



**U.S.ARMY**

# **Army FY08/09 Budget Overview**

**MG Edgar E. Stanton III  
Director of the Army Budget**

**February 2007**





U.S. ARMY

# Army FY08/09 Budget Themes

---

- ❖ Win the Long War
- ❖ Sustain the All-Volunteer Force with Improved Quality of Life
- ❖ Build Readiness for Today and Tomorrow's Challenges
- ❖ Accelerate the Future Force Modernization Strategy and Implementation
- ❖ Re-station Army Forces in Line with the Global Defense Posture Realignment and BRAC/MILCON Strategy



U.S. ARMY

# The FY08 Budget Development

- ❖ Quadrennial Defense Review (QDR) strategy published in February 2006
- ❖ Fiscal Guidance for FY08 of \$116.0B received in April 2006
  - ◆ Attempted to build program to support QDR
  - ◆ Determined strategy far exceeded resources
  - ◆ Initiated Issue Team Review (DOD/Joint Staff/Army)

Issue Team Organization

Manning

Sustaining

Installations

Training

Stationing

Equipping

- ❖ Issue Teams concluded that \$116.0B was insufficient to meet the QDR strategy
- ❖ Fiscal guidance revised to \$123.0B in October 2006
- ❖ Army FY08 Budget of \$130.0B reflects revised guidance plus recent Presidential decision to increase the size of the Army



U.S. ARMY

# Growing the Army

*To mitigate the increasing demand....*

- ❖ Active Army grows ~65,000 and Reserve Components ~9,000 by FY13
  - ◆ Builds a total of 76 Combat Brigades (48 AC/28 RC) and over 200 Support Brigades
  - ◆ Results in new end-strengths:

End-Strength	FY07		FY13
Active Army	482,400	→	547,400
Army National Guard	350,000	→	358,200
Army Reserve	200,000	→	206,000

- ❖ Increases surge capacity to 21-22 Brigade Combat Teams
- ❖ Addresses evolving requirements and lessons learned
- ❖ Mitigates support unit shortfall by further Reserve Component rebalancing
- ❖ Improves Active Army dwell time by FY13 with assured access to the Reserve Components

**Grows 6 Active Army BCTs with associated enabler support units between FY08 and FY13**



U.S. ARMY

# Army Budget Authority

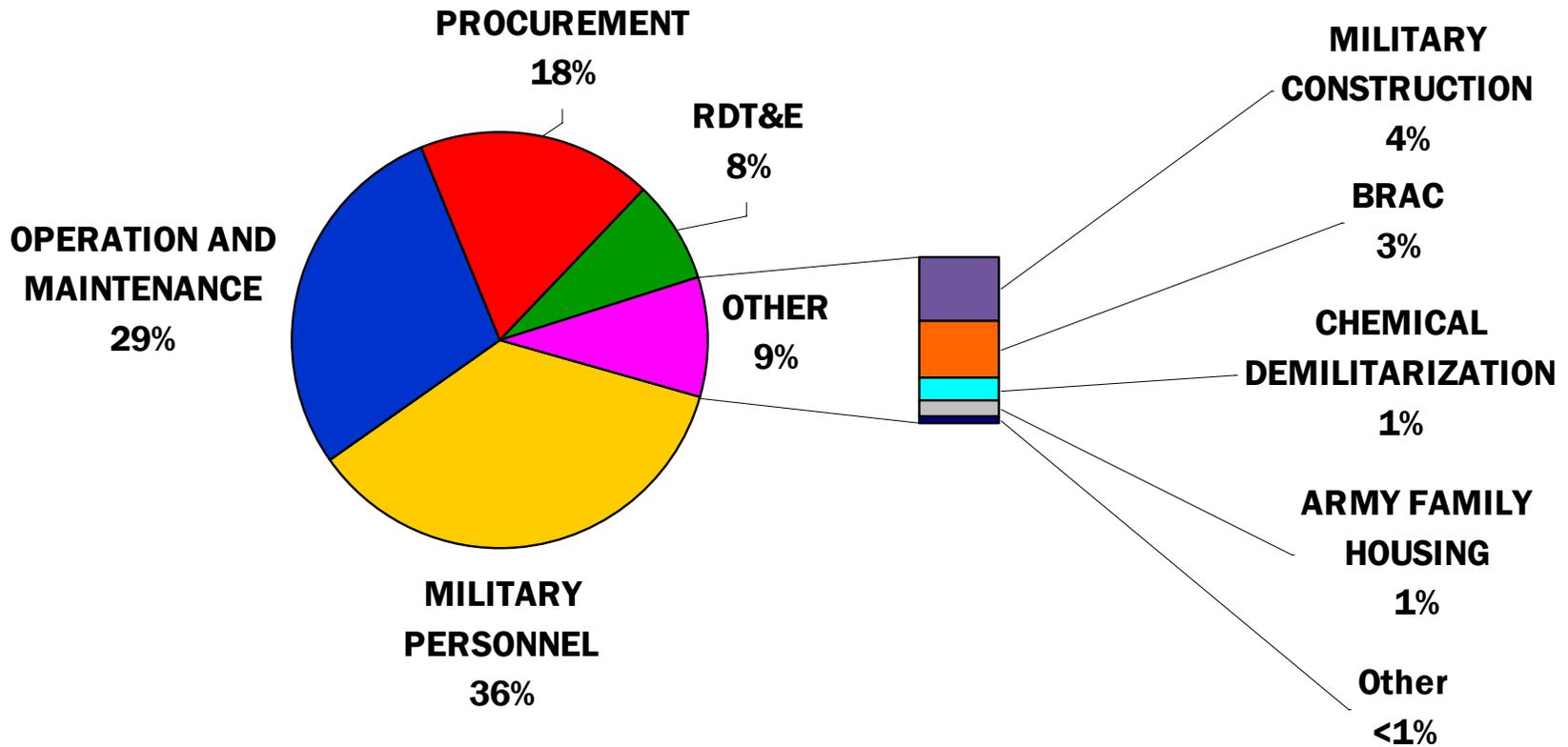
<b>President's Budget Requests (\$B)</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Military Personnel</b>	<b>43.1</b>	<b>46.2</b>	<b>51.3</b>
<b>Operation and Maintenance</b>	<b>31.7</b>	<b>37.7</b>	<b>40.4</b>
<b>Procurement</b>	<b>15.4</b>	<b>23.8</b>	<b>26.2</b>
<b>RDT&amp;E</b>	<b>11.0</b>	<b>10.6</b>	<b>9.8</b>
<b>Military Construction</b>	<b>2.7</b>	<b>4.6</b>	<b>5.7</b>
<b>Army Family Housing</b>	<b>1.3</b>	<b>1.2</b>	<b>1.5</b>
<b>Base Realignment and Closure</b>	<b>3.7</b>	<b>4.1</b>	<b>3.8</b>
<b>Chemical Demilitarization</b>	<b>1.3</b>	<b>1.5</b>	<b>1.4</b>
<b>Other</b>		<b>0.5</b>	<b>0.6</b>
<b>Totals</b>	<b>110.1</b>	<b>130.0</b>	<b>140.7</b>

Totals may not add due to rounding.



U.S. ARMY

# FY08/09 Budget Authority





U.S. ARMY

# FY08/09 Army Budget Request

President's Budget Request (\$M)	FY08	FY09
<b>Military Personnel</b>	<b>46,192.8</b>	<b>51,289.2</b>
Military Personnel, Army	31,623.9	35,726.4
Reserve Personnel, Army	3,734.6	3,879.0
National Guard Personnel, Army	5,959.1	6,195.5
Retiree Health Care	4,875.2	5,488.3
<b>Operation and Maintenance</b>	<b>37,708.1</b>	<b>40,402.8</b>
Operation and Maintenance, Army	28,925.0	31,317.0
Operation and Maintenance, Army Reserve	2,508.1	2,569.9
Operation and Maintenance, Army National Guard	5,840.2	6,064.6
Environmental Restoration Fund, Army	434.9	451.3
<b>Research, Development, and Acquisition</b>	<b>34,342.6</b>	<b>35,987.1</b>
Aircraft Procurement, Army	4,179.8	5,172.9
Missile Procurement, Army	1,645.5	1,694.7
Other Procurement, Army	12,647.1	13,433.7
Procurement of Ammunition, Army	2,190.6	2,405.3
Weapons and Tracked Combat Vehicles	3,090.0	3,486.2
Research, Development, Test, and Evaluation	10,589.6	9,794.4
<b>Military Construction / Army Family Housing</b>	<b>5,725.5</b>	<b>7,184.8</b>
<b>Base Realignment and Closure</b>	<b>4,089.5</b>	<b>3,765.4</b>
<b>Chemical Demilitarization</b>	<b>1,455.7</b>	<b>1,434.4</b>
<b>Other</b>	<b>505.0</b>	<b>602.2</b>
<b>Totals</b>	<b>130,019.2</b>	<b>140,665.9</b>



U.S. ARMY

# Military Personnel Summary

## Program Highlights – Man the Force

- ❖ Funds Active and Reserve end-strength to support National Defense Strategy

End-Strength	FY07	FY08	FY09	FY13
Active Army	482,400	489,400	532,400	547,400
Army National Guard	350,000	351,300	352,600	358,200
Army Reserve	200,000	205,000	205,000	206,000

- ❖ Reflects across-the-board pay raise for military: FY08 -- 3.0% and FY09 -- 3.4%
- ❖ Supports permanent end-strength growth of one Brigade Combat Team with combat support and combat service support
- ❖ Supports Residential Communities Initiative at 38 sites
- ❖ Funds incentives to support the All-Volunteer Force

Budget Request (\$M)	FY08	FY09
Active Army	31,624	35,726
Army National Guard	5,959	6,196
Army Reserve	3,735	3,879
Retiree Health Care	4,875	5,488
<b>Totals</b>	<b>46,193</b>	<b>51,289</b>



U.S. ARMY

# Operation and Maintenance Summary

Budget Request (\$M)	FY08	FY09
Active Army	28,925	31,317
Army National Guard	5,840	6,065
Army Reserve	2,508	2,570
Sub-totals	37,273	39,952
Environmental Restoration	435	451
Totals	37,708	40,403

## Program Supports:

- ❖ The Army's commitment to the National Defense Strategy as defined in the Quadrennial Defense Review
- ❖ The New Force Structure defined by Brigade Combat Teams (41), Multi-functional Support Brigades (35) and Functional Support Brigades (39) in FY 2008
- ❖ Quality of Life services for Soldiers and their families
- ❖ Maintenance and sustainment of weapon systems at depot level and below
- ❖ Recruiting and training for the All Volunteer Force



U.S. ARMY

# Procurement Summary

Budget Request (\$M)	FY08	FY09
Aircraft	4,180	5,173
Missiles	1,645	1,695
Ammunition	2,191	2,405
Weapons and Tracked Combat Vehicles	3,090	3,486
Tactical and Support Vehicles	6,874	7,203
Communications and Electronics	5,773	6,231
<b>Totals</b>	<b>23,753</b>	<b>26,193</b>

- ❖ **Funding supports:**
  - ◆ **Modular Brigade Structure**
  - ◆ **Lessons learned from Global War on Terror**
  - ◆ **Filling authorized equipment shortages**
  - ◆ **Growing the Force**
- ❖ **Funding falls primarily into *Move, Shoot, Communicate, Force Protection* categories**



U.S. ARMY

# Aircraft Procurement



UH-60 Black Hawk Helicopter

Budget Request (\$M)	FY08	FY09
Aircraft Procurement	4,180	5,173

- ❖ **The FY08/09 Aviation budget supports the Aviation Modernization Plan**
  - ◆ Replaces the OH-58D Kiowa Warrior helicopter with the Armed Reconnaissance Helicopter
  - ◆ Procures new UH-60M/HH-60M Black Hawk helicopters to meet increased modular force requirements and improve reliability, maintainability and sustainability
  - ◆ Begins replacement of aging C-12, C-23 and C-26 fixed wing aircraft with the Joint Cargo Aircraft
  - ◆ Continues modernization of the AH-64 Apache helicopter fleet
  - ◆ Replaces aging UH-1 Iroquois and OH-58 Kiowa helicopters with the commercial off-the-shelf Light Utility Helicopter



U.S. ARMY

# Missiles and Ammunition Procurement



Guided Multiple Launch Rocket System



Machine gun ammunition



Abrams Tank Ammunition  
M829A2 SABOT Anti-tank

Budget Request (\$M)	FY08	FY09
Missile Procurement	1,645	1,695
Ammunition Procurement	2,191	2,405
<b>Totals</b>	<b>3,836</b>	<b>4,100</b>

- ❖ Completes buys in FY09 for Patriot Advanced Capability-3 and Javelin anti-tank missile
- ❖ Continues focus on current and more modern missiles
- ❖ Supports Army's training strategy for small arms by fully funding critical Global War on Terrorism training ammunition
- ❖ Modernizes the Ammunition Production Base



U.S. ARMY

# Weapons and Tracked Combat Vehicles



Stryker

Budget Request (\$M)	FY08	FY09
<b>Weapons and Tracked Combat Vehicles</b>	<b>3,090</b>	<b>3,486</b>

- ❖ Buys the NBC Reconnaissance Vehicle and Mobile Gun System variants of Stryker to backfill Stryker brigades
- ❖ Procures Lightweight 155mm howitzer for Stryker brigades
- ❖ Continues emphasis on system enhancement programs for Abrams tanks and recapitalization efforts for Bradley vehicles
- ❖ Procures M4 Carbines in support of Brigade Combat Teams



U.S. ARMY

# Other Procurement



Budget Request (\$M)	FY08	FY09
Tactical and Support Vehicles/Other Support Equipment	6,874	7,203
Communications and Electronics/Initial Spares	5,773	6,231
<b>Totals</b>	<b>12,647</b>	<b>13,434</b>

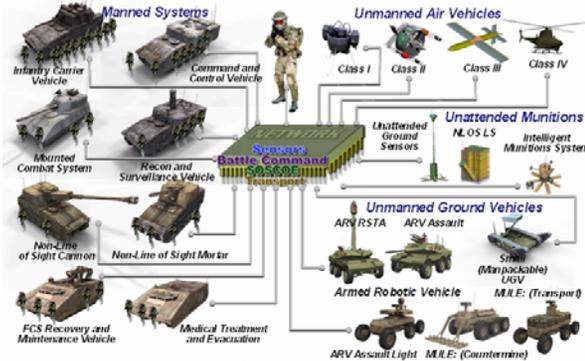
- ❖ **Strengthens Force Protection by buying High Mobility Multipurpose Wheeled Vehicle with integrated armor**
- ❖ **Continues the Tactical Wheeled Vehicle Modernization Strategy with Medium and Heavy Trucks**
- ❖ **Procures equipment to support Networks, Combat Enablers and Intelligence programs**
- ❖ **Provides the basic strategy to bring essential networking capabilities to today's warfighter (Joint Network Nodes)**



U.S. ARMY

# Research, Development, Test and Evaluation

## Future Combat Systems



Budget Request (\$M)	FY08	FY09
<b>Research, Development, Test and Evaluation</b>	<b>10,590</b>	<b>9,794</b>

- ❖ **Continues Future Combat Systems development efforts:**
  - ◆ System development and demonstration program remains on cost and on schedule into 4<sup>th</sup> year
  - ◆ Platform prototypes, Spin Out 1 systems, major software builds and technologies on track
  - ◆ Program adjustments reduced total program costs while increasing Spin Out rate of production and full deployment of future force network
  - ◆ First year of Advanced procurement (in Weapons and Tracked Combat Vehicles) for Spin Out 1 and Non-Line of Sight Cannon
- ❖ **Continues funding of vital Science and Technology programs**



U.S. ARMY

# Facilities



Budget Request (\$M)	FY08	FY09
<b>Military Construction</b>	<b>4,563</b>	<b>5,704</b>
<b>Army Family Housing</b>	<b>1,162</b>	<b>1,481</b>
<b>Base Realignment and Closure</b>	<b>4,089</b>	<b>3,765</b>
<b>Totals</b>	<b>9,814</b>	<b>10,950</b>

## ❖ Funding supports:

- ◆ **Modular Brigade standup**
- ◆ **Global Defense Posture Realignment -- repositioning forces worldwide**
- ◆ **Meeting Base Realignment and Closure laws**
- ◆ **Privatization of housing to provide a better quality of life for Soldiers and their families**



U.S. ARMY

# Army FY08/09 Budget Themes

---

## Base Budget Supports

- ❖ Win the Long War
- ❖ Sustain the All-Volunteer Force with Improved Quality of Life
- ❖ Build Readiness for Today and Tomorrow's Challenges
- ❖ Accelerate the Future Force Modernization Strategy and Implementation
- ❖ Re-station Army Forces in Line with the Global Defense Posture Realignment and BRAC/MILCON Strategy

**...but emergency appropriations required for the Global War on Terror**



U.S. ARMY

# The Global War on Terror Request....

## Supports Force Growth

End-strength / Facilities / Equipment

## Prepares Next Deployers

Recruiting & Retention / Tactical Equipment /  
RC Readiness & Mobilization / Power Projection Platforms

## Supports the Deployed Force

In-theater Sustainment / RC Mobilization / Force Protection /  
Special Pays / Soldier & Family Support Programs

## Reconstitutes the Force

Maintenance / Reset / Munitions / Battle Losses /  
Army Pre-positioned Equipment / War Reserves  
Force Readiness – Restoring the Depth



U.S. ARMY

# Global War on Terror Funding Requests

(\$M)	FY07 Bridge (Title IX)	FY07 Main Supp Request	FY07 Total GWOT Request	FY08 PB GWOT Request
<b>Military Personnel</b>	<b>4,730.4</b>	<b>8,889.2</b>	<b>13,619.6</b>	<b>13,216.0</b>
Military Personnel, Army	4,346.7	8,305.9	12,652.6	12,504.4
Reserve Personnel, Army	87.7	147.2	234.9	235.0
National Guard Personnel, Army	296.0	436.0	732.0	476.6
<b>Operation and Maintenance</b>	<b>28,999.7</b>	<b>20,317.1</b>	<b>49,316.8</b>	<b>46,855.5</b>
Operation and Maintenance, Army	28,364.1	20,159.5	48,523.6	46,231.0
Operation and Maintenance, Army Reserve	211.6	74.0	285.6	158.4
Operation and Maintenance, Army National Guard	424.0	83.6	507.6	466.2
<b>Research, Development, and Acquisition</b>	<b>10,096.3</b>	<b>15,417.6</b>	<b>25,513.9</b>	<b>21,258.8</b>
Aircraft Procurement, Army	1,461.3	627.8	2,089.1	1,900.3
Missile Procurement, Army		160.2	160.2	492.7
Other Procurement, Army	5,004.0	10,357.8	15,361.8	13,631.0
Procurement of Ammunition, Army	237.8	681.5	919.3	313.0
Weapons and Tracked Combat Vehicles	3,393.2	3,474.4	6,867.6	4,780.2
Research, Development, Test, and Evaluation		116.0	116.0	141.7
<b>Military Construction</b>		<b>1,381.3</b>	<b>1,381.3</b>	<b>738.9</b>
<b>Army Working Capital Fund</b>		<b>724.4</b>	<b>724.4</b>	<b>1,363.0</b>
<b>Totals</b>	<b>43,826.4</b>	<b>46,729.6</b>	<b>90,556.0</b>	<b>83,432.2</b>