



# **Army FY 2016 / 2017 Resource Update**



## **NDIA Breakfast**

**19 February 2016**

**MG Thomas A. Horlander**

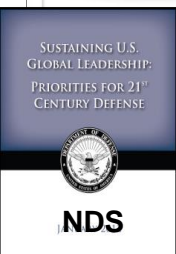
Director, Army Budget



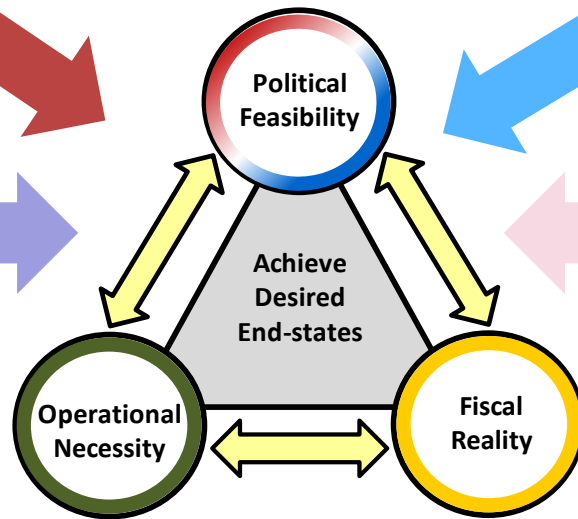
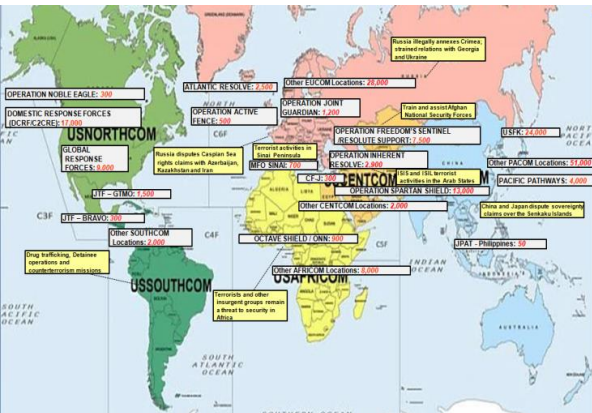
# A Changing Environment



**National Strategic Guidance**



**Velocity of Instability**



**Bipartisan Budget Act**

**Continuing Resolution Authority**

**Budget Control Act**



One Hundred Twelfth Congress of the United States of America AT THE FIRST SESSION Begins and holds at the City of Washington on Wednesday, the fifth day of January, two thousand and eleven

An Act To provide for budget control.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the “Budget Control Act of 2011.”

SECTION 2. TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, table of contents.

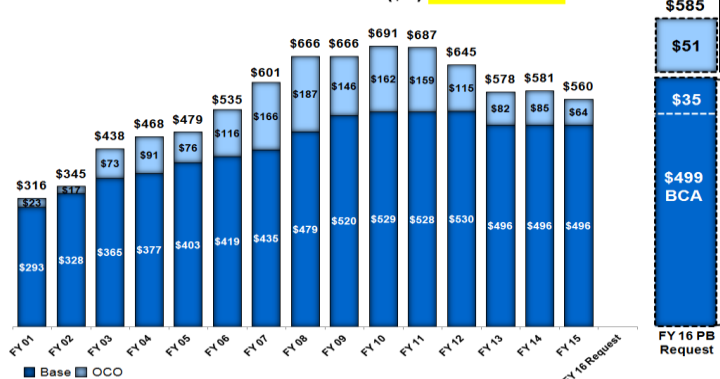
Sec. 2. Severability.

TITLE I.—TEN-YEAR DISCRETIONARY CAPS WITH REQUESTER

Sec. 101. Discretionary spending limits.

Sec. 102. Imports and exports.

FY 2001 – FY 2016 (\$B) **Current Dollars**



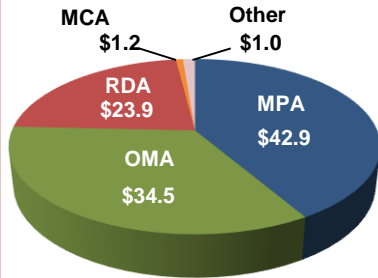


# FY16 Army Base Budget Rollup

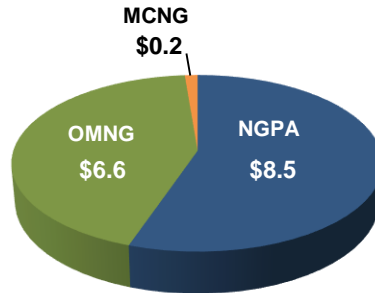


## FY16 Base - \$126.5B

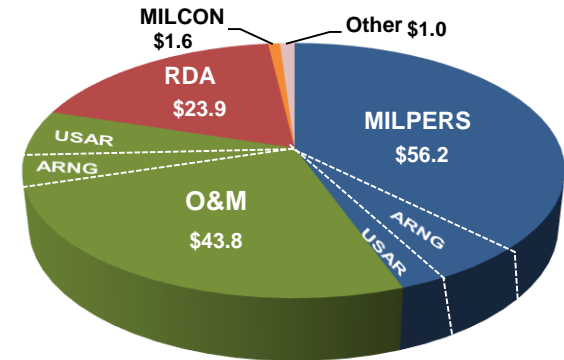
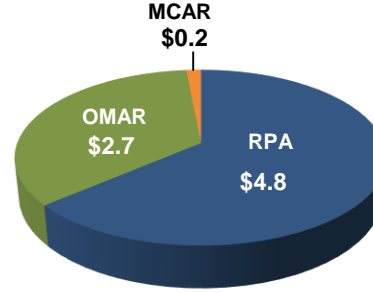
### AC - \$103.5



### ARNG - \$15.4B



### USAR - \$7.6B



Request (\$B)	FY14 Actuals	FY15 Actuals	PB16 Request	FY16 Enacted
<b>Military Personnel</b>	56.4	56.1	56.3	56.2
<b>Operation and Maintenance</b>	44.7 <sup>1</sup>	43.1 <sup>2</sup>	44.7	43.8 <sup>3</sup>
<b>Procurement/RDTE</b>	21.2	20.6	23.1	23.9
<b>Military Const/Family Housing/BRAC</b>	2.6	1.8	1.6	1.6
<b>Other Base (CAMD/AWCF/ANC)</b>	1.2	1.1	0.8	1.0
<b>Totals</b>	126.2 <sup>1</sup>	122.7 <sup>2</sup>	126.5	126.5 <sup>3</sup>

Other Base: Chemical Agent & Munitions Destruction; Army Working Capital Fund; Army National Cemeteries

1: Includes \$3.1B OCO for Base Transfer

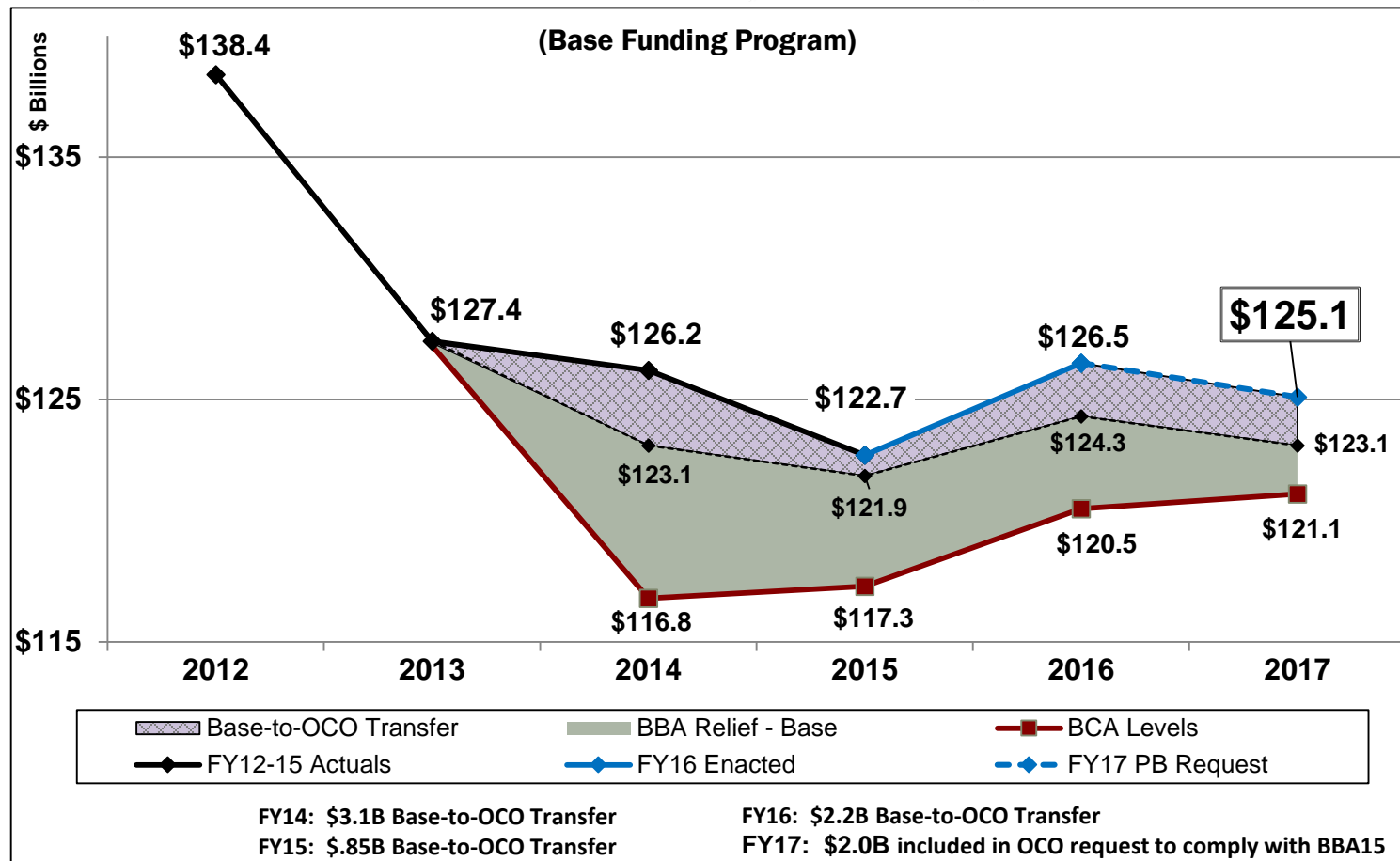
2: Includes \$.85B OCO for Base Transfer; \$.3B Readiness Add

3: Includes \$2.2B OCO for Base Transfer; \$.5B Readiness Add

**When including OCO for Base purposes, the Army received what we asked for overall, although funding balance between appropriations has shifted**



# Army Topline



- ❖ The two-year Bipartisan Budget Acts of 2013 (BBA13) and 2015 (BBA15) provided limited predictability but did not eliminate future BCA budget spending caps which, barring new legislation, return in FY18.
- ❖ BBA15 funding levels for FY17 required the Army to prioritize near-term operational requirements and readiness at the expense of end strength, sustainment and modernization to meet competing current and future demands
- ❖ BBA15 repeats the seesaw funding of BBA13 extending the time necessary to restore balance between readiness, end strength and modernization.
- ❖ OCO funding is an essential funding source for incremental wartime costs, but its continued use as a supplement for shortfalls to base funding requirements comes at the detriment of prudent long-term planning and erosion of the Army's Base Funding program.



# FY 2017 Budget Request



(Base Funding Program)

Request (\$B)	FY14 Actuals	FY15 Actuals	FY16 Enacted	FY17 Request
<b>Military Personnel</b>	<b>56.4</b>	<b>56.1</b>	<b>56.2</b>	<b>55.3</b>
<b>Operation and Maintenance <sup>1</sup></b>	<b>44.7<sup>2</sup></b>	<b>43.1<sup>3</sup></b>	<b>43.8<sup>4</sup></b>	<b>45.2<sup>5</sup></b>
<b>Procurement/RDTE</b>	<b>21.2</b>	<b>20.6</b>	<b>23.9</b>	<b>22.6</b>
<b>Military Const/Family Housing/BRAC</b>	<b>2.6</b>	<b>1.8</b>	<b>1.6</b>	<b>1.3</b>
<b>Other Base (CAMD/AWCF/ANC)</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>0.7</b>
<b>Totals</b>	<b>126.2<sup>1</sup></b>	<b>122.7<sup>2</sup></b>	<b>126.5<sup>3</sup></b>	<b>125.1<sup>4</sup></b>

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

1: Includes Environmental Restoration Account (ERA) funding

2: Includes \$3.1B Base-to-OCO Transfer

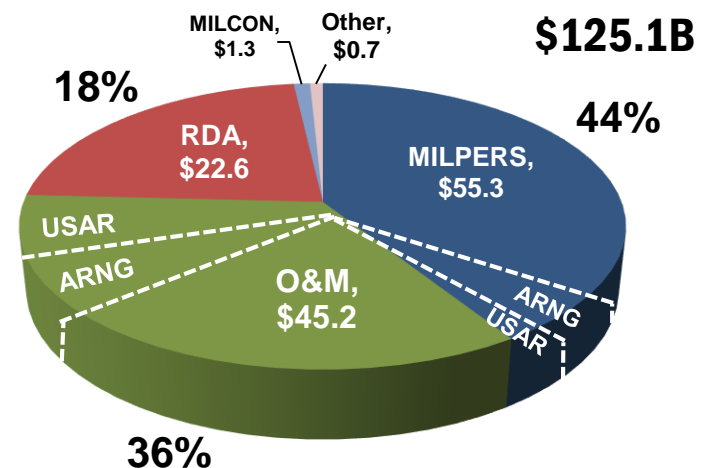
3: Includes \$.85B Base-to-OCO Transfer; \$.3B Readiness Add

4: Includes \$2.2B Base-to-OCO Transfer; \$.5B Readiness Add

5: Includes \$2.0B in OCO request to comply with BBA15

► **Base Request** ◀

- ❖ **FY17 request is \$1.4B less than FY16 enacted, protecting current readiness at the expense of future modernization and end strength**
- ❖ **Funding levels and distribution represent reductions required to meet the BBA15 funding topline.**





# FY 2017 Budget Highlights



**The Army's FY 2017 Budget Request provides critical ground force capabilities to defend the Homeland, support the Joint Force, build global security, project power, and win in a complex world.**

- ❖ **Prioritizes Readiness: Building Decisive Action Capabilities for Potential Major Combat Operations**
- ❖ **Ensures Deploying Units are Ready for Their Mission**
- ❖ **Supports Regional Engagements and Global Response**
- ❖ **Continues the Draw Down of Army End Strength to 990,000**
- ❖ **Develops Innovative Leaders and Improves Human Performance**
- ❖ **Sustains Soldier and Technological Overmatch**
- ❖ **Does not account for the National Commission on the Future of the Army's Recommendations**



NATO Exercise Iron Sword Closing Ceremony: Lithuania

**"We have an obligation to ensure that all of our units, our Soldiers, our leaders are all ready for the potential contingencies that are out there and also ready for the current fight both in Afghanistan and Iraq." – GEN Milley, Chief of**

**Staff, US Army, 11 September 2015**



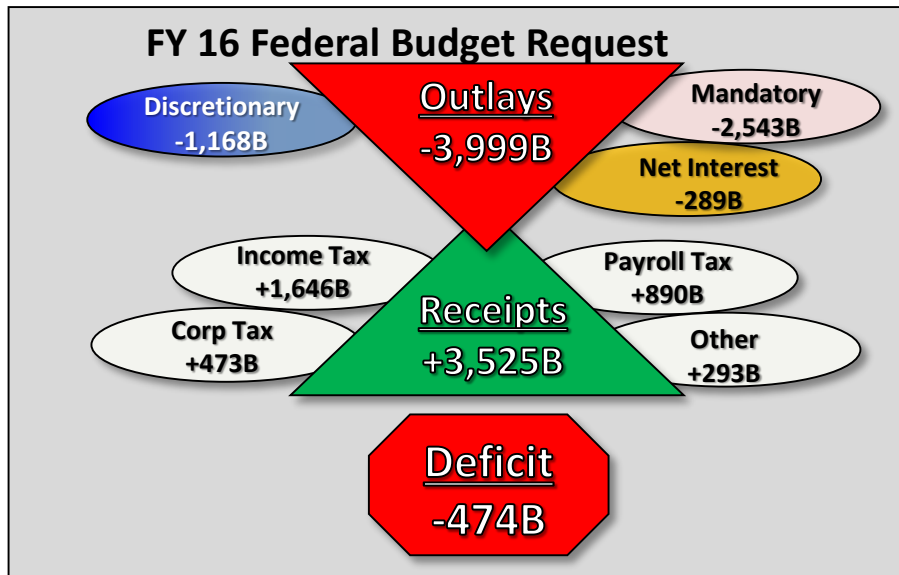
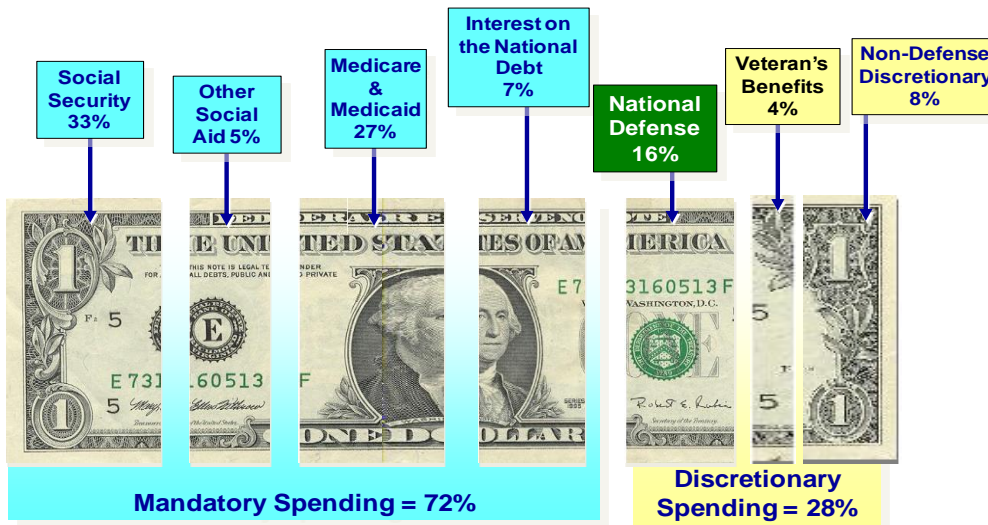
# ***Questions***



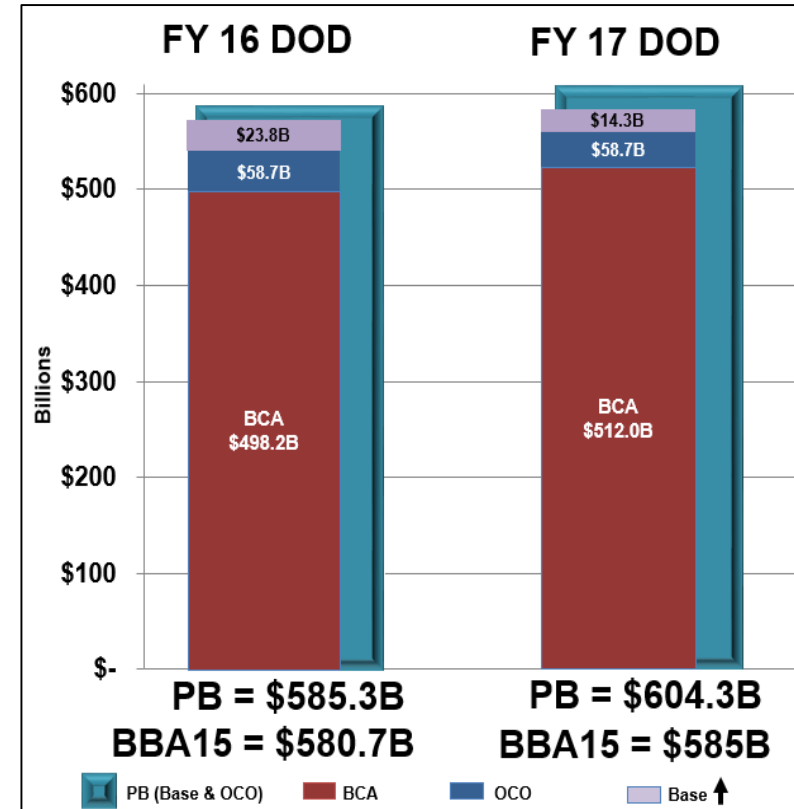
# ***Backup***



# FY16 Federal Government Overview



## Bipartisan Budget Act of 2015 (BBA15) Impacts



- ❖ BBA15 provides relief to the DoD from Budget Control Act (BCA) caps, but overall funding levels will still fall short of expected President's Budget (PB)/Budget Estimate Submission (BES) levels for FY16-17.