



U.S. ARMY

Army FY 2014 Budget Overview

April 2013

MG Karen E. Dyson

Director, Army Budget

Mr. Davis S. Welch

Deputy Director, Army Budget



America's Force of Decisive Action

- ❖ **More than 88,000 Soldiers and Civilians deployed around the world**
- ❖ **Over 97,000 Soldiers and Civilians maintaining forward presence in overseas stationing**
- ❖ **Supports Strategic Priorities of the 2012 Defense Strategy**





Adapting for the Future, Meeting the Needs of the Nation

Today...

- ❖ **Refocusing training toward core competencies in the Joint, interagency and multinational environment → Decisive Action**
- ❖ **Adapting to our environment**
 - **Smaller Army**
 - **Enhanced Brigade Combat Team capability**

Tomorrow...

- ❖ **Strengthened global engagements**
 - **Mission tailored, scalable force packages**
 - **Building partner capacity**
- ❖ **Modernized Force**
 - **Network**
 - **Mobility**
 - **Lethality**
- ❖ **Enhanced Resiliency for Soldiers, Civilians, and Families**
- ❖ **Strategic leadership at all levels**

*Focused on the
Soldier and the
Squad*

Committed to the Current Fight



FY 2013 Impacts into FY 2014

FY 2013	FY 2014
OPTEMPO ground reduced	➔ Readiness erosion – most active component units untrained for immediate deployment to meet demands of the Nation
Flying Hours reduced	➔ Aviation Training backlog and erosion of crew certification in non-deploying units
People Actions (Freeze, Temp/Term Release, Furlough)	➔ Negative personal impacts to valued Civilian workforce and Families
Reset	➔ Deferred Reset and battle loss replacement increases requirements in FY 2014; will take years to recover
Working Capital Fund	➔ Decreased orders drive cash balances below effective operational range; may require appropriated fund support
Facilities Sustainment, Restoration, Modernization	➔ Deferred projects increase requirements in FY 2014 and beyond
Individual Professional Training	➔ Cancelled courses and training negatively impact professional leader development

Anticipate a less ready posture in FY 2014 than assumed in the FY 2014 Budget



Supporting the Army's Role in the Defense Strategy

FY 2014 Budget Themes

❖ Take care of people

- **Sustain the All-Volunteer Army**
- **Support Wounded Warrior programs**
- **Strengthen support for Soldier, Army Family, and Civilian programs**
- **Develop adaptive military and civilian leaders**
- **Support program to facilitate transition of Soldiers from active duty to civilian life**

❖ Maintain readiness

- **Fully support Operation Enduring Freedom**
- **Train and equip Soldiers**
- **Transition to Regionally Aligned Forces concept**
- **Enhance Brigade Combat Team capabilities**
- **Adapt to new Force Generation model**

❖ Reset and Modernize

- **Reset and replace existing or battle-damaged equipment**
- **Support modernization priorities: enhance the Soldier for broad Joint mission support; enable mission command; and remain prepared for decisive action**

❖ Transform the Institutional Army

- **Support acquisition reform**
- **Continue energy efficiency initiatives**
- **Support plans to achieve audit readiness**

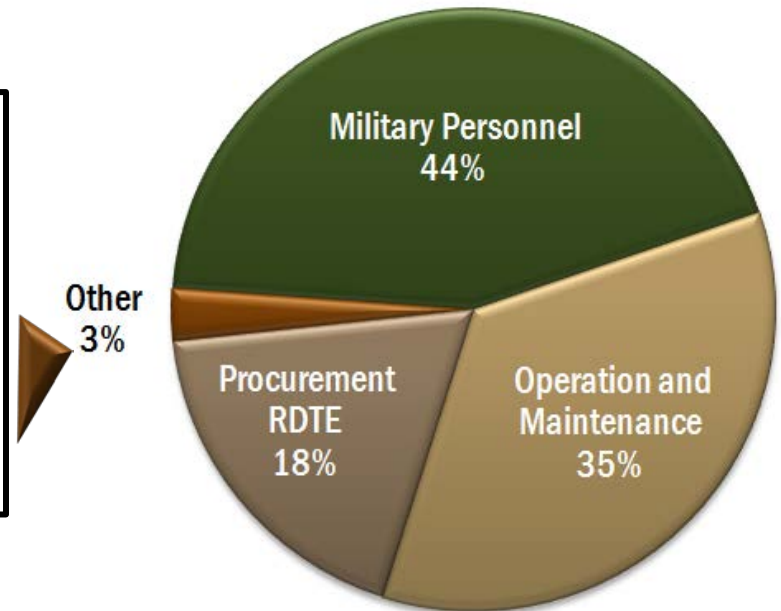


FY 2014 Base Budget Request

▶ **\$129.7B** ◀

Base Request	(\$M)	
Military Personnel	56,637	■
Operation and Maintenance	45,521	■
Procurement/RDTE	23,950	■
Military Construction/Family Housing/BRAC	2,352	■
Chemical Agents and Munitions Destruction/Construction	1,180	■
Army Working Capital Fund/Arlington National Cemetery	71	■
Total	129,711	

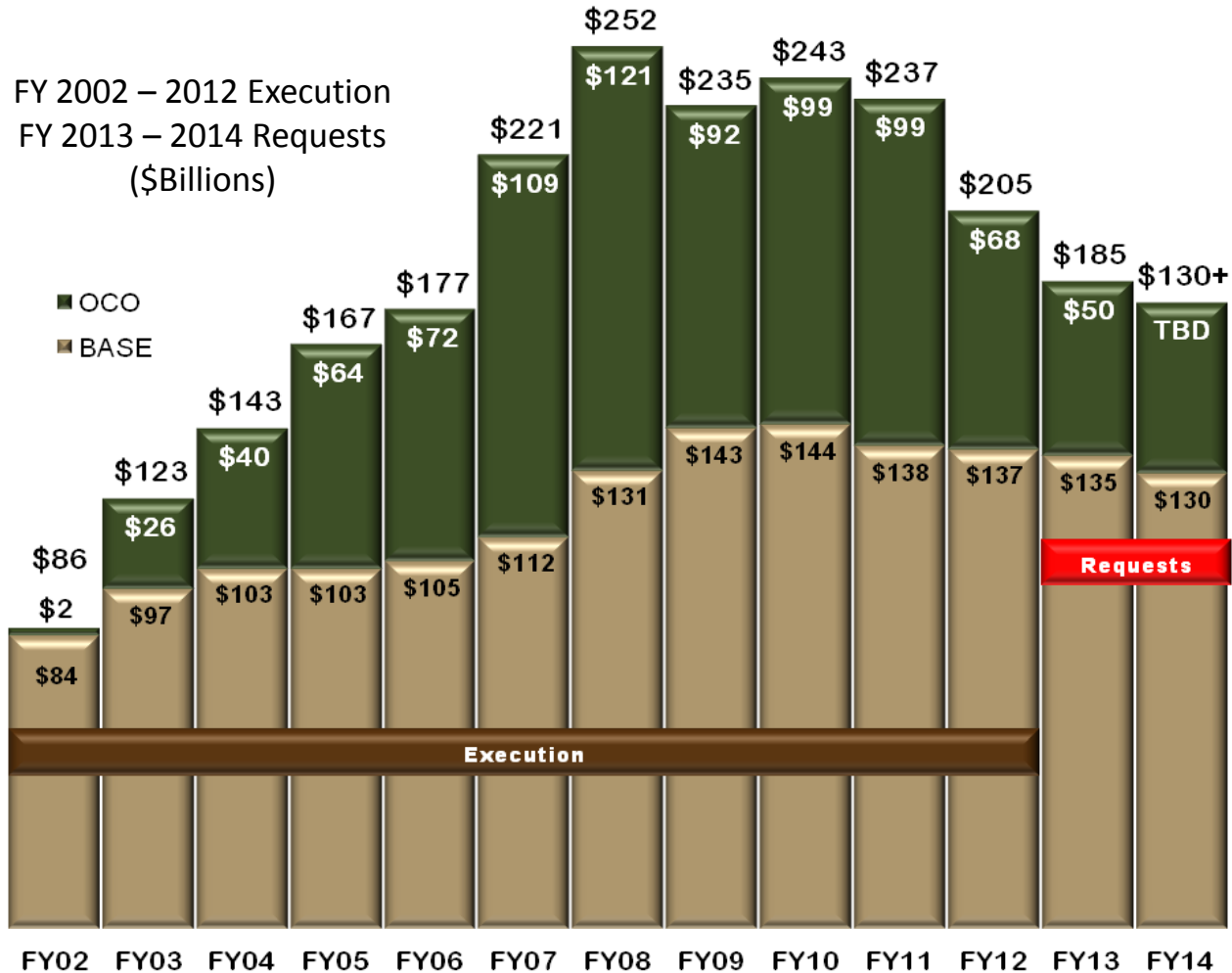
Numbers may not add due to rounding



The FY 2014 OCO Request will be submitted at a later date



Army Budget Trends



Source: DoD Comptroller Information System



FY 2013–FY 2014 Budget Requests

Appropriation Title	FY 2013 Request (\$M)			FY 2014 Request (\$M)
	Base	OCO	Total	Base
Military Personnel	56,415	10,112	66,527	56,637
Operation and Maintenance/ERA	47,215	29,137	76,352	45,521
Research, Development, and Acquisition	25,653	2,946	28,599	23,950
Military Construction/Family Housing	3,378	24	3,402	2,172
Base Realignment and Closure	186		186	180
Arlington National Cemetery	46		46	46
Army Working Capital Fund	60	43	103	25
Chemical Agents and Munitions Destruction	1,453		1,453	1,180
Joint Improvised Explosive Device Defeat Fund	227	1,675	1,902	
Afghanistan Security Forces Fund		5,749	5,749	
Afghanistan Infrastructure Fund		400	400	
Totals	134,634	50,086	184,720	129,711

The FY 2013 values in this presentation do not reflect the Consolidated Appropriations and Further Continued Appropriations Act (\$132.1B in Base funding) or the Sequester. The FY 2013 column reflects the President's Budget request for FY 2013.

The FY 2013 OCO Column includes \$34.1M for Hurricane Sandy

The FY 2014 OCO Request will be submitted at a later date

Numbers may not add due to rounding.



Military Personnel



Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Active Army	40,778	9,165	49,943	41,038
Army National Guard	8,103	584	8,687	8,041
Army Reserve	4,514	157	4,671	4,565
MERHCF <small>Medicare Eligible Retiree Health Care Fund</small>	3,020	206	3,226	2,993
Totals	56,415	10,112	66,527	56,637

Authorized End Strengths	FY 13	FY 14
Active Army	552,100	520,000
Army National Guard	358,200	354,200
Army Reserve	205,000	205,000

*The FY 2014 OCO Request will be submitted at a later date
Numbers may not add due to rounding*

- ❖ **Active and Reserve Component end strength to support the National Defense Strategy**
 - 490,000 AC enduring end strength funded in the Base
 - 27,000 non-enduring AC end strength in support of ongoing operations will be requested in OCO
 - 3,000 Temporary End strength Army Medical (TEAM) to support Soldiers in the Integrated Disability Evaluation System will be requested in OCO
- ❖ **Increases military pay (1%) and allowances: 3.9% housing and 3.4% subsistence**
- ❖ **All-Volunteer Force incentives (recruiting/retention bonuses, education benefits, loan repayment)**

**Mans the Force to retain agility and capacity to rapidly respond
to a broad range of military contingencies**



Operation and Maintenance



Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Active Army	36,609	28,598	65,205	35,073
Army National Guard	7,109	386	7,495	7,054
Army Reserve	3,162	155	3,317	3,095
Sub-Total	46,879	29,137	76,017	45,222
Environmental Restoration	336		336	299
Totals	47,215	29,137	76,352	45,521

*The FY 2014 OCO Request will be submitted at a later date
Numbers may not add due to rounding*

❖ Current Operations and Training

- 21 combat training center events
- 6 mission command exercises and COCOM engagement activities
- Training miles and flying hours adjusted to support refocused training
- Day-to-day operations of 158 Army installations worldwide
- Continued commitment to Soldier and Family programs

❖ Global Mobility

- Army Prepositioned Stocks and industrial preparedness

❖ Training and Recruiting

- Recruiting and Initial Military Training for enlisted Soldiers and officers
- Military education for Officers, Non-Commissioned Officers, and Civilians

❖ Institutional Army Activities

- Enterprise-level logistics, communications, and security programs
- Manpower management and other service support

Supports balanced readiness between Active and Reserve—retains agility and capacity to respond with decisive action to a broad range of military contingencies



Modernization Overview

- ❖ **The Army's FY 2014 modernization objective is to maintain technological advantage in any operational environment**
- ❖ **The Network, a critical enabler supporting this objective, includes:**
 - **Warfighter Information Network-Tactical**
 - **Joint Battle Command-Platform**
 - **Joint Tactical Radio System**
 - **Nett Warrior**
 - **Distributed Common Ground System-Army**
- ❖ **The objective is also supported by modernizing survivability, lethality, mobility, and Soldier equipping, such as:**
 - **Combat vehicle modernization – continues Ground Combat Vehicle and Armored Multi-Purpose Vehicle development**
 - **Joint Light Tactical Vehicle – enhances survivability and mobility at lower cost through the Joint Light Tactical Vehicle program's economies of scale**
 - **Fire support modernization – continues the Paladin Integrated Management program, an essential component of balanced alignment with Armored Brigade Combat Teams**
- ❖ **Our Base request is \$1.7B or almost 7% less than last year's request. The reduction reflects the Army's acceptance of measured risk to accommodate a tightening fiscal environment.**

Focused on providing versatile and tailorable, yet affordable and cost effective Army modernization



Procurement Summary

Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Aircraft	5,854	486	6,340	5,024
Missile	1,303	50	1,352	1,334
Ammunition	1,740	357	2,097	1,540
Weapons and Tracked Combat Vehicles	1,502	15	1,517	1,597
Other Procurement	6,326	2,016	8,342	6,465
Totals	16,724	2,925	19,649	15,961

Numbers may not add due to rounding

The FY 2014 OCO Request will be submitted at a later date



The Network
\$1,808M
Connect the Force



Stryker
\$395M
Double V-Hulls & mods



Paladin PIM
\$260M
Modernizing Fire Support



Patriot MSE
\$540M
Missile Segment Enhancement



CH-47 Chinook
\$1,050M
F Model upgrade & mods



UH-60 Black Hawk
\$1,237M
M Model upgrade & Mods



Kiowa Warrior
\$184M
Mods



MQ-1 Gray Eagle UAV
\$518M
Equip one (+) company



Aircraft Procurement



Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Aircraft Procurement	5,854	486	6,340	5,024

*The FY 2014 OCO Request will be submitted at a later date
Numbers may not add due to rounding*

- ❖ **OH-58 Kiowa Warrior (\$184M); upgrades supporting conversion from “D” to “F” model**
- ❖ **CH-47F Chinook helicopters (\$1,050M); 6 new and 22 remanufactured aircraft**
- ❖ **UH-60 Black Hawk helicopters (\$1,237M); 65 new aircraft-- 41 UH-60M (Utility) and 24 HH-60M (Medical) to modernize the fleet**
- ❖ **AH-64 Apache helicopters (\$813M); 42 remanufactured Block III aircraft**
- ❖ **MQ-1 Gray Eagle Extended Range Multi-Purpose (\$518M); 15 aircraft, supporting ground control stations and satellite communication terminals**
- ❖ **UH-72A Lakota Light Utility helicopters (\$96M); all 10 aircraft are for the Army National Guard**

Continues Aviation modernization investment in manned aircraft, unmanned aircraft, and aviation enablers, at a slower pace



Missile & Ammunition Procurement



Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Missile Procurement	1,303	50	1,352	1,334
Ammunition Procurement	1,740	358	2,098	1,540

*The FY 2014 OCO Request will be submitted at a later date
Numbers may not add due to rounding*

❖ On-going missile programs

- Guided Multiple Launch Rocket System (\$237M); 1,788 missiles
- Javelin (\$111M); 449 missiles
- TOW 2 (\$69M); 988 missiles
- Patriot Mods (\$256M); Modernization

❖ New missile programs

- Patriot Missile Segment Enhancement (\$540M); 56 missiles
- Stinger (\$37M); Block I Upgrade

❖ Training ammunition (\$864M)

❖ War Reserve ammunition (\$254M)

❖ Ammunition production modernization (\$243M); focusing on facilities sustainment, modernization, and improving quality of work environment

❖ Ammunition demilitarization (\$180M) destroys obsolete, unsafe, and unserviceable munitions: 68,752 tons of ammunition and 89,620 missiles

Patriot with incorporation of the Missile Segment Enhancement is the Army's primary missile defense system to protect U.S. Forces, Allied Forces, and key assets



Weapons & Tracked Combat Vehicles



Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Weapons and Tracked Combat Vehicles	1,502	15	1,517	1,597

*The FY 2014 OCO Request will be submitted at a later date
Numbers may not add due to rounding*

- ❖ **Stryker (\$395M); Double V-Hull (DVH) Exchange Vehicles, Fielding and System Technical Support (\$374M). MODS - Training Aids, Devices, Simulators and Simulations and Retrofit efforts (\$21M)**
- ❖ **Paladin Integrated Management Mod (\$260M); Low Rate Initial Production of 18 PIM self-propelled howitzers and 18 Carrier, Ammunition, Track**
- ❖ **Abrams Upgrade/M1 Abrams Tank (MOD) (\$178M); maintains the armor facility at a sustainable level, minimizing the loss of skilled labor, Operational field modifications and Safety Modifications.**
- ❖ **Bradley Program Mod (\$158M); Engineering Change Proposal and fielding of the Bradley Operation Desert Storm Situational Awareness Vehicles to Army National Guard, and Training Devices**
- ❖ **M88A2 Hercules Recovery Vehicle (\$111M); 32 vehicles**
- ❖ **Carbine (\$71M); 12,000 M4A1 and 29,897 Individual Carbines**
- ❖ **Integrated Air Burst Weapon System Family (XM25, Counter Defilade Target Engagement) (\$69M); Low Rate Initial Production of 1,424 XM25**
- ❖ **Assault Breacher Vehicles (\$63M); 14 vehicles**
- ❖ **Common Remotely Operated Weapon Station (\$57M); 242 stations**

Enhances protection, mobility and lethality while sustaining a critical industrial base



Other Procurement



Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Tactical and Support Vehicles/ Other Support Equipment (1 & 3)	1,955	1,496	3,450	2,136
Communications and Electronics/ Initial Spares (2 & 4)	4,372	520	4,892	4,329
Totals	6,326	2,016	8,342	6,465

*The FY 2014 OCO Request will be submitted at a later date
Numbers may not add due to rounding*

❖ The Network (\$1,808M)

- Warfighter Information Network-Tactical (\$973M) 1,754 assets to equip 4 Brigade Combat Teams and 2 divisions
- Joint Tactical Radio System (\$383M) 10,523 radios
- Nett Warrior (\$82M)
- Joint Battle Command-Platform (\$103M) 498 systems
- Distributed Common Ground System-Army (\$267M) 2,717 workstations and related hardware

❖ Night Vision Devices (\$202M) includes Laser Target Location Modules and Driver's Vision Enhancers

❖ Tactical Wheeled Vehicle Modernization (\$277M)

- Family of Medium Tactical Vehicles (\$224M) 837 systems
- Tactical Wheeled Vehicle Protection Kits (\$51M) 746 kits
- Mine Resistant Ambush Protected Vehicle Mods (\$2M)

❖ Support Equipment (\$1,006M)

- Training Devices (\$421M)
- Construction Equipment (\$207M)
- Combat Service Support Equipment (\$249M)
- Generators (\$129M)

**The Network is the critical enabler for maintaining a technological advantage
in any combat environment**



Research, Development, Test, & Evaluation



Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Science and Technology	2,210		2,210	2,205
Test and Evaluation	915		915	923
Other RDT&E Programs	5,804	20	5,825	4,862
Totals	8,929	20	8,949	7,990

Numbers may not add due to rounding

❖ The Network (\$517.0M)

- Warfighter Information Network-Tactical (\$272.4M)
- Distributed Common Ground System – Army (\$27.6M)
- Network Integration Exercise (\$193.7M)
- Mid-Tier Wideband Networking Vehicular Radio (\$23.3M)

❖ Combat Vehicle Development (\$1,016.6M)

- Ground Combat Vehicle (\$592.2M)
- Armored Multi-Purpose Vehicle (\$116.3M)
- Paladin Integrated Management (\$80.6M)
- Abrams, Bradley, and Stryker (\$227.5M)

❖ Vehicle Development (\$84.2M)

- Joint Light Tactical Vehicle (\$84.2M)

❖ Science & Technology (\$2.2B)

❖ Aviation (\$631M)

❖ Air and Missile Defense (\$612.5M)

- Patriot Product Improvement (\$70.1M)
- Integrated Air and Missile Defense (\$364.6M)
- Joint Land Attack Missile Defense Elevated Netted Sensor (\$98.6M)
- Indirect Fire Protection Capability Increment 2 – Intercept (\$79.2M)

Focused on combat vehicle modernization and continued development of the Network while addressing known Army capability gaps and cross-capability integration



Facilities

Numbers may not add due to rounding
 * Hurricane Sandy Supplemental



Barracks ♦ Fort Stewart, GA

Appropriation Title	FY 13 Request (\$M)			FY 14 Request (\$M)
	Base	OCO	Total	Base
Military Construction	2,843	*24	2,866	1,615
Army Family Housing	535		535	557
Base Realignment and Closure	186		186	180
Totals	3,564	*24	3,587	2,352

Numbers may not add due to rounding
 * Hurricane Sandy Supplemental

- ❖ **Construction to support the Army’s brigade-centric modular force, replacement of aging facilities, and continued investment in barracks**
 - Active Army – 30 projects (2 OCONUS), \$1.0B
 - ARNG – 20 projects, \$0.3B
 - USAR – 11 projects, \$0.2B
- ❖ **MILCON budget reflects a return to historical spending levels (prior to *Grow the Army and Modular Transformation*)**
- ❖ **Operation, maintenance, leases, and new construction for Army Family Housing in the United States and overseas**
- ❖ **Caretaker operations and environmental actions required prior to property transfer for excess properties closed under BRAC**



National Guard Readiness Center
 Windsor, CO

**Supports Army priorities for developing the force of the future
 and the Army Facility Investment Strategy**



Pass Through Accounts



Appropriation Title	FY 13 Request (\$M)	FY 14 Request (\$M)
	Base	Base
CAMD/C Chemical Agents and Munitions Destruction/Construction	1,453	1,180

Numbers may not add due to rounding

These DoD funds “pass through” the Army for execution by the responsible command or agency

- ❖ Chemical demilitarization funds requested in the base support ongoing chemical agents and munitions destruction programs
- ❖ Pass Through Accounts also include:
 - Joint Improvised Explosive Device Defeat Organization
 - Afghanistan Security Forces Fund
 - Afghanistan Infrastructure Fund
 - FY 2014 funding requests for these programs will be included in the FY 2014 OCO Budget

The Army serves as DoD’s financial management agent for a variety of critical programs



The Army's FY 2014 Base Budget Request

America's Army remains committed to:

- ❖ **Projecting the credibility that prevents conflict;**
- ❖ **Collaborating with partners to shape the strategic environment;**
- ❖ **Being prepared to win – and win decisively.**

This commitment is our non-negotiable obligation to the Nation



Army Strong!

<http://www.army.mil>