



Army Budget Request

5 April 2011



Agenda



- ❖ America Today
- ❖ Funding Trends
- ❖ FY2011 Budget Status
- ❖ FY2012 Budget Request



America Today



- ❖ Republican House - - Democratic Senate
- ❖ Unemployment
- ❖ Unrest in Middle East
- ❖ Economy
- ❖ Pensions
- ❖ Health Care
- ❖ Housing Market

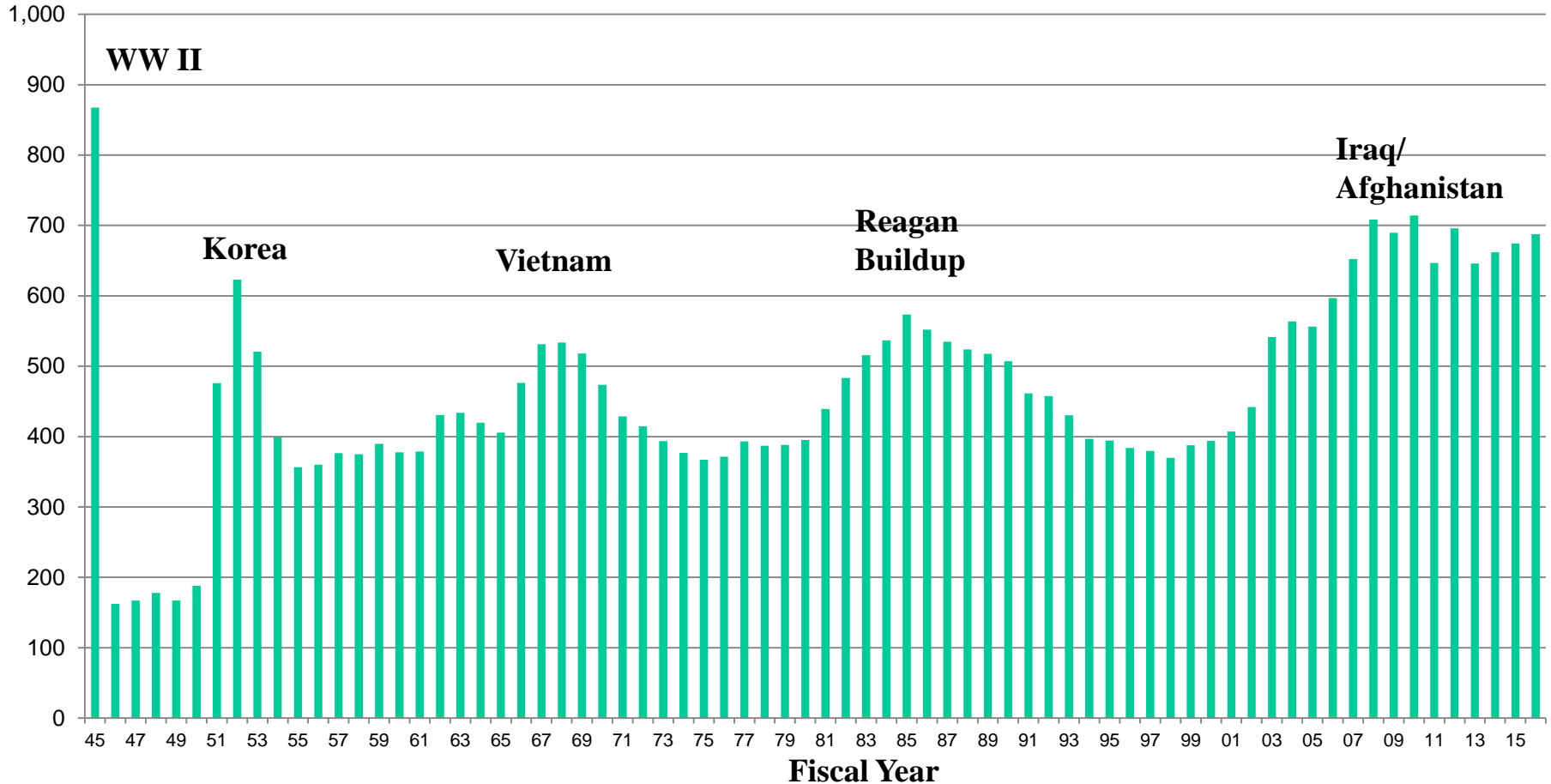


Historic Defense Funding Trends



(Total Defense Budget Authority in constant 2011 Dollars)

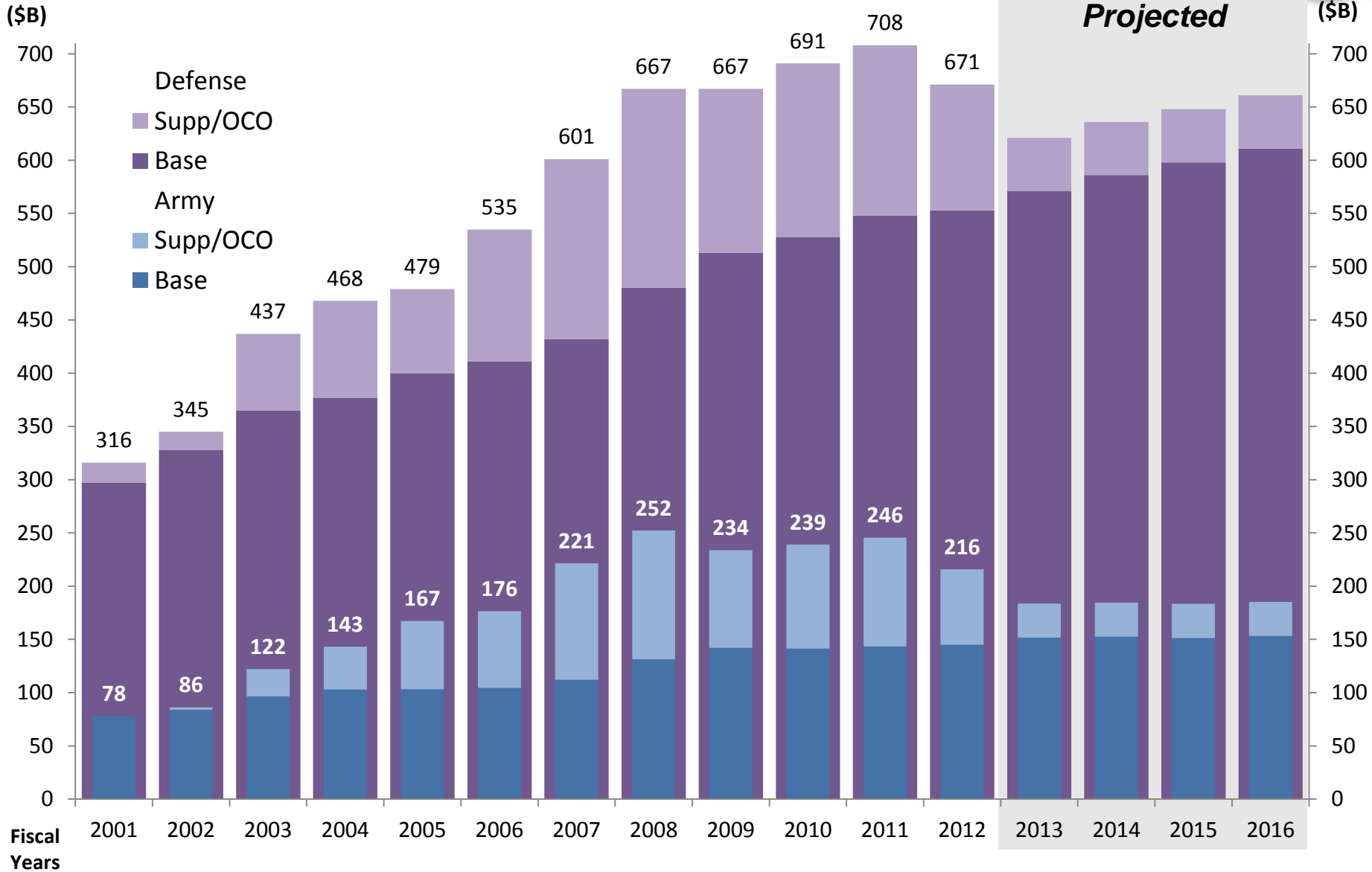
Budget Authority (\$B)



Sources: DoD: National Defense Budget Estimates for FY2011 (Green Book) (1950 -2010); all other years are from Congressional Research Service. The Library of Congress. Defense Authorization and Appropriation Bills: A Chronology



Defense Funding Trends





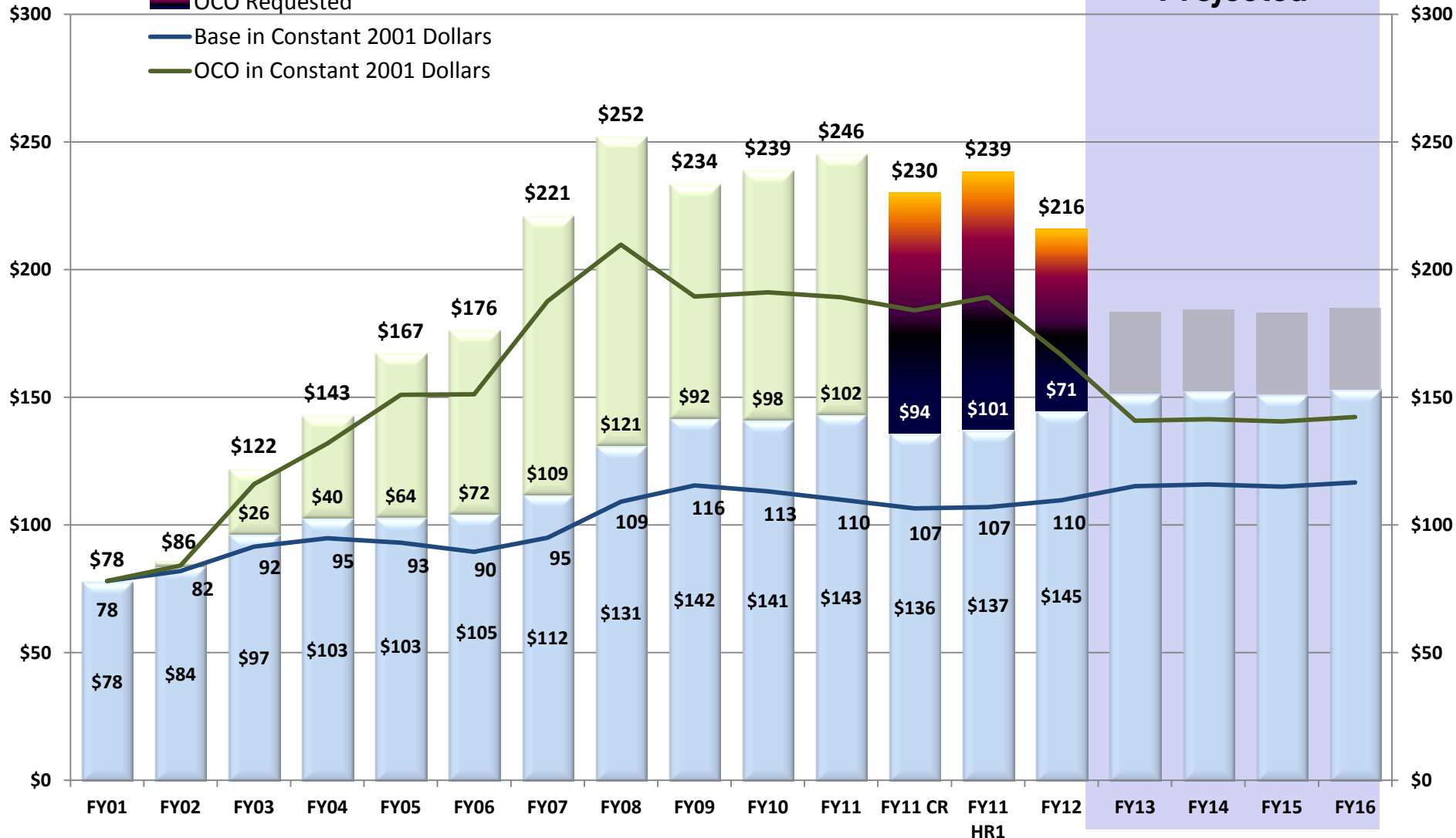
Army Funding Trends



\$B

- Base
- OCO
- OCO Requested
- Base in Constant 2001 Dollars
- OCO in Constant 2001 Dollars

\$B



Army Budget Office



FY2011 Army Budget Best Case – Worse Case



BASE

OCO

\$143.4	President's Budget Request (February 2010)	\$102.1
\$139.0 (-\$4.4)	"Omnibus" bill (December 2010) (Never brought to a vote)	\$101.0 (-\$1.1)
\$137.5 (-\$5.9)	House HR-1 Legislation (February 2011) (Passed House; defeated in Senate 9 March 2011)	\$101.2 (-\$1.0)
\$137.1 (-\$6.4)	(Est) Senate Continuing Resolution (March 2011) (Defeated 9 March 2011)	\$101.2 (-\$1.0)
\$137.1 (-\$6.4)	Year-Long Continuing Resolution	\$95.2 (-\$6.9)



Base + OCO: Year-Long CR is **\$13.3B** less than the President's Budget request



Illustrating Possible Topline Changes



Worse Case – Army View

- Assume Army Topline of \$137.1B in FY2011
- Assume nominal freeze in FY2012
- Assume 0% Real Growth in FY2013 and beyond

(Dollars in Billions)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012 – FY2016
PB12 Base		\$144.9	\$151.6	\$152.6	\$151.3	\$153.2	\$753.6
Revised Topline (Estimate SAC CR)	\$137.1	\$137.1	\$139.8	\$142.8	\$145.8	\$148.8	\$714.3
Change		-\$7.8	-\$11.8	-\$9.8	-\$5.5	-\$4.4	-\$39.3
% Real Growth		-2.0%	0%	0%	0%	0%	



Illustrating Possible Topline Changes



Better Case – Army View

- Assume Army Topline of \$137.1B in FY2011
- Assume 1.0% Real Growth in FY2012 and FY2013
- Assume 0.5% Real Growth in FY2014
- Assume 0% Real Growth in FY2015 and FY2016

(Dollars in Billions)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012 – FY2016
PB12 Base		\$144.9	\$151.6	\$152.6	\$151.3	\$153.2	\$753.6
Revised Topline (Estimate SAC CR)	\$137.1	\$140.5	\$144.8	\$148.5	\$151.6	\$154.8	\$740.2
Change		-\$4.4	-\$6.8	-\$4.1	+\$0.3	+\$1.6	-\$13.4
% Real Growth		+1.0%	+1.0%	+0.5%	0%	0%	



Army FY2012 Budget Priorities



- ❖ Care for Soldiers, Families, and Civilians
- ❖ Sustain the quality of our All-Volunteer Force
- ❖ Train and equip Soldiers and units to maintain a high level of readiness for current and future operations
- ❖ Reset our Soldiers, units, equipment, and Families to a readiness level for future deployment and other contingencies
- ❖ Modernize the Force to provide Combatant Commanders with tailored, strategically responsive forces

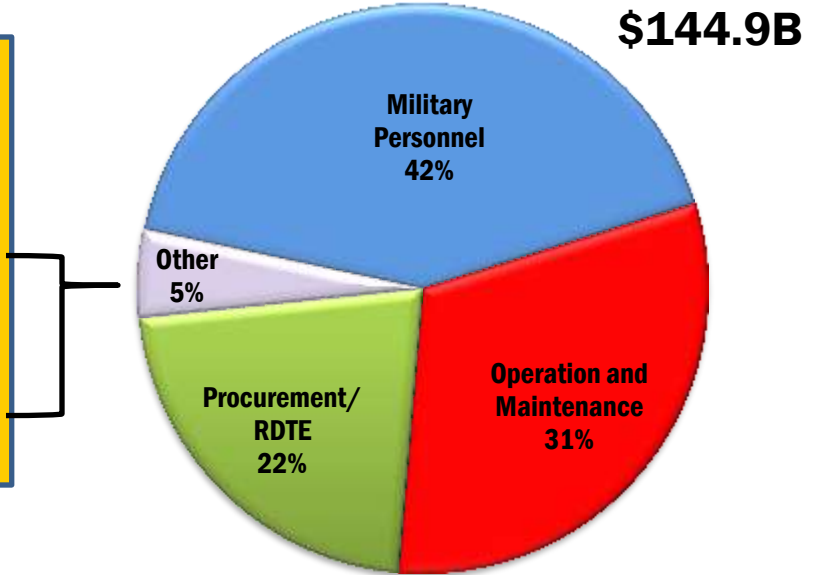


FY2012 Budget Request

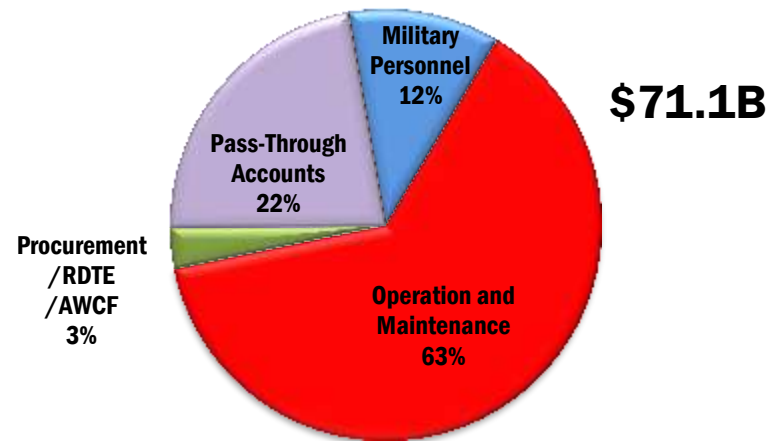


Base and Overseas Contingency Operations (OCO)

Base Request		(\$B)
Military Personnel	60.6	■
Operation and Maintenance	45.2	■
Procurement/RDTE	31.8	■
Military Construction/Family Housing	5.0	■
Base Realignment and Closure	0.3	■
Army Working Capital Fund	0.1	■
Pass-Through Accounts	1.9	■
Total	144.9	



OCO Request		(\$B)
Military Personnel	8.1	■
Operation and Maintenance	44.9	■
Procurement/RDTE/AWCF	2.2	■
Pass-Through Accounts	15.9	■
Total	71.1	



Numbers may not add due to rounding



FY2012 Base Budget Request



	(\$M)
Military Personnel	60,577.9
Military Personnel, Army	43,596.9
National Guard Personnel, Army	7,623.3
Reserve Personnel, Army	4,386.1
Medicare-Eligible Retiree Health Care Fund	4,971.6
Operation and Maintenance	45,231.9
Operation and Maintenance, Army	34,735.2
Operation and Maintenance, Army National Guard	7,041.4
Operation and Maintenance, Army Reserve	3,109.2
Environmental Restoration Fund, Army	346.0
Research, Development, and Acquisition	31,832.8
Aircraft Procurement, Army	7,061.4
Missile Procurement, Army	1,478.7
Procurement of Ammunition, Army	1,992.6
Weapons and Tracked Combat Vehicles, Army	1,933.5
Other Procurement, Army	9,682.6
Research, Development, Test, and Evaluation, Army	9,684.0
Military Construction/Family Housing	4,971.9
Base Realignment and Closure/Homeowners Assistance Program	301.2
Chemical Demilitarization	1,629.7
Joint Improvised Explosive Device Defeat Fund	220.6
Army Working Capital Fund	101.2
Total	144,867.2

Numbers may not add due to rounding



FY2011 and FY2012 Base Comparison



APPN	(\$B) FY11 Request	FY12 Request	Change
MILPERS	59.1	60.6	1.5
O&M	43.9	45.2	1.3
RDA	31.7	31.9	0.2
Facilities	7.0	5.3	(1.7)
Pass-Through	1.9	1.9	
Totals	143.6	144.9	1.3

MILPERS and O&M increased at inflation rates.

RDA - small decrease in buying power.

Facilities: GTA, Modularity and BRAC completion

Numbers may not add due to rounding.
 * Pass through accounts include AWCF, Chemical Demil., HAP and JIEDDO



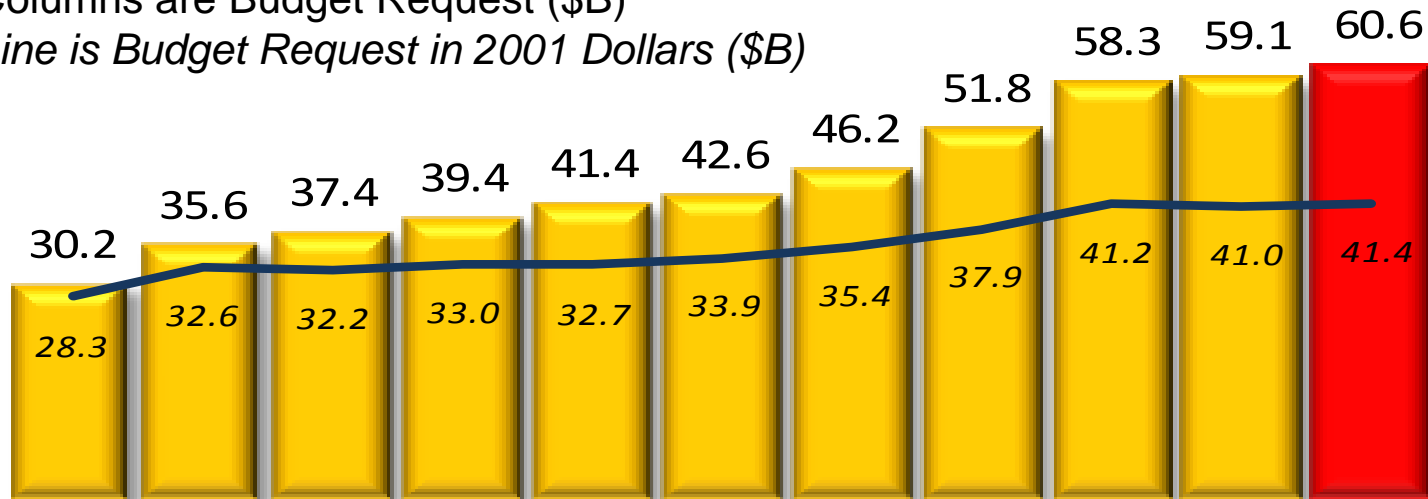
Military Personnel Summary



Budget Request (\$M)	FY12 Base
Active Army	43,596.9
Army National Guard	7,623.3
Army Reserve	4,386.1
Medicare-Elig Ret Health Care Fund	4,971.6
Total	60,577.9

* Does not include temporary increase of 22,000 soldiers funded in FY12 OCO request

Columns are Budget Request (\$B)
 Line is Budget Request in 2001 Dollars (\$B)



FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12



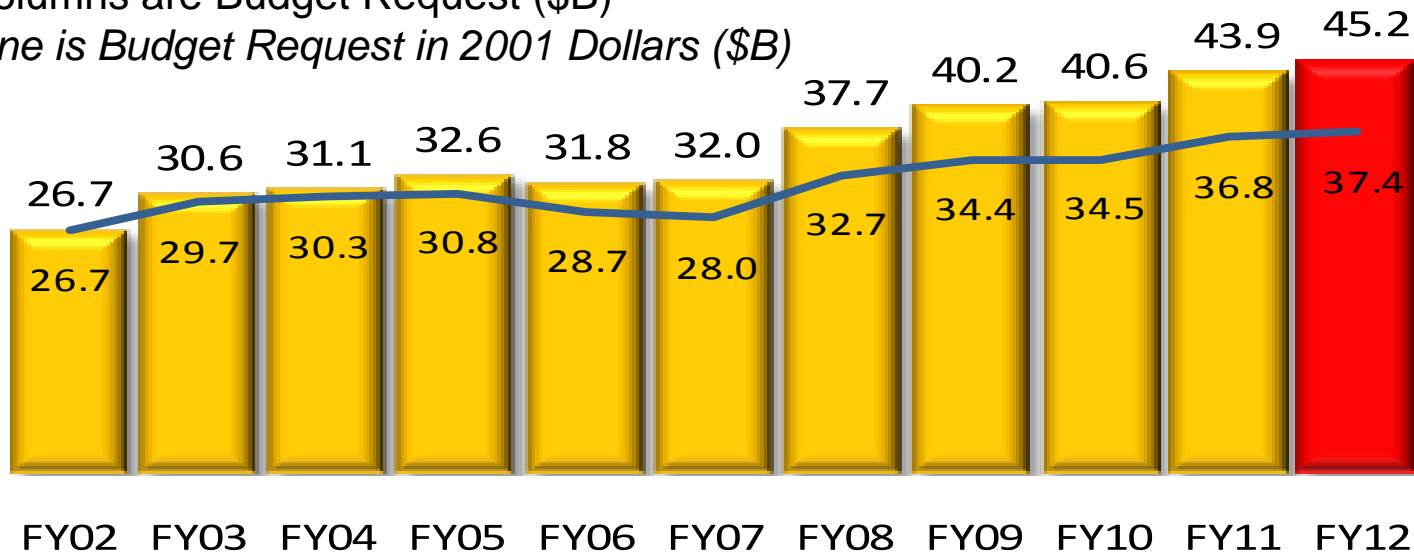
Operation & Maintenance Summary



Budget Request (\$M)	FY12 Base
Active Army	34,735.2
Army National Guard	7,041.4
Army Reserve	3,109.2
Sub-total	44,885.8
Environmental Restoration	346.0
Total	45,231.9

Numbers may not add due to rounding

Columns are Budget Request (\$B)
 Line is Budget Request in 2001 Dollars (\$B)



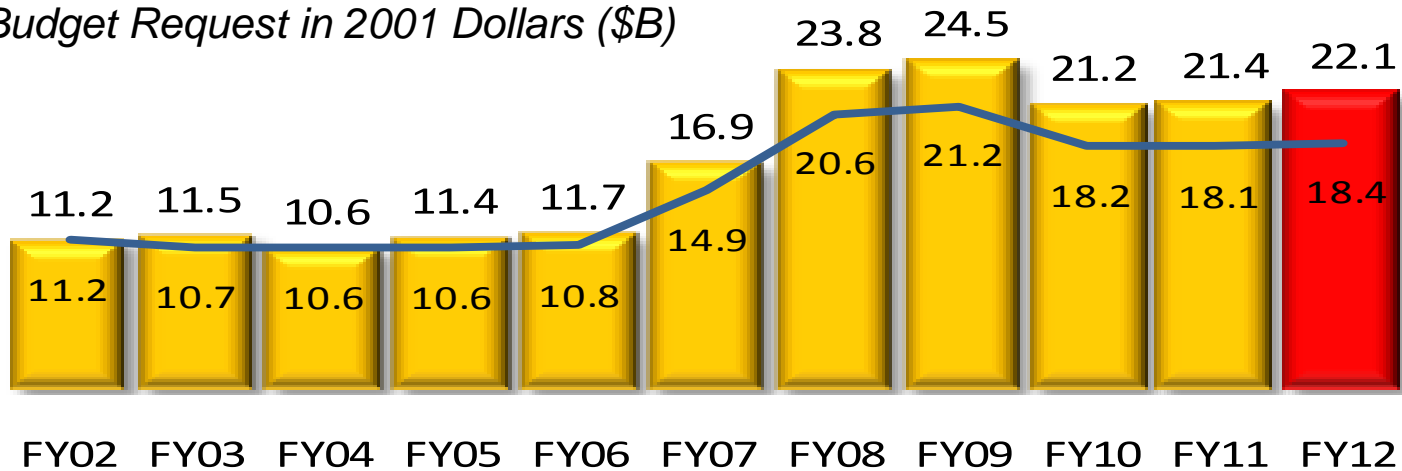


Procurement Summary



Budget Request (\$M)	FY12 Base
Aircraft	7,061.4
Missiles	1,478.7
Ammunition	1,992.6
Weapons and Tracked Combat Vehicles	1,933.5
Other – Tactical and Support Vehicles/Other Support Equipment	4,578.8
Other – Communications and Electronics/Initial Spares	5,103.8
Total	22,148.8

Columns are Budget Request (\$B)
 Line is Budget Request in 2001 Dollars (\$B)





Research, Development, Test & Evaluation & Facilities Summary



Budget Request (\$M)	FY12 Base
Research, Development, Test & Evaluation	9,684.0
Includes:	
Science and Technology	
Continued Development	
Combat Vehicle Modernization	
Patriot / Medium Extended Air Defense System (MEADS) Combined Aggregate Program (CAP)	
Network	

Budget Request (\$M)	FY12 Base
Military Construction	4,290.1
Army Family Housing	681.8
Base Realignment and Closure	299.9
Homeowner's Assistance Program	1.3
Total	5,273.1



OCO Requests



OCO Request (\$B)	FY11	FY12
Military Personnel	11.9	8.1
Operation & Maintenance	63.4	44.9
Procurement	8.9	2.2
RDT&E	0.2	0.0
Army Working Capital Fund		0.1
Military Construction	0.9	
Subtotal – Army	85.3	55.2
Executive Agent Accounts:		
Joint IED Defeat	3.3	2.6
Afghanistan Security Forces Fund	11.6	12.8
Afghanistan Infrastructure Fund		0.5
Iraq Security Forces Fund	2.0	
Total	102.2	71.1

Numbers may not add due to rounding



Army FY2012 Base & OCO Requests



The FY2012 Base Budget Request

- ❖ Restores balance to prepare Forces for the full range of operations and reduce stress on the All-Volunteer Force.

The FY2012 OCO Request

- ❖ Supports deployed military operations, and sustains and protects deployed Forces.

AMERICA'S ARMY THE STRENGTH OF THE NATION