



U.S. ARMY

Army FY 2017

Budget Amendment

Overview



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FY17 Budget Amendment Overview

PURPOSE: provide Congress an overview of the Army's requirements represented in the DoD's FY17 "Request for Additional Appropriations."

BLUF: The US Army's FY17 Budget Amendment Request, totaling \$8.3B (6% increase over PB17) in Base and OCO, funds critical requirements to: combat ISIS, restore some warfighter readiness and arrest the current and future readiness decline of America's Army. This request provides the much needed resources to support our Combatant Commanders in the fight, addresses current year readiness shortfall and is a critical first step to rebuilding America's Army, by setting the conditions for increased future readiness, provided stable budgets and additional resources in the coming years.



Actions since February 2016 Rollout

- ❖ **Force Management Level increases in CENTCOM AOR**
 - **OCO Amendment delivered to Congress in November 2016**
 - **\$3.3B in Army direct Appropriations and \$1.1B in ASFF, ITEF, STEF**
- ❖ **Change in Presidential Administrations – SECDEF Guidance**
 - **Improve Warfighting Readiness**
 - **Achieve Program Balance**
 - **Build Capacity & Improve Lethality**
- ❖ **FY17 National Defense Authorization Act**
 - **End Strength increases**
 - **Pay rate increases**
- ❖ **Operational Environment**
 - **Actions against ISIS (Iraq/Syria)**
 - **Continued aggressive posture by Russia**
 - **Iranian and North Korean missile tests**
 - **South China Sea tensions**



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FY 2017 Amended Budget Request

(Base Funding Program)

| Request (\$B) | FY17 Request | FY17 Amend't | FY17 Total |
|--|--------------------------|--------------|--------------|
| Military Personnel | 55.3 | 0.4 | 55.7 |
| Operation and Maintenance¹ | 45.2² | 2.1 | 47.3 |
| Procurement/RDTE | 22.6 | 4.5 | 27.1 |
| Military Const/Family Housing/BRAC | 1.3 | 0.1 | 1.4 |
| Other Base (CHMD/AWCF/ANC) | 0.7 | 0.1 | 0.8 |
| Totals | 125.1² | 7.2 | 132.3 |

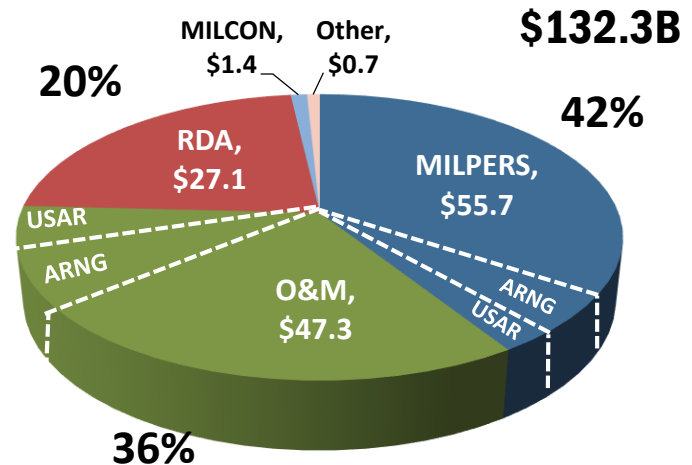
Other Base: Chemical Agent and Munitions Destruction, Army Working Capital Fund, Arlington National Cemetery

1: Includes Environmental Restoration Account (ERA) funding

2: Includes \$2.0B transfer of Base requirements to OCO to comply with BBA15

❖ **FY17 total request is \$7.19B more than FY17 PB Request, enhancing current readiness while providing a more balanced funding program across all appropriations**

▶ **Total Request** ◀





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Military Personnel

| Request (\$B) | FY17 Request | FY17 Amend't | FY17 Total |
|---|--------------|--------------|-------------|
| Regular Army | 40.0 | - | 40.0 |
| Army National Guard | 8.0 | 0.1 | 8.1 |
| Army Reserve | 4.6 | - | 4.6 |
| Medicare Eligible Ret Health Care Fund | 2.7 | 0.3 | 3.0 |
| Totals | 55.3 | 0.4 | 55.7 |

Numbers may not add due to rounding



- ❖ **Provides compensation adjustments in pay, subsistence, housing allowances, and bonus costs to support the FY17 28K increase in Total Army end strength as authorized in the NDAA (1,018K Total Force)**
- ❖ **Leverages existing MILPER asset from original PB17 request to buy down requirements incurred as a result of this increase.**
- ❖ **Rebalances funding across pay accounts to reflect change in officer/enlisted ratios due to NDAA end strength authorization**

| Implemented Rate Increases (Effective 1 Jan 17) | PB Projected | FY17 Actual |
|---|--------------|-------------|
| Basic Pay | 1.6% | 2.1% |
| Basic Allowance for Housing | 2.9% | 2.2% |
| Basic Allowance for Subsistence | 3.4% | 0.0% |

Amendment Request funds pay, allowances, and incentives to sustain the All-Volunteer Army



Operation and Maintenance

| Request (\$B) | FY17 Request | FY17 Amend't | FY17 Total |
|----------------------------|-------------------------|--------------|-------------|
| Regular Army (OMA) | 35.6 ¹ | 1.9 | 37.5 |
| Army National Guard (OMNG) | 6.9 | 0.2 | 7.1 |
| Army Reserve (OMAR) | 2.7 | 0.0 | 2.7 |
| Totals | 45.2² | 2.1 | 47.3 |

1: Includes Environmental Restoration Account (ERA) funding

2: \$1.6B transfer of Base requirements to OCO included to comply with BBA15



❖ Training the Force

- Fully resources BCT(-) level of training proficiency for the remainder of the year
- Supports Initial Entry Training associated with end strength growth to 476K
- Funds Modernization at Combat Training Centers

❖ Operating the Force

- Supports 24/7 operations for the Theater High Altitude Area Defense re-stationing to Korea
- Funds Brigade Combat Team conversions to increase lethality
- Increases funding for Aerial Intelligence Surveillance Reconnaissance operations around the world

❖ Sustaining the Force

- Supports Global Ammunition Management and the Ammunition Stockpile Reliability and Surveillance Program

❖ Installation/Enterprise Support

- Improves funding for the Army's five Regional Cyber Centers, Enterprise Network Operations and Cybersecurity
- Funds Army Facility Infrastructure Restoration and Modernization projects to improve Readiness Support across all Components

“Deterrence is expensive, and the only thing more expensive than maintaining capable ready forces is actually fighting a war. And the only thing more expensive than fighting and winning a war is fighting and losing a war.”

-GEN Mark Milley, 4 October 2016



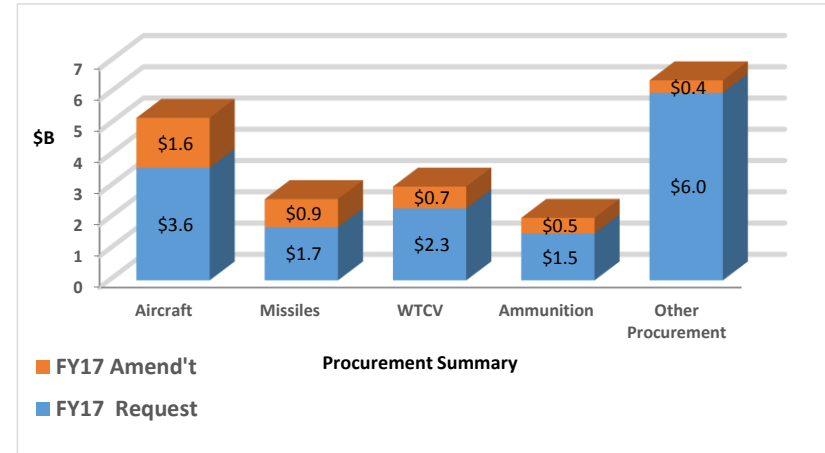
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Procurement Summary

| Request (\$B) | FY17 Request | FY17 Amend't | FY17 Total |
|--------------------------|--------------|--------------|-------------|
| Procurement Total | 15.1 | 4.2 | 19.3 |
| Aircraft | 3.6 | 1.6 | 5.2 |
| Missiles | 1.7 | 0.9 | 2.6 |
| WTCV* | 2.3 | 0.7 | 3.0 |
| Ammunition | 1.5 | 0.5 | 2.0 |
| Other Procurement | 6.0 | 0.4 | 6.4 |

*Weapons & Tracked Combat Vehicles

Numbers may not sum due to rounding



- ❖ **Procures modernized fleets of Apache, Black Hawk, Gray Eagle and Shadow Unmanned Aerial Systems**
- ❖ **Accelerates critical investment in ground platforms, including newest variants of Abrams tanks, Bradley Fighting Vehicles, and Hercules recovery vehicles**
- ❖ **Increases Ammunition War Reserve Stocks and invests in industrial base for production of critical munitions supporting the current and future fight**

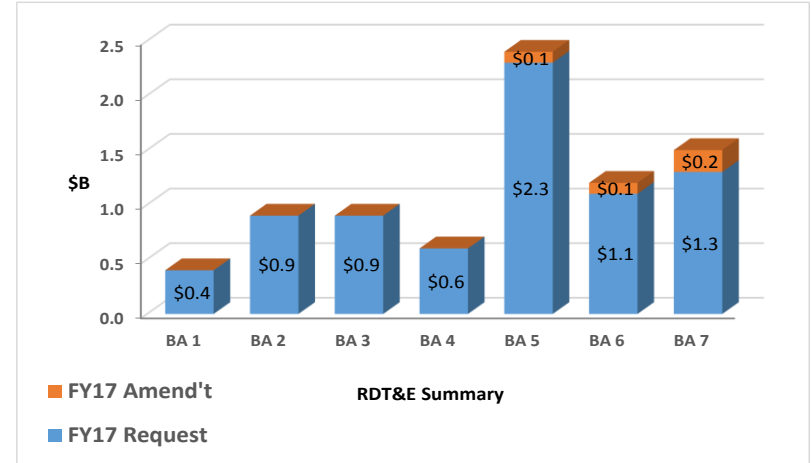
Ensures formations possess the appropriate balance of lethality, mobility, protection



RDT&E Summary

| Request (\$B) | FY17 Request | FY17 Amend't | FY17 Total |
|--------------------------------|--------------|--------------|------------|
| RDT&E Total | 7.5 | 0.4 | 7.9 |
| Basic Research | 0.4 | 0.0 | 0.4 |
| Applied Research | 0.9 | 0.0 | 0.9 |
| Advanced Technology Dev. | 0.9 | 0.0 | 0.9 |
| Demonstration/Validation | 0.6 | 0.0 | 0.6 |
| Engineering Manufacturing Dev. | 2.3 | 0.1 | 2.4 |
| Testing & Management Support | 1.1 | 0.1 | 1.2 |
| Operational System Development | 1.3 | 0.2 | 1.5 |

Numbers may not sum due to rounding



Funds capability gaps for the following:

- ❖ **Critical rapid capabilities, including:**
Electronic Warfare, Assured Position, Navigation, and Timing, and Aircraft Survivability equipment development
- ❖ **Enhanced weapon system and munition lethality through engineering investments in Long Range Precision Fires, MLRS, mortar systems, Cannon Artillery Ammunition, and AT-4 Tandem warheads**
- ❖ **Improved Short Range Air Defense (SHORAD) to increase BCT survivability**



Continued investment in emerging technologies and development solves future capability gaps



Other Base Accounts

| Appropriation Title (\$M) | FY17 Request | FY Amend't | FY17 Total |
|--|--------------|------------|------------|
| Military Construction | 804 | 50 | 854 |
| Chemical Agent and Munitions Destruction | 551 | 127 | 678 |
| Totals | 1,355 | 177 | 1,532 |

❖ Military Construction (\$50M Amendment increase)

- Supports planning and design for projects that the Army requires in future years



❖ Chemical Agents & Munitions Destruction, Defense (\$127M Amendment increase)

- Ensures uninterrupted destruction of munitions meeting Congressional mandate at both Blue Grass Chemical Agent-Destruction Pilot Plant and the Pueblo Chemical Agent-Destruction Pilot Plant



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Overseas Contingency Operations

| Request (\$M) | FY17 Request | FY17 Amend't 1 ⁴ | FY17 Amend't 2 | FY17 Total |
|---|---------------------|-----------------------------|----------------|---------------|
| Military Personnel (MILPERS) | 2,228 ¹ | 94 | (18) | 2,304 |
| Operation & Maintenance (O&M) | 13,826 ² | 2,934 | 188 | 16,948 |
| Research, Development, Test & Evaluation (RDT&E) | 101 ³ | 139 | 93 | 333 |
| Other Procurement, Army | 1,211 | 98 | 298 | 1,607 |
| Procurement of Ammunition, Army | 302 | - | - | 302 |
| Aircraft Procurement, Army | 313 | - | 23 | 336 |
| Missile Procurement, Army | 483 | 46 | 12 | 541 |
| Procurement of Weapons & Tracked Combat Vehicles | 154 | | | 154 |
| Military Construction, Army (MCA) | 19 | - | 11 | 30 |
| Working Capital Fund (AWCF) | 47 | 0 | 2 | 49 |
| Army Total | 18,684 | 3,311 | 609 | 22,604 |
| Passthrough / Transfer Accounts | | | | |
| Counter-Islamic State of Iraq and Syria Train and Equip Fund | - | - | 1,506 | 1,506 |
| Afghan Security Forces Fund | 3,449 | 814 | - | 4,263 |
| Iraq Train & Equip Fund | 630 | 290 | (630) | 290 |
| Syria Train & Equip Fund | 250 | - | (250) | - |
| All Army Appropriations | 23,012 | 4,415 | 1,235 | 28,662 |

1: MILPERS account does not include \$63M in FY17 OCO request to comply with BBA15

2: O&M account does not include Base-to-OCO Transfers: \$1,650M in FY17 OCO request to comply with BBA15

3: RDA account does not include \$312M in FY17 OCO request to comply with BBA15

4: FY17 Amendment 1 was passed by Congress as part of the CR on 9DEC16, Amendment 2 is the current Amendment submitted in March 2017

❖ FY17 OCO Budget Amendment #2 funds:

- 1) Emerging warfighter requirements submitted by CENTCOM through the ONS/JUONS process
- 2) ISR to defeat Violent Extremist Organizations
- 3) Counter-ISIS Train and Equip Fund



CONCLUSION

The Army's number one priority remains combat readiness. The FY17 Amendment Request:

- **Restores some warfighter readiness**
- **Sets conditions for increased readiness in future years**
- **Combats ISIS**
- **Restores personnel readiness through increased end strength**
- **Invests in critical air and ground combat platforms**
- **Addresses critical current year shortfalls & emerging requirements**

The FY17 Amendment Request “is a start” but needs to be followed by stable budgets and sustainable increased resourcing levels.

- **It does NOT grow the force appreciably**
- **It does NOT increase future lethality**

Executable – assuming funding is received by May

The US Army's FY17 Budget Amendment Request, totaling \$8.3B (6% increase over PB17) in Base and OCO, funds critical requirements to: combat ISIS, restore some warfighter readiness and arrest the current and future readiness decline of America's Army