



FY05 Budget Overview



A Campaign Quality Army with a Joint Expeditionary Mindset



Our Army at War...Relevant and Ready

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Director, Army Budget
January 30, 2004***



Army FY 05 Budget Themes



- ❖ Provide Ready Land Force Capabilities to Combatant Commanders for The Global War On Terrorism (Current Readiness)
- ❖ Provide Soldiers With the Best Available Capabilities to Conduct Operations (Current Readiness)
- ❖ Take care of Soldiers and their Families and Sustain the Quality of the Force (People)
- ❖ Enhance Installations as Power Projections and Support Platforms (Current Readiness/People)
- ❖ Develop The Future Combat System / Complementary Systems and Sustain Commitment For Six Stryker Brigade Combat Teams (Future Force)

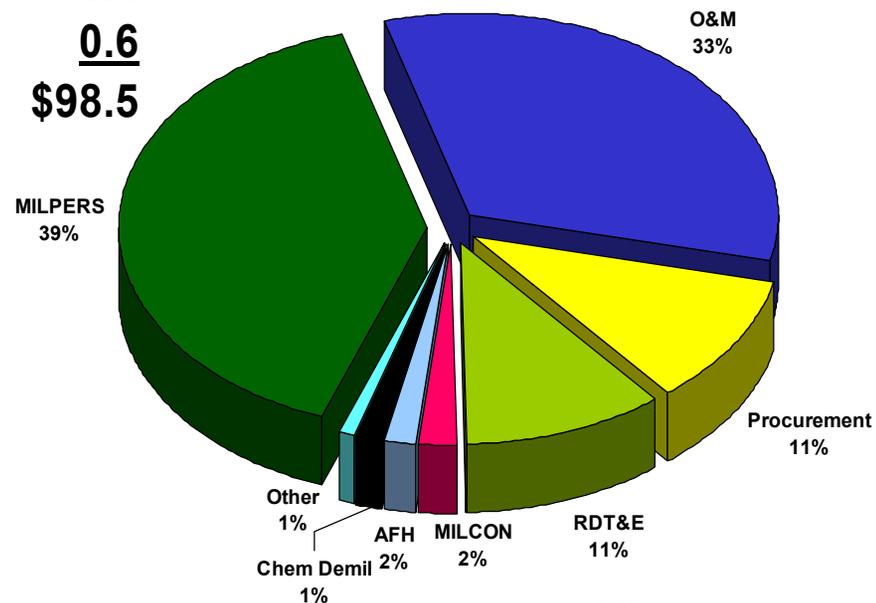
**The FY 05 Budget Is Another Step Toward the Future Force,
While Sustaining an Army at War**



Budget Requests Comparison



\$B	FY 03	FY 04	FY 05
<u>Category</u>	<u>Pres Bud</u>	<u>Pres Bud</u>	<u>Pres Bud</u>
MILPERS	\$35.6	\$37.4	\$39.4
O&M	30.6	31.1	32.6
Procurement	12.4	10.8	10.4
RDT&E	6.9	9.1	10.4
MILCON	1.6	1.8	2.1
AFH	1.4	1.4	1.6
Chem Demil	1.4	1.7	1.4
Other	<u>1.1</u>	<u>0.6</u>	<u>0.6</u>
	\$91.0	\$93.9	\$98.5



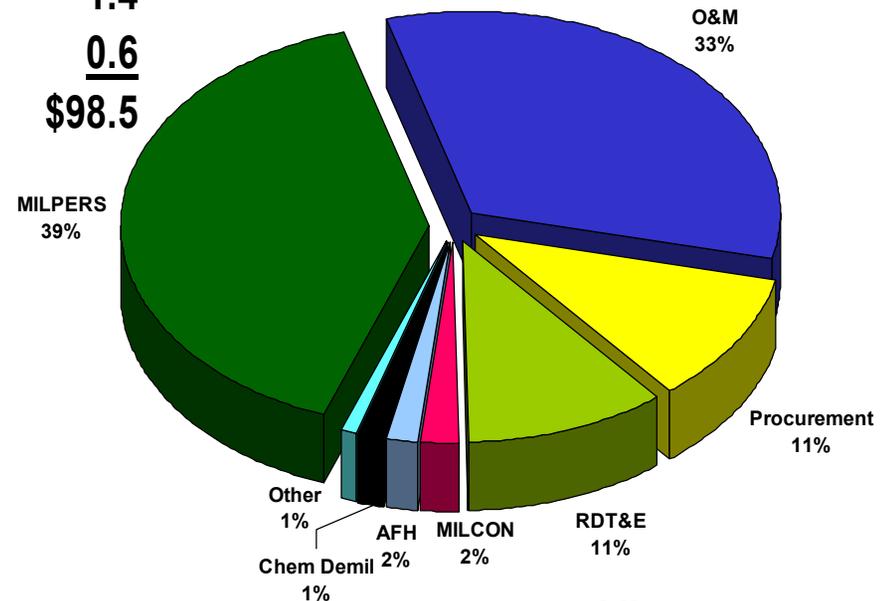


Total Obligation Authority



\$B	FY 03	FY 04	FY 04	FY 05
Category	Actuals*	APPN	w/ SUPP	Pres Bud
MILPERS	\$44.2	\$37.3	\$50.2	\$39.4
O&M	51.0	31.4	55.5	32.6
Procurement	14.4	11.8	12.8	10.4
RDT&E	7.6	10.4	10.4	10.4
MILCON	1.9	1.8	1.9	2.1
AFH	1.4	1.4	1.4	1.6
Chem Demil	1.4	1.5	1.5	1.4
Other	<u>0.2</u>	<u>0.2</u>	<u>0.8</u>	<u>0.6</u>
	\$122.1	\$95.8	\$134.5	\$98.5

* Includes Supplemental Funding





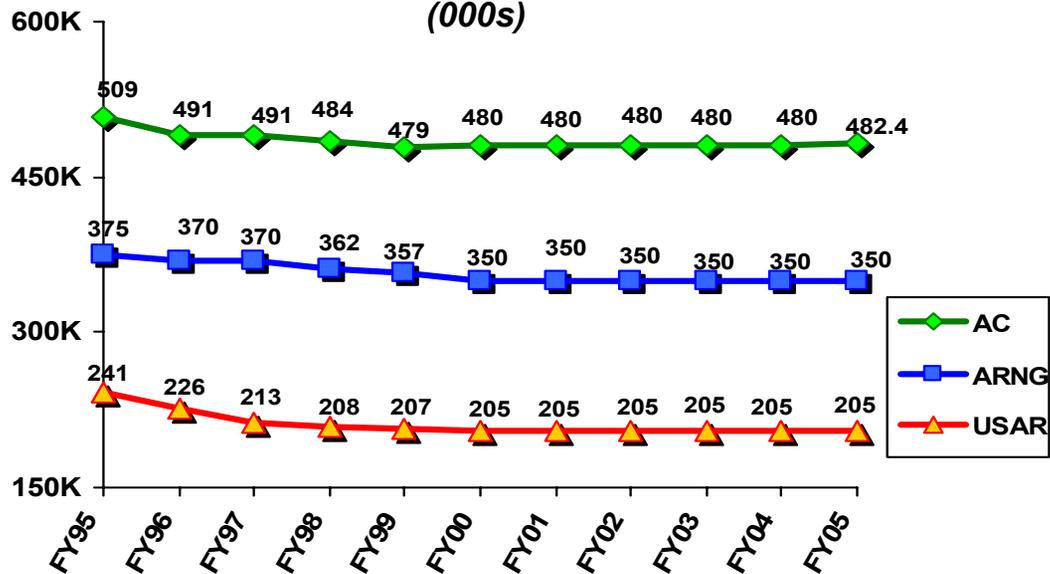
Military Personnel Summary



Man the Force

- ❖ Funds the Active Force to 482.4K End Strength
- ❖ Supports the Reserve Component (RC) at 555K End Strength
- ❖ Reflects an average pay raise of 3.5%
- ❖ Eliminates out of pocket expenses for BAH
- ❖ Continues Residential Communities Initiative

Personnel End Strength FY95-FY05
(000s)





Operations & Maintenance Summary



Readiness

- ❖ Supports Combined Arms Training Strategy For Air & Ground OPTEMPO
- ❖ Supports Ongoing Balkans Operations, But Relies On Supplemental For OIF/OEF
- ❖ Fully Funds Flight School XXI
- ❖ Training Enablers Increased For Battle Simulation Centers
- ❖ Supports Mil-to-Civ Conversions
- ❖ Continues AT/FP Initiatives & Critical Soldier Protection

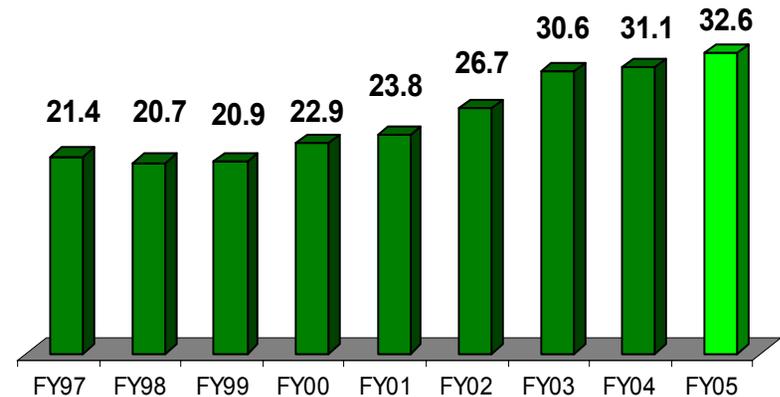
Sustainment

- ❖ Maintains Army's Depot Maintenance Program
- ❖ Fully Funds RECAP Systems
- ❖ Meets Congressional Floor For Conventional Ammunition Management

Base Ops & Sustainment, Restoration & Modernization:

- ❖ Sustainment Increased To 95% Of Requirements
- ❖ Increase In Base Operations Funding To 70% Of Requirements

Budget Request (\$B)





Procurement Summary



❖ Continues Transformation Momentum

- 5th SBCT
- Aviation Modernization

❖ Supports Force Protection

❖ Procures Ammunition

- Training Ammo at C-2
- War Reserves

❖ Kills/Terminates 14 Systems (\$185M FY05 Savings for FCS, Complementary Systems & Cruise Missile Defense)

❖ Reduces/Restructures 15 Systems (\$221M FY05 Savings)

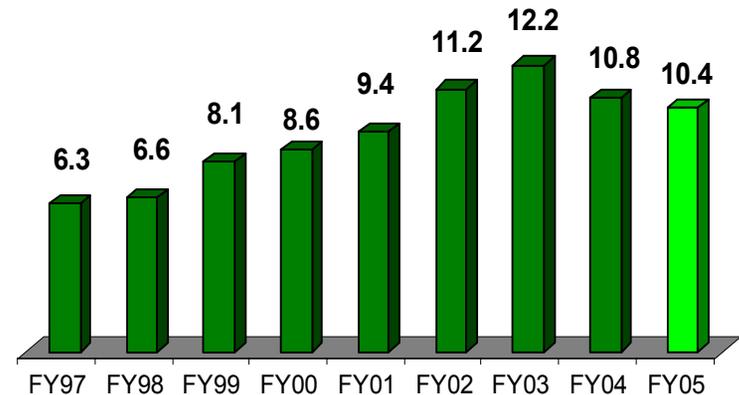
❖ Continues Procurement Of PAC-3

❖ Up-Armored HMMWVs

❖ Rapid Fielding Initiative

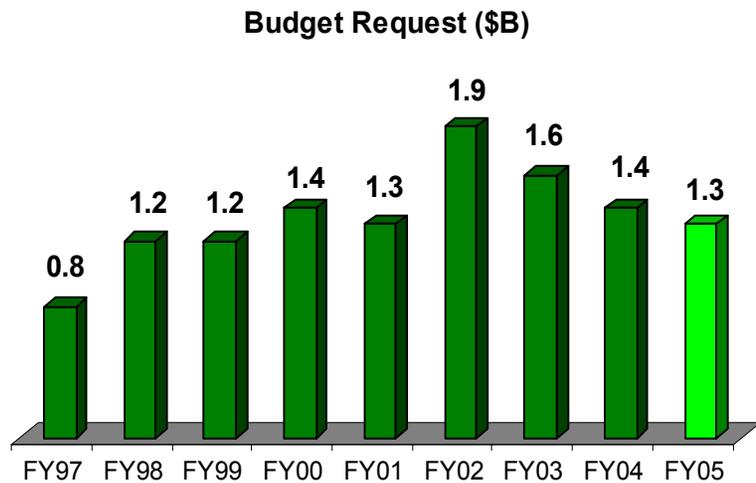
❖ FMTV

Budget Request (\$B)





Missiles



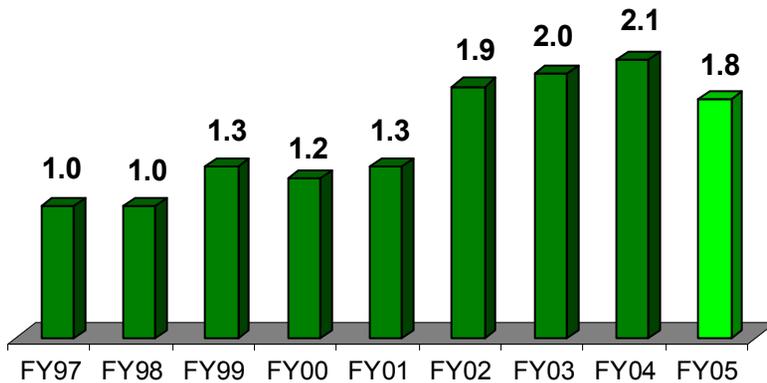
- ❖ Patriot Programs (PAC-3 & MODS)
- ❖ Javelin
- ❖ HIMARS Launcher
- ❖ Guided Multiple Launch Rocket System (GMLRS)
- ❖ ATACMS Block I
- ❖ LOSAT



Aircraft



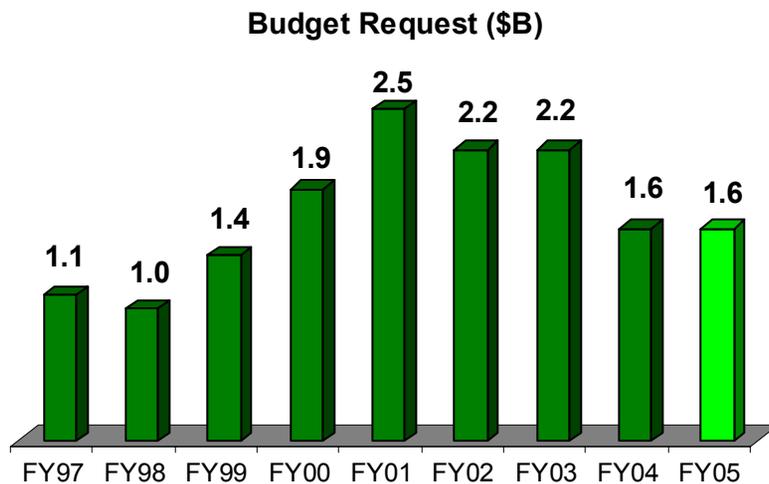
Budget Request (\$B)



- ❖ Longbow Apache “A” to “D” conversion
- ❖ Black Hawk
- ❖ CH-47 conversions and engines



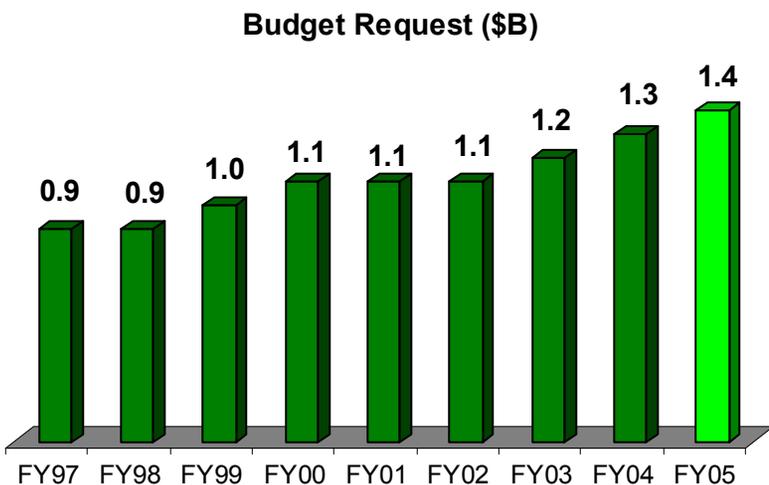
Weapons/Tracked Combat Vehicles



- ❖ Stryker
- ❖ M1 Abrams Modifications
- ❖ Extends M1A2 SEP to modernize 3 ACR
- ❖ Extends Bradley modernization for 3 ACR
- ❖ Continues RFI to improve soldier equipment (optics & weapon items)



Ammunition



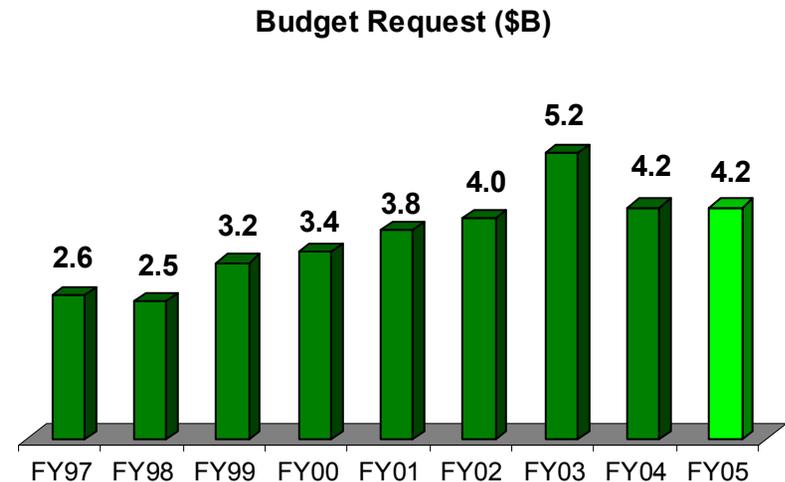
- ❖ Training ammunition at C2
- ❖ Modest War Reserves Procurement
- ❖ Munitions Demilitarization
- ❖ Begins procurement of Excalibur



Other Procurement Army



- ❖ HMMWV (Up Armored)
- ❖ Rapid Fielding Initiative
- ❖ Family of Medium/Heavy Tactical Trucks
- ❖ FBCB2
- ❖ Satellite Communications

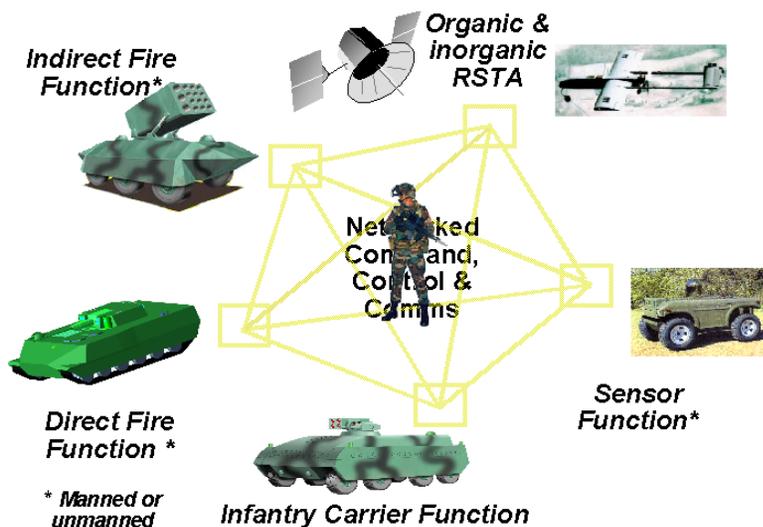




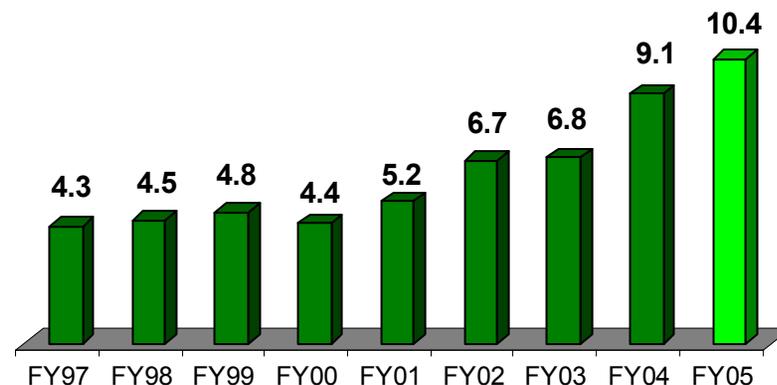
Research, Development, Testing, and Evaluation



- ❖ Creates The Military Of The Future... Continues System Development & Demonstration For Future Combat Systems
- ❖ Supports Future NLOS Fires
- ❖ Furthers Precision Munitions Development
- ❖ Sustains S&T
- ❖ Funds JTRS
- ❖ Funds WIN-T development



Budget Request (\$B)





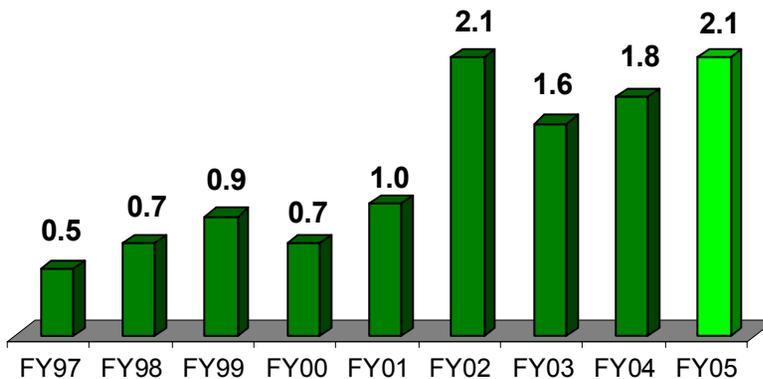
Military Construction



Improves Facilities Across the Army...

- ❖ Continues Top Priority Whole Barracks Renewal
- ❖ Supports Transformation
- ❖ Supports Readiness with Facilities for Training, Deployment, & Infrastructure Revitalization
- ❖ Provides Reserve Component Readiness Facilities

Budget Request (\$B)

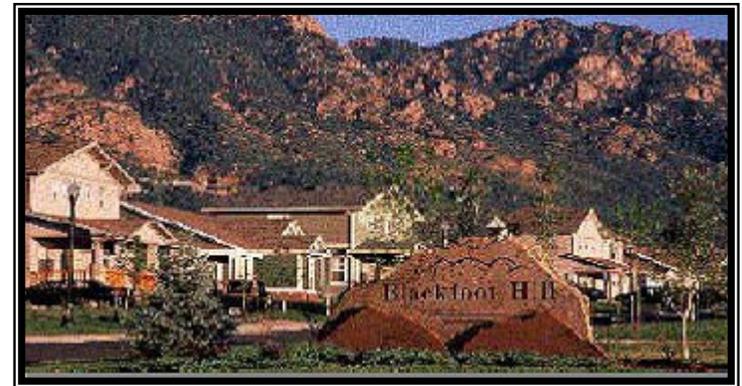
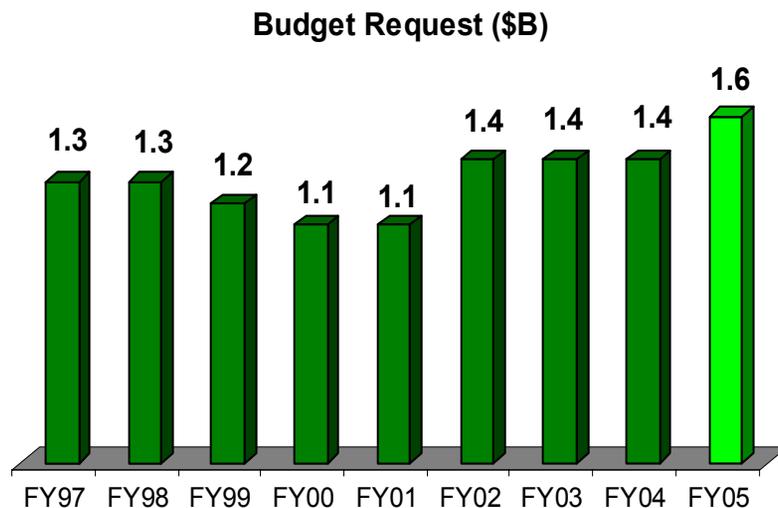




Family Housing



- ❖ **FY05 Budget Upgrades 14,000 Family Housing Units By Construction and Privatization**
- ❖ **Public Private Partnerships Build, Renovate & Sustain Housing With Rental Income From Soldier With 50-Year Contracts**

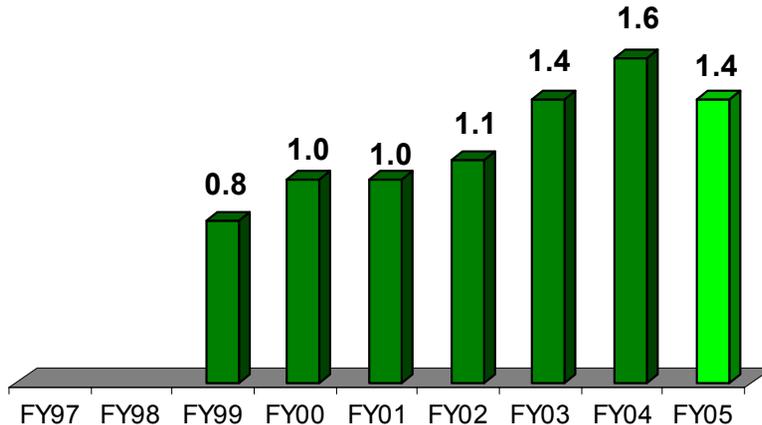




Chemical Demilitarization



Budget Request (\$B)



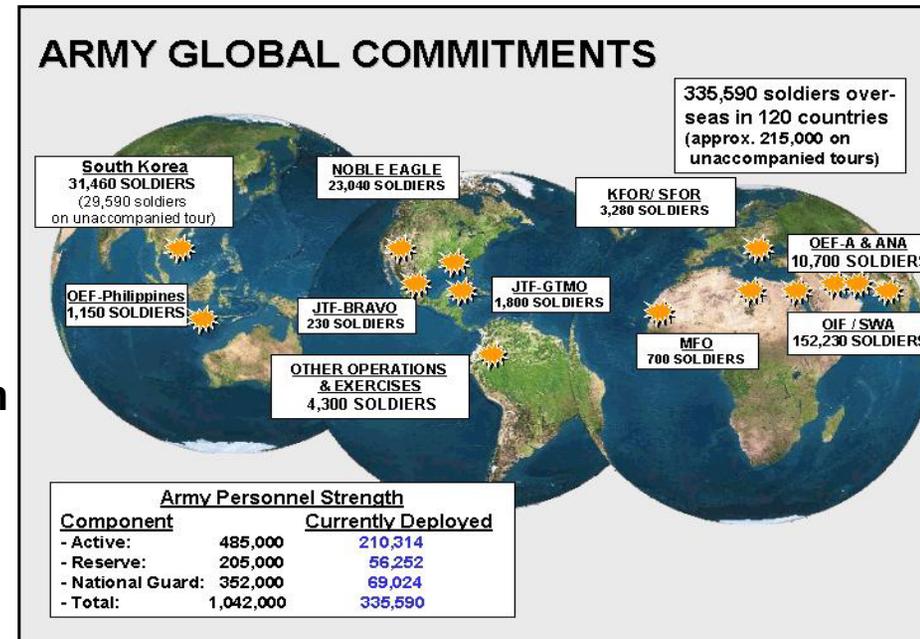
- ❖ 73% of appropriation supports ongoing demilitarization activities
- ❖ 13% supports development of alternate destruction methods
- ❖ 5% for construction of demilitarization facilities (DoD is now funding in Chem Demil Construction, Defense)
- ❖ 9% for procurement of Chemical Demilitarization and Emergency Preparedness Program equipment



FY 05 Budget Summary



- ❖ The Army is Relevant and Ready to meet today's challenges
- ❖ We are changing:
 - Incorporating next generation capabilities into current systems
 - Becoming more Joint and Expeditionary
- ❖ The Army faces some tough Challenges
 - Winning the Global War on Terrorism
 - Maintain Campaign Qualities
 - Modernization
 - OPTEMPO is high
 - FY05 Supplemental: Amount?, Composition?, Timing?
 - Sustained Operations and Deployments
- ❖ The Army has never failed the American People, and we never will.





The Soldier's Creed

I am an American Soldier.

I am a Warrior and a member of a team.

I serve the people of the United States and live the Army Values.

WARRIOR
ETHOS

I will always place the mission first.

I will never accept defeat.

I will never quit.

I will never leave a fallen comrade.

I am disciplined, physically and mentally tough,
trained and proficient in my Warrior tasks and drills.

I always maintain my arms, my equipment and myself.

I am an expert and I am a professional.

I stand ready to deploy, engage, and destroy the enemies
of the United States of America in close combat.

I am a guardian of freedom and the American way of life.

I am an American Soldier.



Questions?