



The Army Budget – Fiscal Year 2009

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Today, the Army announced the details of its budget for Fiscal Year (FY) 2009, which covers the period from October 1, 2008 through September 30, 2009. The FY 2009 budget request is \$140.7 billion.

The FY 2009 budget is structured, first and foremost, to provide trained and equipped forces to the combatant commanders, balancing immediate warfighting needs with the development of future enhancements. The Army will focus on regaining balance in the near term in order to provide strategic flexibility and to build capacity for future challenges.

The following table shows the Army’s FY 2009 budget request compared to the FY 2007 and FY 2008 budget requests.

Army President’s Budget Requests by Appropriation Category (\$B)

	FY07	FY08	FY09
Military Personnel	42.6	46.2	51.8
Operation and Maintenance	32.5	37.7	40.2
Procurement	16.8	23.8	24.6
Research, Development, Test, and Evaluation	10.9	10.6	10.5
Military Construction	2.7	4.6	5.4
Army Family Housing	1.3	1.2	1.4
Base Realignment and Closure	3.7	4.1	4.6
Chemical Demilitarization	1.4	1.6	1.6
Joint Improvised Explosive Device Defeat Fund		0.5	0.5
Army Working Capital Fund			0.1
Totals*	111.8	130.2	140.7

*Totals may not add due to rounding

The Army's FY 2009 budget addresses these key themes:

Sustain our Soldiers, Families and Civilians

- ❖ Recruit and retain quality Soldiers.
- ❖ Improve quality of life for our Soldiers, Families, and Civilians.

Prepare Soldiers for Success in Current Operations

- ❖ Adapt and enhance the rigor of institutional, individual, and collective training.
- ❖ Train Soldiers and units to conduct full-spectrum operations as part of a joint, interagency, or multinational force.
- ❖ Fully implement the Army Force Generation model to increase readiness of the Operating Force over time.

Reset to Restore Readiness and Depth for Future Operations

- ❖ Fund procurement programs to sustain readiness and strategic depth.
- ❖ Retrain Soldiers to accomplish the full spectrum of missions they will be expected to accomplish.
- ❖ Revitalize our Soldiers and Families.

Transform to Meet the Demands of the 21st Century

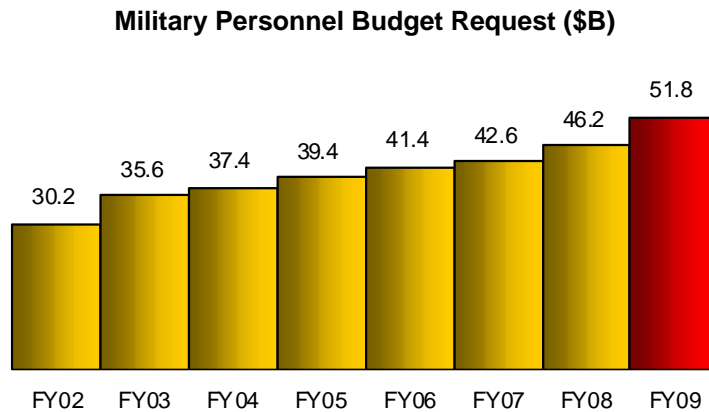
- ❖ Upgrade and modernize our units in order to remain an agile, globally responsive force.
- ❖ Change the organization to become more deployable, tailorable, and versatile.
- ❖ Implement institutional change in order to support more effectively and efficiently an expeditionary Army during an era of persistent conflict.
- ❖ Develop leaders who can handle the challenges of a joint, interagency, intergovernmental, and multinational environment.

Grow the Army and Restore Balance

- ❖ Increase Active Army end strength to 532,400.
- ❖ Increase Army National Guard end strength to 352,600.
- ❖ Provide necessary forces in an era of persistent conflict.
- ❖ Reduce stress on deploying forces by increasing dwell time at home station.

Budgeting for Military Personnel

The Army's objective is to provide combatant commanders with fully capable units manned by well-led, well-trained, and well-supported Soldiers. Current and future funding levels are critical indicators of our nation's commitment to recruiting and sustaining the All-Volunteer Force. This budget request emphasizes manning the force, taking care of Soldiers and Families, and sustaining the quality of Army personnel. The chart below shows the FY 2009 and past budget requests for the Military Personnel appropriations.



The FY 2009 budget differs significantly from previous years' submissions in that it funds a permanent base budget end-strength increase of 43,000 Soldiers to enhance combat capability and to reduce stress on the force. This growth will enable the Army to continue its transition to a more agile, more lethal, and more deployable modular force that is better able to meet combatant commanders' and the nation's needs.

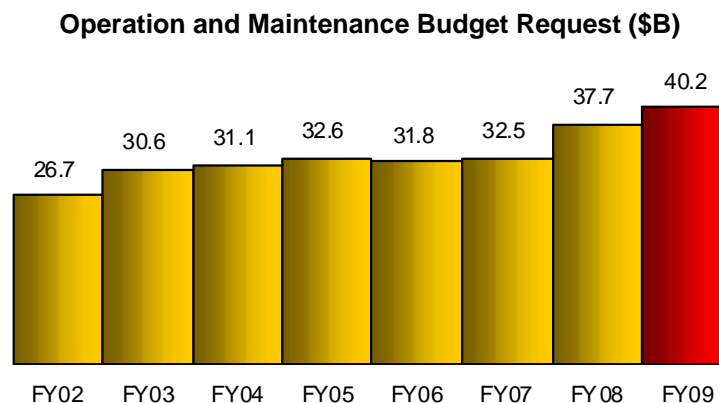
The budget request continues to take care of Soldiers and Families by providing an across-the-board 3.4 percent military pay increase in FY 2009.

Budgeting for Operation and Maintenance

The Army's FY 2009 Operation and Maintenance budget provides for:

- ❖ Sustaining the All-Volunteer Force, consisting of Soldiers, Families, and Army Civilians.
- ❖ Preparing Soldiers and units with the best available training and equipment so that they can successfully execute missions across the full spectrum of operations.
- ❖ Resetting our units—in both a human and materiel sense—to build current and future readiness to meet the demands of the current conflict, and create the depth and breadth of Army capabilities needed to respond to other contingencies.
- ❖ Transforming to be able to develop and employ forces in new ways to deal successfully with the complex challenges inherent to an era of persistent conflict—by adapting how we fight, train, modernize, develop leaders, and support our Soldiers, Families, and Civilians.

The chart below shows the FY 2009 and past budget requests for Operation and Maintenance appropriations.



The Army remains committed to fully executing its operating tempo (OPTEMPO) strategy for those units not currently participating in Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF). However, in recognition of the uncertainties inherent in this highly dynamic period of rotational deployments, the Army continues to assume risk in this portion of the budget. OPTEMPO increases reflect the realignment of units required to execute Home Station Training (HST) based on the revised OIF/OEF deployment schedule. The Army will evaluate the units' execution of the Combined Arms Training Strategy (CATS)

during the fiscal year to reassess and to mitigate risks to readiness, as necessary.

- ❖ Ground OPTEMPO—The FY 2009 budget funds collective training for non-deployed units in support of the Ground OPTEMPO CATS, encompassing actual miles driven for HST and Combat Training Center rotations, as well as virtual miles associated with using simulators, such as the Close Combat Tactical Trainer and the Unit Conduct of Fire Trainer.
- ❖ Flying Hour Program—The CATS and Aircrew Training Manuals establish specific flying-hour requirements for each type of aircraft. The FY 2009 budget supports training in cockpits and simulators for individual crewmembers and units according to approved aviation training strategies, thereby ensuring individual and collective proficiency.
- ❖ Combat Training Center Rotations—This budget supports tough, realistic, combat training: 10 Active Component brigade rotations through the National Training Center, 10 brigade rotations (8 Active Component and 2 Army National Guard) through the Joint Readiness Training Center, and 8 brigade rotations through the Joint Multi-National Readiness Center. The Battle Command Training Program will conduct 3 Corps Warfighter exercises and train 7 division-level command and staff groups.

The Army's Depot Maintenance Program is funded to provide an adequate baseline. When combined with supplemental funding, it assures the timely availability of weapon systems to support unit training, readiness, and combat operations.

Installations are essential to maintaining the premier Army in the world. They support Soldiers where they live, work, train, mobilize, and deploy to fight. Our installations enhance power projection and, in wartime, they serve as integral components of a battle space that extends from home station to foxhole by providing reach-back capability. The Army is adapting its installation programs and facilities to better support its role as a member of the Joint Team.

- ❖ The well-being of our Soldiers, their Families, and our Civilians is inextricably linked to the Army's readiness. The Army's well-being programs and family support systems must be synchronized with rotation schedules and optimized to support deployed units. Active Army Community Service and Reserve Component family programs include a network of integrated support services that directly support Soldier readiness and retention.
- ❖ Base operations support programs are funded to operate the worldwide bases, installations, camps, posts, and stations of the Department of the Army. They include: family programs, environmental programs, force protection, municipal services, and audio-visual and

base communication services.

- ❖ Sustainment, Restoration, and Modernization programs, such as the maintenance and repair of facilities to include emergency repairs, plumbing, electrical, heating, air conditioning, replacement of roofs and repairs, ensure Soldier and Family well-being while making the best use of available resources.

The Army's recruiting and training programs are essential to increasing Army end-strength.

- ❖ The effort to grow the Active Army to 532,400 and the National Guard to 352,600 in FY 2009 will be supported by the dual strategy of an assertive advertising campaign ("Army Strong") and an increase in the number of recruiter billets.
- ❖ As end-strength grows, the influx of new Soldiers will require increased funding for the administrative and logistic infrastructure that operates the Army's training centers and schools. The growth in operational forces also will require more combat arms and combat support Military Occupational Specialty training, such as explosive ordnance disposal and human intelligence interrogation. Basic skills training, follow-up advanced training, and professional development education are supported with training funds.

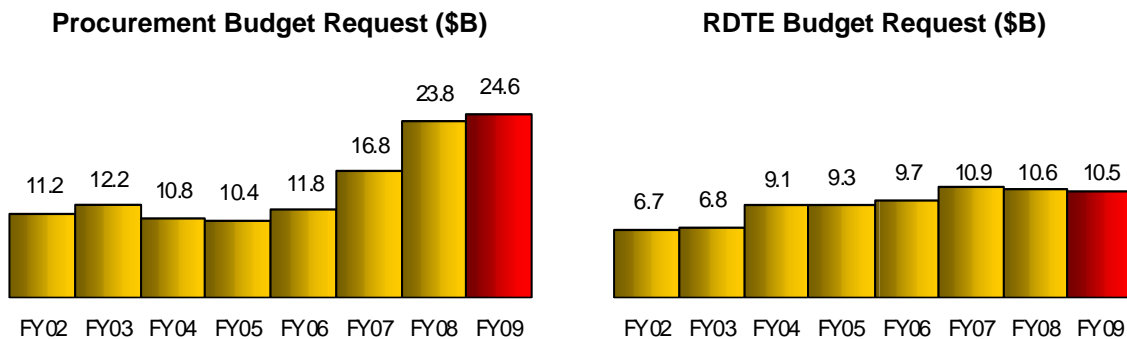
Administration and Servicewide Activities support the global-reach infrastructure. Current deployments are being sustained simultaneously over great distances, in multiple locations, at a faster pace, and over longer periods of time. These operations require a combat support infrastructure that is based in the continental United States and provides real-time support to Active, Reserve, and National Guard units. The centralized infrastructure programs funded in the FY 2009 budget in Administration and Servicewide Activities include:

- ❖ Intelligence and security efforts supported through the Consolidated Cryptologic Program, General Defense Intelligence Program, Foreign Counterintelligence Program, National Geospatial-Intelligence Program, security and intelligence activities, personnel security investigations, the Defense Joint Counterintelligence Program, and arms control treaty implementation.
- ❖ Logistical operation resources for the movement of Army materiel worldwide, end-item management, and ammunition and logistics support activities. Also supported is the Sustainment System Technical Support (SSTS) program, a major readiness factor that prevents costly repairs and delivers the latest post-production technology to the battlefield at a faster pace. SSTS provides vital engineering and technical support to post-production weapons systems by reengineering existing core systems to meet the demands of contemporary battlefield environments.

- ❖ Army Claims, the Defense Finance and Accounting Service, Army Contracting Agency, Army Audit Agency, Public Affairs, Criminal Investigation Command, vital Army-wide telecommunications and information systems, Defense Commissary Agency, and Army Headquarters activities.
- ❖ Support of Other Nations, fulfilling our commitment to the North Atlantic Treaty Organization.

Budgeting for Procurement and Research, Development, Test, and Evaluation (RDTE)

Our current force is engaged in ways we never could have predicted. The Army continues to adapt to meet current and future threats, but a measured approach will not work. Thus, in response to today's security situation, we have accelerated our transformation. The department has increased resources commensurate with our immediate and most urgent demands. The charts below show the FY 2009 and past budget requests for the Procurement and the RDTE appropriations.



The Future Combat Systems (FCS), with a requested budget of \$3.6 billion for FY 2009, is the foundation of Army Transformation and the cornerstone of the Army's future modular force. The program develops and fields FCS brigade combat teams (BCT), smaller in size than Current Force Heavy BCTs and with integrated, advanced manned and unmanned weapons systems and the Soldier Battle Command Network, yet more lethal, survivable, flexible, strategically and operationally mobile, reliable, supportable, and capable of exploiting the full range of net-centric operations. Our first comprehensive modernization effort in nearly four decades, FCS consists of 14 air- and ground-based maneuver, maneuver support, and sustainment systems linked by a networked Battle Command architecture that includes communications, sensors, embedded training, and manned and unmanned reconnaissance and surveillance capabilities. In addition to providing full-spectrum warfighting capabilities, FCS will be adaptable to other types of operations such as civil support and disaster relief. The FCS program also will provide key, early capability packages for spinout (procurement and fielding) to the Current Force.

The FY 2009 FCS program will continue System Development and Demonstration for the networked system of systems, including prototype platform development and network and software development and testing. Among those efforts are:

- ❖ Continuing development, testing, and delivery of unmanned aerial vehicles, unattended ground sensors, and unmanned ground vehicle

prototypes.

- ❖ Completing preliminary platform design reviews and initiating critical design reviews.
- ❖ Continuing development of the FCS network, including delivery of the battle command network and software to support key testing events and Spin Out 1 Initial Operational Test and Evaluation in FY 2011.
- ❖ Continuing delivery of prototypes of the Non-Line-Of-Sight-Cannon (NLOS-C) Manned Ground Vehicle and production of initial NLOS-C systems for the training base.
- ❖ Continuing development of the short-range countermeasure active protection system.

OIF and OEF have highlighted the success of network-enabled operations. The network offers a powerful competitive edge that includes shared situational awareness, improved collaborative planning, and enhanced combat responsiveness and agility. The Army is expanding its communication bandwidth, in addition to fielding critical battle command systems, to standardize capabilities. This will greatly enhance Soldiers' ability to see the enemy, assess the situation, avoid surprise, and plan and execute a decisive battle, with far fewer friendly losses. In an effort to provide the latest technology to the battlefield without an extended acquisition and build phase, the Army is procuring greater amounts of commercial-off-the-shelf technology.

The Army is working diligently to find immediate technical and materiel solutions to meet challenges around the world. Even though our transformation efforts are focused primarily on the future, we will continue to assess and to fulfill the needs of Soldiers involved in the current fight.

The Army continues to build the Modular Force to provide more combat power, to enable force tailoring and to increase operational flexibility. It also will provide a less stressful deployment schedule, resulting in more stability and predictability for Soldiers and their Families. The budget includes \$9.3 billion to support modularization. Modular equipment categories include: Move, Shoot, Communicate, Intelligence-Surveillance-Reconnaissance, Force Protection, and Strike.

The budget includes \$1.8 billion for the Science and Technology (S&T) program to develop technology that is relevant both to the Army and the Joint Team. The S&T program leverages the work of other services, defense agencies, and private industry, as well as the international community. By synchronizing operational concept development with transformational business practices, we can get technology to Soldiers faster. We have balanced the S&T program to satisfy the high-payoff needs of the current force while seeking and developing critical capabilities for the future force.

The Army's largest S&T investment area is force protection technologies that provide improved active and passive protection to increase the survivability of Soldiers, rotorcraft, and ground vehicles. Key investments include directed-energy weapons and active and passive protection technology suites, such as increased performance armor and electronic warfare technologies. Other S&T investments include command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR), lethality, Soldier systems, medical technologies, logistics, unmanned systems, advanced simulation, and basic research. Key investments in basic research include nano-materials for ballistic protection, biotechnology for improved materials and network sensors, robotics, neuroscience, and immersive simulation capabilities for training and mission rehearsal.

While seeking opportunities to enhance the future force, the S&T program is pursuing limited quantities of advanced technology applications to support units currently deployed. The Army accelerates mature technologies from on-going S&T efforts and leverages the expertise of our scientists and engineers to develop solutions to unforeseen problems encountered during current operations.

Other Research, Development and Acquisition (RDA) efforts include:

- ❖ Non-Line-of-Sight Cannon (NLOS-C), a subsystem of the FCS. It will provide a high-rate, sustained volume of long-range precision fire in all-weather conditions. FY 2009 funding for NLOS-C is \$90 million RDTE and \$155 million Procurement.
- ❖ Non-Line-of-Sight Launcher System (NLOS-LS), also a subsystem of FCS. It will provide the maneuver commander with immediately responsive, precision fires on high-payoff targets, and is coupled with real-time target acquisition and battle damage assessment capabilities. Funding for NLOS-LS is \$200 million in FY 2009.
- ❖ Procurement of 29 M1A2 Abrams systems enhancement program tanks (\$351 million) and M1 Abrams Tank Mods (\$342 million). Funding covers Abrams Power Pack improvements, operational enhancement, field upgrades, situational awareness, Abrams Integrated Management tanks, and armor.
- ❖ Procurement of 119 Stryker vehicles for Stryker Brigade Combat Teams and non-Stryker brigades (\$1.2 billion). Funding covers 79 Mobile Gun Systems, 40 NBC Recon vehicles, survivability enhancements, and system support.
- ❖ Procurement of 21 M2A3 Bradley vehicles (\$176 million) and M2A2 Bradley ODS (Operation Desert Storm) systems enhancement program vehicles (\$312 million).
- ❖ Procurement of 88,964 M4 Carbines/Combat Optics Machine Guns in support of BCT modularity efforts (\$151 million).

- ❖ Procurement of 28 Armed Reconnaissance Helicopters (\$439 million); 36 LH-72 Light Utility Helicopters (\$224 million); 16 new and 23 remanufactured “F” model CH-47 Cargo Helicopters (\$1.2 billion); AH-64 Apache upgrades/conversions, including 32 Longbow (Block II) models, Target Acquisition Designation Sight/Pilot Night Vision Sensors, and other safety and reliability modifications (\$637 million); 63 UH-60 Black Hawk Helicopters (\$1.1 billion); and aircraft survivability equipment (\$491 million).
- ❖ Procurement of 108 Patriot Advanced Capability (PAC-3) missiles. Twenty-three percent (\$512 million) of the Missile Procurement, Army, appropriation is for PAC-3 missiles.
- ❖ Family of Heavy Tactical Vehicles program and associated equipment (\$923 million). Funding covers Palletized Load Systems, flat racks, Container Handling System, Movement Tracking System, and Heavy Expanded Mobility Tactical Trucks (HEMTTs) to fulfill the Army’s Tactical Wheeled Vehicle Modernization Strategy.
- ❖ Family of Medium Tactical Vehicles program (\$945 million). Procures 3,171 vehicles to replace over-aged 2.5-ton and 5-ton trucks to fulfill the Army’s Tactical Wheeled Vehicle Modernization Strategy.
- ❖ The High Mobility Multipurpose Wheeled Vehicle (HMMWV) program (\$947 million). Procures a total of 5,065 HMMWVs, including M1151A1s, M1152A1s, M1165A1s, XM1211s, XM1212s, XM1213 with integrated armor, and an XM1167 TOW variant.
- ❖ Night Vision, Thermal Weapon Sight (\$316 million). Funding provides Soldiers situational awareness, lethality, mobility, and survivability during periods of significantly reduced visibility.
- ❖ Force XXI Battle Command Brigade and Below (FBCB2) (\$231 million). FBCB2 incorporates state-of-the-art information technology to allow commanders to concentrate on combat system effects rather than combat forces, enabling units to be both more survivable and more lethal. Funding will procure 5,820 ground and 563 aviation variants.

The Army's Top 10 Research, Development and Acquisition programs based on total dollar value are shown in the table below.

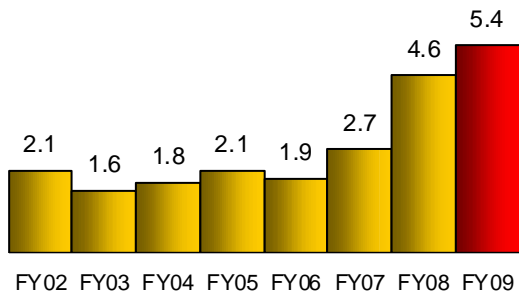
System*	(\$M)
Future Combat Systems (<i>includes NLOS-C/NLOS-LS; does not include tank and medium caliber ammunition</i>)	3,555
Ammunition (<i>does not include facilities costs and ammunition demilitarization</i>)	1,930
Stryker Vehicle	1,175
CH-47 Chinook Helicopter (<i>includes MODS</i>)	1,168
UH-60 Black Hawk Helicopter	1,063
Patriot Air Defense System (<i>includes MODS</i>)	1,037
Family of Medium Tactical Vehicles	945
High Mobility Multipurpose Wheeled Vehicle	947
Family of Heavy Tactical Vehicles	923
AH-64 Apache Helicopter MODS	637

* Excepting FCS, systems include procurement funding only (does not include RDTE)

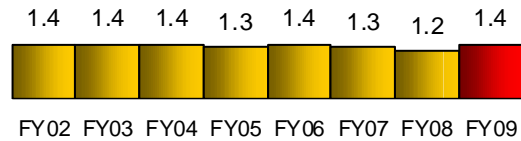
Budgeting for Military Construction and Army Family Housing

The FY 2009 Military Construction budget provides new and renovated military facilities for the Active and Reserve Components. The FY 2009 Army Family Housing budget request increases resources to improve the well-being of Soldiers and Families. The charts below show the FY 2009 and past budget requests for the Military Construction and the Army Family Housing appropriations.

Military Construction Budget Request (\$B)



Army Family Housing Budget Request (\$B)



The Military Construction FY 2009 budget request is \$5.4 billion. This program focuses on improving living conditions and support facilities for Soldiers and their Families. Key categories of construction projects are summarized in the table below.

Military Construction Description	FY09 (\$M)
Grow the Army (includes \$69M for MCA planning and design)	3,754
Army Modular Force projects	456
National Guard training facilities	376
Army Reserve training facilities	265
Barracks	39
Planning and design, Minor Construction, Global Defense Posture Realignment, Quality of Life	500

With this budget, the Army continues its program to eliminate inadequate family housing. The FY 2009 Army Family Housing (AFH) Construction budget provides 542 new homes through traditional AFH construction and investment funds for 2,552 units that are being privatized or improved. We also will privatize 2,605 homes at three other installations (Fort Huachuca and Yuma Proving Ground in Arizona and Aberdeen Proving Ground in Maryland) which will require no

government equity investment due to the estimated project cost and increased basic allowance for housing in these areas.

Army Family Housing Construction	FY09 (\$M)
Construction and renovation	279
Army investment in public-private partnerships	66
Grow the Army	334

The Army Family Housing Operations budget supports the operation, maintenance, and oversight of homes in the United States and overseas. The FY 2009 budget provides funding for 24,611 Army-owned, 9,119 leased, and 88,421 privatized homes.

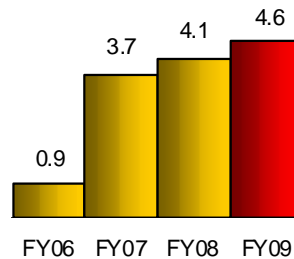
Army Family Housing Operations	FY09 (\$M)
Operation, Maintenance, and Oversight	608
Grow the Army	108

Base Realignment and Closure

Base Realignment and Closure (BRAC) 2005 will close 12 Active Army installations, 387 Reserve Component installations, and 8 leased facilities by the end of FY 2011. BRAC 2005 establishes joint bases, a Human Resources Center of Excellence, and joint technical and research facilities; realigns the USAR command and control structure; and creates Training Centers of Excellence at Fort Sill, OK, Fort Benning, GA, and Fort Lee, VA.

The FY 2009 budget for BRAC activities is \$4.6 billion, with \$452 million of this amount planned for Global Defense Posture Realignment (GDPR) actions. The chart below shows the FY 2009 and past budget requests for the Base Realignment and Closure appropriation.

BRAC Budget Request (\$B)



The Army plans to execute 83 major construction projects: 37 National Guard and Army Reserve construction projects in 22 states and Puerto Rico, and 46 Active Component construction projects throughout the Army (including 5 GDPR construction projects at Fort Bliss, TX). The Army will continue to conduct Environmental Condition of Property studies for disposal and transfer of property, as well as cleanup efforts at installations scheduled to close. Additionally, the FY 2009 budget request funds for moving personnel and equipment to gaining installations, information technology equipment for construction projects completed in FY 2007 and FY 2008, and planning and design for FY 2010 construction projects.

Compliance with GPRA and Linking the Budget with Performance

The Army Performance Budget integrates budgetary resources with annual performance planning as required by the Government Performance and Results Act (GPRA). The Army Performance Budget links strategic planning guidance objectives with outcome-oriented performance goals, and the costs of activities that contribute to the achievement of these goals. The Army Performance Budget overview provides the Army's performance goals for FY 2009 aligned to the Army's Four Imperatives. To evaluate performance, the Office of Management and Budget developed the Program Assessment Rating Tool (PART) to assess and improve program performance so that the Federal government can achieve better results. There are 24 DoD PART assessments that account for Army appropriations, of which 5 are Army specific.

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For more information, please contact the Army Public Affairs Media Relations Division at 703-697-4314/7591.