



U.S. ARMY

FY 2009 President's Budget Highlights

**Assistant Secretary of the Army for
Financial Management and Comptroller**

February 2008



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FY 2009 President's Budget Highlights

**Assistant Secretary of the Army
(Financial Management and Comptroller)**

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Our Strategic Goals

The 21st Century security environment is characterized by persistent conflict and change. Strategic demand on the Army has increased steadily during the past six years of war. The Army has played a critical role in meeting the needs of the Nation — in Iraq and Afghanistan, around the world, and at home. While the Army remains a resilient and professional All-Volunteer Force, it is out of balance, which poses a significant risk to the Nation. Balance is a state of continual readiness that provides strategic flexibility and depth, while sustaining the All-Volunteer Force and simultaneously meeting the current and future demands of the National Security Strategy in an era of persistent conflict.



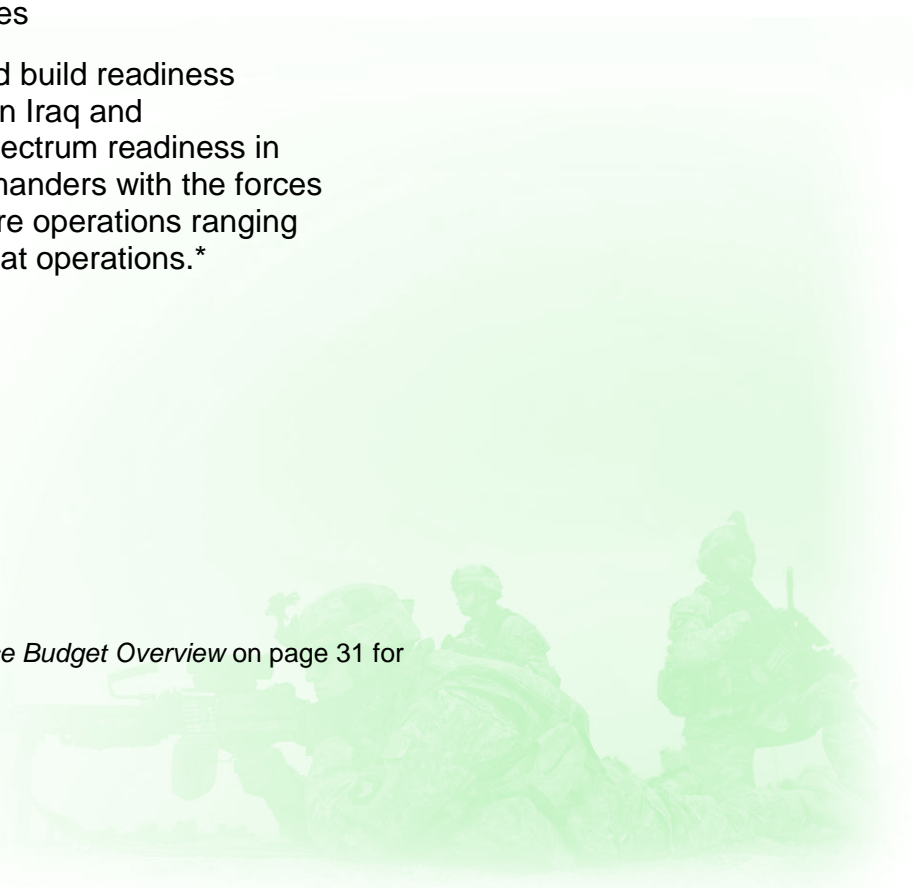
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In FY 2009, the Army will start on the path to restore balance. The Army's plan centers on four imperatives: Sustain, Prepare, Reset and Transform. Implementing and supporting these imperatives will allow the Army to achieve the following goals:

- ❖ Restore balance by FY 2011
- ❖ Provide strategic flexibility and build capacity for future challenges

The Army must prepare forces and build readiness for counterinsurgency operations in Iraq and Afghanistan, while retaining full spectrum readiness in order to provide Combatant Commanders with the forces and capabilities they need for future operations ranging from peacekeeping to major combat operations.*

* See *The Army's FY 2009 Performance Budget Overview* on page 31 for more information.



Budget Overview

THE FY 2009 BUDGET SETS THE ARMY ON THE PATH TO ACHIEVE BALANCE BY FY 2011 IN ORDER TO PROVIDE STRATEGIC FLEXIBILITY AND BUILD CAPACITY FOR FUTURE CHALLENGES

The FY 2009 Budget Themes Are:

- ❖ Sustain our Soldiers, Families, and Civilians
- ❖ Prepare Soldiers for Success in Current Operations
- ❖ Reset to Restore Readiness and Depth for Future Operations
- ❖ Transform to Meet the Demands of the 21st Century
- ❖ Grow the Army and Restore Balance

The FY 2009 Budget Provides For:

- ❖ Active Army End-strength Increase to 532,400
- ❖ Army National Guard End-strength of 352,600
- ❖ Army Reserve End-strength of 205,000
- ❖ Across-the-Board Military Pay Raise of 3.4%
- ❖ Civilian Pay Raise of 2.9%
- ❖ Quality of Life Services for Soldiers and their Families
- ❖ Training and Sustainment of Army Forces
- ❖ Continued Future Combat Systems Development
- ❖ Global Repositioning in Support of Growing the Army, Base Realignment and Closure, and Stationing Modular Forces

The Total Army



TOTAL ARMY COMPONENTS

The components of the Army — Active, Reserve, and Civilian — are the Strength of the Nation.

- ❖ The Active Component comprises nearly 48% of the Total Army's military force and provides forces capable of responding quickly across the spectrum of conflict; it represents the Nation's dominant landpower response against threats to our way of life.
- ❖ The Reserve Component — Army National Guard and Army Reserve — comprises nearly 52% of the Total Army's military force. It fulfills a vital national defense and homeland civil support role; its forces provide strategic flexibility to the Active Component in responding to foreign threats.
- ❖ The Civilian Component serves the Nation by providing expertise and continuity for the other components at home and abroad.



The Civilian Component

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CIVILIAN FULL TIME EQUIVALENTS

Category	FY08	FY09
Direct Hires	222,347	223,273
Operation and Maintenance	170,673	171,717
Active Army	131,101	131,737
Army Reserve	11,748	11,889
Army National Guard	27,824	28,091
Research, Development, Test, and Evaluation	17,434	17,385
Military Construction, Army	5,493	5,490
Army Family Housing	563	516
Defense Working Capital Fund, Army	28,184	28,165
Indirect Hires	16,638	16,568
Operation and Maintenance, Army	15,853	15,787
Other	785	781
Totals	238,985	239,841

Army Total Obligation Authority

TOTAL OBLIGATION AUTHORITY (\$M)

Appropriation	FY07 Actuals	FY08 Enacted	FY08 Bridge	FY09 Request
Military Personnel	41,635.5	31,535.0	782.5	36,523.8
Medicare-Retiree Contribution	2,915.4	3,132.4		2,902.2
Operation and Maintenance	72,933.9	27,896.3	35,152.4	31,243.1
Procurement	43,096.0	22,643.7	4,554.8	24,552.1
Aircraft	5,672.2	4,157.5	943.6	5,009.8
Missiles	1,617.3	1,899.1		2,211.5
Weapons and Tracked Combat Vehicles	8,337.1	3,001.5	1,429.4	3,687.1
Ammunition	2,616.8	2,234.9	154.0	2,275.8
Other Procurement	24,852.6	11,350.8	2,027.8	11,367.9
RDTE	11,354.2	12,044.6		10,524.1
Military Construction	3,330.0	3,936.6		4,615.9
Environmental Restoration		437.7		447.8
Army Family Housing	1,316.2	916.7		1,394.7
Operation	718.8	731.9		716.1
Construction	597.4	184.7		678.6
Reserve Components				
National Guard	14,718.0	13,461.0	327.0	14,204.6
Personnel	7,144.2	5,924.7		6,595.3
Operations	5,868.6	5,737.8	327.0	5,875.5
Construction	473.0	536.7		539.3
Medicare-Retiree Contribution	1,232.2	1,261.8		1,194.5
Army Reserve	6,872.9	7,048.6	77.7	7,524.7
Personnel	3,514.1	3,684.6		3,921.8
Operation	2,450.6	2,497.7	77.7	2,642.3
Construction	166.0	148.1		281.7
Medicare-Retiree Contribution	742.2	718.2		678.9
Base Realignment and Closure 2	114.9	98.7		72.9
Base Realignment and Closure 5	3,604.9	4,015.7		4,486.2
Chemical Demilitarization	1,403.4	1,616.9		1,619.9
Defense Working Capital Fund, Army	627.9	5.0	719.9	102.2
Afghanistan Security Forces Fund	7,406.4		1,350.0	
Iraq Security Forces Fund	5,542.3		1,500.0	
Joint Improvised Explosive Device Defeat Fund	4,392.5	120.0	4,269.0	496.3
Totals	221,264.3	128,908.9	48,733.4	140,710.4

Notes:

Totals may not add due to rounding.

FY07 Actuals column includes all base, bridge, and supplemental funding.

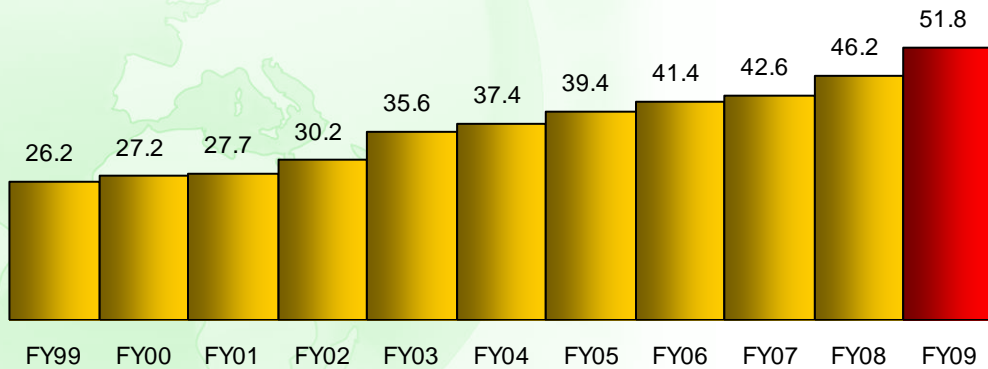
FY08 Enacted column shows funding from base appropriations.

FY08 Bridge column shows supplemental funding.

Military Personnel

PEOPLE: OUR MOST VALUABLE RESOURCE

Budget Request (\$B)



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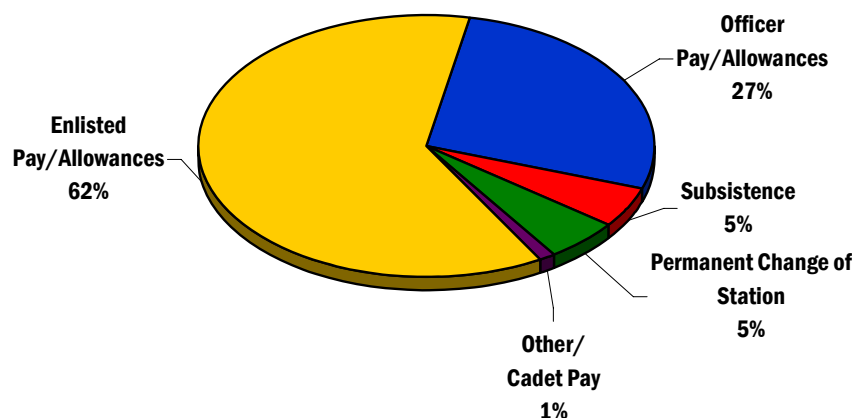
The FY 2009 Budget Request

- ❖ Emphasizes manning the force, taking care of Soldiers and Families, and sustaining the quality of Army personnel
- ❖ Includes permanent Active Component end-strength growth of 43,000 to increase combat capability and reduce stress on the force
- ❖ Includes Reserve Component end-strength growth of ~1,300 for the National Guard
- ❖ Provides an across-the-board 3.4% military pay raise
- ❖ Continues to eliminate out-of-pocket housing expenses for Soldiers and Families residing off post
- ❖ Supports the Residential Communities and Families First Initiatives



Military Personnel

Active Army



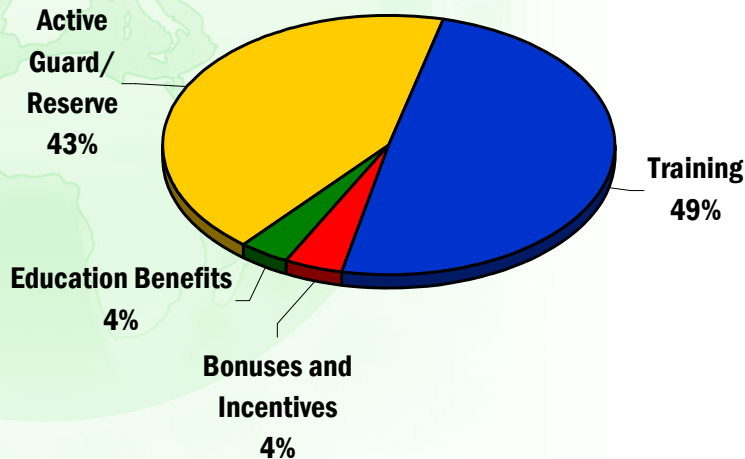
The Military Personnel, Army, budget sustains the All-Volunteer Force by providing Active Component basic and special pays, retired pay accrual, allowances for subsistence (rations) and housing, recruiting and retention incentives, permanent change of station moves, death gratuity, unemployment compensation benefits, and ROTC and West Point cadet stipends. Funds enable the Army to meet manning goals by providing the right number of high quality Soldiers in the appropriate grades and skills to satisfy force structure requirements.

MILITARY PERSONNEL, ARMY TOA (\$M)

Category	FY08	FY08	FY09
	Base	Bridge	Request
Officer Personnel Pay and Allowances	8,830	18	9,842
Enlisted Personnel Pay and Allowances	19,755	71	22,425
Cadet Pay and Allowances	56		61
Subsistence of Enlisted Personnel	1,431	507	1,865
Permanent Change of Station	1,176		1,928
Other Personnel Costs	287	187	402
Totals	31,535	783	36,524
Medicare-Retiree Contribution	3,132		2,902

Military Personnel

Army National Guard



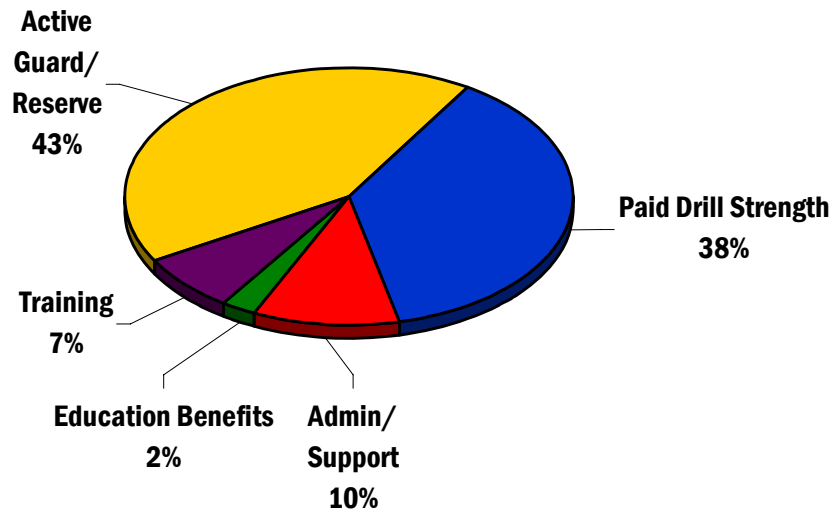
The National Guard Personnel, Army, budget includes funding for basic and incentive pay, retired pay accrual, basic allowances for subsistence and housing, payments for clothing, education benefits, travel and per diem, bonuses, and incentives for National Guard Soldiers. The budget supports all types of National Guard training and operational duty in support of the Combatant Commanders. The budget also funds pay and allowances for the Active Guard and Reserve (AGR) Program (Soldier's duty status similar to Active Component) to enhance readiness of National Guard units.

NATIONAL GUARD PERSONNEL, ARMY TOA (\$M)

Category	FY08	FY09
	Base	Request
Active Guard/Reserve	2,664	2,813
Annual Training	725	631
Inactive Duty Training	1,199	1,320
Initial Entry Training	341	425
IDT - Awaiting Training	31	36
Bonuses	219	286
GI Bill	186	236
Schools	296	547
Special Training	264	301
Totals	5,925	6,595
Medicare-Retiree Contribution	1,262	1,195

Military Personnel

Army Reserve



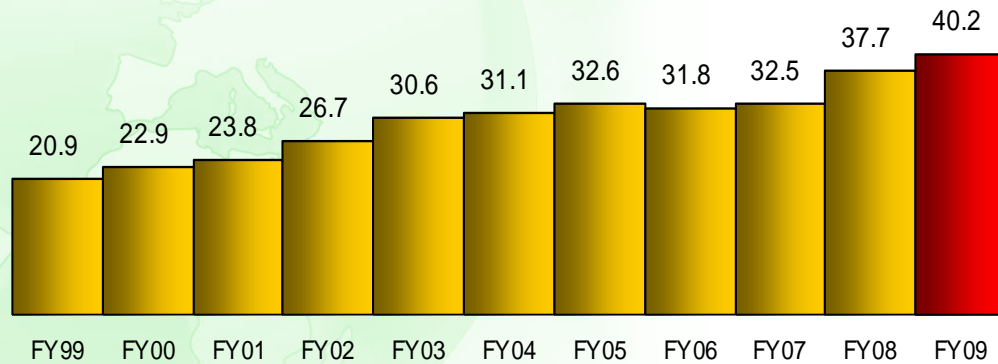
The Reserve Personnel, Army, budget includes funds for pay, allowances, and benefits for Army Reserve Soldiers while on Annual Training, Inactive Duty Training, Initial Active Duty Training, School Training, and Special Training. The budget funds pay and allowances for the Active Guard and Reserve (AGR) Program (Soldier's duty status similar to Active Component) to enhance readiness of Army Reserve units. The budget also funds the requirements necessary to recruit, train, and retain Army Reserve Soldiers to support individual and unit readiness.

RESERVE PERSONNEL, ARMY TOA (\$M)

Category	FY08	FY09
	Base	Request
Active Guard/Reserve	1,486	1,581
Paid Drill Strength	1,387	1,407
Special Training	160	177
School Training	140	195
Other Training	68	77
Admin and Support	304	392
Education Benefits	138	92
Totals	3,685	3,922
Medicare-Retiree Contribution	718	679

Operation and Maintenance

Budget Request (\$B)



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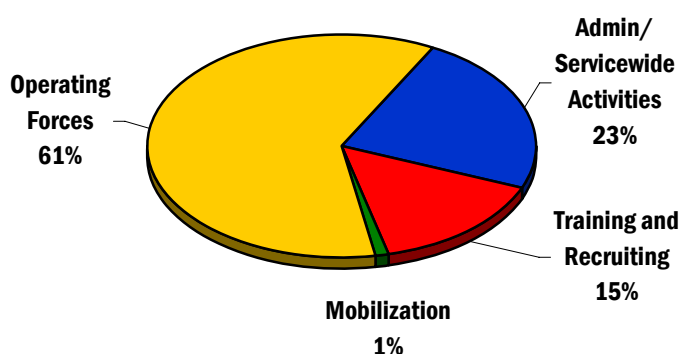
The FY 2009 Budget Request Supports

- ❖ Recruiting and training for the All-Volunteer Force
- ❖ Readiness
 - ◆ Combined Arms training for non-deployed units
 - ◆ Basic and initial skills training
 - ◆ Reserve Component conversion to a deployable, brigade-centric force
- ❖ Quality of Life (Army Family Covenant)
 - ◆ Child care
 - ◆ Youth programs
 - ◆ Community services
- ❖ Maintenance of equipment, facilities, and infrastructure



Operation and Maintenance

Active Army



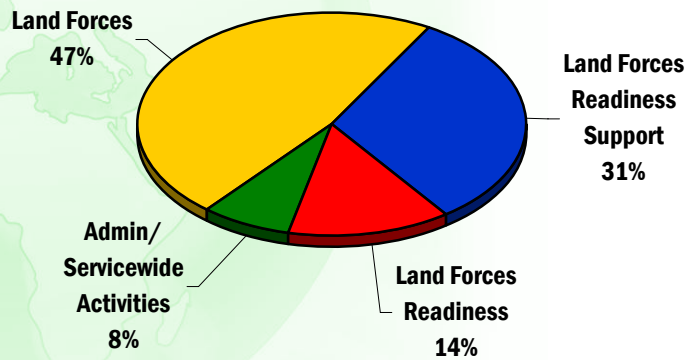
The Operation and Maintenance, Army, budget provides funds for tough realistic training, recruiting, weapon systems maintenance, base support for Soldiers and their Families, and servicewide support for logistic operations, transportation, and communications. The budget provides increases in operating tempo (unit training), individual training, recruiting, base support, and logistical and management support associated with the planned end-strength increase of an additional 43,000 Soldiers. The budget boosts home station training funding for the increased number and change in mix of units. The budget supports increases in equipment and training funding for the conversion of two Brigade Combat Teams, as well as the fielding of additional LH-72A Lakota, Light Utility Helicopters.

OPERATION AND MAINTENANCE, ARMY TOA (\$M)

Category	FY08	FY08	FY09
	Base	Bridge	Request
Operating Forces	17,209	32,098	18,904
Land Forces	4,103		5,196
Land Forces Readiness	3,053		3,183
Land Forces Readiness Support	10,053	32,098	10,525
Mobilization	351		327
Mobility Operations	351		327
Training and Recruiting	3,855		4,723
Accession Training	574		721
Basic Skill and Advanced Training	2,032		2,590
Recruiting/Other Training and Education	1,249		1,412
Admin and Servicewide Activities	6,481	3,055	7,290
Security Programs	758	1,102	876
Logistics Operations	1,997	1,953	2,143
Servicewide Support	3,322		3,840
Support of Other Nations	404		430
Totals	27,896	35,152	31,243

Operation and Maintenance

Army National Guard



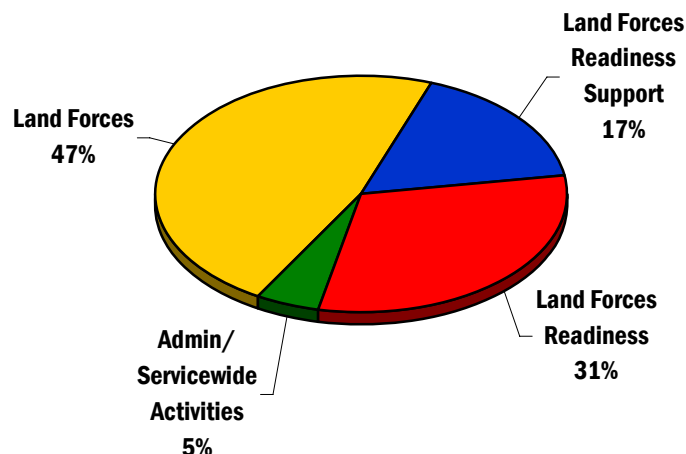
The Operation and Maintenance, Army National Guard, budget supports costs in operating and maintaining Army National Guard units in 50 states, to include the Commonwealth of Puerto Rico, the U.S. Virgin Islands, the Territory of Guam, and the District of Columbia, within two budget activities for the following programs: civilian pay and benefits, training and operations support, air and ground OPTEMPO, automation and information systems, base operations, education programs, medical readiness, military burial honors, missions support, schools, weapons of mass destruction, civil support teams, facilities sustainment, restoration and modernization, administration, communications, supply activity, transportation and depot maintenance and recruiting and advertising.

OPERATION AND MAINTENANCE, NATIONAL GUARD TOA (\$M)

Category	FY08	FY08	FY09
	Base	Bridge	Request
Operating Forces	5,382	327	5,434
Land Forces	2,606		2,780
Land Forces Readiness	858		804
Land Forces Readiness Support	1,918	327	1,850
Admin and Servicewide Activities	356		442
Administration	120		125
Servicewide Communications	52		51
Manpower Management	8		8
Recruiting and Advertising	176		258
Totals	5,738	327	5,876

Operation and Maintenance

Army Reserve



The Operation and Maintenance, Army Reserve, budget funds operational, logistical, administrative, maintenance, and management support for the Army Reserve. Additionally, the budget provides for installation management, maintenance of real property, records management and personnel support to retirees, veterans and their families. The FY 2009 budget follows the Army's plan to transform the Army Reserve from a strategic reserve to an operational, modular force of skill-enriched capabilities. The budget supports the rebalance of Army Reserve force structure to meet the Army's Combat Support and Combat Service Support rotational demands. The budget also promotes trained and ready Soldiers and Families for mobilization to engage and sustain global commitments.

OPERATION AND MAINTENANCE, ARMY RESERVE TOA (\$M)

Category	FY08	FY08	FY09
	Base	Bridge	Request
Operating Forces	2,368	78	2,513
Land Forces	1,179		1,245
Land Forces Readiness	445		451
Land Forces Readiness Support	744	78	818
Admin and Servicewide Activities	129		129
Servicewide Administration	129		129
Totals	2,498	78	2,642

Research, Development and Acquisition

Overview

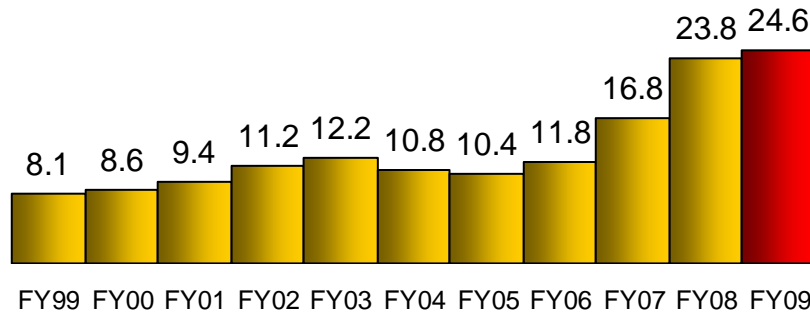
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Supporting Army Transformation and the National Military Strategy, the Research, Development and Acquisition budget funds a fully integrated modernization and recapitalization program to ensure decisive and comprehensive full-spectrum ground combat capabilities. The budget:

- ❖ Continues research and development of the Future Combat Systems, a strategically responsive, networked system-of-systems that will ensure position advantage over the enemy.
- ❖ Begins production of the initial set of Future Combat Systems Spin-Out Program B-Kits.
- ❖ Begins procurement of Manned Ground Vehicles initial production platforms (Non-Line-of-Sight Cannon).
- ❖ Accelerates acquisition and fielding of Soldier items to provide deployed troops the latest available equipment.
- ❖ Continues future Non-Line-of-Sight Cannon and Non-Line-of-Sight Launch Systems.
- ❖ Sustains a vigorous and relevant science and technology program.
- ❖ Procures Stryker vehicles for Stryker Brigade Combat Teams.



Budget Request (\$B)



Summary

Investment in standard unit designs will provide the Army a more strategically responsive capability in order to meet the challenges of the 21st Century security environment. These procurement accounts fund equipment required to enable our Army Soldiers to move, shoot, and communicate in the modular brigade combat teams, as well as to provide increased capability in deployability; sustainment; Command, Control, Communications, Computers/Intelligence, Surveillance, and Reconnaissance; force protection; and precision strike. Lessons learned from Operation Iraqi Freedom and Operation Enduring Freedom are informing Army equipment purchases. The budget continues investment in new aircraft, including Black Hawk, Armed Reconnaissance, and Lakota Light Utility Helicopters, as well as re-manufactured and new Chinook cargo helicopters. The budget procures the required sets of FCS Spin Out A- and B-Kits and integration of the B-Kits for the current force platforms to be used in the planned Initial Operational Testing in FY 2011. The budget also provides for manufacturing and assembly of the initial six Non-Line of Sight-Cannon (NLOS-C) platforms to be fielded in FY 2010, and procures the long-lead hardware for the second increment of NLOS-C platforms.

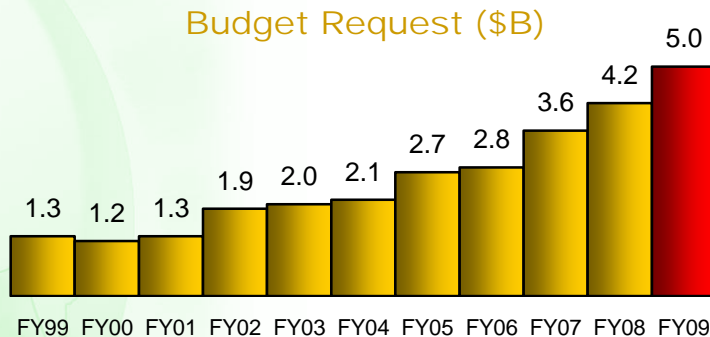
PROCUREMENT TOA (\$M)

Appropriation	FY08 Base	FY08 Bridge	FY09 Request
Aircraft	4,157	944	5,010
Missiles	1,899		2,211
Weapons and Tracked Combat Vehicles	3,002	1,429	3,687
Ammunition	2,235	154	2,276
Other Procurement	11,351	2,028	11,368
Totals	22,644	4,555	24,552

Aircraft



Budget Request (\$B)

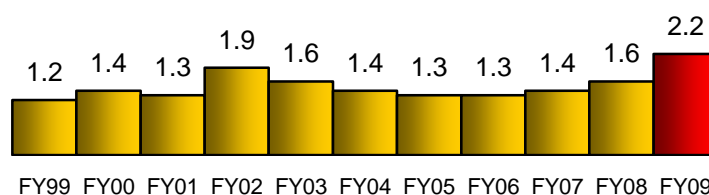


AIRCRAFT TOA (\$M)

Category	FY08	FY08	FY09
	Base	Bridge	Request
Aircraft	1,631	488	2,436
UH-60 Black Hawk Helicopter (MYP)	881	483	1,063
CH-47 Chinook Cargo Helicopter (MYP)	190		444
Armed Reconnaissance Helicopter	175		439
C-27J Joint Cargo Aircraft	156		264
CH-72A Lakota Light Utility Helicopter	229		225
New Training Helicopter			2
Utility Fixed Wing Aircraft		5	
Modifications	1,800	439	1,798
CH-47 Chinook Cargo Helicopter Mods (MYP)	576	334	724
AH-64 Apache Helicopter Mods	709	105	637
Airborne Avionics	178		175
Guardrail Mods (MIPS)	148		119
Global Air Traffic Management Rollup	53		79
Multi-Sensor Airborne Reconnaissance (MIP)	42		23
Utility/Cargo Airplane Mods	18		15
Kiowa Warrior Helicopter	51		14
Utility Helicopter Mods	25		11
Aircraft Long Range Mods			1
Spares	9		7
Support Equipment and Facilities	717	16	768
Aircraft Survivability Equipment Infrared Countermeasures	442		434
Air Traffic Control	98	6	123
Common Ground Equipment	75	10	104
Aircraft Survivability Equipment	48		57
Aircrew Integrated Systems	45		41
Avionics Support Equipment	5		5
Industrial Facilities	2		3
Rocket Launcher, 2.75 in.	2		2
Totals	4,158	944	5,010



Budget Request (\$B)



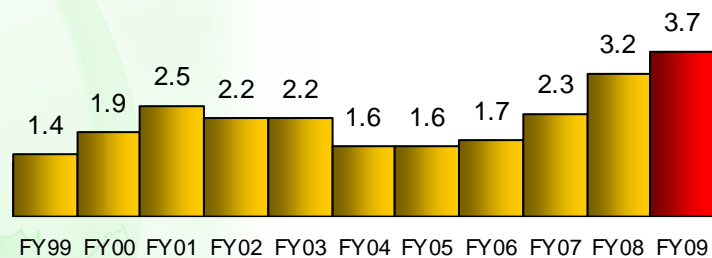
MISSILES TOA (\$M)

Category	FY08	FY09
	Base	Request
Other Missiles	1,219	1,495
Patriot (Patriot Advanced Capability-3)	470	512
Javelin Missile	167	259
Guided Multiple Launch Rocket System Rockets	202	247
High Mobility Artillery Rocket System	225	246
Tube-Launched, Optically Tracked, Wire-Guided (TOW) 2 System	87	86
Hellfire Missile	46	49
Surface Launched Advanced Medium Range Air-to-Air Missile System		40
Patriot Medium Extended Range Air Defense System CAP		31
Multiple Launch Rocket System Practice Rockets	22	25
Modification of Missiles	648	680
Patriot Mods	420	525
Improved Target Acquisition System/TOW Mods	212	137
Other	16	18
Spares and Repair Parts	23	25
Support Equipment and Facilities	9	11
Totals	1,899	2,211

Weapons and Tracked Combat Vehicles



Budget Request (\$B)

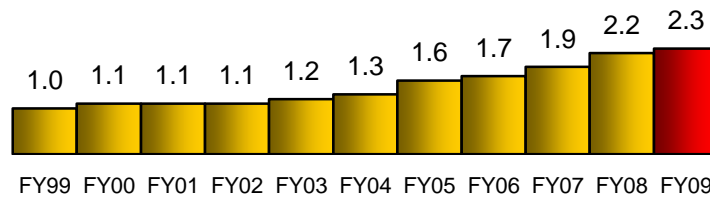


WEAPONS AND TRACKED COMBAT VEHICLES TOA (\$M)

Category	FY08	FY08	FY09
	Base	Bridge	Request
Tracked Combat Vehicles	1,164	741	1,683
Stryker	919	41	1,175
Future Combat Systems Spin Outs	20		177
Bradley	144	700	176
Future Combat Systems	81		155
Modifications: Tracked Combat Vehicles	858	673	1,275
System Enhancement Program M1A2/Abrams Upgrade		225	351
M1 Abrams Modification and Retrofit	585	200	342
Bradley	37	48	312
Improved Recovery Vehicle	124	135	133
Armored Vehicle Launch Bridges/Joint Assault Bridge	13		40
Armored Breacher Vehicle	42		35
Fire Support Vehicle	35	65	33
M109A6 Howitzer, Paladin	22		29
Weapons and Other Combat Vehicles	859		651
M4 Carbine	106		151
M119 Howitzer, Light, Towed, 105mm	101		119
Howitzer, Lightweight, 155mm	411		113
M2 Machine Gun, Cal .50, Roll	32		100
M240 Medium Machine Gun, 7.62mm	45		61
XM320 Grenade Launcher Module	27		32
M249 Squad Automatic Weapon, 5.56mm	44		22
MK-19 Grenade Machine Gun, 40mm	36		17
Mortar Systems	9		16
Shotgun, Modular Accessory System	8		9
XM110 Semi-Automatic Sniper System	10		7
Future Handgun System			4
Common Remotely Operated Weapons Station	30		
Modifications: Weapons and Other Combat Vehicles	74	15	58
Support Equipment and Facilities	47		20
Totals	3,002	1,429	3,687



Budget Request (\$B)



AMMUNITION TOA (\$M)

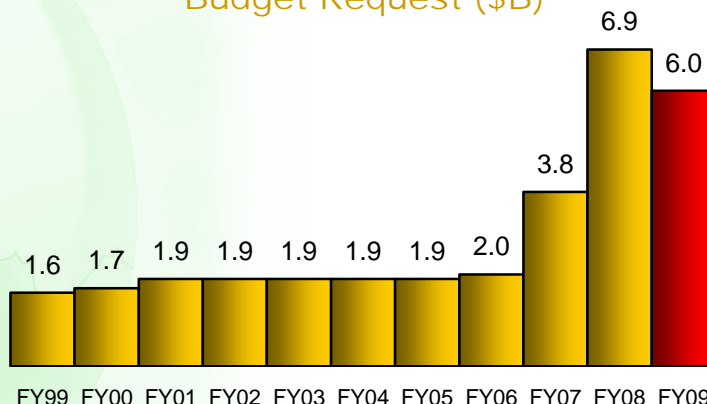
Category	FY08	FY08	FY09
	Base	Bridge	Request
Small and Medium Caliber	698	106	834
Artillery	220	28	207
Mortars	172		193
Rockets	167	20	171
Tank	193		167
Artillery Fuzes	4		20
Mines/Countermine	59		59
Other	312		210
Miscellaneous	79		72
Production Base Improvements	170		198
Ammunition Demilitarization	134		144
Re-estimate of Guaranteed Loan	27		
Totals	2,235	154	2,276

Other Procurement

Tactical and Support Vehicles/
Other Support Equipment (OPA 1/3)



Budget Request (\$B)

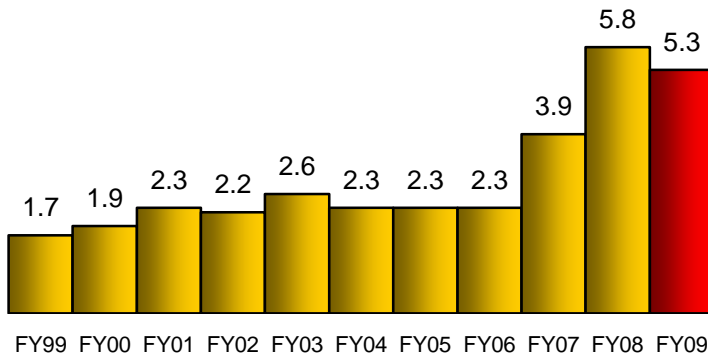


OTHER PROCUREMENT TOA (\$M)

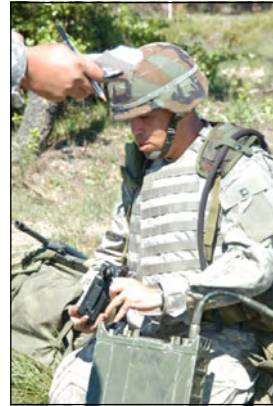
Category	FY08	FY08	FY09
	Base	Bridge	Request
Tactical and Support Vehicles	4,163	1,397	3,672
High Mobility Multi-purpose Wheeled Vehicle (HMMWV)	942	455	947
HMMWV Recapitalization Program	4	140	
Family of Medium Tactical Vehicles	1,840	146	945
Family of Heavy Tactical Vehicles	560	427	923
Armored Security Vehicles	284		195
Modification of In-Service Equipment	32	185	32
All Other Vehicles and Trailers	501	44	630
Non-Tactical Vehicles	4		5
Heavy Armored Sedan	1		1
Non-Tactical Vehicles, Other	3		4
Other Support Equipment	2,215	454	2,344
Training Equipment	491		319
Construction Equipment	194		291
Bridging Equipment	124		241
Generators	111		218
Combat Service Support Equipment	184		215
Rail Float Containerization Equipment	213		194
Engineer Equipment (Non-Construction)	163		167
Material Handling Equipment	84		94
Test Measurement and Diagnostic Equipment	66		78
Smoke/Obscurants Systems	71	54	76
Petroleum Equipment	35		63
Medical Equipment	91		62
Maintenance Equipment	63		59
Water Equipment	44		51
Other Support Equipment	281	400	216
Totals	6,382	1,851	6,021

Other Procurement

Budget Request (\$B)



Communication-Electronic/
Initial Spares (OPA 2/4)



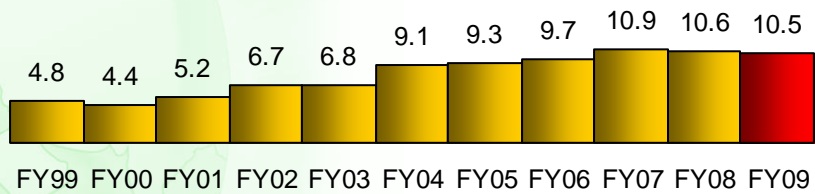
OTHER PROCUREMENT, ARMY TOA (\$M)

Category	FY08	FY08	FY09
	Base	Bridge	Request
Communications–Electronics Equipment	1,635	50	803
Base Communications	411		550
Satellite Communications	336	22	309
Joint Communications	6		305
Combat Communications	692	3	278
Information Security	91	22	110
Long Haul Communications	72		73
Command, Control Communications	26	3	34
Intel Communications	1		2
Electronic Equipment	3,290	127	3,650
Tactical Surveillance	1,270	56	1,676
Tactical Command and Control	995	57	833
Tactical Intelligence and Related Activities	719	14	823
Automation	200		228
Electronic Warfare	62		49
Audio-Visual Systems	14		19
Modifications-Tactical Systems/Equipment	15		15
Support	15		7
Spares and Repair Parts	44		36
Initial Spares OPA 2	44		36
Totals	4,969	177	5,347

Research, Development, Test, & Evaluation



Budget Request (\$B)



Summary

During FY 2009, the Army will continue development of the Future Combat Systems (FCS) networked family of systems, to include prototype platform development and network and software development and testing. Additionally, the Army will continue development, test, and evaluation of Spin-Out FCS technologies in order to accelerate fielding of new capabilities to the Current Force. The FCS program will continue development and delivery of unmanned and manned vehicle prototypes as well as the FCS battle command network and software. The FY 2009 budget also continues System Development and Demonstration activities for the Patriot/Medium Extended Air Defense System Combined Aggregate Program.

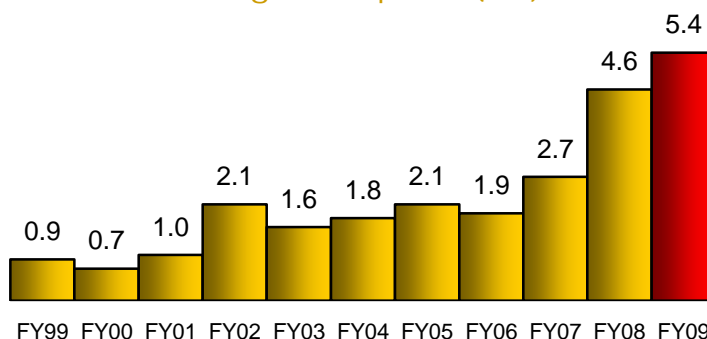
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION TOA (\$M)

Category	FY08	FY09
	Base	Request
Basic Research	379	379
Applied Research	1,175	724
Advanced Technology Development	1,337	739
Advanced Component Development and Prototypes	1,141	952
System Development and Demonstration	5,182	4,981
Management Support	1,186	1,113
Operational Systems Development	1,644	1,636
Totals	12,045	10,524

Military Construction



Budget Request (\$B)



The Military Construction budget continues to improve facilities across the Army with whole-barracks renewal as its top priority. It also supports transformation, growth of the Army and readiness by recapitalizing military facilities, providing facilities for training and deployment, revitalizing infrastructure and providing Reserve Component readiness facilities. The Military Construction budget integrates Base Realignment and Closure, Global Defense Posture Realignment, and Army Transformation into a fully synchronized program.

MILITARY CONSTRUCTION TOA (\$M)

Military Construction	FY08	FY09
	Base	Request
Active Army	3,937	4,616
Army National Guard	537	539
Army Reserve	148	282
Totals	4,622	5,437

Military Construction

MILITARY CONSTRUCTION, ARMY TOA (\$M)

Categories	FY08	FY09
	Base	Request
Grow the Army Military Construction	2,007	3,483
Replace Aging Facilities	616	527
Modularity	630	312
Planning and Design	89	132
Barracks Initiative	413	70
Global Defense Posture	74	40
Minor Construction	23	23
Improve Quality of Life	64	16
Other	21	13
Totals	3,937	4,616

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD TOA (\$M)

Categories	FY08	FY09
	Base	Request
Replace Aging Facilities	228	204
Modularity	51	112
Grow the Army Military Construction	77	91
Barracks Initiative		48
Planning and Design	64	41
New Mission	108	31
Minor Construction	9	12
Totals	537	539

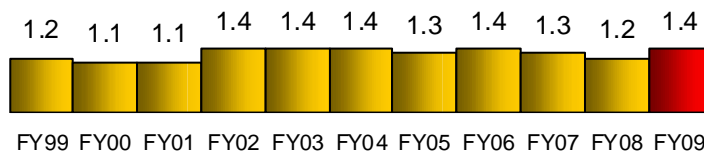
MILITARY CONSTRUCTION, ARMY RESERVE TOA (\$M)

Categories	FY08	FY09
	Base	Request
Grow the Army Military Construction		179
Replace Aging Facilities	131	72
Planning and Design	3	14
Other	3	14
Minor Construction	11	3
Totals	148	282

Army Family Housing

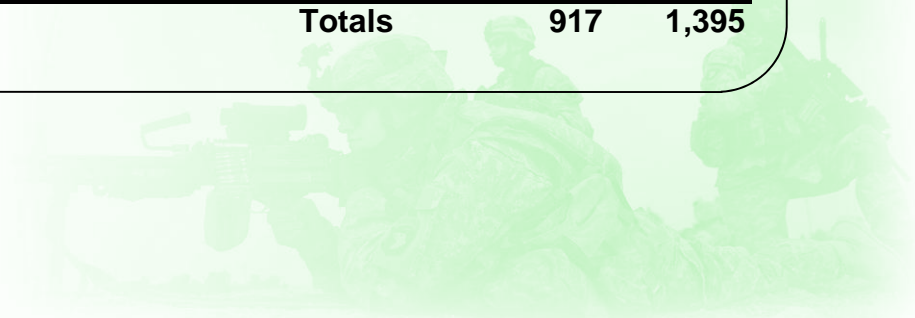


Budget Request (\$B)



ARMY FAMILY HOUSING TOA (\$M)

Categories	FY08	FY09
	Base	Request
Construction	185	679
New/Replacement Construction	57	258
Improvement	126	420
Planning and Design	2	1
Operations	732	716
Operation and Utilities	273	239
Maintenance	216	252
Leasing	206	193
Privatization	37	32
Totals	917	1,395



Army Family Housing

ARMY FAMILY HOUSING NEW CONSTRUCTION

FY08		\$M	Units
Ansbach	Germany	52	138
Dugway Proving Ground	Utah	5	9
Totals		57	147

FY09		\$M	Units
Wiesbaden	Germany	133	326
Camp Humphreys	Korea	125	216
Totals		258	542

ARMY FAMILY HOUSING PRIVATIZATION RESIDENTIAL COMMUNITIES INITIATIVE

FY08		Units
Fort Wainwright	Alaska	1,607
Fort Sill	Oklahoma	1,650
Fort Jackson	South Carolina	850
Fort Carson GTA	Colorado	570
Fort Lewis GTA	Washington	520
Fort Bliss GTA	Texas	442
Fort Bragg GTA	North Carolina	446
Total		6,085

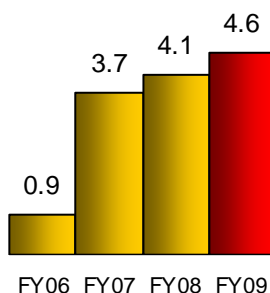
FY09		Units
Fort Stewart GTA	Georgia	932
Fort Bliss GTA	Texas	763
Fort Carson GTA	Colorado	530
Fort Greely	Alaska	126
Fort Wainwright Expansion	Alaska	104
Total		2,455

GTA – Grow the Army

Base Realignment and Closure



Budget Request (\$B)



The Base Realignment and Closure 2005 budget provides for the award of 83 major construction projects, environmental compliance and clean-up activities at closing installations, movement of personnel and equipment to gaining installations, information technology equipment for construction projects completed in FY 2007 and FY 2008, and planning and design for FY 2010 construction projects. New facilities include Armed Forces Reserve Centers, Brigade Combat Team complexes, headquarters buildings, administrative office buildings, technical and research facilities, and training/instruction facilities.

BASE REALIGNMENT AND CLOSURE TOA (\$M)

Category	FY08	FY09
	Base	Request
BRAC	99	73
BRAC 2005	4,016	4,486
Totals	4,114	4,559

FY 2009 Summary



Our Army is organized, manned, trained and equipped to conduct sustained campaigns on land to achieve national strategic objectives. We are uniquely suited to conducting expeditionary operations that require rapid deployment of our forces to hostile or challenging theaters. Our transformation and modernization efforts are focused to improve our capabilities in a variety of settings within the broader security environment. Continued improvement of these capabilities is imperative if we are to meet the needs of the Nation and to adapt to the challenges our Soldiers will face.

Appendix

The Army's Fiscal Year 2009 Performance Budget Overview

THE ARMY'S FISCAL YEAR 2009 PERFORMANCE BUDGET OVERVIEW

The Army's Performance Budget Overview for Fiscal Year 2009 outlines measurable goals and links them to the Army's four imperatives and Army appropriations as outlined in the FY 2009 President's Budget Highlights. The Army integrates its Annual Performance Plan with the budget – what is known as "performance budgeting" – in compliance with the Government Performance and Results Act of 1993. Performance budgeting shifts the focus of attention from detailed items of expense, such as salaries, supplies and travel, to the allocation of resources based on program goals and measured results. For the Army, this provides another measure to ensure that American Soldiers remain the best-trained and best-equipped in the world.

RESTORING BALANCE

Ground forces remain central to the successful achievement of U.S. national security objectives. Soldiers must operate across the full spectrum, including peacetime military engagement, major combat operations, countering the spread of extremism, and assuring allies and partners. Today, every part of the Army – active and reserve Soldiers, their Families, Army civilians and the institutions that generate and support them – is totally committed. Sustained demand has stressed the All-Volunteer Force. While it remains resilient and steadfast, it is out of balance.

This lack of balance poses risk to the All-Volunteer Force as well as the Army's timely response to other contingencies. To mitigate near-term risk, Army senior leadership has established four imperatives – sustain, prepare, reset and transform – to guide requirements development and spending decisions. The goal of these imperatives is to restore balance by 2011.

Our priorities for resources in 2009 reflect our commitment to supporting the nation and rebuilding balance in the Army.

Four Imperatives

Sustain. To sustain our Soldiers, Families, and Army Civilians in an era of persistent conflict we must maintain the quality and viability of the All-Volunteer Force and the many capabilities it provides to the Nation. Sustain ensures our Soldiers and their Families have the quality of life they deserve.

Prepare. To prepare our Soldiers, units, and equipment we must maintain a high level of readiness for the current operational environments, especially in Iraq and Afghanistan.

Reset. To reset our force we must prepare our Soldiers, units, and equipment for future deployments and other contingencies.

Transform. To transform our force we must continuously improve our ability to meet the needs of the Combatant Commanders in a changing security environment.

FY 2009 TARGETS

To support the Army's four imperatives, which will help mitigate near-term risk and restore balance across all dimensions of the force by 2011, the Army has set specific performance targets for FY 2009.

Sustain

To sustain our Soldiers, Families, and Army Civilians in an era of persistent conflict we must maintain the quality and viability of the All-Volunteer Force and the many capabilities it

Performance Budget Overview

provides to the Nation. Sustain ensures our Soldiers and their Families have the quality of life they deserve.

Among the most important performance targets are those intended to increase the Army's battlefield effectiveness. In FY 2009, the Army's goal is to grow its active component (AC) to 532,400 personnel, the Army National Guard (ARNG) to 352,600 personnel and the United States Army Reserve (USAR) to 205,000 personnel. In FY 2009 the institutional force goals are 88,000 AC Soldiers and 87,924 RC Soldiers, including 5,000 Individual Mobilization Augmentees within the USAR. The Army continues to streamline the Trainees, Transients, Holders and Students personnel account, with a goal of 71,000 AC and RC Soldiers.



To achieve this growth, the active component will access 80,000 new Soldiers and retain 64,000 of those who could depart. The National Guard goal is to recruit 70,000 new Soldiers and to retain 39,500. The USAR plans to access 26,500 personnel and to retain 16,900.

Both long-term and short-term care for Wounded Warriors has improved at medical centers across the Army. This care includes extensive assistance to help Soldiers return to the Army or to transition to civilian life.

Our housing programs are on track to eliminate inadequate family housing worldwide by the end of FY 2009, through privatization, construction, renovation, leasing and divestiture of units. The Army will operate and maintain 24,611 Army-owned housing units, replace and/or improve 423 family housing units and fund new construction of 216 family housing units at Camp Humphreys, Korea, as part of Yongsan Relocation Plan. We plan to transfer a total of 5,753 homes to privatization partnerships during FY 2009 consisting of projects funded in FY 2008, FY 2009, and projects which do not require government funding. We will provide 123,255 Soldiers, out of a requirement of 147,700 Soldiers, with barracks that meet the 1+1 or equivalent standard by FY 2013.

Prepare

We continue to adapt institutional, individual and collective training to enable Soldiers to succeed in combat and to retain our edge against an adaptive enemy. We are equally committed to providing Soldiers with the best available equipment both to protect them and to maintain a technological advantage over the enemy.

Soldiers must be armed with values, combat skills and a mindset that enable them to serve as competent, disciplined warriors. Training programs at home stations, combat training centers and across the institutional training base incorporate recent combat experiences to grow adaptive, resilient Soldiers who are able to thrive in the contemporary operating environment and are ready to operate with our joint, interagency and multinational partners.

In keeping with the commitment to educate troops and provide Soldiers the skills necessary to prevail on the battlefield, the Army intends to graduate 142,488 Soldiers (officers and enlisted) from basic and initial skills training: 91,408 from Basic Combat Training, 40,636 from One

Station Unit Training and 10,444 from the Basic Officer Leadership Course. The Army plans to graduate 41,525 leaders from professional development training schools and 10,123 Soldiers from language training schools.

The Army accepts risk by resourcing 608 of the 846 ground miles and 12.3 of the 13.1 crew flying hours per month required in the AC training strategy. The ARNG is funded to execute 131 of the 185 ground miles and 6.8 of the 7.5 crew flying hours required by its training strategy. The USAR is funded for 145 of its 200 ground miles and 6.8 of its eight crew flying hours training strategy.



The Army will execute all 28 combat training center rotations called for in the training strategy.

In direct response to current global operations, the Army in FY 2009 will provide 225,729 Soldiers with Rapid Fielding Initiative equipment in support of the Army Force Generation (ARFORGEN) process. The ARFORGEN process allows us to create the readiness necessary to be a campaign-quality and expeditionary Army that can promptly deploy combined-arms forces worldwide into any operational environment.

Reset

Reset activities help to reverse the accumulated effects of repeated combat deployments. Reset comprises three broad components: resetting equipment, re-training Soldiers and reconstituting units by revitalizing Soldiers and Families. The Army funds these efforts with Global War on Terrorism (GWOT) appropriated funds. The FY 2009 performance measures for Reset are being developed and will be submitted with the FY 2009 GWOT budget request.

Transform

Transformation allows the Army to provide and to sustain dominant, strategically responsive, full-spectrum land power for combatant commanders; and ensures that our Soldiers can fight, survive and win in any situation, from peacekeeping to major combat.

The overall transformation plan is on track to achieve a total of 76 Brigade Combat Teams (BCTs), 48 in the Active Component by the end of 2011, and 28 in the ARNG by 2012. In FY 2009, the Army requests funds for the transformation of two Active Component BCTs (bringing the total number transformed to 70 of the 76 planned); the continuing transformation of 21 ARNG BCTs; and from all components, the transformation of 13 support brigades (seven activations and six conversions).

The Future Combat Systems (FCS) program, the core of Army transformation and the first new family of combat vehicles in more than 40 years, is moving from concept to reality. FCS is a system of systems, consisting of an

Transformation Plan	FY09
AC Transformed	40
ARNG Transformed	7
Total Transformed	47
AC Transforming	2
ARNG Transforming	21
Total Transforming	23
Total Transformation	70

Note: BCT transformation (for activations and conversions) occurs within 12 months of E-Date for AC HBCTs and IBCTs; 24 months for AC SBCTs; and 48 months for all ARNG BCTs. BCTs are considered to be transforming to a modular design during this period; at the end of this period, units are considered to be transformed to a modular design. 100% fielding of some equipment items for these units will be an on-going process well past their EDATE. Under the current equipping plan, the fielding of programmed items will not be completed until 2015 for BCTs and 2019 for SPT BDEs.

Performance Budget Overview

advanced network and 14 individual platforms that will enable previously unknown levels of joint connectivity, situational awareness and synchronized operations. The budget procures the required sets of FCS Spin Out A- and B-Kits and integration of the B-Kits for the current force platforms to be used in the planned Initial Operational Testing in FY 2011.

The AC will transform one and one half medium-lift helicopter companies with the CH-47F and begin to build the first Sky Warrior Unmanned Air System. The ARNG will transform the equivalent of one ARNG combat aviation brigade with the UH-60M, HH-60M and the Light Utility Helicopter (LH-72A); and two attack helicopter battalions with the AH-64D Apache Longbow.

By the end of FY 2009 the Army logistics goal is to complete fielding of all Logistics IT "bridge systems" to the entire Army, and will complete the operational assessment of the Global Combat Support System-Army, the first module of the Single Army Logistics Enterprise.

Army infrastructure plays a vital role in supporting the joint force. To ensure that the Army can respond to crises anywhere in the world, we are adjusting our global footprint. At the same time, the Army is completely revamping installations, depots and arsenals, and the information network that connects them, to reflect the deployment requirements and global commitments of the 21st Century security environment. To support this holistic infrastructure plan, in FY 2009 the Army will fund 104 new military construction projects and continue to implement Base Closure and Realignment, Global Defense Posture Realignment and Army Transformation.

To free resources for more compelling operational needs, the Army is reengineering its institutional business processes. On the technology side, these changes include continued development of the General Fund Enterprise Business System (GFEBS), an integrated financial management system that will replace scores of disparate financial and accounting systems. GFEBS will eventually manage \$100 billion in spending by the active Army, the Army National Guard and the U.S. Army Reserve. In FY 2009, the Army will deploy current GFEBS functionality to the Installation Management Command's headquarters and Southeast Regional Office, and the garrison at Ft. Jackson, SC, to support standard business processes.

The Army also is applying Lean Six Sigma to our business transformation. We are reviewing every one of our core business processes in order to better support our forces, to reduce waste and to improve quality in every aspect of our activities. The ultimate goal is to free human and financial resources for more compelling operational needs. In FY 2009 the Army will train 90 Master Black Belts, 1,770 Black Belts and 3,000 Green Belts; and will complete 2,965 Lean Six Sigma projects.

In addition, we are working to establish a cost culture in which leaders better understand the full cost of the capabilities they provide and incorporate cost considerations in their planning and decision-making processes. This approach will enable the Army to more efficiently achieve its readiness and performance objectives. To support this effort, the Army is embarking on aggressive plans to provide new top-notch education



and training programs for flag officers and senior civilians to give them the business acumen necessary to lead the Army enterprise.

TRACKING PROGRESS

The Army will monitor and quantify its progress in achieving its goals. The Army also is strengthening financial and management controls to better safeguard assets, to improve contracting in expeditionary environments and to ensure full compliance with laws and regulations.

LOOKING FORWARD

The resources and support provided in FY 2009, and beyond, will determine whether the Army can continue to accomplish its mission, maintain key programs' momentum, accelerate critical aspects of transformation and prepare Soldiers to deal with whatever they may face today and tomorrow.

The challenge is to establish balance between current readiness and future investments, while keeping risk at moderate levels as the Army supports its global commitments and maintains people programs that improve the quality of life for our Soldiers and their Families.

Everything the Army does is directly tied to enabling Soldiers to continue to fight and win the Nation's wars. We owe our Soldiers the very best, and the financial management community remains dedicated to serving them as they serve our Nation.

Tracking Progress FY 2007

- ❖ Initiated the Army Medical Action Plan to improve medical care for our Warriors in Transition.
- ❖ Initiated the Soldier-Family Action Plan, bringing to life the Army Family Covenant and adding \$100 million in FY 2007 to improve the quality of life for our Soldiers and their Families.
- ❖ Initiated Soldier Family Assistance Centers throughout the Army to provide a single point of entry for Families and Warriors in Transition for health care and related issues.
- ❖ Recognized with the prestigious Malcolm Baldrige Award, the Army Armament, Research and Development Engineering Center is the only organization in the Federal Government to have received this honor.
- ❖ Converted approximately 10,000 military positions to civilian positions through the end of FY 2007.
- ❖ Privatized more than 4,000 homes, bringing the total to more than 75,000 that are privately managed.
- ❖ Reduced energy consumption on our installations through FY 2007, by 8.4 percent since 2003 and 28.9 percent since 1985.
- ❖ Reset the equivalent of 25 BCT's worth of equipment, including 1,700 tracked vehicles, 15,000 wheeled vehicles, 550 aircraft and 7,400 generators.
- ❖ Established and funded an Enterprise level property accountability system for all components, providing Army-wide visibility and improving accountability from 22 million items valued at \$124 billion to 3.4 billion items valued in excess of \$230 billion.
- ❖ Destroyed more than 15,000 tons of chemical agent contained in 1.8 million chemical munitions and containers.
- ❖ Merged the Joint Network Node program into the Warfighter Information Network-Tactical, resulting in better integration and cost savings.
- ❖ Employed National Guard Soldiers worldwide who aided in seizing nearly 4,000 vehicles, approximately one million pounds of marijuana, and roughly 600,000 pounds of cocaine.
- ❖ Completed more than 4,000 construction projects valued at more than \$10.5 billion in Iraq and Afghanistan to improve the quality of life for indigenous populations and to build critical infrastructure.

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Publication Information

- ❖ This booklet provides the highlights of the Army's Budget submitted to Congress as part of the President's Fiscal Year 2009 Budget.
- ❖ Number totals on some charts may not add due to rounding.
- ❖ Questions concerning the source or interpretation of the information in this booklet may be directed to the **Army Budget Office (Budget Formulation Division)**, 703-692-5766 or DSN 222-5766.
- ❖ This booklet will be available on the Assistant Secretary of the Army (Financial Management and Comptroller) Web site in February 2008, along with all the Army budget materials:

<http://www.asafm.army.mil/budget/fybm/fybm.asp>

- ❖ This document was published in electronic form only. Paper copies are not available.
- ❖ Photos are courtesy of U.S. Army

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