



U.S. ARMY

**Army Fiscal Year
Budget Overview**

2 0 2 6

MG Mark S. Bennett
Director, Army Budget

DEFENSE PRIORITY LINES OF EFFORT

Restore Warrior Ethos

Rebuild the Military

Reestablish Deterrence

Reform and Optimization

To maintain our edge on the battlefield, the Army will transform to a leaner, more lethal force by adapting how we fight, train, organize, and buy equipment.

Army Transformation Initiative

**Army Budget Request
FY 2026**

\$197.4 billion

(Includes \$5.4B Reconciliation)

Army's FY26 Proposed Budget at a Glance

The Army's FY26 request increased by 6.9%* from the FY25 enacted

Military Personnel

▲ **7.7%** 3.8% pay raise; junior enlisted pay reform; 10.9K end strength increase

Operations and Maintenance

▲ **6.4%** Barracks Sustainment, Restoration, and Modernization; Army Transformation Initiative Operations, H2F expansion

Procurement

▲ **14.2%** Next generation warfighting capabilities, C-sUAS, Air and Missile Defense, 25 OIB Modernization projects, and Munitions

Research, Development, Test, and Evaluation

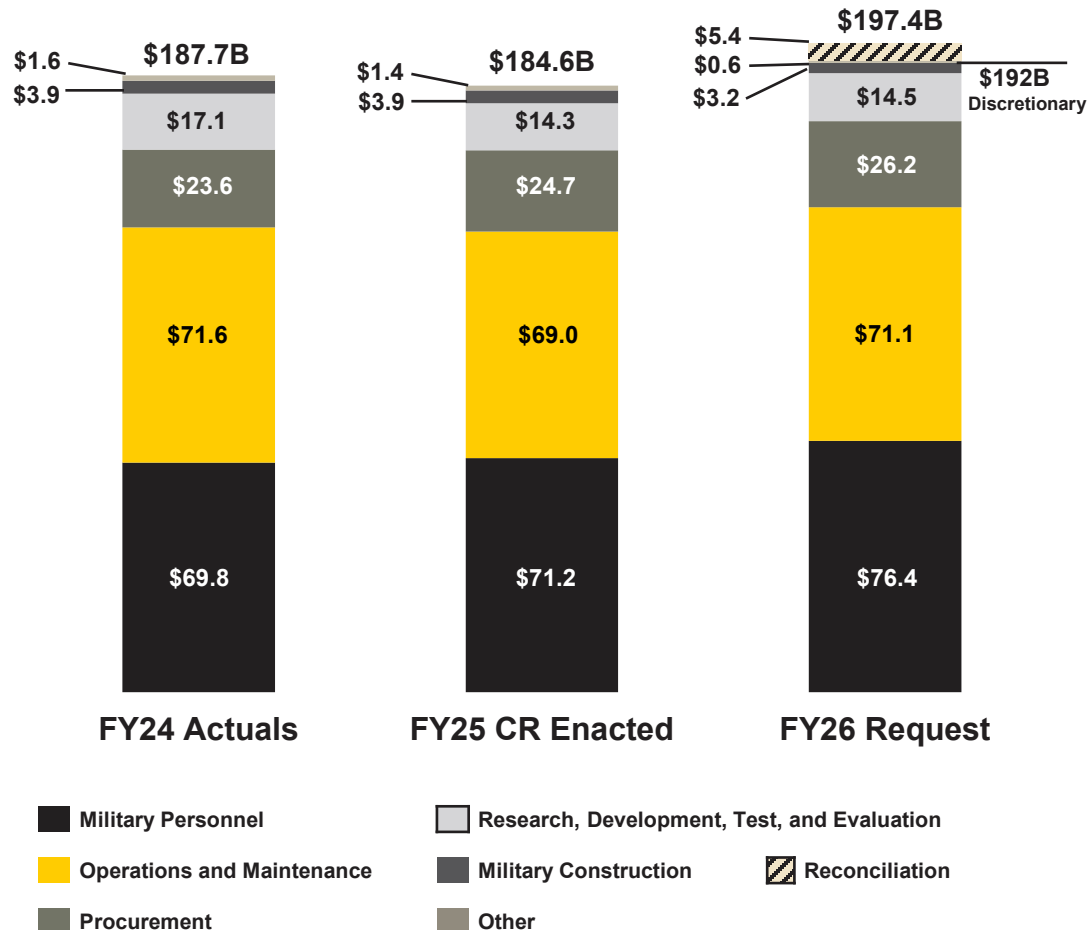
▲ **7.5%** Next Generation Command and Control (NGC2), Future Long-Range Assault Aircraft (FLRAA), and M1E3 Abrams

Military Construction

▼ **19.6%** 3 Barracks, 2 CDCs, and industrial base recapitalization

Reconciliation

\$5.4B Integrated Air and Missile Defense (IAMD), Munitions and Supply Chain, Cyber, Unaccompanied Housing, and Depot Maintenance



1. Numbers may not add due to rounding

2. Other includes Army Working Capital Fund, Chemical Agent & Munitions Destruction, Counter-ISIS Train and Equip Fund; excludes Arlington National Cemetery

Army Transformation Initiative (ATI) Concept



Deliver Critical Warfighting Capabilities

Prototypes organizational changes and integrates emerging technology into formation to innovate, learn, refine requirements, and develop solutions faster.

Optimize Our Force Structure

Prioritizing speed and decisive force by filling combat formations with Soldiers, ensuring every role contributes directly to combat effectiveness.



Eliminate Waste and Obsolete Programs

Eliminate outdated, costly, and difficult-to-maintain programs in favor of modern capabilities.

“Our Army must transform now to a leaner, more lethal force by infusing technology, cutting obsolete systems, and reducing overhead to defeat any adversary.”

-Secretary of the Army, Dan Driscoll

Army Transformation Initiative (ATI) in FY26



Divest (-\$4.9B)

- **Old Equipment & Requirements**
(Paladin Integrated Management (PIM) \$233M, Legacy Anti-Tank Missile \$141M, Gray Eagle \$15M, HMMWV \$5M)
- **Reduce Ineffective Programs**
(M10 Booker \$436M, JLTV \$352M, Improved Turbine Engine (ITEP) \$214M, FTUAS \$147M)
- **Restructure Units and HQs**
(Merges AFC and TRADOC, Consolidates ARNORTH, ARSOUTH, and FORSCOM into Western Hemisphere Command)

We must accelerate Army transformation to address a rapidly growing threat from China; sensors and decoys; and the proliferation of dual-use technologies.

To

Battlefields across the world are changing at a rapid pace. Our Army must be the most lethal and ready land force in the world.

Invest (+\$8.9B)

- **Deliver Warfighting Capabilities:** 5 BCTs-worth of loitering munitions, Accelerates FLRAA and 4 M1E3, 7 MBCTs-worth of ISVs
- **Close the C-sUAS Gap:** Facilities sustainment to Army Sites (\$5M), accelerate M-SHORAD procurement, integrate C-UAS into maneuver platoons
- **Restore Readiness:** Fully fund H2F, campus-style DFACs, expands rotational deployments and exercises in the Indo-Pacific
- **Modernize UAS:** 10 BCTs-worth/year of COTS solutions, long range UAS for 1 MDTF and 2 BCTs
- **Expand Magazine Depth:** Modernize 7 OIB facilities, additional munitions
- **Force Structure Optimization:** Conversion of ABCT/SBCT/IBCTs, growth of HIMARS 2 BNs and 3 Batteries, establishes Multi-Functional BDEs



Army Support of Defense Priority Lines Of Effort

Restore Warrior Ethos

- Rigorous Realistic Training
 - Holistic Health and Fitness (H2F) (\$288M)
 - Campus Style Dining (\$220M)
 - Home Station, CTC, and Deployments
- Improving Quality of Life
 - Junior Enlisted Pay Raise – 10%
 - Child Development Centers (\$82M)
 - Barracks Construction (\$411M)
 - Barracks Sustainment, Restoration, and Modernization (\$2.4B)

Rebuild the Military

- Enable the Close Combat Force (\$616M)
 - 5 IBCTs converted to MBCT
 - ISV provided to 7 MBCTs
 - 5 BCTs worth of Loitering Munitions
 - 10 BCTs will receive COTS UAS
 - HIMARS – 2 BNs & 3 Batteries
- Improve Command and Control
 - Next Generation Command & Control (\$2.9B)
- Counter – UAS Capabilities (\$858M)

The President gave us a clear mission: achieve Peace through Strength.

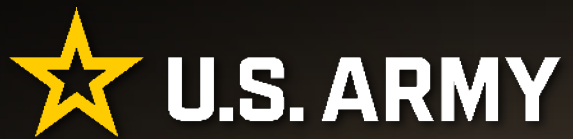
*Secretary of Defense,
Pete Hegseth*

Reestablish Deterrence

- Focus on Indo-Pacific (\$1.3B)
- Investing in Advanced Capabilities
 - Long Range Precision Fires (\$188M)
 - Future Long Range Assault Aircraft (\$1.2B)
- Magazine Depth (\$1.1B)
 - Strengthening the Industrial Base by modernizing 7 facilities

Reform and Optimization

- Streamlining Headquarters
 - Consolidation of AFC and TRADOC to Transformation and Training Command
 - Transformation of FORSCOM, ARNORTH, ARSOUTH to Western Hemisphere Command
- Prioritizing Audit Readiness (\$337M)
- Reduction in Advisory & Assistance Service Contracts and TDY (\$1.6B)
- Agile Funding Budget Line Consolidation



Appropriation Summaries

BE ALL YOU CAN BE.

FY26 Request by Appropriation

\$B	FY24 Actuals ⁴	FY25 Enacted ⁵	FY26 Request
Military Personnel ¹	69.8	71.2	76.6
Operation and Maintenance ²	71.6	69.0	73.4
Procurement/RDTE	40.7	39.0	43.6
Military Construction/Family Housing/BRAC	3.9	3.9	3.1
Other (CAMD/AWCF/CTEF) ³	1.6	1.4	0.6
Totals	187.7	184.6	197.4⁶

Numbers may not add due to rounding

1: Includes Medicare Eligible Retirement Healthcare Fund

2: Includes Environmental Restoration, Army (ERA) Funding






3: Chemical Agent and Munitions Destruction; Army Working Capital Fund; Counter-Islamic State of Iraq and Syria Train and Equip Fund

4: Does not include \$20.1B in Supplemental funding (*Ukraine, Israel and Taiwan Assistance*)

5: Does not include \$0.7B in Supplemental funding

6: Includes \$5.4B in Reconciliation

The FY26 budget resources the Army to train, operate, and sustain the force

- Military Personnel 7.7% 
- Operation and Maintenance 6.4% 
- Procurement/RDTE (RDA) 11.8% 
- MILCON/Housing/BRAC 19.6% 
- Other (CAMD/AWCF/CTEF) 59.2% 

(%s are FY25 Enacted vs FY26 Request, including Reconciliation)

To maintain our edge on the battlefield, our Army will transform to a leaner, more lethal force, by adapting how we fight, train, organize, and buy equipment.

Military End-Strength and Personnel Summary

Military End-Strength			
Component	FY24 Actuals	FY25 Enacted	FY26 Request
Regular Army	449,816	442,300 ¹	454,000
Army National Guard	323,756	325,000 ²	328,000
Army Reserve	172,717	175,800 ³	172,000
Totals	946,289	943,100	954,000
Personnel Summary			
\$B	FY24 Actuals	FY25 Enacted	FY26 Request
Regular Army	50.1	51.2	55.0
Army National Guard	10.0	10.0	10.5
Army Reserve	5.4	5.5	5.8
Medicare Eligible Retirement Health Care	4.3	4.5	5.2
Totals	69.8⁴	71.2	76.6⁵

1: FY25 NDAA authorization is 442,300 for Regular Army – Army projects to end at 452,000

2: FY25 NDAA authorization is 325,000 for Army National Guard – ARNG projects to end at 328,000

3: FY25 NDAA authorization is 175,800 for Army Reserve – Reserve projects to end at 170,200

4: Does not include \$0.2B in Supplementals

5: Includes \$202.1M in Reconciliation



An Army recruiter teaches Cub Scouts how to properly fold the American flag.

SUMMARY

Overall request supports the pay and allowances of an All-Volunteer force

RATE ADJUSTMENTS

Funds all rate adjustments to include basic pay raise, basic allowance for housing and subsistence, retirement compensation, basic needs allowance, and pet change of station expense reimbursement

Rate Adjustments	Effective 1 JAN 26
Basic Pay	3.8%
Basic Allowance for Housing	3.9%
Basic Allowance for Subsistence	3.4%

QUALITY OF LIFE

Request includes quality-of-life improvements with the FY 2025 junior enlisted pay raise and additional allowances for housing and PCS expenses in high cost of living areas

Operation & Maintenance, Regular Army

\$B	FY24 Actuals	FY25 Enacted	FY26 Request
Regular Army	59.4 ¹	57.1 ²	61.1 ³

Numbers may not add due to rounding

1: Does not include \$4.5B in Supplementals

2: Does not include \$0.5B in Supplementals

3: Includes \$2.1B in Reconciliation

Implements Army Transformation Initiative

- Force Structure Optimization to emphasize speed and lethality
 - Converts IBCTs to MBCTs to improve mobility in leaner formations
 - Aviation restructures inactivate Air Cavalry Squadrons and resize MEDEVAC
 - Merges key Army command headquarters
- Restores readiness (critical repair parts, installation food services)
- Rebalances APS to support INDOPACOM theater
- Funds equipment transportation to support restructures (+\$500M)

Applies Defense Strategic Guidance

- Resources quality of life: barracks FSRM (\$2.1B), Holistic Health and Fitness expansion (\$267M)
- Reduces funding for travel, and advisory and assistance services (-\$1.1B)
- Optimizes civilian workforce and reduces overall FTEs (~\$1.7B)
- Funds ongoing operations in USCENTCOM, USEUCOM, and Haiti Multinational Security Support



10th Mountain Division works with H2F on form and strength skills during Polar Bear Team Leader Academy on Fort Drum, NY

Operation & Maintenance, Reserve Components

Reserve Components \$B	FY24 Actuals ¹	FY25 Enacted ¹	FY26 Request
Army National Guard (OMNG)	8.6	8.4	8.8 ²
Army Reserve (OMAR)	3.6	3.2	3.4 ³

Numbers may not add due to rounding

1. Does not include Supplementals

2. Includes \$127.9M in Reconciliation

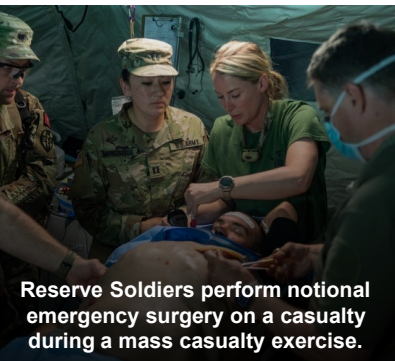
3. Includes \$76.1M in Reconciliation

ARMY NATIONAL GUARD

- Funds 27 Brigade Combat Teams/Mobile Brigade Combat Team, resize MEDEVAC, and inactivate Security Force Assistance Brigade to optimize force structure
- Resources two Combat Training Center (CTC) rotations focusing on core readiness accounts; funds maintenance for critical repair parts sustaining equipment operational levels
- Supports Soldiers and Family Members in Quality-of-life investments focusing on barracks sustainment and unaccompanied housing
- Resources Composite Miles at 562 and supports Collective Training Events
- Funds flying hour program at 7.3 hours/crew/month
- Supports Defense strategic guidance by reducing funds for travel and advisory and assistance services (-\$33.7M)



Alabama National Guard conducts annual Aerial Gunnery training



ARMY RESERVE

- Funds 29 Geographic and Functional Commands, four Readiness Divisions, and 975 USAR Facilities including three installations and two sub-installations and inactivates two Combat Aviation Brigades to optimize force structure
- Resources Composite Miles at 857 and supports Collective Training Events
- Funds flying hour program at 7.0 hours/crew/month and supports the rotational requirements
- Reduces funds for travel and advisory and assistance services (-\$24M)

Research, Development, and Acquisition Summary

\$B	FY24 Actuals	FY25 Enacted	FY26 Request
RDT&E	17.1	14.3	15.4 ³
Procurement	23.6	24.7	28.2 ⁴
Totals	40.7¹	39.0²	43.6

Numbers may not add due to rounding

1: Does not include \$15.3B in Supplementals

2: Does not include \$0.17B in Supplementals

3: Includes \$847M in Reconciliation

4: Includes \$2.0B in Reconciliation

Strategic Investments

- The Army must accelerate the pace of transformation to address increasing threats and to keep pace with the changing nature of warfare enabled by rapid technological change
- Specific areas of emphasis:
 - Procure UAS and Loitering Munitions
 - Close the C-sUAS Gap
 - Invest in Shooters and Sensors
 - Improve the Resiliency of the Organic Industrial Base
 - Increase Production Capacities to Expand Magazine Depth



Indirect Fire Protection Capability Inc 2
Redstone Arsenal, Alabama

Research, Development, Test and Evaluation Summary

\$M	FY24 Actuals ¹	FY25 Enacted	FY26 Request
Basic Research	529	505	487
Applied Research	1,690	1,162	861
Advanced Tech Development	2,334	1,696	1,240
S&T Subtotal	4,553	3,363	2,587
Demonstration/Validation	4,211	2,170	2,838
Engineering Manufacturing	4,890	5,759	5,683
Testing & Management	2,109	1,741	2,059
Operational Systems	1,234	1,214	1,448
Software and Digital	104	75	89
Non S&T Subtotal	12,548	10,959	12,118
EW, C-UAS, UAS			
Electronic Warfare	-	-	186
Counter Unmanned Aerial System	-	-	144
Unmanned Aerial System	-	-	360
Agile Funding Subtotal	-	-	690²
Totals	17,101	14,322	15,396³

Numbers may not add due to rounding

1: Includes \$1.2B in Congressional Increases; does not include \$18.6M in Supplementals

2: 0.3% of FY26 Request Total Army Topline

3: Includes \$847M in Reconciliation

PROTOTYPE AND INTEGRATE TECHNOLOGY FASTER

- Resources Science and Technology efforts at echelon with an eye toward new technologies integrated across the force and an increase in overmatch
- Transform in Contact, Project Convergence 2026, and other demonstrations and exercises will refine offense and defensive operation requirements to enable the Combined Joint Force
- Investments include \$555.2M for Next Generation Command and Control (NGC2), \$1.25B for Future Long-Range Assault Aircraft (FLRAA), and \$723.5M for up to 4 prototypes of the M1E3 Abrams



Procurement Summary

\$B	FY24 Actuals	FY25 Enacted	FY26 Request
Aircraft	3.3	3.5	3.0
Missiles	4.6	6.0	8.5
Weapons & Tracked Combat Vehicles	4.2	3.7	2.9
Ammunition	2.9	2.9	3.7
Other Procurement	8.6	8.7	10.0
Totals	23.6¹	24.7	28.2²

Numbers may not add due to rounding

1: Does not include \$15.3B in Supplementals

2: Includes \$2.0B in Reconciliation

DELIVER CRITICAL WARFIGHTING CAPABILITIES

Enables the Close Combat Force:

- Fields Modernized Unmanned Aerial Systems at echelon
- Provides Counter Small Unmanned Aerial Systems and Electronic Warfare capabilities necessary to compete and win

Air Defense:

- The Army is investing \$2.0B in key air defense capabilities, including M-SHORAD (\$729M) and LTAMDS (\$1.3B)

Enhances the resiliency of the Organic Industrial Base:

- The Army is investing \$1.1B in modernizing its OIB, including projects at Lake City (\$476M) and Holston (\$385M) Ammunition Plants, to bolster munitions production and sustainment capabilities
- Provides resources for modernization projects at ammunition plants
- Increases the production of key missile munitions and spare parts

Agile Funding (EW, cUAS, UAS)	FY26 Request (\$M)
Electronic Warfare	79
Other Procurement	
Counter Unmanned Aerial System	693
Other Procurement	
Unmanned Aerial System	959
Aircraft	857
Missiles	80
Other Procurement	22
Total	1,732¹

Numbers may not add due to rounding

1. Includes \$399M in Reconciliation

Facilities Summary

\$B	FY24 Actuals	FY25 Enacted	FY26 Request
Military Construction	3.0	2.9	2.4
Army Family Housing	0.7	0.8	0.6
Base Realignment and Closure (BRAC)	0.2	0.2	0.2
Totals	3.9	3.9	3.2

Numbers may not add due to rounding

MILITARY CONSTRUCTION

Recapitalize failing facilities and build new facilities to increase Readiness across all three components

- Regular Army: 25 projects in 13 states and OCONUS
- Army National Guard: 5 projects in 5 states
- Army Reserve: 1 project in 1 state
- 3 Barracks in 3 states (\$411M) and 2 CDCs in 2 states (\$82M)



FAMILY HOUSING

Housing funds support U.S. and overseas Army Family Housing operation and maintenance, leases, and construction projects in Belgium (\$145M, 100 units) and at Hohenfels Training Area, Germany (\$50.7M, 27 units)

BRAC

BRAC funds support environmental remediation actions at sites closed during prior BRAC rounds



FOR ADDITIONAL INFORMATION

This overview provides the highlights of the Army's Budget submitted to the Congress as part of the FY 2026 President's Budget. All Army budget materials are available to the public on the Assistant Secretary of the Army (Financial Management and Comptroller) website:

<https://www.asafm.army.mil/Budget-Materials/>

The background of the slide is a photograph of soldiers in a desert environment. In the center, a soldier is standing on a structure, possibly a vehicle or a piece of equipment, with one arm raised. Other soldiers are visible around the base of the structure, appearing to be working together. The scene is set against a backdrop of a hazy, dusty desert landscape under a cloudy sky. The overall tone is gritty and emphasizes military action and teamwork.

BE ALL YOU CAN BE.