

Subject: Army Reserve Personnel Shortfall Appropriation Title: Reserve Personnel, Army, 05/05; Other Procurement, Army, 05/07; and Research, Development, Test, and Evaluation, Army, 05/06	DoD Serial Number: FY 06-09 PA
	Includes Transfer? Yes

Component Serial Number: FY 06-03 PA	<i>(Amounts in Thousands of Dollars)</i>							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming action is submitted for prior approval because it uses general transfer authority, pursuant to section 8005 of Public Law 108-287, the Department of Defense (DoD) Appropriations Act, 2005; and section 1001 of Public Law 108-375, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. This action reprograms funding in support of higher priority items, based on unforeseen military requirements, than those for which originally appropriated; and is determined to be necessary in the national interest. It meets all administrative and legal requirements and none of the items has previously been denied by the Congress.

This reprogramming action partially addresses an overobligation of \$72.5 million in the Reserve Personnel, Army, 05/05 appropriation. In part, the shortfall is a result of higher than expected bonus incentive obligations in the fourth quarter of FY 2005. Additional funds will be required to liquidate the obligation arising from the final FY 2005 accrual payment to the Medicare-Eligible Retiree Health Care Fund (MERHCF) for the Army Reserve. Action is being taken to address the remaining bill. Meanwhile, it is critical that this reprogramming be approved to avoid a stop payment on bonus incentives to Army Reserve soldiers.

<u>FY 2005 REPROGRAMMING INCREASE:</u>			<u>+39,600</u>	<u>+14,600</u>
<u>Reserve Personnel, Army, 05/05</u>			<u>+39,600</u>	<u>+14,600</u>
<u>Budget Activity 2: Other Training Support</u>				
	1,980,781	2,059,469	<u>+39,600</u>	2,099,069
			<u>+14,600</u>	2,074,069

Explanation: This reprogramming action supports the payment of United States Army Reserve (USAR) incentives and bonuses obligated in FY 2005 to make the Army Reserve's end strength objective. The additional funding required for incentives and bonuses resulted from the actual number of Army Reserve soldiers reenlisting during the third and fourth quarter of FY 2005 greatly exceeded the projected number of reenlistments. These soldiers reenlisted for incentives that were authorized in Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. The funding impact of these reenlistments, \$39.6 million, was not known until after the fiscal year ended.

Approved (Signature and Date)  APR 6 2006

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<u>FY 2005 REPROGRAMMING DECREASES:</u>						<u>-39,600</u>	<u>-14,600</u>		
<u>Other Procurement, Army, 05/07</u>						<u>-33,600</u>	<u>-8,600</u>		
<u>Budget Activity 1: Tactical and Support Vehicles</u>						<u>-1,369</u>			
Heavy Armored Sedan		195		5,795		-1,369		4,426	
<u>Budget Activity 2: Communications and Electronic Equipment</u>						<u>-26,555</u>	<u>-1,555</u>		
Information Systems		321,181		321,181		-25,000		296,181	
<u>SAC DENIED</u>									
Soldier Enhancement Program Comm/Elect		25,846		7,746		-682		7,064	
Mod of In Svc Equip (TAC SURV)		41,047		38,947		-873		38,074	
<u>Budget Activity 3: Other Support Equipment</u>						<u>-5,676</u>			
Air Drop Program		14,222		14,222		-710		13,512	
Rapid Equipping Soldier Support Equipment		13,448		185,719		-1,018		184,701	
Physical Security Systems		81,507		120,628		-1,467		119,161	
Base Level Commercial Equipment		7,164		7,164		-1,699		5,465	
Special Equipment for User Testing		11,850		11,850		-325		11,525	
Items Less than \$5M (Float/Rail)		3,449		3,449		-244		3,205	
Kit, Standard Teleoperating		3,009		1,022		-213		809	
<u>Explanation:</u> The funding is not executable in the current year and the reprogramming will not affect mission requirements.									

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Research, Development, Test, and Evaluation, Army, 05/06						-6,000		
Budget Activity 4: Advanced Component Development and Prototypes						-6,000		
PE 0603856A Scamp Block II	10,221			10,219		-6,000		4,219

Explanation: Funding is available due to program termination.