	8,048	8,048
% Spaces in Relation to Required Space	78%	78%	78%	78%
Number of Youth Facilities	20	20	20	20
Total Military Youth Pop (Grade 1-12)	15,893	15,893	15,893	15,893
Number of Youth Served	3,179	3,179	3,179	3,179
F. Audio Visual - Visual Information (\$ in Thousands)	10,826	8,469	14328	7327
(Military ES)	8	0	0	0
(Civilian FTE)	52	53	54	53
Population Served, Total	85,062	83,909	82911	82443
(Military)	18,384	18,981	18953	18953
(Civilian)	66,678	64,928	63958	63490
G. Base Communication (\$ in Thousand)	47,606	37,255	25801	31420
(Military ES)	0	0	0	0
(Civilian FTE)	123	148	99	99
Population Served, Total	85,062	83,909	82911	82443
(Military)	18,384	18,981	18953	18953
(Civilian)	66,678	64,928	63958	63490
	1,171,431	1,144,456	1,194,134	1,363,449

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Base Operations Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	300	448	375	375	-73	0
Officer	57	78	60	60	-18	0
Enlisted	243	370	315	315	-55	0
<u>Civilian End Strength (Total)</u>	5,369	4,534	3,748	3,754	-786	6
U.S. Direct Hire	5,369	4,534	3,748	3,754	-786	6
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	5,369	4,534	3,748	3,754	-786	6
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	403	373	411	375	38	-36
Officer	67	67	69	60	2	-9
Enlisted	336	306	342	315	36	-27
<u>Civilian Full-Time Equivalent (Total)</u>	5,109	4,454	3,733	3,688	-721	-45
U.S. Direct Hire	5,109	4,454	3,733	3,688	-721	-45
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	5,109	4,454	3,733	3,688	-721	-45
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	438	Totals																
Line	Line		FY 2002	Foreign	Price	Price	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005		
Item	Description	Program	Program	Curr	Growth	Growth	Adj	Curr	Growth	Growth	Program	Curr	Growth	Growth	Program	Program		
				Adj	Percent	Amount	Growth	Adj	Percent	Amount	Growth	Adj	Percent	Amount	Growth	Program		
0101	EXEC, GEN, SPEC SCHEDULE	316225	0	2.64%	8360	-49932	274653	0	-18.64%	-5120	-57016	166432	C	2.78%	462	-247	168587	
0103	WAGE BOARD	21075	0	3.06%	644	-3842	17877	0	-9.33%	-166	-2961	13248	C	2.06%	27	-62	12901	
0106	BENEFITS TO FORMER EMPLOYEES	3	0	0.00%	0	67	70	0	0.00%	C	-22	48	C	0.00%	C	1	49	
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	3547	0	0.00%	0	-873	2674	0	0.00%	C	7427	10101	C	0.00%	C	-3487	6614	
0199	TOTAL CIV PERSONNEL COMP	340850	0	2.64%	9004	-54580	295274	0	-17.91%	-5287	-52572	189829	C	2.58%	490	-657	188151	
0308	TRAVEL OF PERSONS	15886	0	1.10%	175	-2184	13877	0	1.50%	20	-5165	8921	C	1.60%	14	-221	8843	
0399	TOTAL TRAVEL	15886	0	1.10%	175	-2184	13877	0	1.51%	20	-5165	8921	C	1.60%	14	-221	8843	
0401	DFSC FUEL	1018	0	-16.00%	-163	147	1002	0	8.30%	8	34	1118	C	3.30%	37	-38	775	
0402	SERVICE FUEL	189	0	-16.00%	-30	28	187	0	8.30%	1	7	209	C	3.30%	6	2	217	
0411	ARMY MANAGED SUPPLIES & MATERIALS	3369	0	9.20%	310	40	3719	0	4.50%	167	-77	3809	C	1.50%	5	-124	3743	
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	18	0	10.30%	2	-20	0	0	18.30%	C	0	0	C	10.30%	C	C	0	
0415	DLA MANAGED SUPPLIES & MATERIALS	998	0	3.50%	36	-164	870	0	-2.90%	-2	-62	783	C	1.50%	11	1	809	
0416	GSA MANAGED SUPPLIES & MATERIALS	15283	0	1.10%	168	-4134	11317	0	1.50%	16	1832	13317	C	1.60%	21	26	13795	
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	813	813	0	1.50%	1	37	863	C	1.60%	14	1	878	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	20875	0	1.55%	323	-3290	17908	0	2.35%	42	1771	20099	C	1.69%	33	-221	20217	
0502	ARMY EQUIPMENT	1262	0	9.20%	116	-25	1353	0	4.50%	6	41	1454	C	1.50%	22	-5	1423	
0506	DLA EQUIPMENT	207	0	3.50%	7	0	214	0	-2.90%	-	1	210	C	1.50%	3	1	221	
0507	GSA MANAGED EQUIPMENT	1586	0	1.10%	16	-191	1411	0	1.50%	21	230	1662	C	1.60%	2	4	1728	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	3055	0	4.55%	139	-216	2978	0	2.55%	7	272	3326	C	1.53%	51	-	3372	
0601	ARMY (ORDNANCE)	28281	0	-27.00%	-7636	8578	29223	0	1.40%	40	-639	28993	C	10.10%	292	-645	25469	
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	49211	0	5.30%	2608	-10345	41474	0	8.30%	344	-694	44222	C	2.00%	884	-736	37744	
0620	FLEET AUXILIARY FORCE(NAVY TRANS)	16	0	12.60%	2	-18	0	0	1.70%	C	0	0	C	0.60%	C	C	0	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	1174	0	6.20%	72	0	1246	0	-2.00%	-2	273	1494	C	0.30%	4	2	1526	
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	39	0	-1.00%	0	507	546	0	1.50%	1	107	661	C	1.60%	11	-	667	
0648	ARMY INFORMATION SERVICES (CANCELLED)	2766	0	1.10%	31	1592	4389	0	1.50%	6	-4455	0	C	1.60%	C	C	0	
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	235	0	1.10%	3	-238	0	0	0.00%	C	0	0	C	1.60%	C	C	0	
0672	PENTAGON RES MAINTENANCE REVOLVING	95831	0	-6.40%	-6133	9861	99559	0	-14.60%	-1453	113395	198418	C	27.00%	5357	-3744	248247	
0675	DEFENSE REUTILIZATION AND MARKETING SERV	12	0	0.00%	0	-12	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0678	DEFENSE SECURITY SERVICE	93	0	7.90%	8	-101	0	0	3.00%	C	0	0	C	0.00%	C	C	0	
0679	COST REIMBURSABLE PURCHASES	24884	0	1.10%	274	-25158	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0680	BUILDINGS MAINTENANCE FUND	9340	0	1.10%	103	-102	9341	0	1.50%	14	-139	9342	C	1.60%	14	-14	9343	
0699	TOTAL INDUSTRIAL FUND PURCHASES	211882	0	-5.03%	-10668	-15436	185778	0	-5.65%	-1049	107848	283130	C	20.33%	5754	-1768	322996	
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	0	0	-38.30%	0	21862	21862	0	20.00%	437	-283	25951	C	4.20%	109	-289	24148	
0771	COMMERCIAL TRANSPORTATION	1029	0	1.10%	10	-617	422	0	1.50%	1	59	487	C	1.60%	1	-4	491	
0799	TOTAL TRANSPORTATION	1029	0	0.97%	10	21245	22284	0	19.65%	437	-224	26438	C	4.15%	109	-2897	24639	
0912	RENTAL PAYMENTS TO GSA (SLUC)	93070	0	2.10%	1954	-1231	93793	0	1.70%	159	10600	105987	C	1.50%	159	-2034	105543	
0913	PURCHASED UTILITIES	105127	0	1.10%	1157	83984	190268	0	1.50%	285	-80559	112563	C	1.60%	1801	46301	160665	
0914	PURCHASED COMMUNICATIONS	33451	0	1.10%	367	-820	32998	0	1.50%	49	-9068	24425	C	1.60%	391	778	32605	
0915	RENTS (NON-GSA)	121292	0	1.10%	1334	10421	133047	0	1.50%	199	101393	236436	C	1.60%	378	4601	286235	
0917	POSTAL SERVICES (U.S.P.S.)	1551	0	0.00%	0	4509	6060	0	0.00%	C	58	6118	C	0.00%	C	5	6176	
0920	SUPPLIES/MATERIALS (NON FUND)	59288	0	1.10%	653	9727	69668	0	1.50%	104	-10099	60613	C	1.60%	96	427	62008	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	438	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0921	PRINTING AND REPRODUCTION	259	0	0	1.10%	3	-3	259	0	1.50%	4	-4	259	0	1.60%	4	-4	259	
0922	EQUIPMENT MAINTENANCE BY CONTRACT	11166	0	0	1.10%	123	32927	44216	0	1.50%	663	-37479	7400	0	1.60%	118	50	7568	
0923	FACILITY MAINTENANCE BY CONTRACT	83639	0	0	1.10%	920	45118	129677	0	1.50%	1948	-105560	26062	0	1.60%	418	718	27196	
0925	EQUIPMENT PURCHASES (NON FUND)	25010	0	0	1.10%	275	18080	43365	0	1.50%	651	-9766	34250	0	1.60%	547	21151	55948	
0930	OTHER DEPOT MAINTENANCE	0	0	0	1.10%	0	30	30	0	1.50%	0	0	30	0	1.60%	0	1	31	
0932	MGMT & PROFESSIONAL SPT SVCS	321	0	0	1.10%	3	1006	1330	0	1.50%	20	-114	1236	0	1.60%	20	18	1272	
0933	STUDIES, ANALYSIS, & EVALUATIONS	0	0	0	1.10%	0	650	650	0	1.50%	10	-10	650	0	1.60%	10	-10	650	
0934	ENGINEERING & TECHNICAL SERVICES	25	0	0	1.10%	0	1378	1403	0	1.50%	21	-414	1010	0	1.60%	18	8	1031	
0937	LOCALLY PURCHASED FUEL	209	0	0	-16.00%	-34	62	237	0	8.30%	18	-15	241	0	3.30%	8	-3	246	
0989	OTHER CONTRACTS	43539	-2271	0	1.10%	453	0	41721	2722	1.50%	668	0	45111	2722	1.60%	768	0	48598	
0998	OTHER COSTS	0	0	0	1.10%	1	-1	0	0	1.50%	0	0	0	0	1.60%	0	0	0	
0999	OTHER PURCHASES	577947	-2271	0	1.25%	7209	205837	788722	2722	1.52%	11984	-141037	662391	2722	1.58%	10437	120481	796031	
9999	GRAND TOTAL	1171524	-2271	0	0.53%	6192	151376	1326821	2722	-3.49%	-46302	-89107	1194134	2722	6.24%	74518	92875	1364249	

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

I. Description of Operations Financed:

The Sustainment, Restoration and Modernization (SRM) program involves the maintenance and repair of the real property infrastructure on an installation. SRM has two distinct categories, Sustainment and Restoration/Modernization. Additionally the Demolition program supports the reduction of the sustainable inventory.

Sustainment:

Sustainment provides resources for maintenance and repair necessary to sustain facilities in its current condition. It includes regularly scheduled adjustments, inspections, preventive maintenance tasks, emergency response, and service calls for minor repairs. The Army goal is to fully sustain (100%) the Army's inventory to prevent further facility deterioration. The Army places a priority on this goal as demonstrated by a 93% funding level for FY 2004. Accordingly, the Army goal is to fully fund all requirements of its strategic mobility inventory to prevent any facility deterioration. The Army continues to place high priority on this goal and has extended the FY 2003 funding level of 93% in FY 2004.

Restoration/Modernization:

These resources, typically programmed as focused facility initiatives are used for repair/replacement work, restoration of facilities damaged due to lack of sustainment resources, excessive age, natural disaster, fire, accident, alteration of facilities solely to implement new or higher standards (including regulatory changes), accommodation of new functions, or replacement of building components that typically last more than 50 years (such as foundations and structural members).

Demolition:

Demolition of excess facilities supplements the SRM program. The demolition program objective is to eliminate undesirable or excess infrastructure that, over time, reduces the overall resource burden for upkeep of its physical plant. The Army has demolished 47.5 Million square feet to date and plans to continue its policy of demolishing one square foot per one square foot of new construction.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement policies and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

This Sub-activity Group operates and maintains the entire real property inventory at all the installations located under U.S. Army Materiel Command, Military Traffic Management Command, Army Test and Evaluation Command and the Army Medical Command.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Facilities Sustain & Restoration & Mod Prog	253,632	257,333	251,766	236,780	260,288	313,186
Total	253,632	257,333	251,766	236,780	260,288	313,186

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		257,333	236,780	260,288
Congressional Adjustments (Distributed)		17,075		
Congressional Adjustments (Undistributed)		-5,074		
Adjustments to Meet Congressional Intent		-14,873		
General Provisions		-2,695		
SUBTOTAL APPROPRIATED AMOUNT		251,766		
Fact-of-Life Changes		-14,986		
SUBTOTAL BASELINE FUNDING		236,780		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			1,609	4,520
Functional Transfers			-4,113	0
Program Changes			26,012	48,378
CURRENT ESTIMATE		236,780	260,288	313,186

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....\$ 257,333

1. Congressional Adjustments

a) Distributed Adjustments

1) Fort Richardson Bldg. 802 Repairs	\$ 3,900	
2) Tanana River Bridge Study	\$ 1,275	
3) Fort Wainwright, Utilidors	\$ 8,500	
4) Rock Island Bridge Repairs	\$ 1,700	
5) Yukon Training Infrastructure and Access Upgrades	\$ 1,700	
Total Distributed Adjustments		\$ 17,075

b) Undistributed Adjustments

1) Federal Employees Compensation Act (FECA) Surcharge	\$ -124	
2) Civil Service Retirement System (CSRS) Accrual Reversal	\$ -4,129	
3) Undistributed Adjustment	\$ -107	
4) Unobligated Balance	\$ -714	
Total Undistributed Adjustments		\$ -5,074

c) Adjustments to Meet Congressional Intent

1) Congressional SRM Alignment	\$ 502	
2) Fort Richardson Bldg. 802 Repairs	\$ -3,900	
3) Fort Wainwright, Utilidors	\$ -8,500	

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) Adjustments to Meet Congressional Intent (Continued)

4) Tanana River Bridge Study	\$	-1,275
5) Yukon Training Infrastructure and Access Upgrades	\$	-1,700

Total Congressional Adjustments\$ -14,873

d) General Provisions

1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-371
2) Section 8103 - Government Purchase Card Savings	\$	-343
3) Section 8133 - Travel	\$	-45
4) Section 8135 - Revised Economic Assumptions	\$	-1,936

Total General Provisions\$ -2,695

FY 2003 Appropriated Amount.....\$ 251,766

2. Fact-of-Life Changes

a) Functional Transfers

Transfers Out

Fort Greely Base Support\$ -1,783

Congress gave OSD authority to retain Fort Greely to support development of a ballistic missile defense system. ACSIM notified USARPAC and SMDC of the decision to transition ownership of the retained portion of Fort

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

Transfers Out (Continued)

Fort Greely Base Support (Continued)

Greely (hereinafter referred to as "Right-Sized Fort Greely). FY 03 costed for all currently on-board personnel (46), DOIM requirements for recurring communications costs, information management, and for one-time system upgrades (including an upgraded phone switch, new LAN servers). (Funds reprogrammed to SAG 131)

Total Transfers Out\$ -1,783

b) Technical Adjustments

Increases

Demolition of Excess Facilities\$ 15,584
Reprogramming of Demolition of Excess Facilities to
realign funding to requirements for demolition from SAGs
316 and 326.

Total Increases\$ 15,584

c) Emergent Requirements

Program Reductions

a) Transformation of Installation Management (TIM)\$ -4,230
IMA Reprogram - Reprogrammed by Installation
Management Agency for expected execution in FY 2003.
(Funds reprogrammed to SAG 131).

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

c) Emergent Requirements (Continued)

Program Reductions (Continued)

b) Transformation of Installation Management (TIM)\$ -24,557
 BOS - SRM Realignment - Realigns funding from SAGs
 316, 326, 439 to SAGs 132 and 214 for facilities
 sustainment.

Total Program Reductions\$ -28,787

FY 2003 Baseline Funding.....\$ 236,780

Revised FY 2003 Current Estimate.....\$ 236,780

3. Price Change.....\$ 1,609

4. Functional Transfers

Transfers Out

Transformation of Installation Management (TIM)\$ -4,113
 Realignment - The Transformation of Installation management
 (TIM) is one of several of the Army's Realignment Task Force
 (RTF) initiatives that enhance the day-to-day operations of
 the Army. TIM reforms Army installation management by
 establishing a new organizational structure and funding
 methodology for Army garrisons worldwide. It enables
 installation commanders to better focus on operational
 missions and keep Army installations uniform relative to
 quality of life measures. This transfer represents the
 realignment of Mission and Base Support personnel pay and
 support costs. Funds will be centrally managed by a newly
 established Installation Management Agency (IMA), seven

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Functional Transfers (Continued)

Transfers Out (Continued)

Transformation of Installation Management (TIM) (Continued)
Regional Offices and the Army Reserve Office. These offices
will provide chain of command oversight of Army garrison base
operations and assist installation commanders' focus on
mission.

Total Transfers Out\$ -4,113

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 43

There will be an additional compensable workday in FY 2004.
This results in an increase in civilian manpower costs due to
a greater number of workdays in FY 2004 (262 days) as compared
to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 43

b) Program Growth in FY 2004

1) Facilities Sustainment\$ 19,169

This increase in funding provides sustainment for
maintenance and repair, on the Army's aging infrastructure
for preventive maintenance of utility systems; exterior
maintenance of buildings; heating, ventilation, and air
conditioning system repairs; plumbing and electrical
repairs; roof replacements; and road repairs. This will
reverse the long-term accumulation of deficiencies in
facilities, in terms of deterioration, obsolescence and
operational capacity. Sustainment of our installation is
funded at 93% of requirements.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

2) Demolition of Excess Facilities\$ 6,800
 Demolition of excess facilities supplements the SRM program. The demolition program objective is to eliminate undesirable or excess infrastructure that, over time, reduces the overall resource burden for upkeep of its physical plant. The Army has demolished 47.5 MSF to date and plan to continue its policy of demolishing one square foot per one square foot of new construction. The Army's goal is to demolish 2.7 MSF of excess facilities in SAGs 316, 326 and 439.

Total Program Growth in FY 2004\$ 25,969

FY 2004 Budget Request.....\$ 260,288

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Facilities Sustainment (\$000)	232,680	234,211	253,286	311,283
B. Facilities Restoration & Modernization (\$000)	20,350	2,569	202	67
Utilities (XXX)				
Buildings (KSF)	44,526	43,866	46,402	46,552
Pavements (KSY)	43,403	42,300	42,300	42,300
Land (AC)	4,516,490	4,415,477	4,415,477	4,415,477
Other Facilities (KSF)	1,467	1,445	1,529	1,534
Railroad Trackage (KLF)	744	718	718	718
Facility Reduction Program (\$000)	602	0	6,800	1,836
C. Administration & Support *	37,955	35,517	38,023	46,703
Number of A&E Contracts**				
Planning & Design Funds *	2,035	257	20	7
Military Average Strength				
Civilian Personnel Full-Time Equivalents				
Total Personnel	0	0	0	0
Number of Installations	15	15	15	15
"C" Rating	C3	C3	C3	C3
* Memo entries - Dollars included in Facilities Sustainment and Restoration & Modernization				
** This Information is Not Currently Available				

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	561	377	353	353	-24	0
U.S. Direct Hire	561	377	353	353	-24	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	561	377	353	353	-24	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	557	372	355	347	-17	-8
U.S. Direct Hire	557	372	355	347	-17	-8
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	557	372	355	347	-17	-8
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	439	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	10904	0	1.23%	134	-4986	6052	0	-3.54%	-214	-3778	2060	C	4.13%	8E	-8E	2059
0103	WAGE BOARD	23178	0	2.74%	634	-6282	17530	0	-14.77%	-258E	-926	14015	C	2.20%	30E	-37E	13947
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	29	29	0	0.00%	C	-5	24	C	0.00%	C	C	24
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	75	0	0.00%	0	-75	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP	34157	0	2.25%	768	-11314	23611	0	-11.87%	-280E	-4709	16099	C	2.44%	39E	-46E	16030
0308	TRAVEL OF PERSONS	80	0	1.10%	1	-1	80	0	1.50%	1	0	81	C	1.60%	1	C	82
0399	TOTAL TRAVEL	80	0	1.25%	1	-1	80	0	1.25%	1	0	81	C	1.23%	1	C	82
0402	SERVICE FUEL	628	0	-16.00%	-100	89	617	0	8.30%	51	-25	643	C	3.30%	21	E	667
0411	ARMY MANAGED SUPPLIES & MATERIALS	628	0	9.20%	58	7	693	0	4.50%	31	-63	661	C	1.50%	1E	2E	697
0412	NAVY MANAGED SUPPLIES & MATERIALS	0	0	9.60%	0	1	1	0	6.10%	C	0	1	C	4.00%	C	C	1
0415	DLA MANAGED SUPPLIES & MATERIALS	1391	0	3.50%	49	13	1453	0	-2.90%	-4E	-192	1219	C	1.50%	1E	2E	1259
0416	GSA MANAGED SUPPLIES & MATERIALS	1427	0	1.10%	15	85	1527	0	1.50%	2E	-196	1354	C	1.60%	2E	1E	1392
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	4074	0	0.54%	22	195	4291	0	1.47%	6E	-476	3878	C	1.83%	71	67	4016
0507	GSA MANAGED EQUIPMENT	223	0	1.10%	2	75	300	0	1.50%	4	-114	190	C	1.60%	E	E	196
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	223	0	0.90%	2	75	300	0	1.33%	4	-114	190	C	1.58%	E	E	196
0601	ARMY (ORDNANCE)	516	0	-27.00%	-139	378	755	0	1.40%	11	14	780	C	10.10%	7E	-3E	824
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	0	0	5.30%	0	0	0	0	8.30%	C	1752	1752	C	2.00%	3E	-68A	1103
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	0	0	-1.00%	0	7	7	0	1.50%	C	0	7	C	1.60%	C	C	7
0679	COST REIMBURSABLE PURCHASES	12998	0	1.10%	143	7295	20436	0	1.50%	307	-2655	18088	C	1.60%	28E	-28E	18088
0699	TOTAL INDUSTRIAL FUND PURCHASES	13514	0	0.03%	4	7680	21198	0	1.50%	31E	-889	20627	C	1.95%	40E	-100E	20022
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	6000	0	-38.30%	-2298	2870	6572	0	20.00%	131E	-2555	5332	C	4.20%	22A	-42A	5132
0771	COMMERCIAL TRANSPORTATION	4	0	1.10%	0	72	76	0	1.50%	1	0	77	C	1.60%	1	C	78
0799	TOTAL TRANSPORTATION	6004	0	-38.27%	-2298	2942	6648	0	19.80%	131E	-2555	5409	C	4.16%	22E	-42A	5210
0913	PURCHASED UTILITIES	47	0	1.10%	1	2	50	0	1.50%	1	8	59	C	1.60%	1	C	60
0920	SUPPLIES/MATERIALS (NON FUND)	16722	0	1.10%	184	-15	16891	0	1.50%	25E	-326	16818	C	1.60%	26E	3E	17123
0921	PRINTING AND REPRODUCTION	8	0	1.10%	0	-8	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	176	0	1.10%	2	40	218	0	1.50%	E	81	302	C	1.60%	E	E	310
0923	FACILITY MAINTENANCE BY CONTRACT	148462	0	1.10%	1633	-11175	138920	0	1.50%	208A	31379	172383	C	1.60%	275E	5056C	225701
0925	EQUIPMENT PURCHASES (NON FUND)	571	0	1.10%	6	55	632	0	1.50%	E	-102	539	C	1.60%	E	1	549
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	180	0	1.10%	2	1	183	0	1.50%	E	12	198	C	1.60%	E	E	206
0989	OTHER CONTRACTS	28414	0	1.10%	313	-5965	22762	0	1.50%	34E	-342	22762	C	1.60%	36A	-381	22745
0998	OTHER COSTS	1000	0	1.10%	11	-15	996	0	1.50%	1E	-68	943	C	1.60%	1E	-2E	936
0999	OTHER PURCHASES	195580	0	1.10%	2152	-17080	180652	0	1.50%	271C	30642	214004	C	1.60%	342A	50202	267630
9999	GRAND TOTAL	253632	0	0.26%	651	-17503	236780	0	0.68%	160E	21899	260288	C	1.74%	452C	4837E	313186

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Servicewide Support
Subactivity Group: Commissary Operations

I. Description of Operations Financed:

As a customer of the Defense Commissary Agency (DeCA), the Army provides resources to DeCA to finance the direct, indirect, and general/administrative costs of Commissaries. This includes transportation of goods overseas, Headquarters support, manager support, commercial activities contracts, and payments to other defense activities providing support to DeCA. This method of reimbursement provides Army more involvement in Commissary operations and the ability to adjust those operations based on Army requirements.

II. Force Structure Summary:

This subactivity group centrally pays all Army Commissary operations. The cost is based on the number of active duty and retired authorized Commissary patrons using Army Commissaries.

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Commissary Operations

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Commissary Operations	0	0	0	0	0	386,966
Total	0	0	0	0	0	386,966

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		0		
Congressional Adjustments (Distributed)		0		
Congressional Adjustments (Undistributed)		0		
Adjustments to Meet Congressional Intent		0		
General Provisions		0		
SUBTOTAL APPROPRIATED AMOUNT		0		
Fact-of-Life Changes		0		
SUBTOTAL BASELINE FUNDING		0		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			0	0
Functional Transfers			0	0
Program Changes			0	0
CURRENT ESTIMATE			0	386,966

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Commissary Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	0
FY 2003 Appropriated Amount.....	\$	0
FY 2003 Baseline Funding.....	\$	0
Revised FY 2003 Current Estimate.....	\$	0
1. Functional Transfers		
Transfers Out		
Resource DeCA Operations	\$	-376,435
Funds transfer in support of DeCA operations during budget year.		
2. Program Increases		
Program Growth in FY 2004		
Resource DeCA Operations	\$	376,435
FY 2004 Budget Request.....	\$	0

Budget Activity/Activity Group: Administration and Servicewide Activities/Servicewide Support
Subactivity Group: Commissary Operations

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalentents (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	43A	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description		Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Program	Program	
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0676	DEFENSE COMMISSARY OPERATIONS		0	0	1.10%	0	0	0	0	1.50%	0	0	0	0	1.60%	0	0	386966	386966
0699	TOTAL INDUSTRIAL FUND PURCHASES		0	0	0.00%	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	386966	386966
9999	GRAND TOTAL		0	0	0.00%	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	386966	386966

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Support of Other Nations
Subactivity Group: Support of NATO Operations

I. Description of Operations Financed:

INTERNATIONAL SUPPORT OF OTHER NATIONS - The North Atlantic Treaty Organization (NATO) and the Republic of Korea (ROK) - United States (U.S.) Combined Forces Command (CFC) are both vital to U.S. security interests. This bi-national defense team today deters hostilities.

Founded on 4 April 1949, NATO shapes the European security environment, enhances the capability of friendly nations to exercise regional leadership in support of shared goals. NATO works to build a team, a coalition, and a combined force that is persuasive in peace, and invincible in war. U.S. participation in NATO is vital to U.S. security, and fulfills two U.S. strategic goals in Europe: 1) building a Europe that is truly integrated, democratic, prosperous and at peace, and 2) meeting the global challenges, in concert with our allies and partners across the Atlantic. NATO remains the anchor of American engagement in Europe, the linchpin of transatlantic security, and the key to coalition solidarity in the Global War on Terrorism. Our participation in NATO, which takes on varied forms, provides a visible deterrent against aggression and coercion, contributes to regional stability, provides crisis response, sustains our vital transatlantic ties, and preserves U.S. leadership in NATO.

Republic of Korea - United States Combined Forces Command reflects the mutual commitment of the Republic of Korea and the United States to maintain peace and security, and the willingness and capability to take that commitment into battle, if the need arises. ROK-U.S. CFC is the warfighting headquarters; its role is to deter, or defeat, if necessary, outside aggression against the ROK.

NATO MILITARY BUDGET - Department of Army carries out the DoD Executive Agency responsibilities in accordance with DoD 7000.14-R Vol 11A, Chapter 9 "Support of International Military Activities." U.S. contributions to the NATO military budget are only renegotiated at critical junctures. The acceptance of new members at the NATO Summit in 1999 resulted in a reduction to the U.S. share of the NATO budget. The U.S. Ambassador to NATO and the Office of the Secretary of Defense are responsible for negotiating the cost share with NATO. The share is approximately 24 percent toward the day-to-day operational costs of the NATO headquarters, the NATO International Military Staff and subordinate commands. The U.S. supports this mission to be secure at home, and must devote the necessary resources to lead the North Atlantic Treaty Organization, to provide global leadership, and to remain a reliable security partner. The principal cost driver is the U.S. commitment via International Treaty/Agreement.

This budget also funds other U.S. contributions to NATO agencies, multinational headquarters, and support to U.S. elements assigned to various NATO International Military Headquarters (IMH). NATO agencies supported include the Central European Pipeline Management Agency (CEPMA) and the NATO Maintenance & Supply Agency (NAMSA). U.S. contributions toward multinational headquarters include the

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Support of NATO Operations

I. Description of Operations Financed (Continued):

Reaction Forces, the Allied Tactical Air Forces (ATAF), and the Combined Air Operations Centers (CAOCs).

NATO AIRBORNE EARLY WARNING AND CONTROL SYSTEM (AWACS) - Supports the operational costs of the NATO AWACS. Funds are provided for the operation and maintenance of aircraft, facilities maintenance, program administration, communications, and headquarters operations. Five to seven NATO AWACS supported United States homeland defense in the Global War on Terrorism.

NATO INTERNATIONAL MILITARY HEADQUARTERS (IMH) - Supports the U.S. contribution to the multinational funding of the NATO military headquarters and its subordinate commands (i.e., Supreme Headquarters Allied Powers Europe (SHAPE), and Regional HQ Allied Force Southern Europe, etc.). Funding supports all operational costs, including: NATO civilian personnel, ADP, general operating costs, utilities, facilities, and maintenance.

STANDARDIZATION PROGRAMS - This program allows the U.S. to lead other nations in developing the capabilities to fully participate in multinational coalitions by advancing interoperability in doctrine, training, leadership, organizational structure, materiel support, and soldier development. Supports U.S. participation as Working Group Chairmen, Heads of U.S. Delegations, and subject matter experts in NATO, American-British-Canadian-Australian Armies (ABCA) Program, and other standardization fora. Additionally, funding is provided to contract analytical expertise, and database management for drafting, coordinating, ratifying, and implementing standardization agreements originating in NATO, ABCA, and other bilateral and multilateral standardization fora.

OTHER SUPPORT/CONTRIBUTIONS - Supports ROK-US Combined Forces Command.

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Support of NATO Operations

II. Force Structure Summary:

The International Military Headquarters Subactivity Group funds the Department of Defense commitments to military international activities of NATO Headquarters, Supreme Headquarters Allied Powers Europe (SHAPE); Headquarters, Allied Forces, North (AFNORTH); Allied Forces South (AFSOUTH); and sub-elements; and ROK-U.S. CFC Headquarters.

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Support of NATO Operations

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Support of NATO Operations	215,538	205,623	196,468	193,850	207,125	198,753
Total	215,538	205,623	196,468	193,850	207,125	198,753

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	205,623	193,850	207,125	
Congressional Adjustments (Distributed)	0			
Congressional Adjustments (Undistributed)	-2,532			
Adjustments to Meet Congressional Intent	0			
General Provisions	-6,623			
SUBTOTAL APPROPRIATED AMOUNT	196,468			
Fact-of-Life Changes	0			
SUBTOTAL BASELINE FUNDING	196,468			
Anticipated Supplemental	0			
Reprogramming	-2,618			
Price Change		11,178	11,595	
Functional Transfers		0	0	
Program Changes		2,097	-19,967	
CURRENT ESTIMATE	193,850	207,125	198,753	

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
 Subactivity Group: Support of NATO Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	205,623
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-143
2) Undistributed Adjustment	\$	-122
3) Unobligated Balance	\$	-816
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-1,451
Total Undistributed Adjustments	\$	-2,532
b) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-3,365
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-425
3) Section 8103 - Government Purchase Card Savings	\$	-393
4) Section 8133 - Travel	\$	-248
5) Section 8135 - Revised Economic Assumptions	\$	-2,192
Total General Provisions	\$	-6,623
FY 2003 Appropriated Amount.....	\$	196,468
FY 2003 Baseline Funding.....	\$	196,468

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
 Subactivity Group: Support of NATO Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -2,618
 Realigns the distribution between Major Commands and
 Subactivity Groups for foreign currency.

Total Reprogrammings\$ -2,618

Revised FY 2003 Current Estimate.....\$ 193,850

4. Price Change.....\$ 11,178

5. Program Increases

One-Time FY 2004 Costs

1) Additional Compensable Day in FY 2004\$ 33
 There will be an additional compensable workday in FY
 2004. This results in an increase in civilian manpower
 costs due to a greater number of workdays in FY 2004 (262
 days) as compared to FY 2003 (261 days).

2) North Atlantic Treaty Organization (NATO) Defense
 Ministerial\$ 10,000
 Per the Secretary of Defense guidance, a one-time
 increase in funding is provided for the United States to
 host an informal Defense Ministerial in October 2003.

Total Program Increases\$ 10,033

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
 Subactivity Group: Support of NATO Operations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Decreases

Program Decreases in FY 2004

Support of North Atlantic Treaty Organization (NATO)
 Operations\$ -7,936
 (FY 2003 Base: \$165,468) This decrease rebaselines funding
 to resource the minimum planning requirement to meet the
 Military Budget NATO cash calls in the year of execution.
 Includes NATO's Airborne Early Warning and Control System
 (AWACS), as well as U.S. Army NATO. FY 2005 programming will
 be based on the NATO Military Budget Committee planning
 documents for the FY05-09 POM period.

Total Program Decreases in FY 2004\$ -7,936

FY 2004 Budget Request.....\$ 207,125

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
 Subactivity Group: Support of NATO Operations

IV. Performance Criteria and Evaluation Summary:

NORTH ATLANTIC TREATY ORGANIZATION (NATO) MILITARY BUDGET

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
1. NATO AWACS	60,299	74,123	75,000	75,000
2. Other Support/Contributions	39,863	50,298	51,000	51,000
3. NATO International Military Headquarters	105,382	63,081	72,449	63,785
Total NATO Military Budget	205,544	187,502	198,449	189,785
<u>Active Military End Strength (Total)</u>	1,448	1,443	1,449	1,605
Commissioned Officer	350	350	348	351
Warrant Officer	40	37	37	37
Enlisted	1,058	1,065	1,064	1217
<u>Civilian End Strength (Total)</u>	118	118	116	116
U.S. Direct Hire (GS)	118	111	109	109
Foreign National Indirect Hire (FNIH)	0	4	4	4

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Support of NATO Operations

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	387	1,610	1,608	1,764	-2	156
Officer	168	488	486	489	-2	3
Enlisted	219	1,122	1,122	1,275	0	153
<u>Civilian End Strength (Total)</u>	134	156	154	154	-2	0
U.S. Direct Hire	124	147	145	145	-2	0
Foreign National Direct Hire	10	5	5	5	0	0
Total Direct Hire	134	152	150	150	-2	0
Foreign National Indirect Hire	0	4	4	4	0	0
<u>Military Average Strength (Total)</u>	366	998	1,609	1,685	611	76
Officer	152	328	487	487	159	0
Enlisted	214	670	1,122	1,198	452	76
<u>Civilian Full-Time Equivalent (Total)</u>	195	153	152	151	-1	-1
U.S. Direct Hire	191	144	143	142	-1	-1
Foreign National Direct Hire	3	5	5	5	0	0
Total Direct Hire	194	149	148	147	-1	-1
Foreign National Indirect Hire	1	4	4	4	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	441	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	13853	0	2.88%	399	-2214	12038	0	2.63%	316	19	12373	0	2.63%	325	-116	12580
0103	WAGE BOARD	182	0	7.14%	13	220	415	0	2.17%	9	-83	341	0	2.05%	7	0	348
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	38	-25	18.42%	7	130	150	54	3.33%	5	0	209	32	2.39%	5	-1	245
0199	TOTAL CIV PERSONNEL COMP	14073	-25	2.98%	419	-1864	12603	54	2.62%	330	-64	12923	32	2.61%	337	-116	13173
0308	TRAVEL OF PERSONS	7651	0	1.10%	85	-287	7449	0	1.50%	112	89	7650	0	1.60%	122	-352	7420
0399	TOTAL TRAVEL	7651	0	1.11%	85	-287	7449	0	1.50%	112	89	7650	0	1.59%	122	-352	7420
0401	DFSC FUEL	74	0	-16.00%	-12	10	72	0	8.30%	6	3	81	0	3.30%	2	1	84
0411	ARMY MANAGED SUPPLIES & MATERIALS	969	0	9.20%	89	12	1070	0	4.50%	46	-22	1096	0	1.50%	16	-35	1077
0415	DLA MANAGED SUPPLIES & MATERIALS	44	0	3.50%	1	-11	34	0	-2.90%	-1	2	35	0	1.50%	1	-1	35
0416	GSA MANAGED SUPPLIES & MATERIALS	7	0	1.10%	0	0	7	0	1.50%	0	0	7	0	1.60%	0	0	7
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	1094	0	7.13%	78	11	1183	0	4.48%	52	-17	1219	0	1.56%	16	-35	1203
0502	ARMY EQUIPMENT	380	0	9.20%	35	0	415	0	4.50%	19	-22	412	0	1.50%	6	12	430
0507	GSA MANAGED EQUIPMENT	26	0	1.10%	0	-5	21	0	1.50%	0	0	21	0	1.60%	0	1	22
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	406	0	8.62%	35	-5	436	0	4.36%	19	-22	433	0	1.39%	6	13	452
0601	ARMY (ORDNANCE)	1295	0	-27.00%	-350	206	1151	0	1.40%	16	-439	728	0	10.10%	74	-602	200
0633	DEFENSE PUBLICATION & PRINTING SERVICE	11	0	6.20%	1	-1	11	0	-2.00%	0	0	11	0	0.30%	0	0	11
0699	TOTAL INDUSTRIAL FUND PURCHASES	1306	0	-26.72%	-349	205	1162	0	1.38%	16	-439	739	0	10.01%	74	-602	211
0771	COMMERCIAL TRANSPORTATION	101	0	1.10%	1	-12	90	0	1.50%	1	-1	90	0	1.60%	1	-1	90
0799	TOTAL TRANSPORTATION	101	0	0.99%	1	-12	90	0	1.11%	1	-1	90	0	1.11%	1	-1	90
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	458	0	2.18%	10	-191	277	0	2.53%	7	1	285	0	2.46%	7	0	292
0913	PURCHASED UTILITIES	179	0	1.10%	2	-32	149	0	1.50%	2	8	159	0	1.60%	3	-3	159
0914	PURCHASED COMMUNICATIONS	845	0	1.10%	10	-40	815	0	1.50%	12	-2	825	0	1.60%	13	-23	815
0917	POSTAL SERVICES (U.S.P.S.)	9	0	0.00%	0	0	9	0	0.00%	0	0	9	0	0.00%	0	0	9
0920	SUPPLIES/MATERIALS (NON FUND)	937	0	1.10%	10	-9	938	0	1.50%	14	-6	946	0	1.60%	15	2	963
0921	PRINTING AND REPRODUCTION	7	0	1.10%	0	0	7	0	1.50%	0	0	7	0	1.60%	0	0	7
0922	EQUIPMENT MAINTENANCE BY CONTRACT	2	0	1.10%	0	0	2	0	1.50%	0	0	2	0	1.60%	0	0	2
0923	FACILITY MAINTENANCE BY CONTRACT	589	0	1.10%	6	-26	569	0	1.50%	9	-19	559	0	1.60%	9	-19	549
0925	EQUIPMENT PURCHASES (NON FUND)	1440	0	1.10%	15	-8	1447	0	1.50%	22	-3	1466	0	1.60%	23	3	1492
0933	STUDIES, ANALYSIS, & EVALUATIONS	75	0	1.10%	1	-76	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0934	ENGINEERING & TECHNICAL SERVICES	348	0	1.10%	4	-352	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0937	LOCALLY PURCHASED FUEL	35	0	-16.00%	-6	-29	0	0	8.30%	0	0	0	0	3.30%	0	0	0
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	3733	0	1.10%	41	-241	3533	0	1.50%	52	-73	3513	0	1.60%	56	-136	3431
0989	OTHER CONTRACTS	182248	-5938	1.10%	1938	-15069	163179	7908	1.50%	2566	2645	176298	7930	1.60%	2946	-18693	168483
0998	OTHER COSTS	2	0	1.10%	0	0	2	0	1.50%	0	0	2	0	1.60%	0	0	2
0999	OTHER PURCHASES	190907	-5938	1.06%	2031	-16073	170927	7908	1.57%	2686	2551	184071	7930	1.67%	3072	-18871	176204
9999	GRAND TOTAL	215538	-5963	1.07%	2300	-18025	193850	7962	1.66%	3216	2097	207125	7962	1.75%	3633	-19967	198753

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

I. Description of Operations Financed:

MISCELLANEOUS SUPPORT OF OTHER NATIONS - Army operation and maintenance funds support (4) vital operations including travel, research, the Marshall Center for Security Studies, and administrative costs. Travel funds support US subject matter experts and staff while working scientific/technical (interoperability) issues within the NATO Army Armaments Working Group, and American-British-Canadian-Australian Armies (ABCA) Standardization Program. Future cooperative research and development ventures with allies, are also supported. In addition, the Army funds administrative and logistical support of non-security assistance program activities operated by Military Assistance Advisory Groups (MAAGs), Missions, and Military Groups. This subactivity also funds U.S. participation on international military boards and commissions in the United States Truce Supervision Organization, and other DoD directed missions that support other nations when U.S. national security interests are affected.

GEORGE C. MARSHALL CENTER FOR SECURITY STUDIES - Funding supports the Marshall Center for Security Studies overall operations, and all non-U.S. participation (current NATO members pay their own way) in defense education. Parliamentarians, government officials, and military professionals from more than 40 countries participate in post-graduate studies, conferences, research programs, foreign area studies, and language courses. Specializing in U.S./European/Eurasian security issues, the Marshall Center is dedicated to creating a more stable security environment, advancing democratic defense institutions, and strengthening relationships by promoting active and peaceful engagement, reinforcing respect for human rights, individual dignity, and integrity. Thereby, enhancing enduring partnerships between the U.S. and the nations of Europe and Eurasia and facilitating a unified posture in the Global War on Terrorism.

TECHNOLOGY TRANSFER FUNCTION - Funds Army participation in international and joint U.S. evaluation activities such as technology sharing steering committees, and critical technologies review working groups.

STANDARDIZATION PROGRAM - Provides funding at the major command level for Army Multinational Force Compatibility (MFC) programs. It includes multi-lateral programs within NATO (NATO Standardization Agency) ABCA and other international programs to enable the Army to fight as a member of an international allied coalition.

COOPERATIVE RESEARCH AND DEVELOPMENT ACTIVITIES - Provides funding for developing data exchange agreements and facilitating future cooperative research and development activities with allies, to enhance multinational force compatibility, and leverage technology and resources. Supports the R&D arm of NATO through official representation to NATO Army Armaments Groups.

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

I. Description of Operations Financed (Continued):

HUMANITARIAN/CIVIC ASSISTANCE (H/CA) & DEVELOPING COUNTRIES COMBINED EXERCISE PROGRAM (DCCEP)

Humanitarian/Civic Assistance (H/CA) activities are carried out in conjunction with authorized military operations, and are subject to Secretary of State approval to promote security interests of the U.S., the host nation, foreign policy interests of the U.S., and operational readiness of participating U.S. service members. H/CA activities are a Title 10, Section 401, function of the United States Code.

Developing Countries Combined Exercise Program (DCCEP) activities allow the Secretary of Defense, with the Secretary of State approval, to pay the incremental expenses that are incurred by a developing country while participating in a combined exercise. DCCEP activities are a Title 10, Section 2010, function of the United States Code.

OTHER SUPPORT - Funds support other Army missions described below, including Non-Security Assistance Support, Latin American Cooperation, Military Review, United Nations Truce Supervision Organization, and the Pacific Armies Cooperation Program.

NON-SECURITY ASSISTANCE SUPPORT - Funds travel, salaries, and a percentage share of contract expenses for Joint U.S. Military Mission administrative expenses for aid to Turkey.

LATIN AMERICAN COOPERATION - Funds travel and per diem, for Army officer and student visits and exchanges such as; participation in joint U.S./Mexican military activities; participation in the Inter-American Defense Board; and other cooperation projects in Latin America.

MILITARY REVIEW - Funds translation, publication, and printing costs for this U.S. Army publication. As part of the Army security cooperation strategy, the Military Review is translated into Spanish and Portuguese for Latin and South American consumption.

UNITED NATIONS TRUCE SUPERVISION ORGANIZATION - Funds supplies, equipment and travel for personnel assigned to the organization.

PACIFIC ARMIES COOPERATION PROGRAM - Funds supplies and travel for agencies that promote professional understanding and improvement of Army relations in the Asia-Pacific region.

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

II. Force Structure Summary:

The Miscellaneous Support of Other Nations Subactivity Group funds the Department of Defense commitments to military international activities in Europe and Latin America as well as support of the operation of the George C. Marshall Center for Security Studies. It provides force structure support for non-security assistance billets in Military Advisory Assistance Groups, Missions and Military Groups, Offices of Defense Cooperation, and Defense Cooperation in Armaments.

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>	Current <u>Estimate</u>		
Miscellaneous Support of Other Nations	51,541	58,091	54,413	54,157	58,729	59,335
Total	51,541	58,091	54,413	54,157	58,729	59,335
B. <u>Reconciliation Summary:</u>			<u>CHANGE</u> FY 2003/FY 2003	<u>CHANGE</u> FY 2003/FY 2004	<u>CHANGE</u> FY 2004/FY 2005	
BASELINE FUNDING			58,091	54,157	58,729	
Congressional Adjustments (Distributed)			0			
Congressional Adjustments (Undistributed)			-2,784			
Adjustments to Meet Congressional Intent			0			
General Provisions			-894			
SUBTOTAL APPROPRIATED AMOUNT			54,413			
Fact-of-Life Changes			-125			
SUBTOTAL BASELINE FUNDING			54,288			
Anticipated Supplemental			0			
Reprogramming			-131			
Price Change				1,591	1,720	
Functional Transfers				0	0	
Program Changes				2,981	-1,114	
CURRENT ESTIMATE			54,157	58,729	59,335	

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request	\$	58,091
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-33
2) Undistributed Adjustment	\$	-29
3) Unobligated Balance	\$	-157
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-2,565
Total Undistributed Adjustments	\$	-2,784
b) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-281
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-84
3) Section 8103 - Government Purchase Card Savings	\$	-73
4) Section 8133 - Travel	\$	-32
5) Section 8135 - Revised Economic Assumptions	\$	-424
Total General Provisions	\$	-894
FY 2003 Appropriated Amount	\$	54,413

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Reductions

Miscellaneous Support of Other Nations	\$	-125
Realignment of internal resources to the Logistics Support Activities to fund the Ceremonial Rifles program. The Ceremonial Rifles program provides: all ceremonial rifles, in coordination with law enforcement agencies; rifle compliance inspections; and management of a multi-billion dollar inventory.		

Total Fact-of-Life Changes	\$	-125
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FY 2003 Baseline Funding.....	\$	54,288
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3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation	\$	-131
Realignment of the distribution between Major Commands and Subactivity Groups for foreign currency.		

Total Reprogrammings	\$	-131
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Revised FY 2003 Current Estimate.....	\$	54,157
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4. Price Change.....	\$	1,591
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Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004	\$	72
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There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Standardization and Interoperability Programs	\$	2,909
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(FY 2003 Base: \$42,177) This funds: Title X support to Title 22 Security Assistance Officer functions worldwide; increased exercises under Developing Countries Combined Exercise Program (DCCEP); supports funding shortfalls in the US Army Materiel Command's Multinational Force Compatibility mission; partially supports the anticipated hosting of FY 2004 Conference of American Armies (FY04/05 cycle); and Marshall Center Conference Support. Generally, this increase is reflected on both line 0987 and 0989 of the OP32.

Total Program Increases	\$	2,981
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FY 2004 Budget Request	\$	58,729
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Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

IV. Performance Criteria and Evaluation Summary:

Appropriation: OMA

DATE: 1-Feb-2003

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

**GEORGE C. MARSHALL CENTER
 (Institute for Eurasian Studies)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY2005</u>
1. Miscellaneous Support of Other Nations (SAG 442)	18826	20112	22323	22826
2. Base Operations Support (SAG 131)	5788	6252	6295	6444
3. Real Property Maintenance (SAG 132)	3599	4876	4196	4311
Total	28,213	31,240	36,758	37,307
<u>Active Military End Strength (Total)</u>	31	30	30	30
Commissioned Officer	17	16	15	15
Warrant Officer	1	1	1	1
Enlisted	16	13	13	13
<u>Civilian End Strength (Total)</u>	152	151	151	151
U.S. Direct Hire (GS)	133	132	133	133
Foreign National Indirect Hire (FNIH)	19	19	19	19

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Miscellaneous Support of Other Nations

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	609	1,114	1,106	1,092	-8	-14
Officer	379	540	534	531	-6	-3
Enlisted	230	574	572	561	-2	-11
<u>Civilian End Strength (Total)</u>	223	322	323	323	1	0
U.S. Direct Hire	184	234	235	235	1	0
Foreign National Direct Hire	0	69	69	69	0	0
Total Direct Hire	184	303	304	304	1	0
Foreign National Indirect Hire	39	19	19	19	0	0
<u>Military Average Strength (Total)</u>	770	861	1,110	1,098	249	-12
Officer	434	459	537	532	78	-5
Enlisted	336	402	573	566	171	-7
<u>Civilian Full-Time Equivalentents (Total)</u>	283	318	319	319	1	0
U.S. Direct Hire	195	231	232	232	1	0
Foreign National Direct Hire	51	68	68	68	0	0
Total Direct Hire	246	299	300	300	1	0
Foreign National Indirect Hire	37	19	19	19	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	442	Totals																
Line	Line	Description	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item			Program	Curr	Growth	Growth	Growth	Program	Adjust	Percent	Growth	Growth	Program	Adjust	Percent	Growth	Growth	Program
0101	EXEC. GEN. SPEC SCHEDULE		15728	0	4.53%	713	5012	21453	0	2.67%	572	125	22150	C	2.62%	581	-14	22717
0103	WAGE BOARD		8	0	75.00%	6	141	155	0	1.94%	3	3	161	C	1.86%	3	-1	163
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)		2465	0	4.50%	111	763	3339	0	2.70%	90	0	3429	C	2.65%	91	1	3521
0105	SEPARATION LIABILITY (FNDH)		90	0	0.00%	0	85	175	0	0.00%	C	4	179	C	0.00%	C	5	184
0199	TOTAL CIV PERSONNEL COMP		18291	0	4.54%	830	6001	25122	0	2.65%	665	132	25919	C	2.60%	675	-5	26585
0308	TRAVEL OF PERSONS		9088	0	1.10%	100	-273	8915	0	1.50%	134	282	9331	C	1.60%	145	-382	9098
0399	TOTAL TRAVEL		9088	0	1.10%	100	-273	8915	0	1.50%	134	282	9331	C	1.60%	145	-382	9098
0411	ARMY MANAGED SUPPLIES & MATERIALS		173	0	9.20%	16	2	191	0	4.50%	5	-13	187	C	1.50%	3	2	192
0415	DLA MANAGED SUPPLIES & MATERIALS		568	0	3.50%	19	1	588	0	-2.90%	-17	-42	529	C	1.50%	5	5	546
0416	GSA MANAGED SUPPLIES & MATERIALS		48	0	1.10%	0	1	49	0	1.50%	1	0	50	C	1.60%	1	C	51
0499	TOTAL SUPPLIES & MATERIALS PURCHASES		789	0	4.44%	35	4	828	0	-0.85%	-7	-55	766	C	1.57%	12	11	789
0507	GSA MANAGED EQUIPMENT		250	0	1.10%	3	-3	250	0	1.50%	4	1	255	C	1.60%	4	C	259
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES		250	0	1.20%	3	-3	250	0	1.60%	4	1	255	C	1.57%	4	C	259
0633	DEFENSE PUBLICATION & PRINTING SERVICE		138	0	6.20%	8	-21	125	0	-2.00%	-2	17	140	C	0.30%	C	-5	135
0671	COMMUNICATIONS SERVICES (DISA) TIER 2		24	0	1.10%	0	-2	22	0	0.00%	C	2	24	C	1.60%	C	C	24
0699	TOTAL INDUSTRIAL FUND PURCHASES		162	0	4.94%	8	-23	147	0	-1.36%	-2	19	164	C	0.00%	C	-5	159
0717	MTMC GLOBAL POV		1	0	-14.70%	0	0	1	0	15.60%	C	0	1	C	4.60%	C	C	1
0771	COMMERCIAL TRANSPORTATION		1071	0	1.10%	12	-295	788	0	1.50%	12	99	899	C	1.60%	14	-65	847
0799	TOTAL TRANSPORTATION		1072	0	1.12%	12	-295	789	0	1.52%	12	99	900	C	1.56%	14	-65	848
0901	FOR NATIONAL INDIRECT HIRE (FNIH)		2022	-196	1.78%	36	-851	1011	409	3.26%	33	0	1453	465	3.51%	51	-1	1968
0913	PURCHASED UTILITIES		135	0	1.10%	1	-22	114	0	1.50%	2	7	123	C	1.60%	2	10	135
0914	PURCHASED COMMUNICATIONS		698	0	1.10%	8	-86	620	0	1.50%	5	58	687	C	1.60%	12	-1	698
0917	POSTAL SERVICES (U.S.P.S.)		15	0	0.00%	0	0	15	0	0.00%	C	5	20	C	0.00%	C	-5	15
0920	SUPPLIES/MATERIALS (NON FUND)		3932	-44	1.10%	42	673	4603	85	1.50%	70	-114	4644	25	1.60%	75	-20	4728
0921	PRINTING AND REPRODUCTION		303	0	1.10%	3	-66	240	0	1.50%	4	61	305	C	1.60%	5	C	310
0922	EQUIPMENT MAINTENANCE BY CONTRACT		240	0	1.10%	2	-67	175	0	1.50%	3	52	230	C	1.60%	4	-53	181
0923	FACILITY MAINTENANCE BY CONTRACT		798	0	1.10%	9	-178	629	0	1.50%	5	150	788	C	1.60%	13	-135	663
0925	EQUIPMENT PURCHASES (NON FUND)		2243	0	1.10%	25	9	2277	0	1.50%	34	-5	2306	C	1.60%	37	5	2348
0932	MGMT & PROFESSIONAL SPT SVCS		1723	0	1.10%	19	332	2074	0	1.50%	31	9	2114	C	1.60%	34	5	2154
0933	STUDIES, ANALYSIS, & EVALUATIONS		50	0	1.10%	1	759	810	0	1.50%	12	-401	421	C	1.60%	7	405	834
0934	ENGINEERING & TECHNICAL SERVICES		227	0	1.10%	2	-174	55	0	1.50%	1	-1	55	C	1.60%	1	15	71
0987	OTHER INTRA-GOVERNMENTAL PURCHASES		3177	0	1.10%	36	-1008	2205	0	1.50%	34	1039	3278	C	1.60%	52	-560	2770
0989	OTHER CONTRACTS		6136	0	1.10%	67	-3085	3118	0	1.50%	47	1615	4780	C	1.60%	75	-304	4552
0998	OTHER COSTS		190	0	1.10%	2	-32	160	0	1.50%	2	28	190	C	1.60%	3	-23	170
0999	OTHER PURCHASES		21889	-240	1.16%	253	-3796	18106	494	1.61%	291	2503	21394	494	1.74%	372	-663	21597
9999	GRAND TOTAL		51541	-240	2.41%	1241	1615	54157	494	2.03%	1097	2981	58729	494	2.09%	1225	-1114	59335

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Administration and Servicewide Activities
Activity Group: Support of Other Nations
Subactivity Group: Expansion of NATO

I. Description of Operations Financed:

EXPANSION OF NATO - A separate Subactivity for NATO expansion is shown in compliance with congressional direction. There are no funds budgeted for NATO Expansion.

II. Force Structure Summary:

The Expansion of NATO Activity Group funds U.S. expenses related strictly to expansion of the NATO membership.

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Expansion of NATO

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Expansion of NATO	0	0	0	0	0	0
Total	0	0	0	0	0	0

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	0			
Congressional Adjustments (Distributed)	0			
Congressional Adjustments (Undistributed)	0			
Adjustments to Meet Congressional Intent	0			
General Provisions	0			
SUBTOTAL APPROPRIATED AMOUNT	0			
Fact-of-Life Changes	0			
SUBTOTAL BASELINE FUNDING	0			
Anticipated Supplemental	0			
Reprogramming	0			
Price Change			0	0
Functional Transfers			0	0
Program Changes			0	0
CURRENT ESTIMATE			0	0

Budget Activity/Activity Group: Administration and Servicewide Activities/Support of Other Nations
Subactivity Group: Expansion of NATO

III. Financial Summary (O&M: \$ in Thousands):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

