

WINNING MATTERS



Army Fiscal Year 2021 Budget Overview

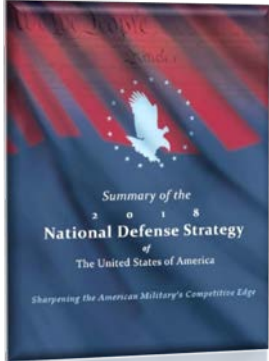
10 February 2020

MG Paul A. Chamberlain
Director, Army Budget





Strategic Guidance



National Defense Strategy

“Without sustained and predictable investment to restore readiness and modernize our military to make it fit for our time, we will rapidly lose our military advantage.”

Defense Guidance

“In an era of mounting challenges and competing demands, we must actively work to free up time, money, and manpower to invest back into top priorities.”

Army Guidance

“I will work to take care of our people, sustain readiness gains, and build irreversible momentum in our modernization efforts.”

The Army Plan

1. Vision
2. Strategy
3. Planning
4. Programming
5. Execution

Army Modernization & People Strategy

Modernization is not just about equipment – the Army does not man equipment, the Army equips Soldiers. It is the grit, determination, and innovation of these Soldiers that has been the basis of the Army’s success for generations.



U.S. ARMY

Budgetary Context

- **FY 2017 - FY 2018 – Readiness and Recovery**
 - Additional appropriations for near-term readiness, “must-pay” bills, and force structure gaps
- **FY 2019 - FY 2020 – Modernization and Lethality**
 - Key down payments on lethality, turning to great power competition, and continuing full spectrum readiness recovery
 - Priority on innovation and modernization to strengthen competitive advantage across all warfighting domains
- **FY 2021 – Support Joint All-Domain Operations**
 - Sustain tactical readiness while building strategic readiness
 - Focus on six Modernization Priorities in support of the Army Vision 2028
 - Realign \$1.4B in Reforms and \$1.0B in other savings to Cross Functional Team Modernization investments
 - Strengthen Army talent management and focus on five essential Quality of Life enhancements (housing, healthcare, child and youth services, spouse employment, and PCS moves)

FY 2021 Budget - Ready Today, Investing in Tomorrow



U.S. ARMY

Deploy, Fight, and Win

Where we are

- Worldwide Deployed: 187K
- In more than 140 countries
- Across 6 continents
- CCMD Support: 74K within the US and Territories
- Worldwide Support to CT Operations

Strategic Environment

- Great Power Competition: China and Russia
- Regional State Adversaries: North Korea and Iran
- Other Threats: VEOs, trans-national criminal organizations, cyber hackers
- Economic Uncertainty
- Dynamic International Operating Environment
- Dynamic Force Employment

The Army purpose— remains constant: *To deploy, fight, and win our Nation's wars by providing ready, prompt, and sustained land dominance by Army Forces across the full spectrum of conflict as part of the Joint Force*

— Army Mission

Strategic Approach

- Sustain tactical readiness while building strategic readiness
- Modernizing an Army from an Industrial Age to an Information Age
- Reform to free up time, money, and manpower for our highest priorities
- Strengthen alliances and partnerships and seek new strategic partners as the operating environment changes

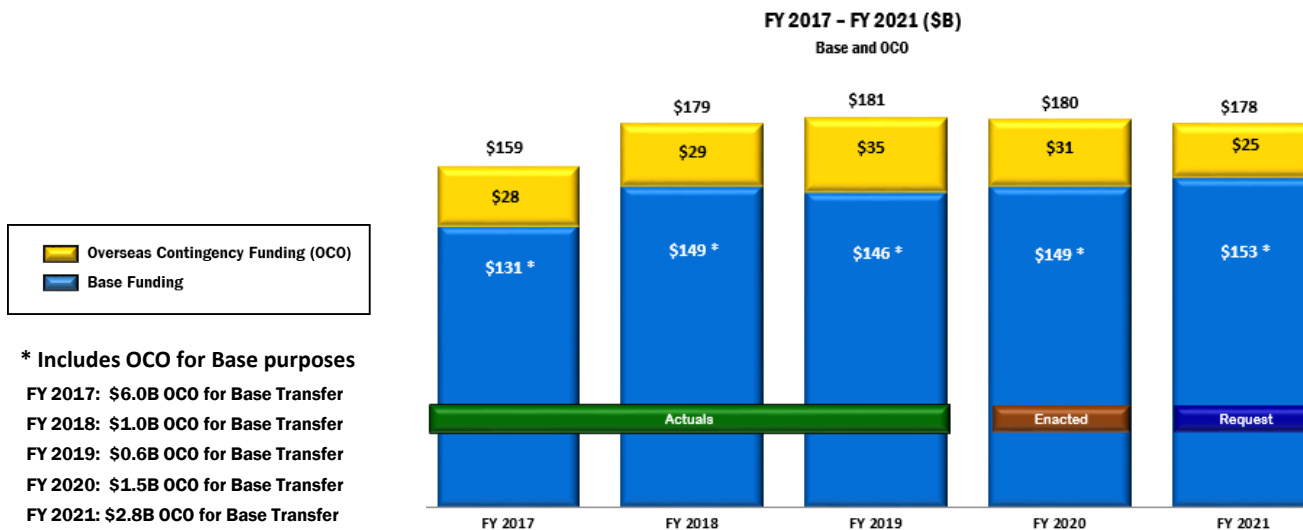
"Our Army serves to defend the Nation. When we send the Army somewhere, we don't go to participate, we don't go to try hard, we go to win. Winning matters! We win by doing the right things, the right way."

- GEN James McConville, 40th U.S. Army Chief of Staff



FY 2021 Department of the Army Request

- **Army – Total** **178.0**
- **Base** 150.3
 - Overseas Contingency Operations (OCO) for Base 2.8
 - Overseas Contingency Operations (OCO) 24.9
- FY 2021 Army budget sustains readiness gains and continues our modernization efforts within a flat topline



Army Requires Timely, Adequate, Predictable & Sustained Funding



U.S. ARMY

FY21 Budget Themes

Support the National Defense Strategy (NDS)

Defeat Adversaries in Ongoing Conflicts

Maintain Tactical and Build Strategic Readiness

Modernize the Force, Deliver Concepts and Capabilities

Develop and Mature the Talent Management of the Force

Land Force Supremacy:

Fit, Disciplined, Lethal Teams of Soldiers Supporting the Joint All-Domain Force

Build the Army's Capacity (Modest End-Strength Growth and Structure)

Continue Reforms to Create Efficiencies

Strengthen Existing Alliances and Develop New Partnerships

Invest in Critical Infrastructure

Support our People – Soldiers, Civilians, and their Families

Institutionalize alignment of resources to support the NDS

- Sustain tactical readiness while building strategic readiness
- Modernize an Army from an Industrial Age to an Information Age
- Reform to free up time, money, and manpower for our highest priorities
- Strengthen alliances and partnerships and seek new strategic partners as the operating environment changes

Ready to Deploy, Fight and Win – Winning Matters!



U.S. ARMY

FY21 Budget Request (Base)

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Military Personnel¹	58.0	60.4	59.7	62.5
Operation and Maintenance²	51.7	52.9	51.8	53.7
Procurement/RDTE	33.3	34.0	34.1	34.2
Military Construction/Family Housing/BRAC	2.3	2.3	2.4	1.6
Other Base (ANC/CAMD/AWCF)³	1.1	1.2	1.3	1.0
Totals	146.4⁴	150.7	149.3⁵	153.1⁶

Numbers may not add due to rounding

1: Totals include Medicare Eligible Retirement Healthcare Fund

2: Includes Environmental Restoration Account (ERA) funding

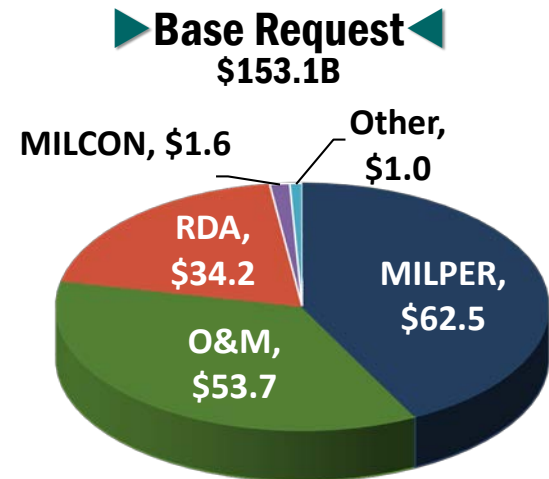
3: Other Base: Chemical Agent and Munitions Destruction, Army Working Capital Fund, and Arlington National Cemetery

4: Includes \$.6B in OCO for Base purposes; Includes \$2.5B in Emergency funding

5: Includes \$1.6B in OCO for Base purposes

6: Includes \$2.8B in OCO for Base purposes

- The Army's topline base funding grew by 2.6% from the total FY20 Enacted
- The FY21 base budget resources the Army to train, operate, and sustain the force
 - Military Personnel 4.8% ▲
 - Operations and Maintenance 3.6% ▲
 - Procurement/RDTE (RDA) 0.3% ▲





U.S. ARMY

Military End Strength (Base)

Component	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Regular Army	483,941	480,000	480,000¹	485,900²
Army National Guard	335,973	336,000	336,000	336,500
Army Reserve	190,719	189,500	189,500	189,800
Totals	1,010,633	1,005,500	1,005,500	1,012,200

1: Due to achieving an FY 2019 end strength of 483.9K, the Regular Army has updated the FY 2020 end strength target to 485.0K

2: The Army's planned FY 2021 end strength is 486K.; 100 Soldiers transfer to the United States Space Force (USSF)



- Supports a Total Army end strength of 1,012,200 Soldiers
- Modest growth to enable the Army to continue increasing readiness and capabilities
- Maintains Active Guard Reserve (AGR) Soldiers who provide full-time support to and directly contribute to the readiness of Reserve Component units



U.S. ARMY

Military Personnel (Base)

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Regular Army	40.9	43.3	42.7	45.1
Army National Guard	9.0	8.8	8.7	8.8
Army Reserve	4.8	5.0	4.9	5.1
Medicare Eligible Ret Health Care Fund	3.2	3.3	3.3	3.5
Totals	58.0	60.4	59.7	62.5

Numbers may not add due to rounding

Requested Rate Increases	FY21
Basic Pay	3.0%
Basic Allowance for Housing	2.9%
Basic Allowance for Subsistence	2.3%



Soldier Pay

Includes increases for pay, subsistence, and housing allowances; continues to address retirement compensation reform

Reserve Component

Increases funding for Soldiers, focusing on readiness by manning, training, maintaining, and shaping a Reserve Component force in support of the National Defense Strategy



Recruit and Retain

Provides incentives to recruit and retain the All-Volunteer Force; includes recruiting and retention bonuses and education benefits



U.S. ARMY

Operation and Maintenance (Base - Regular Army)

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Regular Army (OMA)	41.7	42.0	41.0	43.1

Numbers may not add due to rounding

1: Includes \$.6B in OCO for Base purposes

2: Includes \$19.2B in OCO for Base purposes

3: Includes \$1.5B in OCO for Base purposes

4: Includes \$2.8B in OCO for Base purposes

Trains the Force

- Resources Home Station Training at required sustainable readiness levels; on track to achieve tactical readiness objectives by 2022
- Resources 24 Combat Training Center rotations
- Increases the duration and rigor of Initial Entry Training

Operates the Force

- Improves Army's Dynamic Force Employment capability
 - Enhances readiness and rapid response in order to provide proactive and scalable employment
 - Emphasizes DEFENDER Pacific in FY 2021 over DEFENDER Europe
- Maintains and Sustains: 31 Brigade Combat Teams, 5 Security Force Assistance Brigades, 11 Combat Aviation Brigades



Sustains the Force

- Re-postures equipment sets in Army Prepositioned Stocks (APS)
- Establishes organic maintenance capability for Strykers

Installation/Enterprise Support

- Resources Base Operations Support at 95% and Facility Sustainment at no less than 80%
- Supports Soldier and Family Quality of Life in the workplace and barracks
- Assumes responsibility and funding of Medical Readiness from the Defense Health Program



U.S. ARMY

Operation and Maintenance (Base - Reserve Components)

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Army National Guard (OMNG)	7.2	7.6	7.5¹	7.4
Army Reserve (OMAR)	2.8	3.0²	3.0	2.9

Numbers may not add due to rounding

1: FY 20 OMNG includes \$45.7M in OCO for base funding for disaster relief related to hurricanes, flooding, and earthquakes

2: FY 20 OMAR Request includes \$1.9B in OCO for Base purposes

Operation and Maintenance, Army National Guard

- Funds 27 Brigade Combat Teams, 4 Attack Recon Battalions, one Security Force Assistance Brigade, and one Cyber Brigade
- Resources four (4) CTC rotations; BCTs achieve company-level proficiency; overall Ground OPTEMPO meets the required platoon-level training proficiency
- Resources 16K Soldiers providing enabler support to 10 CTC and warfighter exercises
- Maintains the ARNG flying hour program at platoon-plus proficiency
- Increases disaster relief funding for storm damage repairs to critical facilities



Operation and Maintenance, Army Reserve

- Funds 24 Geographic and Functional Commands, 692 Army Reserve Centers, Four Mission Command Training Centers, and Four Readiness Divisions
- Resources over 50,000 Soldiers ready to deploy within 0-90 days
- Increases Ground OPTEMPO resources to support Platoon level proficiency
- Provides funding for facility sustainment and modernization at not less than 80%
- Increases funding for critical installation services, operations, and support to 97%.



Army Modernization Plan

U.S. ARMY

Accomplish Goals and Strategy

- Requires a bold shift to fulfill the 2018 National Defense Strategy (NDS) and outline a more holistic approach to modernization while maintaining continuity of priorities.

Maintaining our Priorities and Generating Momentum

- Continues the modernization process across the Army. Army Futures Command (AFC) brings unity of effort to the Army's modernization approach.

Joint All Domain Operations – Resources (What We Fight With)

- Realigned over \$9B in the FY2021-2025 Program Objective Memorandum (POM) to adequately fund Cross Functional Team (CFT) signature efforts.
- CFTs bring together various stakeholders (i.e. requirements, acquisition, science and technology, testing, and logistics) to develop requirements in support of Joint All Domain Operations, in a timely manner.
- Initiates early prototyping, testing, and touch points with Soldiers from the operational force, ensuring the solutions generated are the right ones.

Established 8 CFTs to focus on 6 Modernization Priorities

1. Long Range Precision Fires*
2. Next Generation Combat Vehicle*
3. Future Vertical Lift*
4. Network*
5. Assured Positioning, Navigation, and Timing
6. Air and Missile Defense*
7. Soldier Lethality*
8. Synthetic Training Environment

* Modernization Priority

The Army Modernization Strategy describes how the Army will support Joint All Domain Operations to deter and prevail as we compete short of conflict, and fight and win if deterrence fails



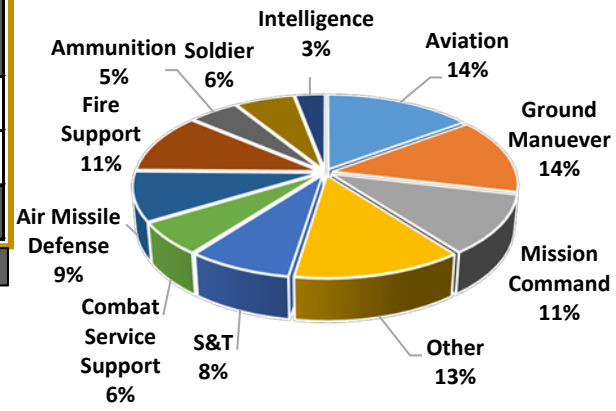
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Research, Development, and Acquisition (RDA) Summary (Base)

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
RDT&E Total	11.1	12.2	12.5	12.6
Procurement Total	22.2	21.8	21.6	21.7
Totals	33.3	34.0	34.1	34.3

Numbers may not add due to rounding

Capability Portfolios



Fills critical capability gaps and improves lethality

- Continues modernization of Stryker, Abrams and Paladin
- Increases procurement of critical missiles and Mobile Short-Range Air Defense system (M-SHORAD)
- Accelerates modernization of the Integrated Tactical Network and Soldier Lethality
- Develops Long Range Hypersonic Missile, Manned Ground Vehicle, Future Attack Reconnaissance Aircraft (FARA), and Low Earth Orbit (LEO)

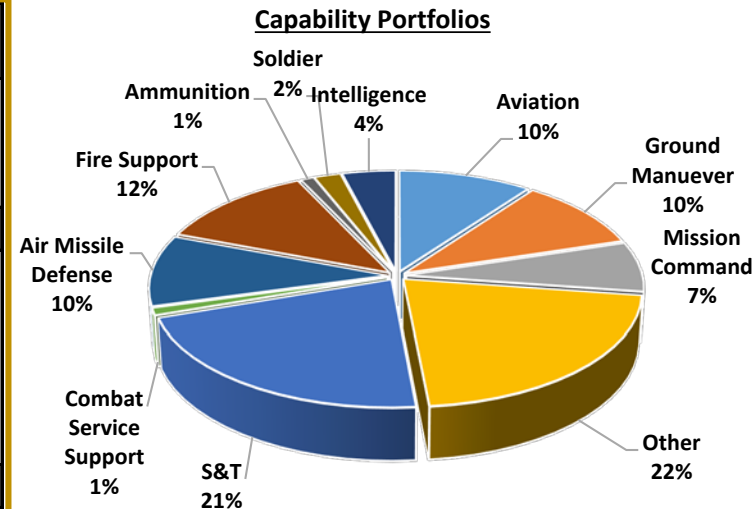


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RDT&E Summary (Base)

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Basic Research	0.5	0.5	0.6	0.5
Applied Research	1.6	0.9	1.3	0.9
Advanced Technology Dev.	1.6	1.1	1.5	1.2
S&T Subtotal	3.6	2.5	3.4	2.6
Demonstration/Validation	1.2	2.9	3.0	3.4
Engineering Manufacturing Dev.	2.9	3.6	3.0	3.2
Testing & Management Support	1.7	1.3	1.4	1.3
Operational System Development	1.7	2.0	1.8	2.0
Software and Digital Technology	0.0	0.0	0.0	0.1
Subtotal	7.5	9.7	9.2	10.0
Totals	11.1	12.2	12.5	12.6

Numbers may not add due to rounding



Hypersonic Weapon

Mission Driven, Priorities Focused

- Aligns 79% of S&T funding to the Army's six Modernization Priorities to deliver concepts and capabilities at the Speed of Innovation
- Funds modernization of Long Range Hypersonic Missile, Manned Ground Vehicle, Future Attack Reconnaissance Aircraft, and Low Earth Orbit development to enhance our competitive advantage
- Continues development of Lower Tier Air Missile Defense, Mobile Protected Firepower, Improved Turbine Engine Program, and Indirect Fire Protection Capability to build a more lethal force
- Initiates software pilot to improve rapid software development (Budget Activity 8)



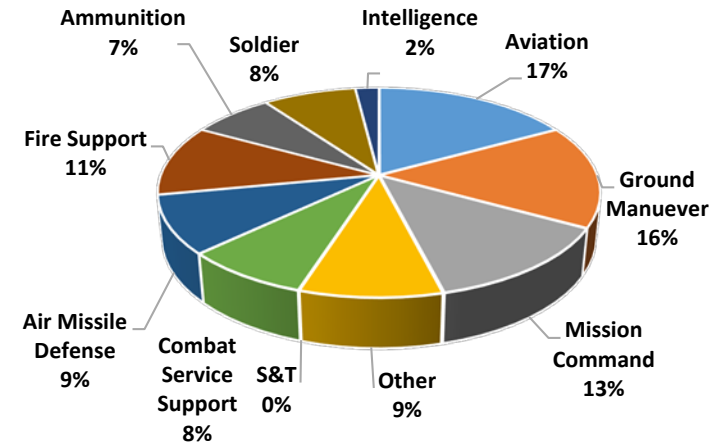
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Procurement Summary (Base)

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Aircraft	4.5	3.7	3.8	3.1
Missiles	3.2	3.2	3.0	3.5
Weapons & Tracked Combat	4.5	4.7	4.7	3.7
Ammunition	2.3	2.7	2.6	2.8
Other Procurement	7.9	7.5	7.6	8.6
Totals	22.2	21.8	21.6	21.7

Numbers may not add due to rounding

Capability Portfolios



Mission Driven, Priorities Focused

- Capitalizes on the procurement of select munitions: Guided Multiple Launch Rocket System (GMLRS), Hellfire, and conventional munitions
- Continues procurement of Blackhawk, Abrams, Paladin Integrated Management, Apache Remanufacture, Armored Multi-purpose Vehicle, and Bradley
- Accelerates modernization of Stryker Brigade Combat Teams by upgrading Stryker fleets with mobility and lethality enhancements and equips the second of three M-SHORAD battalions
- Accelerates modernization of the Integrated Tactical Network and Soldier Lethality
- Procures the Integrated Visual Augmentation System (IVAS), enhancing Soldier training and readiness





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Select Procurement Quantities (Base and OCO)



Abrams



M-SHORAD



Paladin

Program	Quantities	
	FY20	FY21
AH-64E Apache Remanufacture	49	52
UH-60M Black Hawk	74	36
CH-47 Chinook	9	7
Abrams Upgrade	171	89
Bradley Upgrade/ MOD	80	73
Integrated Visual Augmentation System (IVAS)	0	40,219
Paladin Integrated Management (PIM)	48	30
Guided MLRS Rocket (GMLRS)	8,211	6,288
Missile Segment Enhanced	147	168
Mobile Short-Range Air Defense system M-SHORAD	32	72
Stryker Upgrade	143	154
Hellfire	4,902	3,518



Apache



Black Hawk



Chinook



Hellfire



GMLRS



IVAS



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Facilities (Base)

\$M	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Military Construction	1.5	1.7	1.8¹	1.1
Army Family Housing	0.7	0.5	0.5	0.5
Base Realignment and Closure (BRAC)	0.1	0.1	0.1	0.1
Totals	2.3	2.3	2.4	1.6

Numbers may not add due to rounding

1: FY20 MCAR includes \$3.3M and MCNG includes \$66M in funding for disaster relief related to hurricanes, flooding, and earthquakes



ARCYBER Headquarters, Fort Gordon, GA

Military Construction

These projects recapitalize failing facilities and build new facilities that increase Readiness across all three components.

- Regular Army: 9 projects, \$650M
- Army National Guard: 18 projects, \$321M
- Army Reserve: 4 projects, \$88M

Family Housing

Supports U.S. and overseas Army Family Housing operation and maintenance, leases, and construction (2 projects, \$119M).

BRAC

Supports environmental remediation actions at sites closed during prior BRAC rounds.



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Other Base Accounts

\$B	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Arlington National Cemetery	0.1	0.1	0.1	0.1
Chemical Agent and Munitions Destruction	0.7	1.0	1.0	0.9
Army Working Capital Fund	0.2	0.1	0.2	0.1
Totals	1.1	1.2	1.3	1.0

Numbers may not add due to rounding



Cemeterial Expenses, Army (Arlington National Cemetery)

- Provides for operation, maintenance, infrastructure revitalization, and construction at Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery in Washington, D.C.

Chemical Agent and Munitions Destruction (DoD Program)

- Provides for destruction of U.S. inventory of lethal chemical agents and munitions as outlined in the Chemical Weapons Convention
- Chemical Agent-Destruction continues at Blue Grass Army Depot, Kentucky and at Pilot Plants, Pueblo, New Mexico

Army Working Capital Fund

- Provides for the acquisition of secondary items for Army Prepositioned Stocks
- Sustains industrial base equipment required for mobilization



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Overseas Contingency Operations

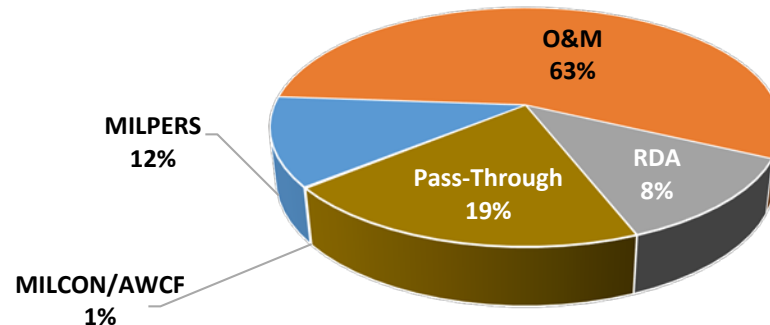
\$M	FY 19 Actuals	FY 20 Request	FY 20 Enacted	FY 21 Request
Military Personnel (MILPERS)	3,180	2,981	2,981	2,977
Operation & Maintenance (O&M)	20,709	18,894	18,713	14,464
Research, Development, & Acquisition (RDA)	5,147	3,657	3,678	2,576
Military Construction, Army (MCA)	192	189	112	16
Working Capital Fund (AWCF)	10	20	20	20
Army Subtotal	29,238	25,741	25,504	20,052
Counter- ISIS Train and Equip Fund	1,352	1,045	1,195	845
Afghanistan Security Forces Fund	4,316	4,804	4,200	4,016
Pass Through / Transfer Accounts Subtotal	5,668	5,849	5,395	4,861
Totals	34,906	31,590	30,899	24,913

Numbers may not add due to rounding

- Operation FREEDOM'S SENTINEL (Afghanistan)
- Operation INHERENT RESOLVE (Iraq)
- European Deterrence Initiative (EDI)
- Horn of Africa
- Guantanamo Bay
- Counter-ISIS Train & Equip Fund
- Afghanistan Security Forces Fund

OCO Request

\$24.9B

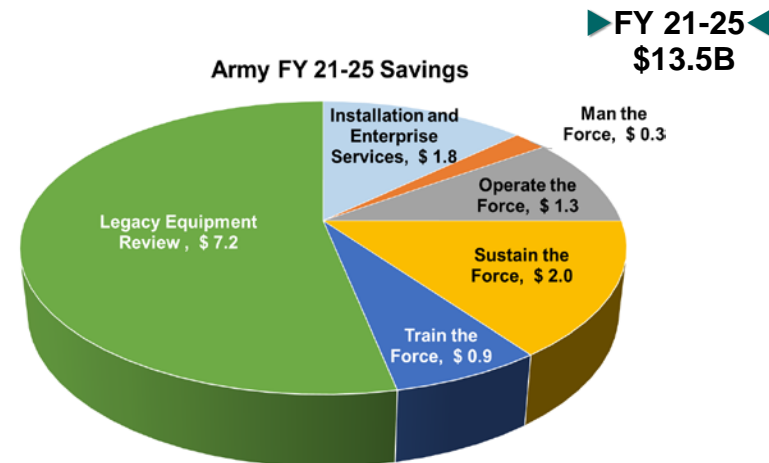
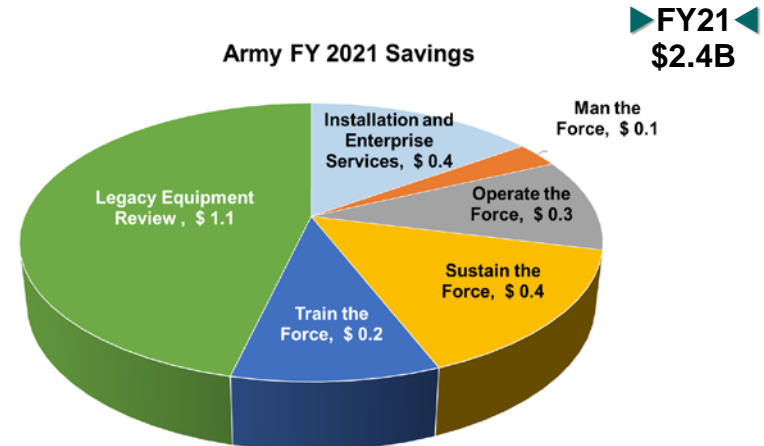




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Army Savings/Reform

(\$B)	FY 2021	FY 21-25 (\$B)
Installation and Enterprise Services	\$ 0.4	\$ 1.8
Man the Force	\$ 0.1	\$ 0.3
Operate the Force	\$ 0.3	\$ 1.3
Sustain the Force	\$ 0.4	\$ 2.0
Train the Force	\$ 0.2	\$ 0.9
Legacy Equipment Review	\$ 1.1	\$ 7.2
Totals	\$ 2.4	\$ 13.5
Reform Saving Credit	\$ 1.4	\$ 8.6



- The Army continues aggressive reforms to align resources to the Army vision and Army Modernization Strategy
- Realigned \$2.4B from lower priority programs in FY21 toward readiness and modernization
- Eliminated 41 programs and reduced /delayed 39 programs across the FYDP not tied to the NDS or Modernization priorities
- Realigned ~\$200M in Training efficiencies
 - Insourced ~351 contractor position
 - Divested- Legacy IT services and ERP support to fund pilots in cloud migration; Enterprise as Services and Network Convergence
- The Army will enter its 3rd year of full financial statement audit and continues to build upon the gains from FY19 and FY20

“We cannot be an Industrial Age Army in the Information Age. We must transform all linear industrial age processes to be more effective, protect our resources, and make better decisions. We must be the Army of tomorrow, today”

General James McConville, 40th Chief of Staff, Army



U.S. ARMY

Conclusion

FY 21 Themes

- Support the National Defense Strategy
- Support Our People - Soldiers, Civilians, and their Families
- Defeat Adversaries in Ongoing Conflicts
- Maintain Tactical and Build Strategic Readiness
- Modernize the Force; Deliver Concepts and Capabilities
- Develop and Mature the Talent Management of the Force
- Build the Army's Capacity (modest End-Strength growth and structure)
- Continue Reforms to Create Efficiencies
- Strengthen Existing Alliances and Develop New Partnerships
- Invest in Critical Infrastructure



Resources a More Capable Army Ready to Deploy, Fight, and Win



The FY21 Army Budget Request

Our Army Serves to Defend the Nation
Army Strong, People First – Winning Matters



FOR ADDITIONAL INFORMATION

This overview provides the highlights of the Army's Budget submitted to the Congress as part of the FY 2021 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/>

Army Strong!

<http://www.army.mil>