



U.S. ARMY

FY 2018

President's Budget Highlights



May 2017

Assistant Secretary of the Army (Financial Management and Comptroller)

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US Army Budget Overview

The Army's FY 2018 budget request supports the President's priority for increased defense capabilities and aligns with the Secretary of Defense's guidance to improve Warfighter readiness, achieve greater program balance in the FY 2018 budget request and set the conditions for a bigger and more lethal force. Warfighter Readiness remains unequivocally the Army's number one priority – it underpins everything the Army does. Funding in this request strengthens decisive action training and expands readiness levels among Army formations to meet the global commitments of today and future threats.



The Army's budget request totals \$166.1 billion between the base budget and Overseas Contingency Operations (OCO) funding and represents a \$7.8 billion increase over the Army's FY 2017 budget recently enacted into law. This increase in funding allows for the Army to strike a greater balance between end strength, current readiness and modernization. The Army's budget request maintains the increased end strength authorized in the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328) while stemming the readiness decline resulting from prior budgets.

This budget request promotes an Army capable of accomplishing its mission - anytime, anywhere. Increases to readiness accounts underpin decisive action training necessary to deter, deny, and defeat a near-peer nation-state while maintaining our counter-insurgency / counter-terrorism competencies - the most demanding challenge facing the Army. A ready Army will operate across the full spectrum of operations and remains prepared to prevent, shape, and win against existential threats. Funding is aligned for our Army to fight and win against state and non-state actors in the current fight without mortgaging future force development. The Army's FY 2018 request takes deliberate steps to improve readiness and starts to close today's vulnerability gaps while laying the groundwork to build a future force. The Army's FY 2018 request increases Research, Development and Acquisition funding, reversing a five-year decline. It continues modernization of current platforms and invests in technologies to secure overmatch capabilities of potential adversaries.

Mindful of the nation's fiscal challenges when balancing discretionary and mandatory spending, the Army takes seriously resource accountability, stewardship, and auditability. The FY 2018 budget request includes the critical resources to begin the Army's first audit of all financial statements demonstrating accountability for the funds Congress appropriates to the Army. Over time, the Army will secure a favorable audit opinion on the financial statements, providing Congress and the American public-at-large a greater reliance on the Army's stewardship of the resources entrusted to us.

The Army's 2018 budget request, followed by consistent, strategy-based funding over time, provides the Army resources to build the necessary capacity and capabilities to train and operate a full-spectrum ground force, close critical modernization gaps and rebuild installation and training infrastructure—all while maintaining excellence in the execution of current operations in support of the Combatant Commands.

Budget Highlights

The Army's FY 2018 Budget Request supports the President's priorities for an increased defense capability by providing the critical resources to conduct ongoing operations, build greater capacity by sustaining an increased end strength and setting the conditions to field a bigger, more modernized and lethal ground force.

Key themes of Army's Budget Request:

- ❖ Supports Globally Committed Warfighter
- ❖ Restores/Builds Warfighter Readiness
- ❖ Builds Decisive Action Capabilities for Major Combat Operations
- ❖ Sustains 1,018K Army
- ❖ Retains Counter Terrorism/Counter Insurgency Competencies
- ❖ Increases Global Responsiveness
- ❖ Supports Regional Engagements
- ❖ Supports Our People
- ❖ Advances Soldier and Technological Overmatch
- ❖ Increases Investments to address failing Infrastructure
- ❖ Improves Accountability and Stewardship



FY 2018 Budget Request

Department of the Army

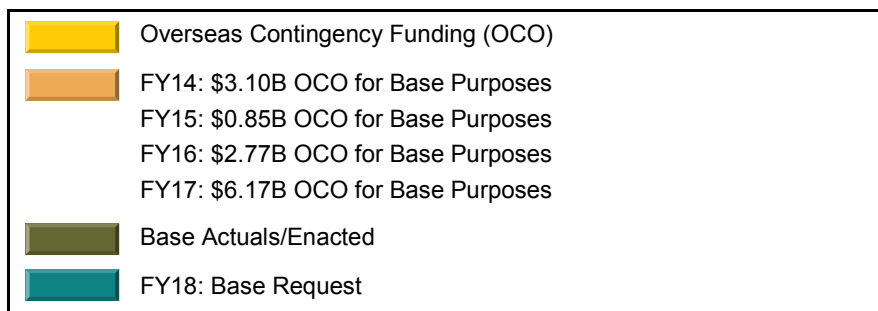
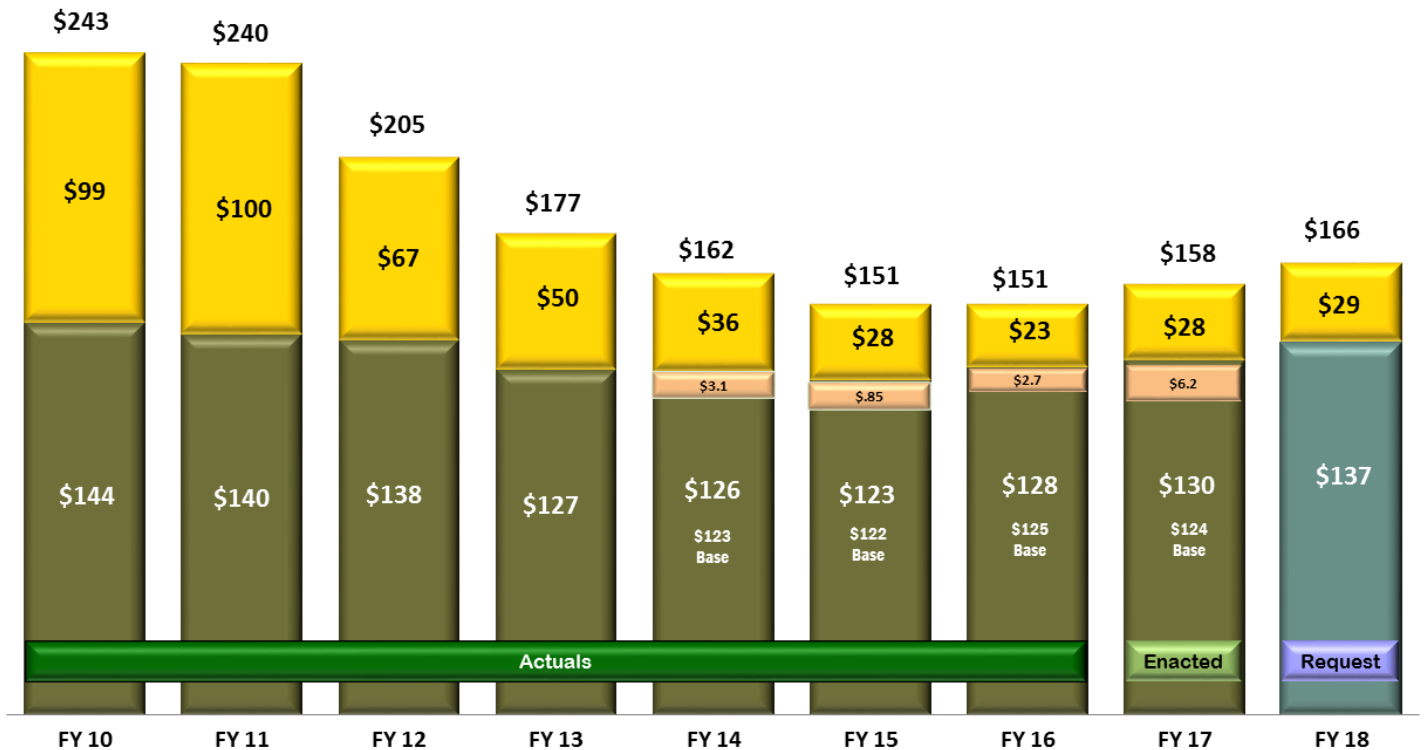
Appropriation (\$M) ¹	FY 2017 Enacted			FY 2018 Request		
	Base	OCO	Total	Base	OCO	Total
Military Personnel ²	52,521	2,322	54,843	54,718	2,845	57,563
<i>Active Army</i>	40,034	2,146	42,180	41,534	2,635	44,169
<i>Army National Guard</i>	7,944	152	8,096	8,379	185	8,564
<i>Army Reserve</i>	4,543	24	4,567	4,805	25	4,830
Medicare-Elig. Retiree Health Care Fund	2,986	0	2,986	3,331	0	3,331
<i>Active Army</i>	1,955	0	1,955	2,193	0	2,193
<i>Army National Guard</i>	654	0	654	721	0	721
<i>Army Reserve</i>	376	0	376	417	0	417
Operation and Maintenance ²	46,013	16,129	62,141	49,159	16,259	65,418
<i>Active Army</i>	36,272	16,039	52,311	38,945	16,126	55,072
<i>Army National Guard</i>	6,988	65	7,053	7,307	108	7,415
<i>Army Reserve</i>	2,753	24	2,777	2,907	25	2,932
Environmental Restoration	170	0	170	216	0	216
Procurement	17,787	3,062	20,849	17,441	2,774	20,215
<i>Aircraft</i>	4,881	336	5,218	4,150	425	4,575
<i>Missiles</i>	2,251	497	2,748	2,519	559	3,078
<i>Weapons and Tracked Combat Vehicles</i>	2,291	396	2,687	2,424	1,191	3,615
<i>Ammunition</i>	1,931	291	2,222	1,879	193	2,073
<i>Other Procurement</i>	6,432	1,542	7,974	6,469	406	6,874
Research, Development, Test, and Eval. ²	8,401	272	8,672	9,425	119	9,545
Military Construction	1,003	30	1,033	1,205	140	1,344
<i>Active Army</i>	582	30	612	920	140	1,060
<i>Army National Guard</i>	312	0	312	211	0	211
<i>Army Reserve</i>	108	0	108	74	0	74
Army Family Housing	483	0	483	529	0	529
<i>Operation</i>	326	0	326	347	0	347
<i>Construction</i>	157	0	157	183	0	183
Army Working Capital Fund	196	48	245	84	50	134
Arlington National Cemetery	71	0.0	71	71	0	71
Base Realignment and Closure	29	0	30	58	0	58
Chemical Agents-Munitions Dest/Constr.	651	0.0	651	962	0	962
Afghanistan Security Forces Fund	0	4,263	4,263	0	4,938	4,938
Iraq Train and Equip Fund	0	290	290	0	0	0
Syria Train and Equip Fund	0	0	0	0	0	0
Counter-ISIS Train and Equip Fund	0	1,606	1,606	0	1,769	1,769
Totals	130,310	28,021	158,332	137,198	28,894	166,092

1: FY17 Base amount includes \$6.2 billion in OCO funding for Base requirements.

2: FY17 Base amount adjusted for fuel rates, Federally Funded Research and Development Centers (FFRDCs), foreign currency fluctuation reductions, Congressional marks and General Provisions.

Army Budget Trends

FY 2010 — FY 2018 (\$B)



Global instability, changing priorities, emerging operational requirements and constraining fiscal pressures resulted in a budgetary solution where OCO funding was leveraged for base requirements

The Total Army Forces



Total Army Forces

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

- ❖ The Regular Army's **476,000** Soldiers requested in the FY 2018 Budget Request comprise **47%** of the Army's military strength and provide forces capable of responding quickly across the spectrum of conflict. They represent the Nation's dominant landpower response.
- ❖ The Reserve Component's **542,000** Soldiers—Army National Guard and Army Reserve requested in FY 2018—comprise **53%** of the Total Army military force. They fulfill vital national defense and homeland civil support roles and provide operational flexibility to combatant commands that complements the Regular Army in responding to National Security threats. The Army National Guard request is for **343,000** Soldiers. The Army Reserve request is for **199,000** Soldiers.
- ❖ The Army's Civilian Workforce's **194,766** personnel serve the Nation by providing expertise and continuity at home and abroad.

Military Personnel

SOLDIERS: THE STRENGTH OF OUR ARMY



The FY 2018 Budget Request

- ❖ Emphasizes manning the force, taking care of Soldiers and Families, and sustaining the quality of Army personnel
- ❖ Provides incentives to recruit and retain the All-Volunteer Force, such as recruiting and retention bonuses, education benefits, and loan repayments
- ❖ Funds Regular Army end strength of 476,000
- ❖ Funds Army National Guard end strength of 343,000, and Army Reserve end strength of 199,000
- ❖ Request also supports 20,700 12304b man years - 2,000 in the base request and 18,700 in the OCO request (OCO includes 1,495 man years for ERI).
- ❖ Provides a 2.1% military basic pay raise, 2.9% basic allowance for housing increase and a 3.4% basic allowance for subsistence increase
- ❖ Provides payment into the Medicare-Eligible Retiree Health Care Fund for eligible beneficiaries and their dependents and survivors
- ❖ Continues to incorporate the blended retirement system enacted as part of the FY 2016 National Defense Authorization (P.L. 114-92)

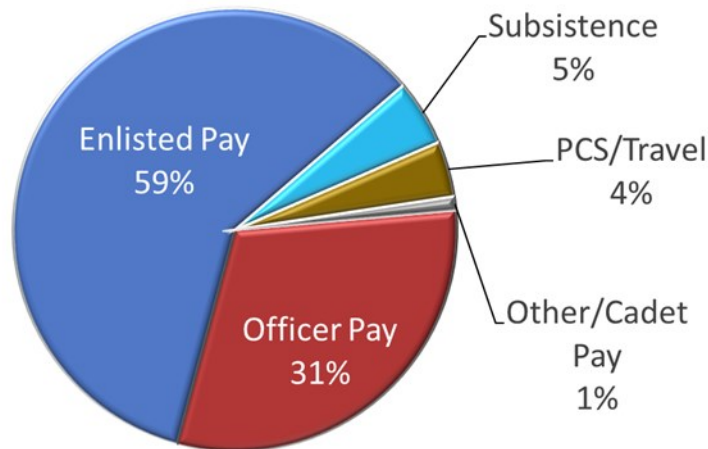
MILITARY PERSONNEL SUMMARY

Budget Request (\$M) ¹	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Regular Army	40,034	2,146	42,180	41,534	2,635	44,169
Army National Guard	7,944	152	8,096	8,379	185	8,564
Army Reserve	4,543	24	4,567	4,805	25	4,830
Medicare-Elig Ret Health Care Fund	2,986	0	2,986	3,331	0	3,331
Totals	55,507	2,322	57,829	58,049	2,845	60,893

1: FY17 Base amount includes Congressional marks and general provisions.

Military Personnel

Regular Army



The Military Personnel, Army, appropriation budget sustains the All-Volunteer Force by providing Regular Army basic and special pays, retired pay accrual, allowances for subsistence (rations), and housing; recruiting and retention incentives; permanent change of station moves; death gratuities; and unemployment compensation benefits, as well as Reserve Officer Training Corps and United States Military Academy cadet stipends.

In FY 2018, the entire Regular Army end strength of 476,000 is fully funded in the base.

The FY 2018 Budget Request meets Army manning goals by providing mission and location-specific entitlements for Soldiers and their Families across the world. It also includes critical force shaping tools required to recruit and retain the key skill sets the Army needs to maintain a premier All-Volunteer Army.

In FY 2018, personnel accounts continue to incorporate the blended retirement system which was enacted as part of the FY 2016 National Defense Authorization Act (P.L. 114-92). The majority of reforms are projected to take place in future years.

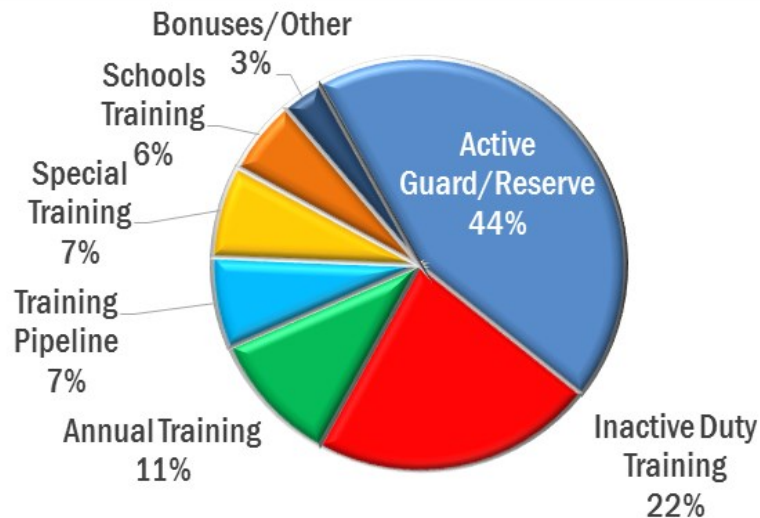
MILITARY PERSONNEL, ARMY

Budget Request (\$M) ¹	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Officer Pay and Allowances	12,345	622	12,967	12,672	827	13,499
Enlisted Personnel Pay and Allowances	23,797	1,081	24,878	24,857	1,442	26,299
Subsistence of Enlisted Personnel	1,786	290	2,076	1,852	286	2,138
Permanent Change of Station	1,733	45	1,778	1,767	28	1,795
Other Personnel Costs	292	109	401	303	52	354
Cadet Pay and Allowances	80	0	80	82	0	82
Totals	40,034	2,146	42,180	41,533	2,635	44,168
<i>Medicare-Eligible Retiree Health Care Fund</i>	<i>1,955</i>	<i>0</i>	<i>1,955</i>	<i>2,193</i>	<i>0</i>	<i>2,193</i>

1: FY17 Base amount includes Congressional marks and general provisions.

Military Personnel

Army National Guard



The National Guard Personnel, Army, appropriation supports individual and collective readiness as well as full-time Active Guard and Reserve (AGR) manning, benefits and bonuses throughout the Army National Guard, assuring the nation of a force ready to quickly and adeptly respond to overseas contingencies and domestic emergencies. Funded programs include Inactive Duty for Training (IDT), Annual Training (AT), individual schools, special training, and Active Duty for Operational Support — all of which ensure continuity of daily operations in support of a trained and ready force. Additionally, the appropriation funds incentives and benefits (enlistment bonuses), loan repayment programs, death gratuities, disability and hospitalization, and education benefits (i.e., Post-9/11 GI Bill). The FY 2018 Budget Request supports sustained end strength of 343,000 and includes 30,155 AGRs.

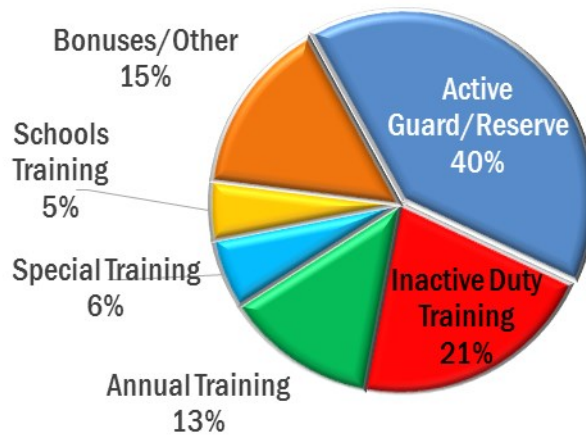
NATIONAL GUARD PERSONNEL, ARMY

Budget Request (\$M)	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Active Guard/Reserve	3,424	4	3,428	3,500	4	3,504
Inactive Duty Training	1,757	3	1,760	1,792	3	1,795
Annual Training	804	32	836	832	36	868
Training Pipeline (Pay Groups F and P)	598	0		635	0	635
Special Training	591	0	598	697	0	831
Schools Training	581	106	697	571	134	574
Bonuses	187	2	583	232	3	232
Other Incentives/Benefits	24	5	29	120	5	125
Undistributed ¹	-22	0			0	
Totals	7,944	152	8,096	8,379	185	8,564
<i>Medicare-Eligible Retiree Health Care Fund</i>	654	0	654	721	0	721

1: Undistributed Congressional marks and general provisions.

Military Personnel

Army Reserve



The Reserve Personnel, Army, appropriation budget supports training that promotes Army Reserve individual, collective readiness, and schools training. The FY 2018 Budget Request funds pay and allowances for full-time Active Guard and Reserve (AGR) and part-time Reserve Soldiers performing duty in several training categories, including Inactive Duty Training (IAT), Annual Training (AT), Active Duty for Training (ADT), and Active Duty for Operational Support (ADOS). The FY 2018 Budget Request continues the Army's plan to transform the Army Reserve from a strategic reserve to an operational force. The FY 2018 Budget Request funds an end strength of 199,000 Soldiers and includes 16,261 AGRs. Incentives and benefits include disability and hospitalization, death gratuities, and education benefits.

RESERVE PERSONNEL, ARMY

Budget Request (\$M)	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Active Guard/Reserve	1,932	0	1,932	1,933	0	1,933
Inactive Duty Training	1,051	0	1,051	1,018	0	1,018
Annual Training	498	3	501	625	0	625
Special Training	300	21	321	264	25	289
Schools Training	225	0	225	243	0	243
Bonuses	126	0	126	194	0	194
Other Training Support	448	0	448	529	0	529
Other Incentives/Benefits	0	0	0	0	0	0
Undistributed ¹	-37	0	0	0	0	0
Totals	4,543	24	4,567	4,805	25	4,830
<i>Medicare-Eligible Retiree Health Care Fund</i>	376	0	376	417	0	417

1: Undistributed Congressional marks and general provisions.

Civilian Workforce

The Department of the Army's Civilian Workforce consists of employees from diverse professions and are an integral part of mission readiness. Army Civilians provide key institutional support such as depot maintenance; arsenals and ammo plant operations; range maintenance and operations; installation services; patient care services; Family services; and administrative activities not requiring military essential skills or personnel. The Army continues to maintain highly valued capabilities such as medical, intelligence, military skills training, full time support to forces, acquisition, Cyber; and security and force protection. In addition to the above, the FY 2018 request sustains the following operational and support programs:

- ❖ Civilian Unemployment Compensation
- ❖ Sexual Harassment / Assault Response and Prevention Program (SHARP)
- ❖ Civilian Training and Leadership Programs such as Senior Enterprise Talent Management (SETM), Enterprise Talent Management (ETM) and Emerging Enterprise Leader (EEL)
- ❖ Department of Defense Financial Management Certification Program

FY 2018 President's Budget request includes a Civilian Pay Raise of 1.9%.



Department of the Army Civilian Personnel Full-Time Equivalents

Appropriation	FY 2017	FY 2018
Operation and Maintenance	153,421	151,917
Regular Army	115,443	113,895
Army National Guard	27,518	27,520
Army Reserve	10,460	10,502
Research, Development, Test, & Evaluation	16,218	15,769
Military Construction	5,199	5,183
Army Family Housing	557	546
Army Working Capital Fund	21,937	21,150
Cemeterial Expenses, Army	201	201
Totals	197,533	194,766

Operation and Maintenance



Overview

The FY 2018 President's Budget request for Operation and Maintenance (O&M) resources provides essential near-term warfighting readiness activities for the Army to prevent conflict, shape security environments, and win wars as part of joint and coalition teams. Funded activities continue to build on prior year efforts to restore readiness across the Force in the face of an increasingly volatile global security environment.

The Army is the Nation's formidable land force. As such, it must prepare to conduct Decisive Action operations, as part of Unified Land Operations, and, when called on, win the Nation's wars. The FY 2018 O&M budget request funds the full range of Army Total Force activities, recruiting America's sons and daughters, transforming them from private citizens into Soldiers, training units for the full spectrum of operations, defending the homeland, and projecting power, while providing the quality of life our Soldiers, Families, and Army Civilians deserve. O&M also funds critical installation operations, facility maintenance and sustainment of the Army's equipment. This budget request provides resources to sustain readiness gains anticipated in FY 2017 and sustains the increase of Army end strength to a Total Force of 1,018,000 Soldiers.

OPERATION AND MAINTENANCE SUMMARY

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Regular Army ^{1,2}	36,272	16,039	52,311	38,945	16,126	55,072
Army National Guard ^{1,3}	6,988	65	7,053	7,307	108	7,415
Army Reserve ^{1,4}	2,753	24	2,777	2,907	25	2,932
Environmental Restoration	170	0	170	216	0	216
Totals	46,183	16,129	62,311	49,375	16,259	65,634

1: FY17 Base amount adjusted for fuel rates and foreign currency fluctuation reductions .

2: FY17 Base amount includes \$3.6 billion in OCO funding for Base requirements.

3: FY17 Base amount includes \$148 million in OCO funding for Base requirements.

4: FY17 Base amount includes \$15 million in OCO funding for Base requirements.

Operation and Maintenance

We continue to increase unit readiness as we provide regionally aligned rotational forces throughout the Asia-Pacific theater, Europe, and the Middle East. The Army increases warfighting capacity by converting an Infantry BCT to an Armored BCT and retaining four Army National Guard attack aviation battalions. Additionally, in FY 2018 the Army is creating two Security Force Assistance Brigades (SFABs) as a tool for Combatant Commanders to shape their areas of responsibility in ways that deter and prevent conflict and set the theater to enable the United States and its allies and partners to prevail if conflict becomes necessary. FY 2018 also continues the infrastructure development to support the stationing of a Terminal High Altitude Area Defense battery on the Korean peninsula. The Reserve Components remain key to our ability to meet combatant commanders' demands for land forces. The FY 2018 request doubles Army National Guard Combat Training Center rotations from two to four. This will increase the readiness of our Army National Guard BCTs and increase our capacity to respond to global force requirements.

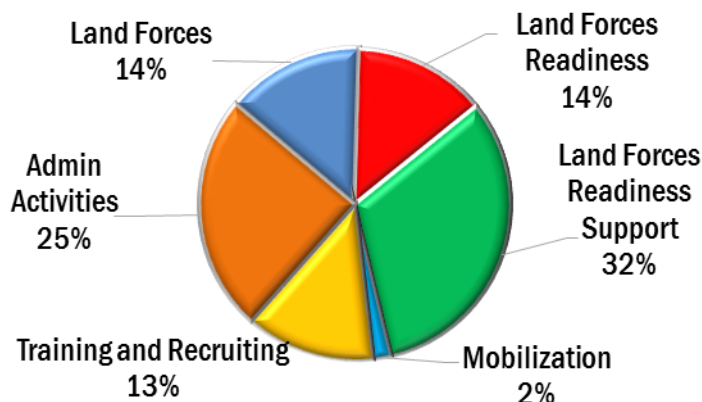
The FY 2018 request funds the operations of our global network of installations. The budget request funds activities that contribute to unit readiness and quality of life, along with increasing the safety and security of our installations and leased facilities. Additionally, in an effort to reduce the deferred facility maintenance "backlog", FY 2018 O&M funding for facility sustainment increases from 67 percent in FY 2017 to 76 percent in FY 2018, across all three components. The Army is also investing in its facility strategy by increasing funding in FY 2018 restoration and modernization requirements. Future risk could be further reduced if the Army is permitted to divest unneeded infrastructure.

The FY 2018 request maintains the Army's commitment to investing in the development of the military and civilian workforces. Additionally, the Army's O&M request provides critical individual skills and professional development for both Soldiers and Civilians – in order to fill organizational roles that enable operational effectiveness. The Army remains committed to preventing sexual harassment and sexual assault, and responding to it appropriately.



Operation and Maintenance

Regular Army



The Operation and Maintenance, Army (OMA) appropriation budget request provides funding to organize, train, and sustain the All-Volunteer Army, enabling the Joint Force with decisive, sustainable land power to conduct Unified Land Operations in support of geographic combatant commanders' demands. OMA funding supports generating and maintaining near-term warfighting readiness, strategic mobilization, recruiting and individual training, and sustaining the Force. The Army continues to rebuild Readiness as a top priority and will maintain 31 Active Component Brigade Combat Teams (BCTs) and 11 Combat Aviation Brigades in FY 2018 with plans to convert one Infantry BCT to an Armored BCT during the fiscal year. The request sustains 1,018,000 Total Force end strength achieved in FY 2017 through the areas of recruiting, institutional training, and Soldier and Family programs. Additionally, the OMA request funds increases in global response readiness and facility restoration and modernization while sustaining Cyber operations. Overall, the FY 2018 OMA request provides an agile, more robust, and capable force with the ability to fight and win in ground combat in support of the National Military Strategy.

OPERATION AND MAINTENANCE, ARMY

Budget Request (\$M) ^{1,2}	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Operating Forces	21,792	14,336	36,643	23,752	13,932	37,684
Land Forces	5,413	2,780	8,194	5,624	3,177	8,801
Land Forces Readiness	5,042	2,015	7,057	5,586	3,391	8,977
Land Forces Readiness Support	11,337	9,056	20,392	11,925	7,133	19,058
Combatant Command Support	0	0	0	617	231	848
Mobilization	760	130	890	777	57	834
Training and Recruiting	4,635	0	4,635	5,109	0	5,109
Accession Training	708	0	708	760	0	760
Basic Skill and Advanced Training	2,654	0	2,654	2,979	0	2,979
Recruiting/Other Training and Education	1,273	0	1,237	1,371	0	1,371
Admin and Servicewide Activities	8,788	2,058	10,847	9,307	2,137	11,444
Security Programs	1,152	926	2,077	1,242	1,082	2,324
Logistics Operations	2,395	842	3,237	2,612	783	3,395
Servicewide Support	4,789	290	5,079	4,991	272	5,263
Support of Other Nations	453	0	453	463	0	463
Undistributed ³	297	0	297	0	0	0
Totals	36,272	16,039	52,311	38,945	16,126	55,072

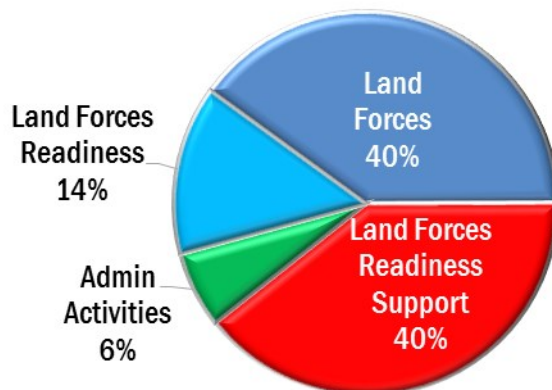
1: FY17 Base amount adjusted for fuel rates and foreign currency fluctuation reductions.

2: FY17 Base amount includes \$3.6 billion in OCO funding for Base requirements.

3: Undistributed Congressional marks and general provisions.

Operation and Maintenance

Army National Guard



The Operation and Maintenance, Army National Guard, appropriation budget request funds for day-to-day operations, readiness, administration, logistics, and communication activities of Army National Guard units across 50 states, 3 territories, and the District of Columbia. With the anticipation of more units in the domestic force pool, the Army National Guard will fund an increase in the number of Soldiers participating in individual and collective training events. Increased investments are made to continue the process of restoring readiness and base operations support. Additionally, funding continues to support Family and Soldier programs that promote well-being to the Army National Guard's most valuable asset—its Soldiers and Families. FY 2018 President's Budget request provides funding for four Army National Guard CTC rotations and will allow the Army National Guard to achieve Company level proficiency.

OPERATION AND MAINTENANCE, NATIONAL GUARD

Budget Request (\$M) ^{1,2}	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Operating Forces	6,524	65	6,589	6,855	107	6,962
Land Forces	2,799	44	2,843	2,855	82	2,937
Land Forces Readiness	986	2	988	1,074	6	1,080
Land Forces Readiness Support	2,739	19	2,758	2,926	19	2,945
Admin and Servicewide Activities	408	0	408	452	1	453
Recruiting and Advertising	245	0	245	269	0	269
Administration	70	0	70	79	0	79
Servicewide Communications	76	0	76	85	1	86
Servicewide Transportation	6	0	6	8	0	8
Manpower Management	8	0	8	8	0	8
Real Estate Management	3	0	3	3	0	3
Undistributed ³	56	0	56	0	0	0
Totals	6,988	65	7,053	7,307	108	7,415

1: FY17 Base amount adjusted for fuel rates and foreign currency fluctuation reductions.

2: FY17 Base amount includes \$148 million in OCO funding for Base requirements.

3: Undistributed Congressional marks and general provisions.

Operation and Maintenance

Army Reserve



The Operation and Maintenance, Army Reserve, appropriation budget request funds operations, logistics, administration, maintenance and management support for the Army Reserve. The budget supports readiness of our Soldiers with training during weekend assemblies and collective training during Annual Training, and other exercises. Additionally, the budget provides for installation management, maintenance of real property, and personnel support to Retirees, Veterans, and their Families. With a focus on the Army's Ready and Resilient Campaign, the FY 2018 budget provides essential funding for the Sexual Harassment/Assault Response and Prevention Program, Suicide Prevention, Family Support, and Transition Programs to include the Soldier for Life Transition Assistance Program. The FY 2018 budget continues the Army's plan to transform the Army Reserve into a Force prepared to prevail in current and future conflicts while supporting the homeland with sustained cyclical readiness of units and Soldiers.

OPERATION AND MAINTENANCE, ARMY RESERVE

Budget Request (\$M) ^{1,2}	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Operating Forces	2,619	24	2,643	2,796	24	2,820
Land Forces	1,284	8	1,293	1,338	6	1,344
Land Forces Readiness	507	1	508	558	1	559
Land Forces Readiness Support	828	15	843	897	17	914
Admin and Servicewide Activities	105	0	105	114	0	114
Undistributed ³	29	0	29	0	0	0
Totals	2,754	24	2,793	2,907	25	2932

1: FY17 Base amount adjusted for fuel rates and foreign currency fluctuation reductions.

2: FY17 Base amount includes \$15 million in OCO funding for Base requirements.

3: Undistributed Congressional marks and general provisions.

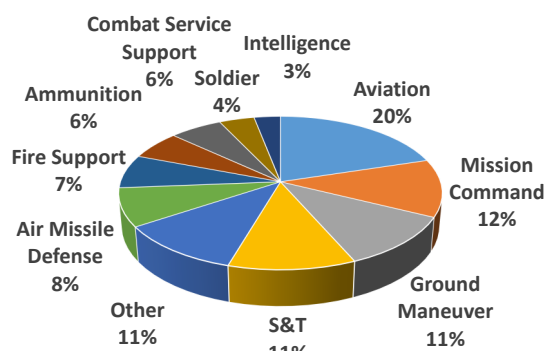
Research, Development, and Acquisition

Overview

The FY 2018 Research, Development, and Acquisition (RDA) budget request resources a balanced modernization strategy for the Army; simultaneously upgrade existing equipment for the current fight while developing next generation capabilities for the future fight. Recent analysis of near-peer adversaries that pose an existential threat to the United States and our closest allies demand that we develop capabilities to defeat potential adversaries in all potential scenarios. However, the Army has close to half the funding available to address modernization compared to eight years ago.

The Army's RDA request continues to support Science and Technology programs, procures preferred munitions, funds Air and Missile defense, and continues ground combat vehicle fleet modernization. The Army is accepting risk in new programs in order to prioritize incremental upgrades of existing systems that can be in the hands of Soldiers in the near future. Significant investments for FY 2018 include:

- ❖ Continued development of Air and Missile defense (to include high energy laser and cybersecurity), Long Range Precision Fires (LRPF), and weapons and munitions technologies
- ❖ Continued Patriot modernization and Patriot Missile Segment Enhancement missiles upgrades
- ❖ Increased procurement of preferred munitions (Guided Multiple Launch Rocket Systems (GMLRS), Army Tactical Missile Systems (ATACMS), Hellfire missile)
- ❖ Continuation to modernize M1 Abrams, M2 Bradley and Stryker combat vehicles through mobility and lethality upgrades
- ❖ New start efforts for the Army Multi-Purpose Vehicle (AMPV) and Paladin Integrated Management (PIM) Improvements to increase mobility and lethality for Brigade Combat Teams
- ❖ Continuation of the Paladin Integrated Management (PIM) and procurement of the Joint Light Tactical Vehicle (JLTV) Low Rate Initial Production (LRIP) procurement
- ❖ Investment in Active Protective Systems (APS) for detect and defeat capability on air platforms and Vehicle Protection Systems (VPS) for modernization of ground combat platforms
- ❖ Development of Assured Positioning, Navigation and Timing (PNT); Electronic Warfare (EW); Cyber; and Assured Communications tools and platforms to address current and future vulnerabilities -- joint focus of Army Rapid Capabilities Office and existing efforts.
- ❖ Aviation procurement (Apache, Black Hawk, Chinook) and investment in Future Vertical Lift



PATRIOT Missile System

Procurement Summary

The FY 2018 Budget Request Supports

- ❖ Counterfire Radars (\$329M OPA). Funds 174 systems (reflects the buyout of the Army Acquisition Objective) for a highly mobile radar set that automatically detects, classifies, tracks, and locates the point of origin of projectiles fired from rocket, artillery and mortar (RAM) systems with sufficient accuracy for first round fire for effect.
- ❖ Patriot Missiles (\$459M MIPA). Continues Low Rate Initial Production (LRIP) with 93 additional Patriot Missile Segment Enhancement Missiles.
- ❖ Guided Multiple Launch Rocket System (GMLRS) (\$787M MIPA). Procures 6,000 Alternative Warhead (AW) rockets. Maxes out production capacity.
- ❖ Hellfire Missiles (\$373M MIPA). Procures 3,925 Hellfire II family of missiles, providing attack helicopters and unmanned aircraft systems with point-target precision strike capability.
- ❖ Abrams Upgrade Program (\$718M WTCV). Supports the upgrade of 56 M1A1 vehicle variants (20 Base, 36 OCO) to the M1A2 System Enhancement Package (SEP) v3 variant to enhance tank survivability, the automotive power pack, computer systems and night vision capabilities. This upgrade is part of the Engineering Change Proposal that addresses capability gaps of the tank fleet.
- ❖ Paladin Integrated Management (PIM) (\$772M WTCV). Procures Full Rate Production (FRP) of 71 PIM Systems (59 base, 12 OCO); 71 Self-Propelled Howitzers (SPH) and 71 Carrier, Ammunition, Tracked (CAT). PIM replaces the current M109A6 Paladin and M992A2 Field Artillery Ammunition Supply Vehicle with a more robust platform incorporating Bradley common drive train and suspension components in a newly designed hull. A PIM full rate production decision is anticipated in December 2017.
- ❖ Joint Light Tactical Vehicle (\$804M OPA). Procures LRIP of 2,110 vehicles and supports the continuation of the JLTV test program to include Production Qualification Test and Reliability Qualification Test in support of Initial Operational Capability scheduled for FY 2018.
- ❖ UH-60 Black Hawk (\$938M APA). FY 2018 funds supports the procurement of 48 aircraft. Component break-out: Active = 27, NG = 21
- ❖ AH-64E Apache (\$1,139M). Procures 13 New Build AH-64E (Base, Block IIIB) and 50 remanufactured AH-64E (48 Base, 2 OCO, Block III) aircraft. Component break-out: Active = 63
- ❖ CH-47F Chinook (\$220M APA). Procures 6 remanufactured aircraft, FY 2019 Advance Procurement, and associated modifications to CH-47 fleet. Component break-out: Active = 4, AR = 2

PROCUREMENT SUMMARY

Budget Request (\$M)	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Aircraft (APA)	4,881	336	5,217	4,150	425	4,575
Missile (MIPA)	2,251	497	2,748	2,519	559	3,078
Ammunition (PAA)	1,931	291	2,222	1,879	193	2,072
Weapons and Tracked Combat Vehicles (WTCV)	2,291	396	2,687	2,424	1,191	3,615
Other Procurement (OPA)	6,432	1,542	7,974	6,469	406	6,874
Totals	17,787	3,062	20,849	17,441	2,774	20,215

Aircraft



AH-64 Apache



UH-60 Blackhawk



CH-47 Chinook

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Aircraft	3,719	101	3,820	2,878	126	3,004
CH-47 Chinook Cargo Helicopter MYP	553	0	553	203	0	203
CH-47 Chinook Cargo Helicopter Adv Proc	9	0	9	18	0	18
UH-60 Black Hawk Helicopter MYP *	1,085	0	1,085	938	0	938
UH-60 Black Hawk Helicopter Adv Proc *	174	0	174	86	0	86
AH-64 Apache Block IIIA Reman *	774	78	852	726	39	765
AH-64 Apache Block IIIA Reman Adv Proc	185	0	185	171	0	171
AH-64 Apache Block IIIB New Build	262	0	262	374	0	374
Adv Procurement	72	0	72	72	0	72
Light Utility Helicopter *	187	0	187	108	0	108
MQ-1 Gray Eagle *	330	0	330	30	87	118
Utility Fixed Wing *	41	0	41	75	0	75
UH-60 Blackhawk A- and L-Models	46	0	46	77	0	77
Saturn Arch	0	23	23	0	0	0
Modifications	882	70	953	973	115	1,088
MQ-1 Payloads *	92	0	92	6	41	47
Universal Ground control Equipment (UAS)	0	0	0	15	0	15
Gray Eagle Mods2	0	0	0	74	0	74
RQ-7 Shadow Unmanned Aerial Vehicle	134	2	135	83	0	83
AH-64 Apache Mods	188	0	188	238	0	238
Utility Helicopter Mods	11	0	11	6	0	6
CH-47 Cargo Helicopter Mods	103	0	103	20	0	20
Network and Mission Plan *	75	0	75	142	0	142
Comms, Nav Surveillance	77	0	77	166	4	170
Global Air Traffic Management (GATM)	45	0	45	37	0	37
Utility/Cargo Airplane Mods	18	0	18	58	0	58
UAS Mods	23	4	28	26	0	26
Guardrail	0	0	0	0	0	0
Multi-Sensor Airborne Reconnaissance	95	21	116	69	33	102
Guardrail/Common Sensor SEMA Mods	4	0	4	6	0	6
Airborne Recon-Low SEMA Mods	7	0	7	12	0	12
Enhanced Med Alt Recon/Surv System SEMA Mods	12	43	55	15	36	51
Support Equipment and Facilities	280	165	445	299	183	482
Survivability Counter Measures	10	0	10	6	0	6
Aircraft Survability Equipment *	89	0	89	71	0	71
Common Missile Warning System *	42	56	98	27	140	167
CIRCM	0	109	109	6	43	50
Avionics Support Equipment	6	0	6	7	0	7
Common Ground Equipment	48	0	48	47	0	47
Aircrew Integrated Systems	30	0	30	47	0	47
Air Traffic Control	50	0	50	84	0	84
Industrial Facilities	1	0	1	1	0	1
Launcher, 2.75 in Rocket Industrial	3	0	3	2	0	2
Totals	4,881	336	5,218	4,150	425	4,575

* Programs with Congressional adjustments

Missiles



Guided Multiple Launch Rocket System (GMLRS)



Avenger engages UAS with Stinger Missile



Soldier fires Javelin Missile

MISSILES

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Other Missiles - Sub-Total	1,771	497	2,268	1,770	531	2,301
Lower Air and Missile Defense	126	0	126	141	0	141
Guided Multiple Launch Rocket System Rkts	327	76	403	595	191	786
TOW-2 Missile*	112	81	193	106	4	110
Javelin Missile*	176	15	191	110	8	118
Hellfire Missile	192	306	498	95	278	373
Multiple Launch Rocket System Practice Rkts	18	0	18	28	0	28
Patriot MSE Missile	702	0	702	459	0	459
Joint Air-to-Ground MsIs*	99	0	99	178	0	178
Indirect Fire Protection Capability-Inc2-I	19	0	19	58	0	58
Lethal Miniature Aerial Missile System	0	19	19	0	9	9
HIMARS	0	0	0	0	41	41
Modification of Missiles – Sub-Total	439	0	439	723	28	751
Patriot	197	0	197	329	0	329
High Mobility Artillery Rocket System	2	0	2	10	0	10
Multiple Launch Rocket System*	31	0	31	138	0	138
Guided Multiple Launch Rocket System	0	0	0	1	0	1
Improved Target Acquisition System-TOW	0	0	0	3	0	3
Stinger	7	0	7	63	28	91
Avenger	36	0	36	63	0	63
Army Tactical Missile System*	166	0	166	116	0	116
Spares and Repair Parts – Sub-Total	35	0	35	19	0	19
Support Equipment & Facilities – Sub-Total	6	0	6	7	0	7
Totals	2,251	497	2,748	2,519	559	3,078

* Programs with Congressional adjustments

Ammunition

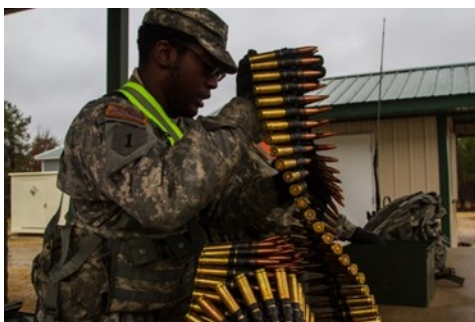


81mm Mortar

AMMUNITION

Budget Request (\$M)	FY17 Enacted			FY18 Request		
	Base	OCO	Total	Base	OCO	Total
Small/Medium Cal Ammunition*	359	73	432	362	37	398
Mortar Ammunition	202	13	215	198	0	198
Tank Ammunition*	118	9	127	134	0	134
Artillery Ammunition*	453	60	513	363	43	407
Mines	0	17	17	4	12	16
Rockets*	130	106	236	166	101	267
Other Ammunition*	48	12	60	65	1	66
Miscellaneous*	56	1	57	56	0	56
Production Base Support*	566	0	566	531	0	531
Totals	1,931	291	2,222	1,879	193	2,073

* Programs with Congressional adjustments



.50 caliber ammunition



155mm ammunition

Weapons and Tracked Combat Vehicles



Bradley Fighting Vehicle



Paladin

WEAPONS AND TRACKED COMBAT VEHICLES

Budget Request (\$M)	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Tracked Combat Vehicles	72	73	145	194	454	648
Bradley Program	0	73	73	0	200	200
Armored Multi-Purpose Vehicle (AMPV)	0	0	0	194	254	448
Stryker	72	0	72	0	0	0
Modifications: Tracked Combat Vehicles	1,956	301	2,257	2,022	737	2,759
Stryker (MOD)	83	0	83	98	0	98
Stryker Upgrade*	419	0	419	0	0	0
Bradley Program (MOD)*	265	0	265	445	30	475
M109 FOV Modification	63	0	63	64	0	64
Paladin Integrated Management (PIM)*	462	123	585	646	126	772
Improved Recovery Vehicle*	92	0	92	72	0	72
Assault Bridge (MOD)	3	6	9	6	0	6
Assault Breacher Vehicle	3	0	3	34	0	34
M88 Family of Vehicles (MOD)	9	0	9	5	0	5
Joint Assault Bridge*	65	0	65	128	0	128
M1 Abrams Tank (MOD)*	492	0	492	249	138	387
Abrams Upgrade Program	0	172	172	275	443	718
Weapons and Other Combat Vehicles	86	22	108	87	0	87
Integrated Air Burst Weapons System*	7	0	7	0	0	0
M240 Medium Machine Gun	0	0	0	2	0	2
Multi-role Anti-Armor Personnel Weapons Systems	0	0	0	7	0	7
Mortar Systems	9	22	31	21	0	21
M320 Grenade Launcher Module	3	0	3	5	0	5
Carbine-M4A1	40	0	40	43	0	43
Common Remotely Operated Wpns Station*	25	0	25	1	0	1
Handgun	2	0	2	8	0	8
Mods: Weapons/Other Combat Vehicles	172	0	172	113	0	113
Support Equipment and Facilities	5	0	5	8	0	8
Totals	2,291	396	2,687	2,424	1,191	3,615

* Programs with Congressional adjustments

Other Procurement

Tactical and Support Vehicles/Other Support Equipment



Palletized Load System (PLS)



Joint Light Tactical Vehicle (JLTV)

OTHER PROCUREMENT

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total*	Base	OCO	Total*
Tactical and Support Vehicles	1,193	694	1,887	1,246	147	1,392
Family of Medium Tactical Vehicles*	205	147	352	79	0	79
Family of Heavy Tactical Vehicles*	34	6	40	82	26	108
Joint Light Tactical Vehicle	588	0	588	804	0	804
Modification of In-Service Equipment *	64	125	189	84	65	149
All Other Vehicles and Trailers*	140	416	556	188	56	244
Non-Tactical Vehicles *	2	0	2	9	0	9
ARNG HMMWV Modernization*	160	0	160	0	0	0
Other Support Equipment	1,419	261	1,680	1,359	58	1,417
Training Equipment*	428	0	428	457	3	459
Combat Service Support Equipment*	146	70	215	119	2	121
Construction Equipment	140	10	150	114	6	120
Smoke/Obscurants Systems	56	31	87	22	4	26
Test Measurement Diagnostic Equip*	41	1	42	43	8	51
Engineer Equipment (Non- Const)	75	1	76	98	0	99
Bridging Equipment	64	26	90	59	0	59
Generators	131	22	153	123	1	124
Medical Equipment	70	6	76	43	26	69
Petroleum Equipment	39	83	122	55	0	55
Rail Float Containerization Equipment*	24	0	24	23	0	23
Material Handling Equipment	2	1	3	9	0	9
Maintenance Equipment	36	1	38	37	1	38
Support Equipment	167	9	176	156	9	165
Totals (M)	2,612	955	3,567	2,605	205	2,809

* Programs with Congressional adjustments

Other Procurement

Communication-Electronic/Initial Spares OTHER PROCUREMENT

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Communications	0	0	0	0	0	0
Joint Communications*	612	10	622	675	5	680
Combat Communications*	363	0	363	440	1	441
Satellite Communications*	192	24	216	271	0	271
Base Communications	246	20	266	329	3	332
Information Security*	153	2	155	166	0	166
Intel Communications*	7	10	17	14	0	14
Long Haul Communications	33	0	33	44	0	44
Command, Control Communications	3	0	3	3	0	3
Electronic Equipment	0	0	0	0	0	0
Tactical Surveillance*	954	265	1,219	996	65	1,061
Tactical Command and Control*	615	70	685	246	9	255
Electronic Warfare	75	113	188	32	36	68
Tactical Intelligence and Related Activities	321	63	384	370	82	452
Automation*	215	10	225	202	0	202
Audio-Visual Systems	3	0	3	8	0	8
Support	1	0	1	30	0	30
Spares and Repair Parts*	27	0	27	38	0	38
Totals	3,821	587	4,408	3,864	201	4,065

KEY NETWORK MODERNIZATION PROGRAMS

- ❖ Handheld, Manpack and Small Form Fit Radios. Extends the network down to the squad/team leader using tactical Manpack and Rifleman Radio variants
- ❖ Nett Warrior. Extends automated command and control/position location information down to the team leader using a hand-held display device based on commercial smart phone technology
- ❖ Joint Battle Command-Platform. Provides critical situational awareness, command and control, and location information of mounted forces on the battlefield, from the brigade down to platoon
- ❖ Warfighter Information Network-Tactical, Increment 2. Provides the broadband backbone communications necessary for the tactical Army. Extends an Internet Protocol based satellite and line-of-sight communications network supporting telephone, data and video
- ❖ Airborne, Maritime, Fixed Station, Small Airborne Networking Radio. Provides aviation platforms the ability to join the Army's terrestrial voice and data networks through the use of advance software defined waveform capabilities
- ❖ Mid-Tier Networking Vehicular Radio. Provides a tactical radio planned to enhance high-capacity terrestrial (line of sight) communications in tactical units

MAJOR NETWORK PROGRAMS

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Warfighter Information Network-Tactical*	542	10	552	420	0	420
Handheld Manpack Small Form Fit Radios *	274	0	274	355	0	355
Distributed Common Ground Sys-Army	230	43	273	275	40	315
Joint Battle Command Platform*	228	0	228	283	0	283
Nett Warrior*	32	0	32	38		38
Totals	1,306	53	1,359	1,371	40	1,411

* Programs with Congressional adjustments

Top Procurement Quantities



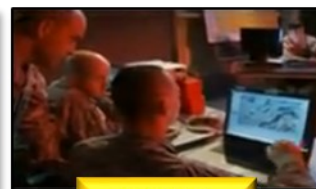
Bradley



Counterfire Radar

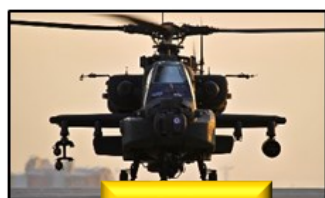


WIN-T

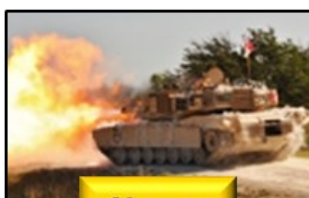


DCGS-A

Program	Quantities	
	FY 17	FY 18
AH-64E Apache Remanufacture	52	50
AH-64E Apache New Build	7	13
UH-60M Black Hawk	61	48
CH-47 Chinook	22	6
M1 Abrams Tank (MOD) ECP 1A/Abrams Upgrade	60	20
Bradley Program (MOD)	45	135
Stryker Upgrade	70	-
Paladin Integrated Management	48	71
Joint Light Tactical Vehicle	1,828	2,110
Guided MLRS Rocket (GMLRS)	2,954	6,000
MSE Missile	145	93
ATACMS	200	122
Patriot Mods	-	25
Hellfire Missiles	155	998
Counterfire Radar	36	21
Joint Battle Command - Platform (JBC-P)	10,687	15,920
WIN-T Increment 2	Multiple Config. Items	
DCGS-A Increment 1	2,171	3,437
Handheld Manpack Small Form Fit Radios	5,656	3,658



Apache



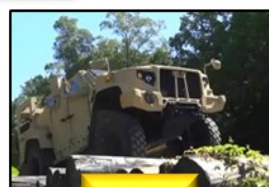
Abrams



Paladin



Black Hawk



JLTV

Research, Development, Test, and Evaluation



The FY 2018 Research, Development, Test, and Evaluation (RDTE) budget request of \$9,545M supports the full range of RDTE activities balancing upgrades to existing equipment that can be in Soldiers' hands in the next 10 years with developing next generation capabilities for the future fight. The major cornerstones of the Army's FY 2018 budget are Air and Missile Defense, Science and Technology, Aviation, Combat Vehicle Development and Modernization, and Test Ranges and Facilities.

The Army continues its Science and Technology mission, dedicating \$2,605M for invention, maturation, and demonstration of technologies. Basic Research (\$430M) advances the frontiers of fundamental science and technology, driving long-term, game-changing capabilities for the Army. Applied Research (\$889M) develops and assesses current technologies for potential military applications. Advanced Technology Development (\$1,071M) demonstrates mature technology that can be applied to acquisition programs in the near term. Key FY 2018 Army Science and Technology investments include technology demonstrations to inform requirements development and reduce technical risk for emerging programs of record in Joint Multi-Role rotorcraft development for the Army's Future Vertical Lift capability, High Energy Laser efforts, and Combat Vehicle Prototyping. Investments will also address Emerging Threats by investing in Science and Technology focused on short-, medium-, and long-term capability gaps to maintain overmatch and win decisively over any potential adversary.

To these ends, Army Science and Technology will invest in innovative technologies focused on active protection systems (both ground and air), aircraft survivability, directional networking and platform sensor protection, and degraded visual environment mitigation. As the Army Science and Technology community continues to identify and harvest technologies suitable for transition to our forces, we will continue to focus on the core capabilities that the Army needs, including long-range precision fires, cyber, materiel, medical, Soldier, and quantum science technologies.

(Continued on page 28)

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total**	Base	OCO	Total**
Basic Research*	487	0	487	430	0	430
Applied Research*	1,220	0	1,220	889	0	889
Adv Technology Development*	1,373	0	1,373	1,071	0	1,071
Adv Component Development-Prototypes*	608	25	633	891	18	909
System Development and Demonstration*	2,257	228	2,485	3,013	58	3,071
Management Support*	1,202	0	1,202	1,254	0	1,254
Operational Systems Development*	1,254	18	1,272	1,878	43	1,921
Totals	8,401	272	8,672	9,426	119	9,545

*Programs with Congressional adjustments

** Numbers may not total due to rounding

Research, Development, Test, and Evaluation

The Army continues to prioritize incremental upgrades of existing systems to place capability in the hands of Soldiers in the near future, while continuing efforts to develop next generation capabilities for the future fight, focusing on increased mobility, protection, and lethality.

- ❖ The Army Integrated Air and Missile Defense (AIAMD) (\$336M) program is uniquely structured to enable the development of an overarching System of Systems (SoS) capability with all participating Air Defense Artillery (ADA) components functioning interdependently to provide total operational capabilities not achievable by the individual element systems. The AIAMD program achieves this objective by establishing the AIAMD architecture and developing (1) the IAMD Battle Command Systems (IBCS) Engagement Operations Center (EOC) that provides the common Mission Command capability, (2) the Integrated Fire Control Network (IFCN) capability for fire control connectivity and distributed operations, and (3) the common Plug and Fight (P&F) Kits that network enable multiple sensor components, weapon components, and the IBCS EOC. Funding in FY 2018 will provide for continuation of software development and developmental test phase activities, to include production representative equipment required for testing.
- ❖ The Army's Armored Multi-Purpose Vehicle (AMPV) (\$200M) is the materiel solution for replacement of the Armored Personnel Carrier (M113) Family of Vehicles (FoV) within the Armored Brigade Combat Team (ABCT). It will mitigate current and future capability gaps in force protection, mobility, reliability, and interoperability across the Spectrum of Conflict. The AMPV will replace five mission roles currently performed by the M113 FoV by transferring the current M113 Mission Equipment Packages (MEP) to a new Military Vehicle Derivative (MVD) platform. In total, the AMPV FOV will account for approximately 30 percent of the ABCT's tracked fleet and consists of five variants: Mission Command (MCmd) Vehicle, Medical Treatment (MT) Vehicle, Medical Evacuation (ME) Vehicle, General Purpose (GP) Vehicle, and Mortar Carrier (MC) Vehicle.
- ❖ Aviation-related RDT&E efforts include the Improved Turbine Engine Program (ITEP) (\$204M) and the Chinook Product Improvement Program (\$195M). ITEP develops, tests, qualifies, and integrates the next generation turboshaft engine on the Black Hawk and Apache aircraft. The Improved Turbine Engine (ITE) replaces the existing engine design and will fit inside the existing engine bays of the Black Hawk and Apache Helicopters to provide significant power enhancement with increased fuel efficiency. Additional benefits include improved design life, enhanced reliability, lower maintenance costs, and restored capability lost due to aircraft weight growth without increasing the logistics footprint.
- ❖ The Chinook program funds improvements to the CH-47F System that include continued development and testing of the Advanced Chinook Rotor Blades (ACRB) which will provide increased lift in high/hot conditions and reduce Operation and Support (O&S) costs, T55-GA-714A engine control and component upgrades, and advanced flight control and drive train component improvements to improve aircraft performance.
- ❖ Army Test Ranges & Facilities funding (\$308M) for FY 2018 will support Operational test activities and infrastructure, civilian pay, and contractor support for key elements of the DoD Major Range and Test Facility Base. Funds also sustain Test & Evaluation capabilities for Army, Joint Service, and Other Service systems, materiel and technologies. Major systems supported include Army Integrated Air and Missile Defense, Gray Eagle and Joint Light Tactical Vehicle.

Military Construction/BRAC



MILITARY CONSTRUCTION SUMMARY

Budget Request (\$M)	FY17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Regular Army	582	30	612	920	140	1,060
Army National Guard	312	0	312	211	0	211
Army Reserve	108	0	108	74	0	74
Totals	1,003	30	1,033	1,205	140	1,345

The FY 2018 Military Construction Budget request funds the Army's most critical facility needs for the Active and Reserve Components focusing on the following initiatives: Replacement of Aging Facilities, Barracks, and Global Defense. Within these initiatives are projects that continue the construction of the Command and Control/Operations Facilities at Fort Shafter, Hawaii and Fort Belvoir, Virginia, and complete the MILCON investment for the European Infrastructure Consolidation in Germany and fielding of the Gray Eagle Unmanned Aerial System in Korea. Other investment priorities include construction of new facilities for the Reserves and National Guard, ranges, training and maintenance facilities, and replacement of poor and failing infrastructure.

The FY 2018 Military Construction program is the largest request in four years. This request funds 37 military construction projects in 20 states plus Puerto Rico, Germany, Korea, and Turkey.

- ❖ Regular Army: 26 projects, \$920M
- ❖ Army National Guard: 8 projects, \$211M
- ❖ Army Reserve: 3 projects, \$74M

BASE REALIGNMENT AND CLOSURE

The FY 2018 Base Realignment and Closure (BRAC) Budget request supports the Army's remaining environmental clean-up and disposal efforts at existing BRAC properties.

Budget Request (\$M)	FY17 Enacted	FY 18 Request
Base Realignment and Closure	29	58

Military Construction

MILITARY CONSTRUCTION, ARMY

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Replace Aging Facilities	374	0	374	649	0	649
Planning and Design	126	30	156	101	25	126
Minor Construction	35	0	35	32	0	32
Barracks	0	0	0	60	115	175
Global Defense Posture	0	0	0	59	0	59
New Mission	47	0	47	19	0	19
Totals	582	30	612	920	140	1,060

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Replace Aging Facilities	193	0	193	75	0	75
Modularity	87	0	87	103	0	103
Minor Construction	21	0	21	16	0	16
Planning and Design	12	0	12	17	0	17
Totals	312	0	312	211	0	211

MILITARY CONSTRUCTION, ARMY RESERVE

Budget Request (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Replace Aging Facilities	88	0	88	61	0	61
Minor Construction	18	0	18	7	0	7
Planning and Design	3	0	3	5	0	5
Totals	108	0	108	73	0	73



Army Family Housing



Camp Humphreys, Korea



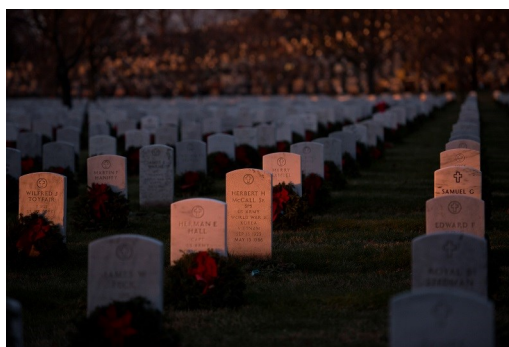
Fort Jackson, S.C. Privatization Program

The FY 2018 Army Family Housing Operations budget supports the operation, maintenance, repair, utilities, and oversight of homes for Soldiers and their Families in both the United States and overseas. It provides funding for 10,939 Army-owned units; 4,567 leases; and portfolio and asset management for 86,077 privatized homes. This request also includes new construction of 95 Family Housing units (9 units at Fort Gordon, Georgia, 22 units at Kwajalein Atoll, 28 units at Natick, Massachusetts, and 36 units at Vilseck, Germany), improvement construction of 80 units at Baumholder, Germany, and continues the construction project that began in 2017 at Camp Humphreys, Korea.

ARMY FAMILY HOUSING

Budget Request (\$M)	FY 17 Enacted	FY 18 Request
Construction	158	183
New Construction	155	115
Improvement Construction	0	34
Planning and Design	3	34
Operations	326	347
Operation and Utilities	59	59
Maintenance	61	58
Utilities	55	60
Leasing	132	149
Privatization	19	21
Totals	483	529

Other Accounts



Arlington National Cemetery

The Army National Cemetery Program is an Army account. The Army is DoD's financial management agent for the Chemical Agent and Munitions Destruction account. Army Working Capital Fund is an Army revolving account that directly supports the materiel readiness of operating units.

- ❖ Army National Cemetery Program funding (\$71M, Base) supports Arlington National Cemetery in Arlington, Virginia, and the Soldiers' and Airmen's Home National Cemetery in Washington, DC.
- ❖ Chemical Agent and Munitions Destruction funding (\$962M, Base) supports safe storage and destruction of the remaining chemical munitions stockpiles in Kentucky and Colorado and the Chemical Stockpile Emergency Preparedness Project for the Kentucky and Colorado facilities and surrounding communities. The FY2018 funding increase provides both equipment purchase and installation at Blue Grass, Kentucky, facility as well as equipment redesign and production improvements at the Pueblo, Colorado, facility.
- ❖ Army Working Capital Fund (\$134M, Base and OCO) provides for the acquisition of secondary items for Army Prepositioned Stocks and for Paladin Integrated Management engines.

OTHER ACCOUNTS

Appropriation Title (\$M)	FY 17 Enacted			FY 18 Request		
	Base	OCO	Total	Base	OCO	Total
Army National Cemetery and Construction	71	0	71	71	0	71
Chemical Agent and Munitions Destruction	651	0	651	962	0	962
Army Working Capital Fund	196	49	245	84	50	134



Blue Grass Chemical Agent-Destruction Pilot Plant

Overseas Contingency Operations

- ❖ Military Personnel budget request primarily funds pay and allowances, subsistence, training, and administrative support for mobilized Reserve Component Soldiers.
- ❖ Operations and Maintenance budget request funds support Operation FREEDOM'S SENTINEL (Afghanistan); Operation INHERENT RESOLVE (Targeted operations against Islamic State in Iraq and the Levant); European Reassurance Initiative; Operation Spartan Shield (supporting Regionally Aligned Forces concept with partners in the Arabian Gulf region); and other Counter-Terrorism operations. These missions continue to evolve in response to the volatility of current events throughout those regions.
- ❖ Research, Development, and Acquisition accounts fund battle losses, ammunition replenishment, and the enhancement of prepositioned equipment stocks in Europe.
- ❖ Afghanistan Security Forces Fund provides assistance to the security forces of Afghanistan.
- ❖ Counter-ISIS Train and Equip Fund builds key security force capabilities, helps professionalize security forces, and promotes long-term stability of the Middle East region. This account replaces Iraq Train and Equip Fund (ITEF) and the Syria Train and Equip Fund (STEF).

OVERSEAS CONTINGENCY OPERATIONS SUMMARY

Request (\$M)	FY16 Actuals	FY17 Enacted	FY18 Request
Military Personnel (MILPERS)	2,037	2,322 ¹	2,845
Operation & Maintenance (O&M)	12,272	16,129 ²	16,259
Research, Development, & Acquisition (RDA)	2,084	3,334 ³	2,893
Military Construction, Army (MCA)	0	30 ⁴	140
Working Capital Fund (AWCF)	0	49	50
Army Total	16,393	21,864	22,187
Passthrough / Transfer Accounts			
Counter-Islamic State of Iraq and Syria Train and Equip⁵	0	1,606	1,769
Afghan Security Forces Fund	3,652	4,263	4,938
Iraq Train & Equip Fund	715	290	0
Syria Train & Equip Fund	0	0	0
Joint Improvised Explosive Device Defeat Fund⁶	350	0	0
Afghanistan Infrastructure Fund	0	0	0
All Army Appropriations	21,110	28,022	28,894

1: MILPERS account does not include \$324M in FY17 OCO-to-Base transfer.

2: O&M account does not include Base-to-OCO transfers: \$850M; FY16: \$2,200M. Does not include OCO-to-Base Transfers: \$3,797M in FY17.

3: RDA account does not include \$1,876M OCO-to-Base transfer.

4: MILCON account does not include \$50M OCO-to-Base transfer.

5: The Iraq and Syria Train & Equip Funds were combined into a single Counter-ISIS Train & Equip fund in FY17.

6: The Joint Improvised Explosive Device Defeat mission has been assumed by a new DOD organization for FY17 and beyond.

Partial FY16 and FY17 JIEDDF funding information can be found in the DOD Budget Materials.

Conclusions

The Army's FY 2018 Budget Request provides critical steps to increase warfighter readiness, achieving a balanced funding program and building a more lethal future force.

The “velocity of instability” has substantially increased around the globe, posing a greater threat to US national security interests

Current funding levels suppressed by fiscal pressure and BCA legislation has challenged the Army's ability to achieve the desired balance between near term readiness for the current environment, and long term modernization required for future security challenges.

Army's FY 2018 President's Budget request, \$166.1B (\$137.2B in Base & \$28.9B in OCO), will help to create momentum essential for the Army to continue to rebuild it's readiness through increased capability and capacity. The Army's funding request in FY 2018 provides an opportunity to start to recover from the uncertainty and the suppressed funding experienced since the enactment of the 2011 Budget Control Act.

Sufficient and predictable funding, achieved through the timely enactment of both Authorization and Appropriations bills provides the necessary decision space for the Army to develop and execute balanced programs. Balanced funding programs improve readiness by filling personnel and equipment shortages in our formations; professionally developing Soldiers and leaders through realistic training; and supports Soldiers, civilians, and their families with installation services and infrastructure consistent with the quality of their service. Funding modernization efforts focused on improving Army aviation, network, combat vehicles, long range fires and short range air defense, Soldiers, and combat service support systems will contribute to the technological overmatch we seek to retain and advance.

This budget request represents a greater balance across the entire readiness spectrum. With consistent, strategy-based funding over time, the Army can increase capacity, train contingency forces, close critical modernization gaps, and rebuild installation and training infrastructure—all while maintaining excellence in the execution of current operations.



Army Strong!

PUBLICATION INFORMATION

This booklet provides the highlights of the Army's Budget submitted to Congress as part of the President's Budget.

Questions concerning the source or interpretation of the information in this booklet may be directed to the **Army Budget Office (Budget Formulation Division), 703-692-5893 or DSN 222-5893.**

All Army budget materials, including this booklet, are available to the public on the Assistant Secretary of the Army (Financial Management and Comptroller) website.
<http://www.asafm.army.mil/offices/bu/content.aspx?what=BudgetMaterials>

Photos are courtesy of U.S. Army.

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