



U.S. ARMY

# Army FY 2019 Budget Overview

February 2018

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# Compete, Deter, and Win:

## Building a more Lethal, Agile, and Capable Army

### Where we are

- Deployed and Committed: 186K
- In more than 140 countries
- Across 6 continents
- Army SOF: 4K deployed in 80 countries
- Worldwide Support to CT Operations



### Today's Environment

- Long-term strategic competition with revisionist powers
- Rogue regimes destabilize regions and seek WMD capability.
- Terrorists and malicious non-state actors cause global disruption
- Rapid technological advancements are changing the character of war



### Strategic Approach

- Build Readiness for major combat operations
- Modernize key capabilities
- Establish force posture to deter and provide strategic flexibility
- Deepen Joint and Allied Interoperability
- Reform Institutional Processes for greater performance.

To address the current threats, the Army must restore warfighting readiness, modernize capabilities, and reform our institutional processes to innovate faster than near-peer adversaries with global ambitions.

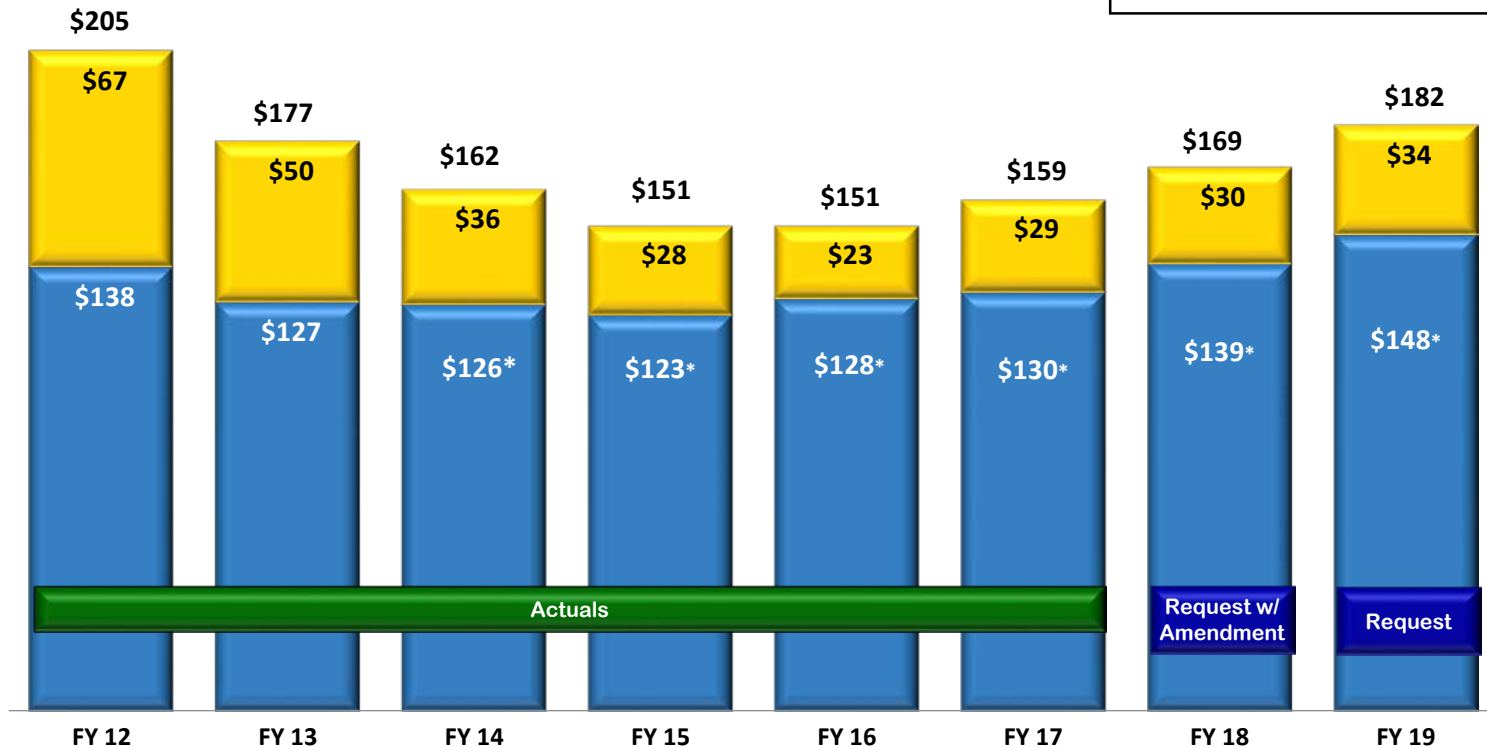
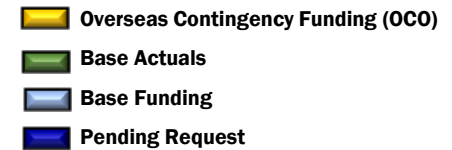
## Globally Engaged and Responsive



# Budget Trends

FY 2012 - FY 2019 (\$B)

Base and OCO



\* Includes OCO for Base purposes

FY14: \$3.1B OCO for Base Transfer

FY15: \$0.85B OCO for Base Transfer

FY16: \$2.7B OCO for Base Transfer

FY17: \$6.0B OCO for Base Transfer

FY18: \$0.2B OCO for Base Transfer

FY19: \$5.0B OCO for Base Transfer

**The FY 2019 Budget Builds upon the Readiness Improvements Started in FY 2017**



# FY 2019 Budget Themes

**The Army's FY 2019 Budget will help to ensure the Army increases our overmatch capability and remains the world's preeminent ground fighting force through investments in current and future readiness to deter adversaries and, when necessary, fight and win.**

- ❖ **Defeat Enemies in Ongoing Conflicts**
- ❖ **Increase Warfighter Readiness**
- ❖ **Increase Army's Capacity**
- ❖ **Invest in Army Modernization Priorities**
- ❖ **Increase Lethality and Combined Arms Overmatch**
- ❖ **Improve Rapid Response Readiness**
- ❖ **Invest in Critical Infrastructure**
- ❖ **Increase Global Security through Allies and Partners**
- ❖ **Reform Army Processes**
- ❖ **Support Soldiers, Civilians and their Families**



U.S. and Polish Soldiers conduct training: Poland



# FY 2019 Budget Request

(Base Funding Program)

\$B	FY17 Actuals	FY18 Request	FY19 Request
<b>Military Personnel</b>	<b>55.3</b>	<b>58.0</b>	<b>60.6</b>
<b>Operation and Maintenance<sup>1</sup></b>	<b>46.8</b>	<b>49.5</b>	<b>52.5</b>
<b>Procurement/RDTE</b>	<b>26.4</b>	<b>28.0</b>	<b>32.0</b>
<b>Military Construction/Family Housing/BRAC</b>	<b>1.6</b>	<b>2.3</b>	<b>2.0</b>
<b>Other Base (CAMD/AWCF/ANC)</b>	<b>0.9</b>	<b>1.2</b>	<b>1.2</b>
<b>Totals</b>	<b>131.1<sup>2</sup></b>	<b>138.9<sup>3</sup></b>	<b>148.4<sup>4</sup></b>

*Numbers may not add due to rounding*

Other Base: Chemical Agent and Munitions Destruction, Army Working Capital Fund, and Arlington National Cemetery

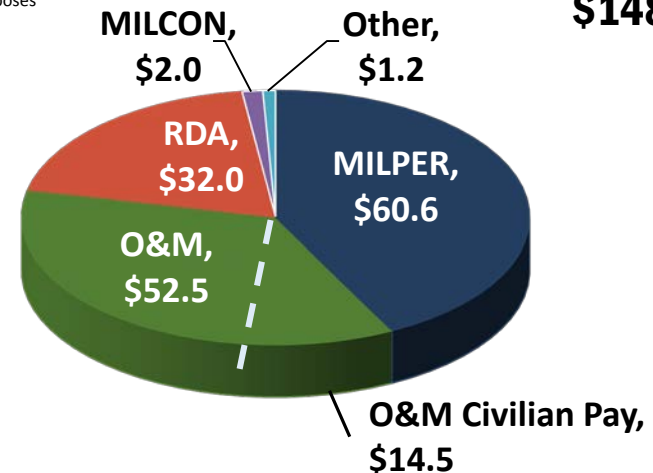
1: Includes Environmental Restoration Account (ERA) funding

2: Includes \$6.0B in OCO for Base purposes

3: Includes \$0.9B Missile Defeat and Defense Enhancement, \$0.6B Hurricane Supplemental and \$0.2B OCO for Base purposes

4: Includes \$5.0B in OCO for Base purposes

► **Base Request** ◀  
**\$148.4B**



- ❖ **The Army's topline base funding grew by 7% from the total FY18 budget request**
- ❖ **The FY19 base budget funds the Army's readiness requirements and the higher end strength:**
  - ❖ **Military Personnel 4.5% ▲**
  - ❖ **Operations & Maintenance 6.1% ▲**
  - ❖ **Procurement/RDTE (RDA) 14.3% ▲**



# Military End Strength

- ❖ Supports a Total Army end strength of **1,030,500 Soldiers**
- ❖ Increases end strength to continue rebuilding warfighting readiness and improving capability and lethality
- ❖ Grows Active Guard Reserve (AGR) full-time support for the Army National Guard and the Army Reserve



U.S. Soldiers participating in Exercise Noble Partner: Republic of Georgia

Component	FY17 Actuals	FY18 Budgeted	FY18 Authorized	FY19 Request
Regular Army	476,245	476,000	483,500	487,500
Army National Guard	343,603	343,000	343,500	343,500
Army Reserve	194,318	199,000	199,500	199,500
Totals	1,014,166	1,018,000	1,026,500 <sup>1</sup>	1,030,500

1: Authorized in the FY 2018 National Defense Authorization Act, Public Law No: 115-91





# Military Personnel

- ❖ **Compensates 1,030,500 end strength, including adjustments for pay, subsistence, housing allowances; continues to address retirement compensation**
- ❖ **Increases funding for Reserve Component Soldiers on active duty supporting missions**
- ❖ **Provides incentives to recruit and retain the All-Volunteer Force; includes recruiting and retention bonuses and education benefits**



U.S. Soldiers conduct Expert Field Medical Badge training: Republic of Korea

\$B	FY17 Actuals	FY18 Request	FY19 Request
Regular Army	39.7	41.5	43.7
Army National Guard	8.1	8.4	8.7
Army Reserve	4.5	4.8	5.0
Medicare Eligible Ret Health Care Fund	3.0	3.3	3.2
<b>Totals</b>	<b>55.3 <sup>1</sup></b>	<b>58.0</b>	<b>60.6</b>

*Numbers may not add due to rounding*

1: Includes \$0.3B in OCO for Base purposes

Requested Rate Increases (Effective 1 Jan 19)	FY19
Basic Pay	2.6%
Basic Allowance for Housing	2.9%
Basic Allowance for Subsistence	3.4%

# Operation and Maintenance (Regular Army)

## ❖ Trains the Force

- Resources 20 Combat Training Center rotations - 16 Regular Army and 4 ARNG
- Resources three additional Security Force Assistance Brigades (SFABs).

## ❖ Operates the Force

- Improves global posture; increased capacity (convert ABCT from IBCT)
- Focuses attention on pre-positioning and rotations in the Pacific and Europe

## ❖ Sustains the Force

- Prioritizes rapid global response and force projection readiness
- Improves the industrial base and ammunition management

## ❖ Installation/Enterprise Support

- Maintains commitment to Family and Soldier programs and installation support
- Improves facility sustainment; continues to invest in restoration and modernization



M777A2 Howitzer Training

\$B	FY17 Actuals	FY18 Request	FY19 Request
<b>Regular Army (OMA)</b>	<b>37.1<sup>1</sup></b>	<b>39.0<sup>2</sup></b>	<b>42.0<sup>3</sup></b>

*Numbers may not add due to rounding*

1: Includes \$3.6B in OCO for Base purposes

2: Includes \$20.1M in Hurricane Supplemental

3: Includes \$5.0B in OCO for Base purposes





# Operation and Maintenance (Reserve Components)

## ❖ Operation and Maintenance, Army National Guard

- Strengthens readiness through unit specific training
- Integrates into Global Army Missions
- Continues support to Family Programs
- Improves facility sustainment and restoration and modernization



Ohio Army National Guard Soldiers conduct training

## ❖ Operation and Maintenance, Army Reserve

- Creates new Ready Force units at Platoon (+) readiness level
- Provides capability for early enablers to deploy in 0-90 days
- Supports 79 functional and multifunctional support brigades
- Funds base operations for 3 installations and 707 Reserve centers



U.S. Army Reserve Soldiers: Operation Cold Steel II

\$B	FY17 <sup>1</sup> Actuals	FY18 <sup>2</sup> Request	FY19 Request
Army National Guard (OMNG)	6.9	7.4	7.4
Army Reserve (OMAR)	2.7	2.9	2.9

*Numbers may not add due to rounding*

1: Includes OCO for Base purposes for ARNG: \$140M; USAR: \$14M

2: Includes Hurricane Supplemental for ARNG: \$55M, USAR: \$12M



# Modernization Summary

\$B	FY17 Actuals	FY18 Request	FY19 Request
<b>Procurement Total</b>	<b>17.9</b>	<b>18.5</b>	<b>21.9</b>
<b>RDT&amp;E Total</b>	<b>8.6</b>	<b>9.4</b>	<b>10.2</b>
<b>Totals</b>	<b>26.5<sup>1</sup></b>	<b>27.9<sup>2</sup></b>	<b>32.1</b>

*Numbers may not add due to rounding*

1: Includes \$1.7B in OCO for Base purposes

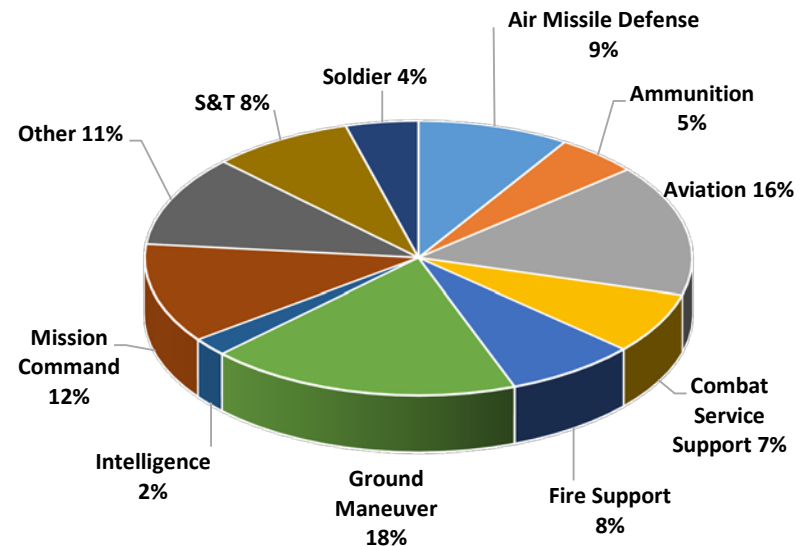
2: Includes FY18 Amendment for Missile Defense Defeat Enhancement (MDDE) and \$.2B in OCO for Base purposes

## Modernization Priorities

1. Long-Range Precision Fires
2. Next Generation Combat Vehicles
3. Future Vertical Lift
4. Army Network
5. Air and Missile Defense
6. Soldier Lethality

- ❖ **Fills critical capability gaps and improve lethality in munitions, and air and ground combat platforms**
  - **Increases modernization of Abrams, Bradley, Stryker, and Paladin combat vehicles**
  - **Increases procurement of critical missiles, rockets, and 155-mm artillery projectiles**
  - **Accelerates procurement of Joint Battle Command - Platform (JBC-P)**
- ❖ **RDT&E increases in: Mobile Protected Firepower, Combat Vehicle Prototyping, Long Range Precision Fires, Synthetic Training Environment and Short Range Air Defense (M-SHORAD).**

## ► \$32.1 B ◀ Capability Portfolios





# Procurement Summary

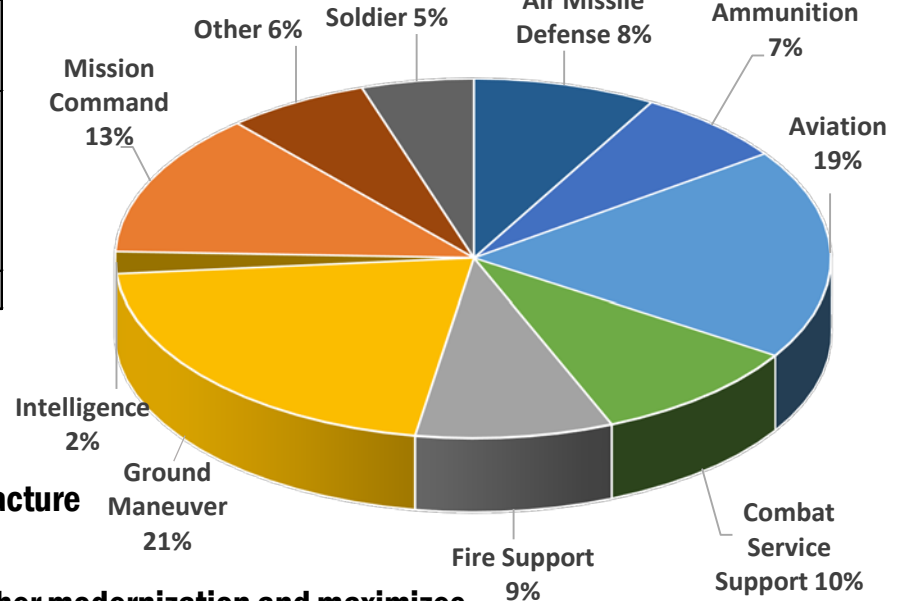
► **\$21.9 B** ◀  
**Capability Portfolios**

\$B	FY17 Actuals	FY18 Request	FY19 Request
<b>Aircraft</b>	<b>4.9</b>	<b>4.2</b>	<b>3.8</b>
<b>Missiles</b>	<b>2.4</b>	<b>3.6</b>	<b>3.4</b>
<b>Weapons &amp; Tracked Combat Vehicles (WTCV)</b>	<b>2.4</b>	<b>2.4</b>	<b>4.5</b>
<b>Ammunition</b>	<b>2.0</b>	<b>1.9</b>	<b>2.2</b>
<b>Other Procurement</b>	<b>6.2</b>	<b>6.5</b>	<b>8.0</b>
<b>Totals</b>	<b>17.9<sup>1</sup></b>	<b>18.6<sup>2</sup></b>	<b>21.9</b>

*Numbers may not add due to rounding*

1: Includes \$1.7B in OCO for Base purposes

2: Includes FY18 Amendment for Missile Defense Defeat Enhancement (MDDE) and \$.2B in OCO for Base purposes



- ❖ **Sustains Apache, Blackhawk and Chinook aircraft remanufacture and new builds**
- ❖ **Accelerates Multiple Launch Rocket Systems (MLRS) launcher modernization and maximizes procurement of key munitions Patriot Missile Segment Enhancement (MSE) missiles, Guided MLRS rockets, and Army Tactical Missile Systems (ATACMS)**
- ❖ **Accelerates modernization of Abrams, Bradley and Stryker fleets with mobility and lethality upgrades**
- ❖ **Sustains procurement of Paladin Integrated Management (PIM) and Joint Light Tactical Vehicle for Low Rate Initial Production (LRIP)**
- ❖ **Increases procurement of Joint Battle Command – Platform (JBC-P), baselining the force of the mounted mission command**





# Select Procurement Quantities (Base and OCO)



**Abrams**



**Bradley**



**Paladin**

Program	Quantities	
	FY18	FY19
AH-64E Apache Remanufacture	50	48
AH-64E Apache New Build	13	12
UH-60M Black Hawk	48	50
CH-47 Chinook	6	7
Abrams Upgrade	56	135
Bradley Upgrade/ MOD	195	210
Armored Multi-Purpose Vehicle (AMPV)	107	197
Paladin Integrated Management (PIM)	71	36
Joint Light Tactical Vehicle (JLTV)	2,498	3,390
Guided MLRS Rocket (GMLRS)	6,084	9,450
MSE Missile	240	240
ATACMS Service Life Extension Program (SLEP)	122	404
Javelin	572	784
155mm Artillery Projectile	16,573	148,287
Joint Battle Command - Platform (JBC-P)	16,552	26,355



**Apache**



**Black Hawk**



**Chinook**



**JLTV**



**GMLRS**



**AMPV**



# RDT&E Summary

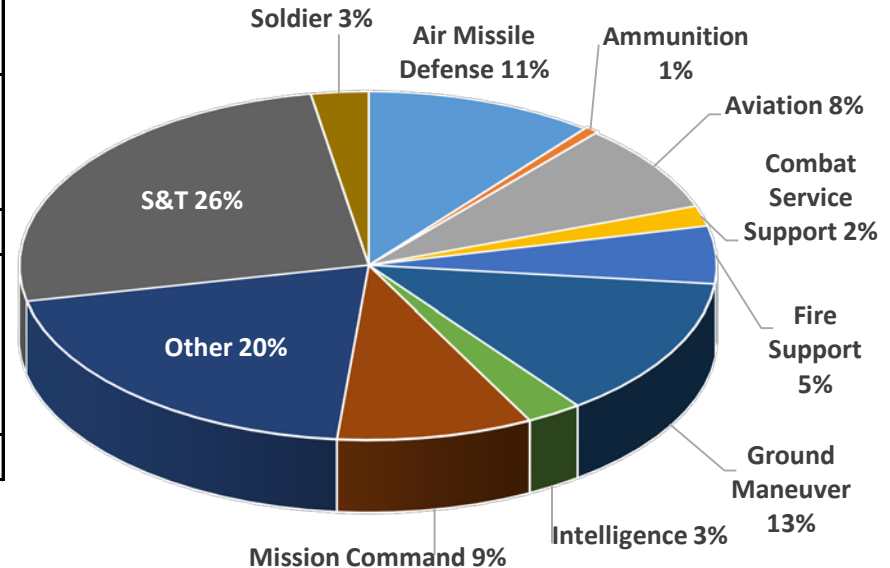
► **\$10.2 B** ◀  
**Capability Portfolios**

\$B	FY17 Actuals	FY18 Request	FY19 Request
<b>Basic Research</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
<b>Applied Research</b>	<b>1.2</b>	<b>0.9</b>	<b>0.9</b>
<b>Advanced Technology Dev.</b>	<b>1.4</b>	<b>1.1<sup>2</sup></b>	<b>1.0</b>
<b>S&amp;T Subtotal</b>	<b>3.1</b>	<b>2.4</b>	<b>2.3</b>
<b>Demonstration/Validation</b>	<b>0.6</b>	<b>0.9</b>	<b>1.3</b>
<b>Engineering Manufacturing Dev.</b>	<b>2.3</b>	<b>3.0</b>	<b>3.2</b>
<b>Testing &amp; Management Support</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>
<b>Operational System Development</b>	<b>1.3</b>	<b>1.9</b>	<b>1.9</b>
<b>Totals</b>	<b>8.6<sup>1</sup></b>	<b>9.4</b>	<b>10.2</b>

*Numbers may not add due to rounding*

1: Includes \$70M in OCO for Base purposes

2: Includes FY18 Amendment for Missile Defense Defeat Enhancement (MDDE)



- ❖ **Comprehensive realignment of the Science and Technology (S&T) portfolio towards the Army's priorities (Realigned \$234M in FY19)**
- ❖ **Increases investments in Mobile Protected Firepower, Combat Vehicle Prototyping, Long Range Precision Fires, Synthetic Training Environment, Short Range Air Defense (M-SHORAD), and Future Tactical Unmanned Aircraft Systems (FTUAS)**
- ❖ **Continues Combat Vehicle Improvement Programs, Soldier Night Vision Devices, and Electronic Warfare Development to increase lethality and maintain combat arms overmatch**



# Facilities

- ❖ **These projects recapitalize poor and failing facilities as well as building new facilities that meet unit demand. Provides construction of new facilities across all three components.**
  - **Regular Army: 19 projects, \$1,012M**
  - **Army National Guard: 8 projects, \$180M**
  - **Army Reserve: 2 projects, \$65M**
- ❖ **Supports U.S. and overseas Army Family Housing operation and maintenance, leases, and construction (6 projects, \$331M)**
- ❖ **Supports environmental remediation actions at sites closed during prior BRAC rounds.**



Unmanned Aerial Vehicle Hanger, Fort Carson

\$M	FY17 Actuals	FY18 Request	FY19 Request
<b>Military Construction</b>	<b>1,005</b>	<b>1,724<sup>1</sup></b>	<b>1,257</b>
<b>Army Family Housing</b>	<b>480</b>	<b>529</b>	<b>707</b>
<b>Base Realignment and Closure</b>	<b>133</b>	<b>58</b>	<b>63</b>
<b>Totals</b>	<b>1,618</b>	<b>2,311</b>	<b>2,027</b>

*Numbers may not add due to rounding*

1: Includes \$0.5B Hurricane supplemental





# Other Base Accounts

## ❖ Cemeterial Expenses, Army (Arlington National Cemetery)

- Provides for operation, maintenance, infrastructure revitalization and construction at Arlington National Cemetery in Arlington, Virginia, and the Soldiers' and Airmen's Home National Cemetery in Washington, D.C.
- ANC is the final resting place for Service Members, Veterans, and their Families; as an active cemetery, hosts more than 7,000 burials annually



Arlington National Cemetery

## ❖ Chemical Agent and Munitions Destruction (DoD Program)

- Provides for destruction of US inventory of lethal chemical agents and munitions as outlined in the Chemical Weapons Convention
- Chemical Agent-Destruction continues at Blue Grass and Pueblo Pilot Plants
- Continues the chemical stockpile preparedness program

## ❖ Army Working Capital Fund

- Provides for the acquisition of secondary items for Army Prepositioned Stocks
- Sustains industrial base equipment required for mobilization

\$M	FY17 Actuals	FY18 Request	FY19 Request
Army National Cemetery and Construction	71	71	71
Chemical Agent and Munitions Destruction	651	962	994
Army Working Capital Fund	197	84	159

*Numbers may not add due to rounding*

# Overseas Contingency Operations

Appropriation (\$M)	FY17 Actuals	FY18 Request	FY19 Request
<b>Military Personnel (MILPERS)</b>	<b>2,287</b>	<b>2,893</b>	<b>3,161</b>
<b>Operation &amp; Maintenance (O&amp;M)</b>	<b>15,925</b>	<b>17,132</b>	<b>18,363</b> <sup>5</sup>
<b>Research, Development, &amp; Acquisition (RDA)</b>	<b>3,610</b>	<b>2,692</b> <sup>4</sup>	<b>5,289</b>
<b>Military Construction, Army (MCA)</b>	<b>30</b>	<b>140</b>	<b>261</b>
<b>Working Capital Fund (AWCF)</b>	<b>48</b> <sup>3</sup>	<b>50</b>	<b>7</b>
<b>Army Subtotal</b>	<b>21,900</b>	<b>22,907</b>	<b>27,081</b>
<b>Counter-Islamic State of Iraq and Syria Train and Equip Fund</b> <sup>1</sup>	<b>1,438</b>	<b>1,769</b>	<b>1,400</b>
<b>Afghan Security Forces Fund</b>	<b>4,263</b>	<b>4,938</b>	<b>5,199</b>
<b>Iraq Train &amp; Equip Fund</b>	<b>290</b>	<b>-</b>	<b>-</b>
<b>Joint Improvised Explosive Device Defeat Fund</b> <sup>2</sup>	<b>88</b>	<b>-</b>	<b>-</b>
<b>Passthrough / Transfer Accounts Subtotal</b>	<b>6,079</b>	<b>6,707</b>	<b>6,599</b>
<b>Totals</b>	<b>27,979</b>	<b>29,614</b>	<b>33,680</b>

*Numbers may not add due to rounding*

1: The Iraq and Syria Train & Equip Funds were combined into a single Counter-ISIS Train & Equip fund in FY17

2: The Joint Improvised Explosive Device Defeat mission has been assumed by a new DOD organization for FY17 and beyond. Partial FY16 and FY17 JIEDDF funding information can be found in the DOD Budget Materials.

3: Army Working Capital FY17 numbers reflect enacted appropriations

4: Does not include \$0.2B OCO for Base purposes.

5: Does not include \$5.0B OCO for Base purposes

❖ **Operation FREEDOM's SENTINEL (Afghanistan; Horn of Africa)**  
includes Operation Spartan Shield (CENTCOM)

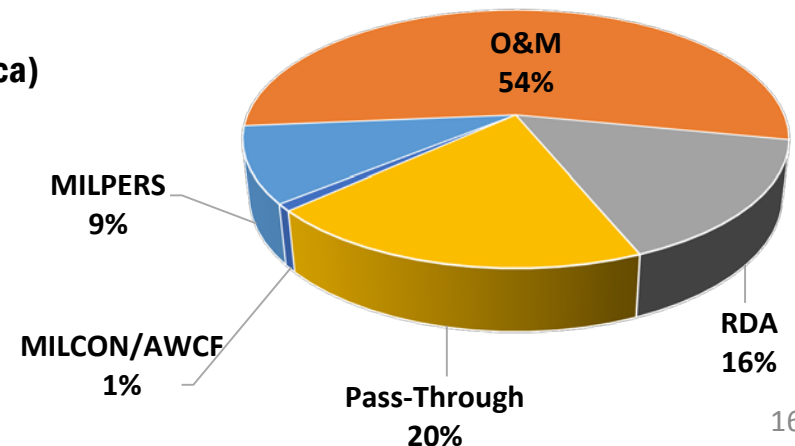
❖ **Operation INHERENT RESOLVE (Iraq)**

❖ **European Deterrence Initiative (Europe)**

❖ **Afghan Security Forces Fund**

❖ **Counter-ISIS Train & Equip Fund**

► **OCO Request** ◀  
**\$33.7B**





# CONCLUSION

## **The Army's FY19 President's Budget request:**

- ❖ **Defeat Enemies in Ongoing Conflicts**
- ❖ **Increase Warfighter Readiness**
- ❖ **Increase Army's Capacity**
- ❖ **Invest in Army Modernization Priorities**
- ❖ **Increase Lethality and Combined Arms Overmatch**
- ❖ **Improve Rapid Response Readiness**
- ❖ **Invest in Critical Infrastructure**
- ❖ **Increase Global Security thru Allies and Partners**
- ❖ **Reform Army Processes**
- ❖ **Support Soldiers, Civilians and their Families**

**Resources a More Capable Army Ready to Compete, Deter, and Win**





# The FY 2019 Army Budget Request

***Warfighter Readiness is the US Army's  
Number One Priority***

<https://www.asafm.army.mil/offices/bu/content.aspx?what=BudgetMaterials>



## **FOR ADDITIONAL INFORMATION**

**This overview provides the highlights of the Army's Budget submitted to the Congress as part of the FY 2019 President's Budget.**

**All Army budget materials are available to the public on the Assistant Secretary of the Army (Financial Management and Comptroller) website.**

**<https://www.asafm.army.mil/offices/bu/content.aspx?what=BudgetMaterials>**

**Army Strong!**

**<http://www.army.mil>**