

THE ARMY BUDGET REQUEST - FISCAL YEAR 2011

1 February 2010

Today, the Army announced the details of its budget for Fiscal Year (FY) 2011, which covers the period from October 1, 2010, through September 30, 2011. The FY 2011 base budget request is \$143.4 billion. In addition, the Army requests \$102.2 billion in FY 2011 to support ongoing Overseas Contingency Operations (OCO).

Although stressed by nearly nine years of war, our Army is a combat-seasoned, resilient, professional force—the best in the world. The Army—Active, National Guard, and Army Reserve Components—continues to protect our Nation, defend our national interests, and provide support to civil authorities in response to domestic emergencies. However, our Army now faces two major challenges—**restoring balance** to a force feeling the cumulative effects of years of war and **setting conditions for the future** to fulfill our strategic role as an integral part of the Joint Force. The Army budget request for FY 2011 seeks to mitigate the risk posed by these challenges. Our future readiness depends on continued modernization, adaptive institutions, and leader development in support of an expeditionary and campaign capable force.

The following table shows the Army's FY 2011 base budget request compared to the FY 2010 appropriated amounts.

Appropriation Category (\$B)	FY10 Base Enacted	FY11 Base Request
Military Personnel	57,892	59,050
Operation and Maintenance¹	40,118	43,868
Procurement	19,260	21,333
Research, Development, Test, and Evaluation	11,415	10,333
Military Construction	4,503	5,271
Army Family Housing	797	610
Base Realignment and Closure/HAP²	5,068	1,103
Army Working Capital Fund	38	55
Chemical Demilitarization	1,712	1,592
Joint Improvised Explosive Device Defeat Fund	121	216
Totals	140,924	143,432

1. Includes Environmental Restoration, Army

2. Homeowners Assistance Program

Numbers may not add due to rounding.

The Army's FY 2011 Budget Will Restore Balance and Set Conditions for the Future

The Army remains out of balance, posing a risk to the All-Volunteer Force and limiting the Army's strategic depth. To mitigate near-term risk, the Army's senior leadership established a plan to restore balance based on four imperatives: **sustain** our Soldiers, Families, and Army Civilians in an era of persistent conflict; **prepare** our Soldiers, units, and equipment for success in the current conflict; **reset** our returning Soldiers, units, and equipment to rebuild readiness consumed in operations; and **transform** to improve our ability to meet the needs of combatant commanders. Our goal is to restore balance to the Army by the end of 2011.

Sustain

- Recruitment and retention increases – Sustain current force levels with a planned increase of 159,500 new enlisted troops across all components. The Active Component will also plan for a temporary end strength increase of 22,000.
- Care of Soldiers, Families, and Civilians – Improve quality of life for Soldiers and Families through the following programs: Survivor Outreach Services, Soldier and Family Action Plan, Wounded Warrior facilities, barracks renewal, and improved and expanded family housing availability.

Prepare

- Prepare our force to succeed in the current strategic and operational environments with aggressive and innovative training programs and equipment that both protect the Soldier and maintain a technological advantage over our adversaries.
- Focus on the Army Force Generation (ARFORGEN) process, the core process for generating trained, ready, and cohesive units on a sustained and rotational basis.

Reset

- Revitalize our Soldiers and Families – Increase the time our Soldiers and Families have together to reestablish and strengthen relationships following deployments.
- Repair, replace, and recapitalize equipment.
- Retrain Soldiers, leaders, and units.

Transform

- Modular Reorganization – Achieve a planned total of 73 transformed Brigade Combat Teams (BCTs) and 230 Support Brigades.
- Leverage Advanced Technologies – Connect our Soldiers through a network of voice, data, and video communications through the development of new capabilities integrated with current systems.

- Operationalize the Reserve Component – Systematically build and sustain readiness in the Reserve Component while increasing predictability for Soldiers and Families.
- Soldier and Leader Development – Increase and improve training to build critical knowledge and skills. Develop agile, adaptive military and civilian leaders who can operate effectively in the Joint, interagency, intergovernmental, and multi-national environments.

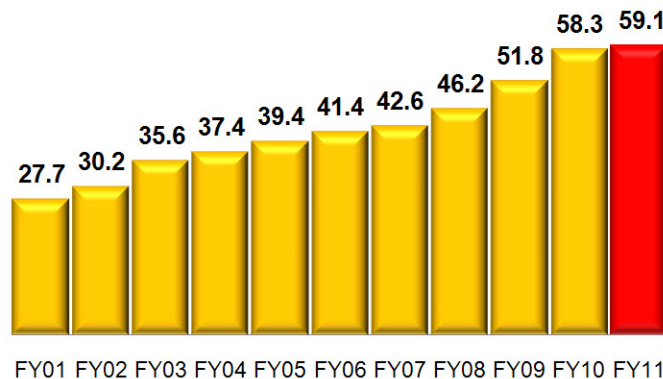
Military Personnel

The Army’s objective is to achieve balance within a dynamically engaged force. The size of the force plays a critical role in achieving balance. The FY 2011 President’s Budget reflects Active Army, Army National Guard, and Army Reserve end strengths of 547,400, 358,200, and 205,000 respectively. In addition, a temporary end strength increase of 22,000, which is funded in the OCO portion of the request, will improve readiness by increasing manning in units.

The FY 2011 base budget fully funds Active Component end strength and recruiting and retention incentives. The budget request continues to take care of Soldiers and Families by providing a 1.4 percent military pay increase in FY 2011.

The chart below shows the FY 2011 and historic base budget requests for the Military Personnel appropriations (including the Medicare-Eligible Retiree Health Care Fund).

Military Personnel Budget Requests (\$B)

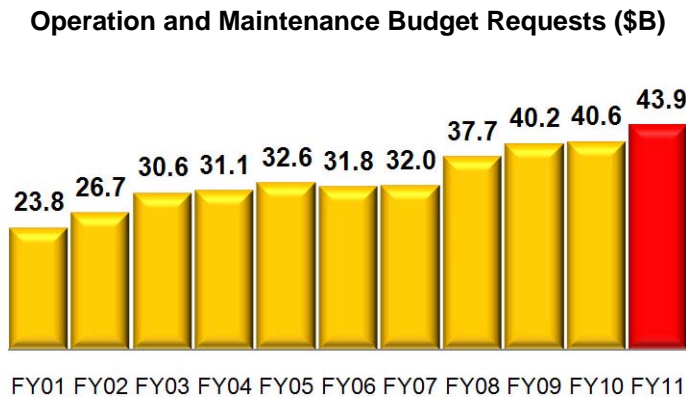


Operation and Maintenance

The Army's FY 2011 Army Operation and Maintenance budget provides funds to restore balance as the Army moves toward full spectrum operational capabilities in modularized units. It supports a phased expeditionary cycle for units at various Army Force Generation (ARFORGEN) readiness levels. It provides for:

- Recruiting and training the All-Volunteer Force comprised of Soldiers, Families, and Army Civilians.
- Sustainment of the force through programs such as the Army Family Covenant, Comprehensive Soldier Fitness Program, and Warfighter and Family services.
- Readiness of the force by providing individual skills and leader training, Combined Arms Training toward full spectrum operations, and adaptable phased training based on ARFORGEN demands. Supports Active and Reserve Component transformation to a deployable, brigade-centric force.
- Facilities and infrastructure by maintaining equipment and facilities at levels that provide a high quality of life and premier work environment for Soldiers, Families, and Army Civilians.

The chart below shows the FY 2011 and historic base budget requests for Operation and Maintenance appropriations (including Environmental Restoration, Army, funding).



The FY 2011 budget contains funding increases for Active Component operating tempo (OPTEMPO) and related programs. These funding increases provide for:

- Ground OPTEMPO – Collective training for non-deployed units in a rigorous program of tough, realistic combat training encompassing actual miles driven for Home Station Training and Combined Training Center rotations and virtual miles associated with simulator training.
- Flying Hour Program – Training for non-deployed combat aviation brigades in cockpits and simulators for individual crewmembers and units according to approved aviation training strategies, thereby building operational readiness toward full spectrum operations.

- Combat Training Centers – Tough, realistic, combat training for Active and Reserve Component forces at the National Training Center, Joint Readiness Training Center, and Joint Multi-National Readiness Center. The Battle Command Training Program will provide command and staff level exercises for corps and divisions.
- Training and Education – Increases in language and culture training, while sustaining adaptable individual and leader training. Mobile Training Teams provide flexibility and reduce stress on the force. The budget also funds increases in Senior Reserve Officers' Training Corps commission missions and expansion of Junior Reserve Officer Training.
- Depot Maintenance Program – A baseline which, when combined with Overseas Contingency Operations (OCO) funding, assures the timely availability of equipment, vehicles, aircraft, and weapon systems to support unit training, readiness, and preparedness for contingency operations.
- CyberSpace and Network Operations – Increases cyber security and operations by operationalizing LandWarNet; provides a computer network exploitation capability, and fields tactical network communications to meet persistent demand.

Also included in the FY 2011 budget are increases for installation services and facilities support.

- Base Operations Support programs include Family programs, environmental programs, force protection, facilities operations, command support, human resources management, logistics services, community services, and audio-visual and base communication services.
- Sustainment, Restoration, and Modernization programs ensure Soldier and Family well-being by funding the maintenance and repair of facilities, including emergency repairs, plumbing, electrical, heating, air conditioning, and replacement of roofs. The FY 2011 budget funds sustainment at 90% of the Facility Sustainment Model, and includes increases for the energy metering initiative and barracks modernization.

Administration and Servicewide Activities support all Army programs for the global-reach infrastructure. These operations require a combat support infrastructure that is based in the continental United States and provides real-time support to Active, Reserve, and National Guard units. The centralized infrastructure programs funded in the FY 2011 budget include:

- Intelligence and security efforts such as National Geospatial-Intelligence Program, personnel security investigations, the Defense Joint Counterintelligence Program, and Arms Control Treaties implementation.
- Army Headquarters Activities such as Army Contracting Command, Army Criminal Investigation Command, Army Audit Agency, Army Claims, Public Affairs and vital Army-wide telecommunications and information systems, as well as the

Army payments to the Defense Finance and Accounting Service and Defense Commissary Agency.

- Support of Other Nations, fulfilling our commitment to the North Atlantic Treaty Organization.

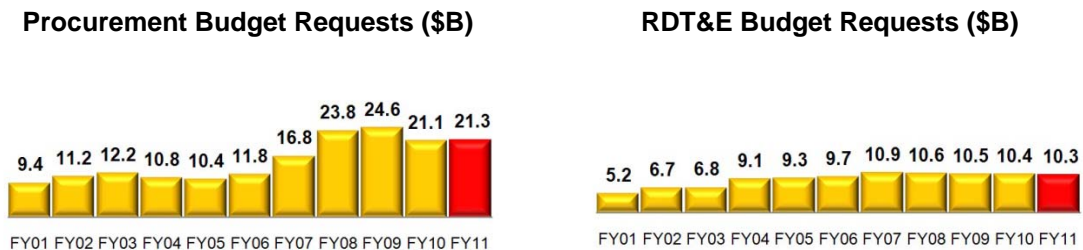
FY 2011 funding also supports established Family programs and emerging initiatives. The well-being of our Soldiers, Families, and Civilians is inextricably linked to the Army's readiness. Several Army initiatives have been implemented and expanded to reinforce holistic fitness, mitigate stress, and build resiliency into the force. These prevention-focused initiatives include the Sexual Harassment/Assault Prevention and Response Program, the Army Campaign Plan for Health Promotion, Risk Reduction and Suicide Prevention, and the Comprehensive Soldier Fitness Program. The Army's Well-Being programs and Family support systems will be synchronized with rotation schedules and optimized to support deployed units.

The Army is Executive Agent for three Combatant Commands: U.S. European Command, U.S. Africa Command, and U.S. Southern Command. FY 2011 funding supports the commands' primary missions of conducting theater engagements, building partner capacity, and promoting stability within their areas of responsibility.

Research, Development and Acquisition

Against a background of persistent conflict, the Army seeks to strike a balance between investing in the future force while sustaining and enhancing the capabilities of the current force. The focus in achieving these objectives is accelerating delivery of successful products from research and development to meet the challenges of the current fight – while leveraging what we have learned during eight years of war to develop the right tools for the job ahead.

The chart below shows the FY 2011 and historic base budget requests for Procurement and Research, Development, Test, and Evaluation appropriations.



The Army's FY 2011 requirement includes the following procurement and RDT&E programs:

- Modernization of the UH-60 (Black Hawk), CH-47 (Chinook), and AH-64 (Apache) helicopters. The Black Hawk request includes \$1,351M to procure 48 UH-60M (utility mission) and 24 HH-60M (medical mission) helicopters. The M model provides a digitized cockpit, new engine for improved lift and range, and wide-chord rotor blades. The Chinook and Apache requests are combinations of new procurement and upgrade efforts. The Chinook request of \$1,159M procures 40 F-model aircraft while providing modifications, to include a loading system to enable rapid reconfiguration from cargo to passenger missions. The Apache request focuses on two levels of modernization, with \$494M to buy 16 new Apache Block III aircraft and \$394M to upgrade existing aircraft to Block II models. Block II modifications integrate Target Acquisition Designation Sight/Pilot Night Vision Sensor upgrades and other safety and reliability modifications. The Block III model is the Army's attack helicopter bridge to the future force, providing unmanned aerial system control capability, a visual near-infrared sensor to aid pilotage and target acquisition, and other force protection and reliability enhancements (\$93M).
- Procurement of 26 MQ-1 Sky Warrior Extended Range Multi-Purpose Unmanned Aerial System (\$459M). The MQ-1 is already proving its worth in OIF as part of a quick reaction team comprised of pre-production aircraft. The FY 2011 budget continues low rate initial production, with fielding of two companies. Ultimately, each of the 10 Active Army divisions will have a Sky Warrior company that will provide a real-time capability to conduct long-dwell, wide-area reconnaissance, surveillance, target acquisition, communications relay, and attack missions.
- The BCT Modernization Program includes four elements: incrementally fielding capability packages that best meet the needs of Soldiers; modernizing the Network to take advantage of technology upgrades; developing and fielding a new Ground Combat Vehicle (GCV) that meets the requirements of the 21st Century Army; and integrating Mine Resistant Ambush Protected Vehicles (MRAPs) into our formations and programs. Procurement of \$682.7M buys capability packages to enhance two IBCTs to be fielded in FY12. The PB11 RDTE request of \$1.6B continues support and testing for the Increment 1 and development of Increment 2. These increments will provide additional capabilities and advances in networking and battle command to the remaining IBCTs.
- Procurement and Modernization of proven air defense and precision strike missile systems. The budget requests \$480M to procure 78 Patriot Advanced Capability-3 (PAC-3) missiles and provide system upgrades, including improvements to the tactical command system. The budget also requests funding for combat proven precision strike missile systems, most notably the Guided Multiple Launch Rocket System, 2,592 missiles, (\$291M), and the Javelin Missile System, 715 missiles,(\$164M). Missile investment in FY 2011 for the future also focuses on High Mobility Artillery Rocket System.

- Modernization focused on standardization of two variants of our dominant combat maneuver platforms (M1 Abrams Tank and M2 Bradley Fighting Vehicle (BFV)), combined with expansion of the versatile and lethal Stryker Combat Vehicle. Modernization of the older M1 variant is accomplished with M1A1 Situational Awareness (SA) upgrade kits while the M1A2 Abrams is upgraded through the M1A2 System Enhancement Program (SEP) kit (\$414M). Procurement of 87 M1A1 SA kits and 21 M1A2 SEP kits provide enhanced situational awareness for operators and command elements, increased force protection, and integration optimization between systems. Upgrade kits (\$215M) will make the M2A3 and M3A3 Bradleys compatible with the M1A1 Abrams and provide greater lethality, survivability and sustainability. The \$447M requested for Stryker procures 83 combat vehicles in several variants.
- Family of Medium/Heavy Tactical Vehicles (FMTV/FHTV). The FY 2011 budget requests \$918M for 2,959 trucks and 1,341 trailers within the Family of Medium Tactical Vehicles. The heavy truck request of \$550M supports 9,538 trucks, trailers, and other systems within the Family of Heavy Tactical Vehicles.
- Warfighter Information Network – Tactical (WIN-T). WIN-T is the cornerstone tactical communications system, providing a single integrating framework for the Army's battlefield network. It will provide the hardware and programming to enable the Brigade Combat Team (BCT) Modernization Network to be truly a system of systems network. The \$421M procurement request for WIN-T enables interoperability between the currently fielded Increment 1 (networking at the halt) and Increment 2 (initial networking on the move). The request also supports purchase of Network Centric Warfare Modems and LRIP quantities to support test activities. The Army anticipates reaping benefits from these investments in FY 2011 as WIN-T systems deploy with BCTs. The request also continues modernization for communications at the unit and Soldier levels with \$209M for Joint Tactical Radio System. This request supports purchase of 1,943 Handheld, Manpack and Small Form Fit radios through LRIP production.

The budget includes \$1.9 billion for the Science and Technology program to develop technology relevant to both the Army and the Joint Team. The S&T program leverages the work of other services, defense agencies, private industry, and the international community. By synchronizing operational concept development with transformational business practices, we can field technology to Soldiers faster. This investment strategy enables the pursuit of technologies and opportunities that will enhance future force capabilities concurrent with support of the current engaged force while ensuring flexibility to develop solutions that are responsive to changing warfighter needs.

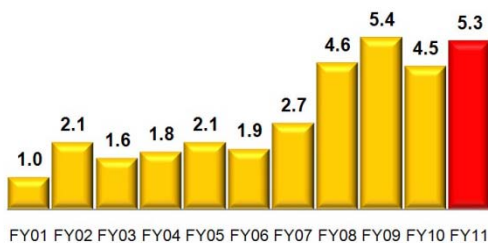
The Army's Top Ten RDA Projects based on total dollar value are shown in the table below:

Project	(\$M)
Brigade Combat Team Modernization	3,185
Ammunition (excludes facilities and demilitarization costs)	1,635
UH-60 Black Hawk Helicopters	1,414
CH-47 Chinook Helicopters	1,225
PAC-3 and Patriot/Medium Extended Air Defense System	947
Family of Medium Tactical Vehicles	918
AH-64 Apache Helicopters	888
Warfighter Information Network-Tactical	612
RQ7 (Shadow) Tactical Unmanned Aerial Vehicle (Modifications)	505
Sky Warrior Extended Range Multi-Purpose Unmanned Aerial System	459

Military Construction and Army Family Housing

The FY 2011 Military Construction budget provides new and renovated military facilities for the Active and Reserve Components. The FY 2011 Army Family Housing request funds the Department's goal of providing fully adequate housing to improve the well-being of Soldiers and Families. The charts below show the FY11 and historic budget requests for the Military Construction and the Army Family Housing appropriations.

**Military Construction
Budget Requests (\$B)**



**Army Family Housing
Budget Requests (\$B)**



The Military Construction FY 2011 budget request is \$5.3 billion. This program focuses on improving living conditions and support facilities for Soldiers and their Families.

FY 2011 marks the first full year of privatization operations at all 44 planned installations. This request also includes follow-on funding for Phase II construction at previously privatized Carlisle Barracks (56 units) and Fort Eustis (125 units). In addition, it includes funding for 64 new housing units at USAG Baumholder, Germany.

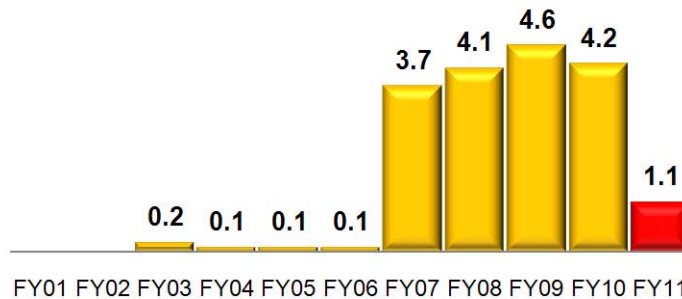
The Army Family Housing Operations budget supports the operation, maintenance, and oversight of homes in the United States and overseas. The FY 2011 budget provides funding for 16,419 Army-owned, 8,135 leased, and 86,464 privatized homes.

Base Realignment and Closure

Base Realignment and Closure (BRAC) 2005 legislation will close 13 Active Army installations, 387 Reserve Component installations, and eight leased facilities by the end of FY 2011. BRAC 2005 establishes joint bases, a Human Resources Center of Excellence, joint technical and research facilities. It also realigns the USAR command and control structure, and creates Training Centers of Excellence at Fort Sill, OK, Fort Benning, GA, and Fort Lee, VA.

The FY 2011 budget for BRAC activities is \$1.1 billion. The chart below shows the FY 2011 and historic budget requests for the Base Realignment and Closure appropriation.

BRAC Budget Requests (\$B)



The Army's FY 2011 budget funds all actions required to meet Base Realignment and Closure laws. It requests \$.9 billion for operation and maintenance and other procurement, including movement of personnel and equipment to gaining installations, and procurement of furnishings and information technology equipment for BRAC construction projects awarded in FY 2006-2010. It also resources ongoing environmental actions at closing installations. There are no new construction projects in the FY 2011 budget request.

ARMY PUBLIC AFFAIRS POCS ARE:

Mr. David Foster (Dave.Foster1@us.army.mil / 703-697-5344)
Mr. William Layer (William.Layer@us.army.mil / 703-693-4987)