

FY2011 Annual Financial Report

Citizen Soldiers

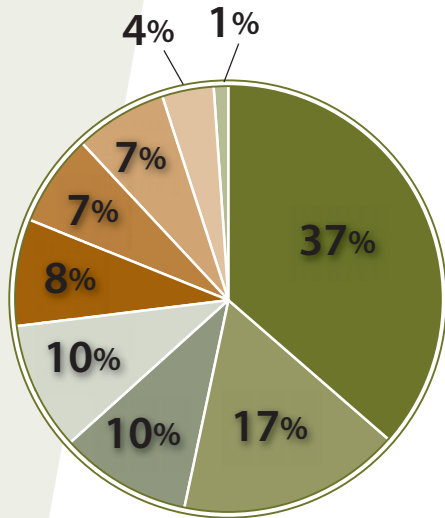
America's Best Value



Table 1: Direct Funding (in millions)

	2010	2011	Estimated 2012
National Guard Personnel, Army (NGPA)	\$8,586.5	\$8,553.8	\$8,285.1
Operations & Maintenance, Army National Guard (OMNG)	\$6,712.7	\$6,786.8	\$7,428.9
Military Construction, Army National Guard (MILCON)	\$812.1	\$871.9	\$773.6

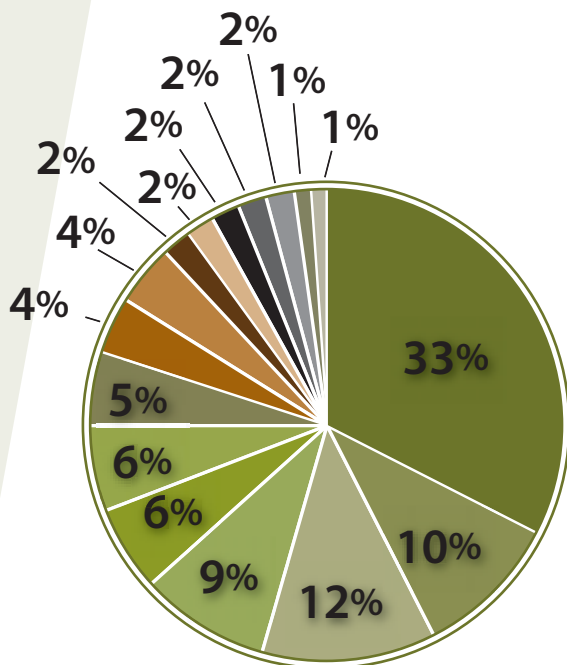
Figure 1: FY11 Personnel NGPA Break-Out by Percentage



Program	Total (in millions)	Percentage
1 Active Guard Reserve, Pay	3,158.9	37%
2 Inactive Duty Training	1,417.4	17%
3 Overseas Contingency Operations (OCO)	818.7	10%
4 Special Training	814.0	10%
5 Active Duty for Training, Pay	682.0	8%
6 School Training	609.6	7%
7 Initial Entry Training	590.5	7%
8 Selected Reserve Incentives	346.6	4%
9 Bonus Programs	96.8	1%
10 Other Programs	19.3	0%
TOTAL	8,553.8	100%

Amounts may not sum due to rounding

Figure 2: FY11 Operations OMNG Break-Out by Percentage



Program	Total (in millions)	Percentage
1 Civilian/Technician Pay	2,255.9	33%
2 Ground Operations Tempo (OPTEMPO)	674.5	10%
3 Base Operation Support	812.6	12%
4 Facilities, Sustainment, Restoration, & Modernization	599.8	9%
5 Overseas Contingency Operations (OCO)	422.5	6%
6 Recruiting and Advertising	373.5	6%
7 Depot Maintenance	313.7	5%
8 Air OPTEMPO	296.5	4%
9 Other Programs	254.2	4%
10 Medical Readiness	138.2	2%
11 Mission Support/Training	137.3	2%
12 Education Programs	109.7	2%
13 Environmental	111.0	2%
14 Family Programs	114.4	2%
15 Counter Drug	52.7	1%
16 Chemical Biological Radiological Nuclear Enterprise (CBRN)	98.3	1%
17 Automation and Info Systems	21.9	0%
TOTAL	6,786.8	100%

Amounts may not sum due to rounding

Message from the Director



During 2011, Army National Guard (ARNG) Soldiers continued the proud tradition of serving our Nation at home and around the world. Citizen Soldiers responded to floods, wildfires, tornadoes, and hurricanes, and they deployed overseas in support of simultaneous contingency operations in southwest Asia.

On November 10, 2011, following the 10th anniversary of 9/11, I was privileged and honored to be confirmed as the 20th director of our Army National Guard. We owe a great debt of appreciation and gratitude to Major General Raymond W. Carpenter, who served as our acting director for 29 months. I welcome the challenges of this pivotal position and plan to leverage my experience as The Adjutant General of North Carolina for 9 years and most recently as Special Assistant to the Vice Chief of Staff, Army.

The ARNG is an accessible and experienced operational force providing trained and ready Soldiers from 50 States, 3 Territories, and the District of Columbia. We continue to maintain our end-strength to the Congressionally-authorized level of 358,200. From 9/11 through the end of FY11, the ARNG completed 482,096 Soldier mobilizations in support of domestic and overseas missions. Domestic operations included counterdrug efforts, Southwest border activities, and State active duty missions. Overseas operations included Iraq, Afghanistan, the Balkans, Guantanamo Bay, Djibouti (Horn of Africa), and the Sinai. Unique programs, such as Homeland Response Force (HRF) and Agribusiness Development Teams (ADTs), redefine our dual mission status across the Nation and the globe. From emergency first responders to engineers and plumbers, ARNG Soldiers possess a unique blend of civilian and military skills that allows us to excel at varied and complex missions.

Both ARNG Soldiers and Air National Guard (ANG) Airmen with agricultural expertise teamed on ADTs. For example, as FY11 ended, nine ADTs were deployed to Afghanistan to augment provincial reconstruction teams. Our partnership with the U.S. Department of Agriculture and the U.S. Agency for International Development supports transition efforts as reconstruction missions are handed over to Afghan organizations. After 5 years of rotations, 34 teams have been employed in 15 provinces. Projects range from canal reconstruction to small-scale fish farms, collectively generating more than \$35 million in revenues for the people of Afghanistan.

The ARNG Aviation assets continue to be a critical force multiplier for overseas contingency operations and for defense support to civil authorities. Since 9/11, ARNG aviation units have mobilized in support of overseas and domestic operations and have responded to 79 wildfires, dropping over 3 million gallons of water. Aviation responded to 14 floods and performed 44 search and rescues, carrying more than 2,400 personnel and 286,000 pounds of cargo and supplies.

This financial report highlights activities across our organization and reflects our time-honored legacy of support to the Nation. We reaffirm our commitment to our dual mission. We assert our diligence in advancing new, emerging, and progressing programs. We pledge to increase our capabilities, supported by our 54 enabling organizations across the Nation, while we work continuously to enhance our experience, accessibility, and resolve.

A handwritten signature in black ink that reads "William E. Ingram, Jr." The signature is written in a cursive style.

Lieutenant General William E. Ingram, Jr.
Director, Army National Guard

For biographical information on the Director of the Army National Guard, [click here](#).



Table of Contents

Message from the Director	1
Executive Overview: The Army National Guard	4
Operational Readiness	6
Aviation Readiness	10
Training Readiness	13
Soldier Readiness.....	16
Medical Readiness	21
Family Readiness	23
Logistics Readiness	25
Facility Readiness	27
Technological Readiness	29
Equipping Readiness	33
State Information Summaries	48
Financial Resources.....	68
Fiscal Year 2011 Statements	71
Notes to Financial Statements	75

Information Papers (Available on CD):

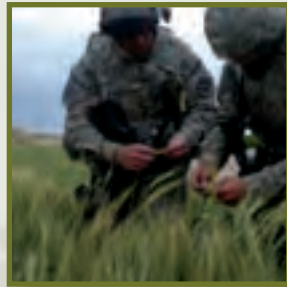
Agribusiness Development Team (ADT)
Army National Guard (ARNG) Distributed Learning (DL) Program
ARNG Participation in Army Service Component Commands
The Army School System (TASS) Training Institute
ARNG Sustainability
Employer Partnership of the Armed Forces (EPAF)
Environmental Program
Guard Apprenticeship Program Initiative (GAPI)
High School Player Development Program
Operational Support Airlift Agency (OSAA)
Strong Bonds Program
UH-72A, Lakota Light Utility Helicopter
UH/HH-60M Helicopters
Vets4Warriors

List of Tables and Figures



Table 1. Direct Funding	Inside Front Cover
Table 2. Application and System Reduction Activities	31
Table 3. ARNG Significant Major Item Shortages	35
Table 4. FY 10 NGREA Base Buy List	35
Table 5. FY11 NGREA Base Buy List.....	36
Table 6. FY 10 Congressional Add Buy List	37
Table 7. Air Defense Budget Operating System.....	38
Table 8. Aviation Budget Operating System	38
Table 9. Battle Command Budget Operating System	39
Table 10. CSS Quartermaster, Ordnance, and Medical Budget Operating System.....	39
Table 11. CSS Transportation Budget Operating System.....	39
Table 12. Fire Support Budget Operating System	40
Table 13. Intelligence and Electronic Warfare (IEW) Budget Operating System.....	40
Table 14. Maneuver Budget Operating System	40
Table 15. Mobility Budget Operating System.....	41
Table 16. Nuclear, Biological, and Chemical (NBC) Force Protection Budget Operating System	41
Table 17. Soldier Systems Budget Operating System.....	41
Table 18. Economic Benefits	48
Table 19. Direct Funding	68

Figure 1. FY11 Personnel NGPA Break-Out by Percentage.....	Inside Front Cover
Figure 2. FY11 Operations OMNG Break-Out by Percentage	Inside Front Cover
Figure 3. ARNG Operations	5
Figure 4. Manpower FY05–FY11	19
Figure 5. Major Missions and Events (Mission Peaks).....	26
Figure 6. Application and Server Virtualization	30
Figure 7. FY13 ARNG Top 25 Equipment Modernization.....	42
Figure 8. USPFO Regions	49
Figure 9. FY11 Personnel NGPA Break-Out by Percentage	68
Figure 10. FY11 Operations OMNG Break-Out by Percentage ...	68



The ARNG made notable progress on multiple fronts during FY11. In a budget-constrained environment, the ARNG is a cost-effective national asset. Its essence lies in its dual mission of domestic and overseas operations. The strength of the Citizen Soldier comes from combining civilian experience with a military operational specialty. ARNG civilian skills include 5,830 emergency first responders (firefighters, law enforcement personnel, emergency medical technicians, emergency analysts); 5,185 educators; 3,669 medical professionals (not including emergency medical technicians); 2,825 truck drivers; 2,642 engineers; 2,304 mechanics; 1,764 cooks; 1,363 sales associates; 1,100 agricultural specialists; 797 legal professionals (lawyers/attorneys, prosecutors, judges, bailiffs, paralegals, law clerks, legal advisors); 485 plumbers; and 34,309 students.

Despite the tight budgetary climate, it is critical to our national security and to the health of our organization that we maintain our force structure of eight Divisions, eight Aviation Brigades (BDEs), and 28 Brigade Combat Teams (BCTs). This force level allows us to perform a range of traditional and cutting-edge missions, to include a Homeland Response Force (HRF), the Afghanistan Agribusiness mission, domestic all-hazards response teams, the Battle Command Training Capability Program, exportable combat training capability, and the Community-Based Warrior Transition Program. The ARNG continues to enhance its operational quality, abilities, and agility as it serves the Nation—at home, at our borders, and abroad.

Revisiting Force Structure

The National Defense Authorization Act (NDAA) for FY09 through FY12 establishes an approved ARNG force structure allowance of 358,200. Based on this authorization, the ARNG structure comprises 104 BDEs: 28 BCTs, 62 multi-functional Brigades (including aviation combat, surveillance, and sustainment Brigades), and 14 functional Brigades (including military police and chemical) across the 50 States, three Territories, and the District of Columbia (hereafter called the 54 States and Territories). Based on the NDAA, the Total Army Analysis reaffirmed continuing ARNG rebalance and growth, with the goal of maintaining unit integrity. Simultaneously, the ARNG has moved forward to develop and adapt to fulfill all levels of its dual mission.

Executive Overview: The Army National Guard

The 21st century Army focuses on counterinsurgency operations while functioning as a flexible Brigade-centric force with like, stand-alone units that support and enhance full-spectrum capabilities. ARNG BCTs are identically structured and manned to those in the active Army; as a result, they can be combined with other BCTs or elements of the joint force to facilitate integration, interoperability, and compatibility across all components.

In FY11, over 36,000 Soldiers were mobilized in support of combat operations in Iraq and Afghanistan. Since 9/11, the ARNG has mobilized 113,475 Soldiers with multiple deployments; 76,488 are still in the ARNG. This level of mobilization places continuing demands on Soldier readiness, training, equipment readiness, medical readiness, and Family readiness. Congress acknowledges these requirements and has been highly responsive in improving ARNG equipping levels.

Figure 3. ARNG Operations



Approximately 42,272 Citizen Soldiers served around the world on Title 10, Title 32, or State Active Duty in FY11.



As the military's first responder, the ARNG sustains a high level of readiness for domestic challenges, such as hurricanes, fires, tornadoes, earthquake and floods. ARNG Soldiers provided 907,185 man-days in support of operations at both the national and local levels, under Title 32 or State Active Duty status, respectively. In addition, the ARNG is on call to assist civil authorities when necessary. Over 1,000 Soldiers provided support to the Department of Homeland Security's mission to secure the U.S. southwest border.

ARNG troops answered the call of their governors in providing safe evacuation for communities during a year of intense Mid-West flooding, helped restore washed out roadways to reconnect communities in the Northeast, and fought raging fires in the Southwest. The ARNG supported their respective States by performing search and rescue, power generation, logistical support, debris removal, security, support to law enforcement, and other missions. During recovery efforts, the ARNG established shelters and distributed food and water to those in need. In total, during FY11, the ARNG supported civil authorities by providing nearly 40,000 Soldiers during all-hazards response scenarios.

Furthermore, the ARNG stands ready to answer the call for missions abroad. In FY11, 21,777 ARNG Soldiers deployed to Afghanistan or Kuwait in support of Operation Enduring Freedom and 8,192 were deployed in support of Operation New Dawn. At the end of FY11, 18,556 were on alert for future deployments. Additionally, the ARNG is ready to provide trained forces for domestic missions. In total, 34,466 ARNG Soldiers were mobilized under Title 10 in FY11. This included Afghanistan (13,840), Bahrain (8), Bosnia (5), Cuba (214), Djibouti (640), Egypt (733), Georgia (11), Honduras (115), Iraq (8,192), Kosovo (1,076), Kuwait (7,937), Philippines (64), Qatar (1,014), and the United States (617).

Disasters and Recovery Operations

Extreme weather disasters marked FY11 and recovery operations were especially challenging. By way of example, the Vermont ARNG organized immediate efforts to help the State recover from flooding caused by Hurricane Irene. In a cooperative effort, ARNG members from eight States provided air and ground support. Virginia, West Virginia, Ohio, South Carolina, Maine, and Massachusetts sent about 370 Soldiers and 97 vehicles to help with the recovery effort. Engineers worked rebuilding roads and bridges damaged or destroyed. Helicopter pilots and crews from New Hampshire and Illinois helped deliver emergency supplies to Vermont communities cut off by flood waters.

Nearly 40,000 Citizen-Soldiers participated in domestic response training scenarios.

Continuity of Operations Program (COOP)

The purpose of the COOP is to ensure mission essential functions of the ARNG Readiness Center (ARNGRC) perform from designated alternate sites during any emergency or situation that disrupts, or could potentially disrupt, normal operations. These activities must be fully operational within twelve hours and sustained for at least thirty days. In FY11, the ARNGRC COOP program completed six training events as well as the biennial Headquarters Department of the Army accreditation.

Chemical Biological Radiological Nuclear Enterprise (CBRNE)

During FY11, ARNG elements of the CBRN included the 57 Weapons of Mass Destruction CSTs (1,254 National Guardsmen), 17 CBRN Enhanced Response Force Packages (CERFPs) (3,162 National Guardsmen), and ten emerging Homeland Response Forces (HRF) (5,660 National Guardsmen). The ARNG will maintain one HRF in each Federal Emergency Management Agency (FEMA) region. The ARNG stood up two HRFs in FY11 and plans to stand up the remaining eight within FY12. The HRF construct is a regional approach to a nationally-coordinated CBRN response that is designed to provide focused, lifesaving capability within a 6 -to-12 hour response window. The

existing CERFPs will evolve into HRFs in FY12. Currently, the ARNG has the only force structure for this mission. In FY12, neighboring States will host new CERFPs to maintain their number at 17.

Additionally, the Emergency Management Program provided \$3M in funding for the installation of mass notification warning systems, CBRN equipment, the placement of two Emergency Management Program Coordinators in Georgia and Nevada and the emergency management infrastructure assessment of six installations.

Afghanistan Agribusiness Mission

The Agribusiness Development Team (ADT) is a volunteer team of 58 ARNG Soldiers and ANG Airmen with agricultural expertise. ADTs provide training and advice to Afghan agriculture universities and high schools, Ministry of Agriculture employees, and local farmers. ADTs are leading increased stability and improved opportunities for Afghanistan's agribusiness community. Team members bring military capabilities as well as strong educational backgrounds and professional skills in working directly with Afghan farmers across various agricultural disciplines. Specific skills include agronomy (soil and seed science), irrigation, horticulture (plant cultivation), pest control, veterinary techniques including animal husbandry, civil engineering, and energy management. Soldiers contribute their personal ties and networking relationships while leveraging the assets and expertise of land-grant universities and cooperative extension services. Due to ADT assistance, Afghanistan has reported increases in harvests of apples, grapes, pomegranates, cherries, almonds, wheat, corn, alfalfa, and saffron. For specific ADT projects refer to the link below.



For additional information about ADTs, please see the accompanying CD or [click here](#).

The Combined Joint Task Force (CJTF) is focusing efforts in areas where progress in security and stability is evident. The CJTF's provincial priorities include security, governance, rule of law, and business development lines of operation in concert with ADT plans to develop the full spectrum of

agribusiness. The ADT concept provides two major benefits to the Counterinsurgency Strategy: 1) impart agricultural expertise to Afghan farmers, and 2) provide daily community engagement. The Department of State, Department of Agriculture, and the Agency for International Development enthusiastically support the ADT initiative.

Protection

The ARNG Protection Program remained a critical element of Homeland Defense Contingency Operations. The ARNG provided \$99.9M in Operation and Maintenance National Guard (OMNG) funding to the 54 States and Territories in order to safeguard personnel, equipment, and facilities. Resources were expended specifically to support the Physical Security (PS), Antiterrorism (AT), Law Enforcement (LE), Military Working Dog (MWD), and the Emergency Management (EM) Programs. The AT Program provided \$7.4M State AT program coordinator positions as well as for the higher headquarters AT program reviews of 21 State programs. Program emphasis on training resulted in 280 Level II-qualified AT Officers, vital to compliance with regulatory requirements.

The PS program provided \$89.2M OMNG funding to support training and provide physical protective measures including access control security guards, maintenance and monitoring of electronic security systems, site improvements, and other PS equipment. The PS program supported over 3,800 facilities, including 136 installations training centers, and 70 aviation support facilities. Training resulted in 277 ARNG personnel with extensive knowledge of the PS program and inspection processes. The LE program provided \$378,000 for the only ARNG Visitor Control Program, located at Camp Murray, Washington; and the only ARNG MWD Program, located in Connecticut. The MWD explosive detection teams conducted several U.S. Secret Service support missions in New York and northeastern states. The MWD narcotics detection teams provided support to multiple missions for the Coast Guard, the Transportation Security Administration, and other state LE agencies.

The ARNG EM program provided \$3.2M in funding to support and sustainment of the Army Emergency First Responder Program for 16 installations. This provided emergency preparedness training and equipment, assisted States and installations in EM program development, and supported EM pilot programs. Program services assist States in aligning with Department of the Army directives and initial operational capability standards and objectives. This process has helped identify current levels of preparedness and capability gaps.

Special Operation Forces

The ARNG's 19th and 20th Special Forces Groups (SFGs) and the seven Special Operations Detachments directly support the combatant commands worldwide through U.S. Special Operations Command (USSOCOM). In FY11, the ARNG completed realignment of one Special Forces Company from Utah to Texas and began the 197th Special Troops Company (STC) move from Utah to Texas. The STC move was conducted to advance force structure growth in Utah's SFG Forward Support Company by FY14.

The Agribusiness Development Team reported increases across Afghanistan's major commodities of wheat, fruits, nuts; wool, mutton, sheepskins, lambskins

FY11 saw two ARNG Special Forces Battalion (BN)-sized deployments: one in support of Operation Enduring Freedom and a second in support of Operation New Dawn. A Special Operations Command and Control Element to the Horn of Africa (HOA) is continuously manned by the ARNG Special Operations Detachments (SODs) to allow the active component a more substantial boots on the ground to dwell ratio. Elements of both SFGs also conducted smaller deployments to various locations within Central and South America and the Pacific Rim. ARNG Special Operations Forces were also active in the counter-narcotics fight, with ongoing commitments in Southeast Asia and South America.

Each ARNG SFG also supported a number of joint combined exchange-of-training events at the Operational Detachment-A, or "A-Team" level, in the Philippines, Micronesia, Moldova, Romania, Slovenia, Senegal, Macedonia, Bulgaria, Czech Republic, Guatemala, Honduras, Belize, and Jamaica. The 19th and 20th SFGs participated in Chairman, Joint Chiefs of Staff exercises Flintlock (Africa) and Ulchi Freedom Guardian (Korea). The two SFGs utilized nearly \$20M in the successful execution of more than 12 combined training missions with foreign national participants in addition to other Special Forces-training and exercises.

Security Cooperation

In FY11 the ARNG supported 50 named Joint Exercise Program, North Atlantic Treaty Organization, and Geographical Combatant Commander exercises in support of Security Cooperation around the world. Over 28,000 Soldiers, from 37 States and Territories provided in excess of 321,000 duty days worth of support in these exercises totaling a cost of over \$70M in annual training and sustainment training budgets. Major exercises included Central Command's Friendship I; Pacific Command's Talisman Saber, Yama Sakura, and Ulchi Freedom Guardian; Southern Command's New Horizons Haiti; and Army Europe's Austere Challenge. In addition to these exercises, the ARNG coordinated 150 individual exchanges and four reciprocal unit exchanges between ARNG units and the Armies of Great Britain and Germany.

Army Service Component Commands

The U.S. Army is organized into combatant commands, Army commands, Army service component commands, and direct reporting units. The button below highlights the activities of Army service component commands involving ARNG participation during FY11.

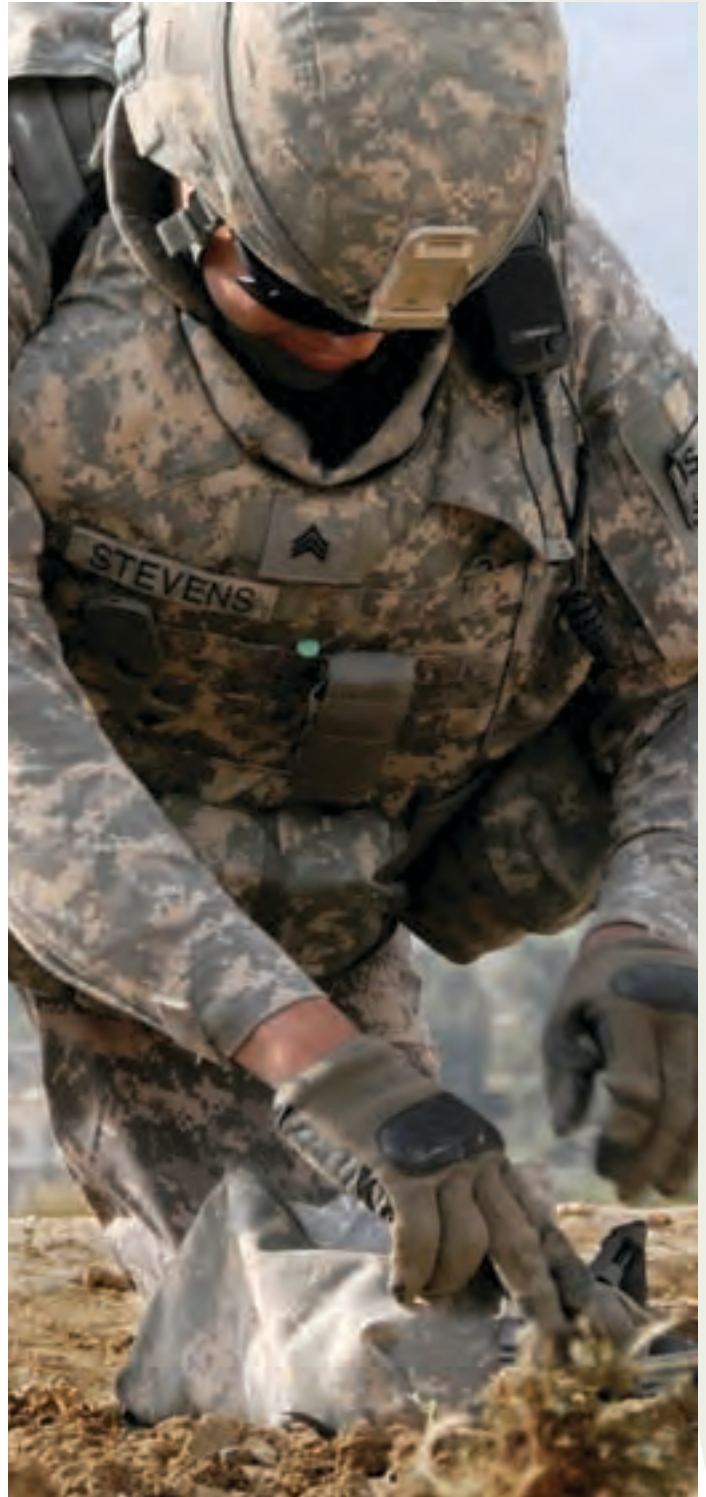


For information about ARNG participation in Army Service Component Commands, please see the accompanying CD or [click here](#).

Intelligence Operations

The ARNG possesses the largest number of Intelligence professionals, at the highest readiness levels, of the reserve components within any service. These Soldiers provided invaluable support to OCO. Additionally, while in garrison, they contribute to satisfy the shortfall in intelligence capability by contributing federated analytical support at no cost to the ARNG by means of being funded through the Funded Reimbursable Authority.

U.S. Army SGT Jason Stevens, California Army National Guard's 40th Infantry Division Agribusiness Development Horticulturist, gathers a soil sample from a field alongside the main road in Marawara, Afghanistan. (Photo by Tech. SGT Brian Boisvert)





The dual mission capabilities of ARNG aviation aircraft and their crews enable them to augment or greatly extend the capabilities of local government and law enforcement.

The ARNG manages approximately 43 percent of the Army's total aviation and Unmanned Air Systems (UAS) assets.

These assets are a critical force multiplier during OCO and are the most immediately available aviation assets for defense support to civil authorities. Since the 9/11 terrorist attacks, the ARNG mobilized the bulk of its aviation assets, particularly aircraft and aircrews, in support of operational needs in Iraq, Afghanistan, Kosovo, Kuwait, the Horn of Africa, Germany, and at home.

While the ARNG has 12 aviation Brigade (BDE) Headquarters, the majority of ARNG aviation mobilizations were employed in Battalion (BN)—or company-level deployments. The following ARNG aviation BDEs deployed: 42nd Combat Aviation BDE (CAB), New Jersey; 185th Theater Aviation BDE (TAB), Mississippi; 36th CAB, Texas; 34th CAB, Minnesota; 28th CAB, Pennsylvania; 40th CAB, California; 77th TAB, Arkansas, mobilized and deployed as an enhanced BDE task force headquarters to Iraq alongside the 40th CAB; 449th TAB, North Carolina; 204th Theater Airfield Operations Group, Louisiana; and most recently, the 29th CAB, Maryland.

Mobilizations and deployments were conducted during a period of extreme turbulence in Army aviation. Since 2002, the Army's aviation force has gone through several transformations. This challenge has been exacerbated in the ARNG by key shortfalls in obtaining the modernized aircraft authorized for aviation units, as well as additional changes beyond the most recent transformation plan.

In FY11, ARNG aviation flew missions outside the continental United States in support of Operation New Dawn, Operation Enduring Freedom, and operations in Kosovo. It

simultaneously supported domestic operations and conducted intense training of aircrews and aviation units.

Aviation in Support of Domestic Operations

ARNG Civil Support Operations include responses to hurricanes, floods, fires, earthquakes, and oil spills. ARNG aviation displayed the mobility and flexibility for aerial movement of personnel, equipment, and supplies to provide an expeditious response to civil emergencies throughout the United States. ARNG aviation flew in excess of 3,000 hours to support domestic operations in FY11. It responded to 79 wildfires, dropping over 10,000 Bambi buckets that released over three million gallons of water. Aviation assets responded to 14 floods and performed 44 search and rescues, carrying over 2,400 personnel and more than 286,000 pounds of cargo and supplies.

Hurricane Irene made landfall three separate times as it moved northward along the Eastern seaboard, producing severe flooding and damage along the Outer Banks of North Carolina, in northern New Jersey, and in the valleys of Vermont. ARNG aviation assets from around the Nation were pre-positioned at Intermediate Staging Bases along the storm track to support States requiring additional aviation capabilities. ARNG aviation crews flew the Federal Emergency Management Agency director and governors on damage assessment missions as well as conducted personnel recovery and supply distribution missions.

ARNG aviation assets responded to flooding in Illinois, Louisiana, Mississippi, North Dakota, Nebraska, Pennsylvania, and Vermont, utilizing 37 aircraft and flying 540 hours in support of aerial search and rescue, evacuation support, commodity distribution, and support to law enforcement. ARNG aviation supported disaster relief operations in response to widespread tornado damage in Joplin, Missouri. Security and Support Aviation BN aircraft and crews continued to provide vital counterdrug operational support nationwide, notably along the Southwest border. ARNG aviation's dual mission capabilities enable it to significantly augment or greatly extend the capabilities of local government and law enforcement.

Aviation Modernization Status

The ARNG completed the last remaining actions in support of the Army's Aviation Transformation Plan 2004. All eight of the ARNG's divisional combat aviation BDEs, four theater aviation BDEs, one theater aviation command, one theater airfield operations group, and one separate air cavalry squadron are in their new designs and with the majority of their required aircraft on-hand. This included

transitioning the four fixed-base aviation repair depots into four deployable theater aviation support maintenance groups for support of the Warfighters, in addition to adjustments to the aviation support BNs in the various aviation BDEs. As aviation units near their authorized aircraft numbers, the area of primary emphasis will shift to upgrading and/or replacing older model aircraft. Details for each type of aircraft system in the ARNG are described below.

UH-72A Lakota — There is an Army-approved fielding plan for 210 UH-72A aircraft. At the end of FY11 82 UH-72As were fielded. Yearly fielding projections follow: FY11 (32), FY12 (43), FY13 (32), FY14 (28), FY15 (16), FY16 (3). The UH-72A aircraft is a commercial off-the-shelf product with a mission profile that includes reconnaissance, observation, air transport, medical evacuation and aerial Command and Control for Homeland Defense as well as overseas operations in permissive, non-hostile environments. One hundred security and support aircraft will be retrofitted with a Mission Equipment Package consisting of: electro-optical/infra-red sensor, searchlight, moving map display, cockpit screens, cabin operator screen, digital video recorder, and data down link. These light utility helicopter (LUH) aircraft are gradually replacing obsolete OH-58A/Cs in the ARNG's six Security and Support aviation Battalions.



For additional information about the UH-72A Lakota, please see the accompanying CD or [click here](#).

AH-64A/D Apache/Longbow — The remanufacture of AH-64As to the AH-64D Longbow configuration continued in FY11 with the completion of the 1-151st Attack Recon BN (ARB) (South Carolina) and 1-211th ARB (Utah); four ARNG ARBs are modernized with AH-64Ds. The South Carolina BN completed the Army's Unit Training and Fielding Program at Fort Hood; the Utah BNs must complete this program as well. The ARNG completed the fielding of the Modernized Target Acquisition Designation Sight. Congressionally-approved wartime attrition replacement aircraft deliveries in the Block II Lot 10 configuration—begun in the summer of 2007—will continue concurrent with the ongoing remanufacture schedule.

Due to the termination of the Armed Reconnaissance Helicopter contract, the Army decided to modernize all eight ARNG ARBs with the AH-64D to increase attack formations available for the warfight. The Army established the funding to convert the next three ARNG ARBs to Longbow (the



*H*elicopters from the 1st Battalion, 108th Aviation, Kansas Army National Guard, preparing for deployment in support of Operation New Dawn. (Photo by Ms Jane Welch)

1-104th ARB (Pennsylvania), 1-135th ARB (Missouri), and 1-183rd ARB (Idaho)). AH-64A induction and AH-64D delivery have already begun for the 1-104 ARB aircraft, while 1-135 ARB aircraft induction has begun. Conversion funding requests for the last ARNG ARB (1-149th ARB (Texas)) is expected.

UH-60M Black Hawk — The ARNG concluded FY11 with a mix of UH/HH-60M, UH-60L and UH-60A utility helicopters in its warfighting fleet. It has a total requirement for 849 H-60 helicopters (534 UH-60 utility and 315 HH-60 MEDEVAC); by the end of FY11, it had reached a total fill level of 814 H-60s. An additional 28 H-60s are scheduled in FY12, 11 of which are the latest Black Hawk, the UH-60M variant. Now that the ARNG is within reach of its full requirement of 849 aircraft, the priority will shift to the fastest possible divestment of almost 570 thirty-year old UH-60A Black Hawks on-hand and replacement with the

more modern L and M models. Approved expansion of UH-60 MEDEVAC companies from 12 to 15 aircraft occurred in FY10. In FY11, conversion of the 21 ARNG MEDEVAC Companies to the new 15 aircraft design began and should be completed by FY17. At that time, the total ARNG UH-60 fleet will be 849 aircraft.

CH-47F/CH-47D Chinook — The ARNG inventory of CH-47 Chinook heavy helicopters remained steady at an average 130 of the required 161 throughout FY11. However, this long-term shortage (over five years) of 31 CH-47s is projected to be corrected by the end of FY13, at which time the CH-47 fleet will be predominantly CH-47 D models. The first ARNG Military Table of Organization and Equipment unit received the CH-47 F models in FY11. Over the next seven years, the Army will continue to issue F models to the ARNG to replace its D models and achieve a pure CH-47F fleet by the end of FY17.



For additional information about the UH-60M Blackhawk, please see the accompanying CD or click here.



For information about the Operational Support Airlift Agency (OSAA), please see the accompanying CD or click here.

Training Readiness



The ARNG plans, develops, and executes strategies, programs, and resources for individual and collective training in live, virtual, and constructive environments. The goal is to achieve maximum readiness to execute the ARNG's Federal and State missions. The ARNG uses the Digital Training Management System (DTMS) as the primary tool for managing Annual Training Support Submission and for validating individual and collective training events for all its entities. DTMS is accessible to the 54 States and Territories as the training database of record.

Mission Command Training Support Program

The ARNG Mission Command Training Support Program (MCTSP) provides digital Mission Command (MC) and battle staff training in digital and analog environments to units during pre-mobilization training. The objective is to develop proficient MC staffs and trained operators. MC training and training support sustains the ARNG five-year Contingency Expeditionary Force training strategy. The MCTSP structure is comprised of the Distributed Mission Support Team and Mission Training Complexes located at Camp Dodge, Iowa; Fort Indiantown Gap, Pennsylvania; and Fort Leavenworth, Kansas. In FY11, the MCTSP trained one division staff, five Brigade (BDE) Combat Team staffs, and the equivalent of 113 Battalion (BN) staffs. Total FY11 funding execution was \$34.1M. Training significantly enhanced the battle command capabilities of ARNG Soldiers, staffs, and commanders, better preparing them for mobilization, deployment, and homeland defense missions.

Innovative Readiness Training

The Innovative Readiness Training program provides valuable, real-world training for more than 3,500 Soldiers from over 27 States or Territories, and directly contributes to operational readiness. The program extends support to local community projects, often in a joint environment, to enhance quality of life by providing humanitarian assistance to underserved populations, e.g., American Indians and Alaska Natives. The program is funded through a combination of Annual Training Pay and Congressional appropriations managed by the Office of the Assistant Secretary of Defense. Over \$20M in combined annual training and sustainment funds were executed in FY11.

Pre-Mobilization Training Certification

The Pre-Mobilization Training Assistance Element (PTAE) program began in accordance with Secretary of Defense guidance that directed the ARNG to test new pre-mobilization training concepts to reduce training/certification time during post-mobilization. Reduced post-mobilization training and certification time equates to more time available to perform

missions in support of various contingency operations. The PTAE program is an enduring requirement that supports the Army Force Generation (ARFORGEN) Model; it is a key component of the ARNG's transformation from a strategic reserve to an operational reserve. The program provides an impartial and unbiased evaluation of home station training to assist Adjutants General in providing certified and ready forces. In FY11, the PTAE program used \$140M to support the pre-mobilization certification of over 40,000 ARNG Soldiers.

Combat Training Centers

The ARNG continued to resource and prepare ready and relevant warfighting units through its Combat Training Centers, which are supported by \$22M in Congressionally-appropriated funds. It hosted multiple planning conferences to prepare BDEs for future attendance at one of three combat training centers. During FY11, the ARNG scheduled and coordinated support rotations for the 35th Infantry Division, 55/28th Heavy Brigade Command Team (BCT), and 39th Infantry BCT.

Modeled as a standardized mission-readiness exercise, Soldiers conduct multi-echelon, force-on-force situational training exercises, virtual and constructive events, and BN field training exercises. Tasks are selected by unit commanders and derived from combined force land component command battle experiences. Scenarios, conditions, and events are drawn from the Iraq and Afghanistan theaters of operation and current tactics, techniques, and procedures are incorporated throughout the exercises.

The ARNG hosted two planning conferences to prepare BDEs for attendance at the National Training Center and Joint Readiness Training Center. Additionally, more than 3,000 Soldiers, representing three BDE combat teams, participated in the BDE Command and Battle Staff Training Program at a cost of \$2.7M. One ARNG division of more than 1,000 Soldiers participated in a Battle Command Training Program warfighter exercise at the Battle Command Training Center at Fort Leavenworth, Kansas.

Urban Training

The Muscatatuck Urban Training Center (MUTC) came under the ARNG's purview in 2005; the Wolfs Operations Group—a unique Title 10 Active Guard Reserve Observer-Controller Trainer BN—was established in FY09. In FY11, the growing Muscatatuck team trained more than 3,300 Soldiers, including participants of integrated field training

with U.S. government civilians. More than 80,000 trainees from the military, government, private agencies, and emergency first responders used its facilities in FY11.

MUTC can support training ranging from the individual level through the BDE task force level, and trains Army forces, personnel from other military Services, the Office of the Secretary of Defense, State Department, combatant commands, and Federal and State agencies. MUTC provides a full-immersion, 21st century, operating environment that encompasses a 1,000+-acre site, a 180-acre reservoir, and an urban setting of more than 120 training and testing structures. The complex is a consortium of governmental, public, and private entities that collectively offer the most realistic training experience available.

Total Army Language Program

The Total Army Language Program (TALP) adds value to the community as well as to the ARNG as it sustains foreign language and cultural readiness for the Military Intelligence (MI) force. The ARNG draws upon universities, colleges, and the Defense Language Institute to ensure that the most advanced concepts in language training and development is available to Soldiers.

The TALP bridges the gap that can occur between classroom and field learning environments, and provides the knowledge and know-how to sustain the needs of lifelong foreign language learners. This program enables the Army to leverage the return on its investment in teaching foreign language and cultural sensitivities to Soldiers.

Foreign language and cultural capabilities contribute to successful global operations. Our Nation's success in future operations will be enhanced through the capabilities and skills of Soldiers trained in foreign languages and diverse cultures.

In FY11, the TALP trained over 1,200 language professionals and provided language and culture immersions to 2,230 Soldiers who were preparing to deploy in support of contingency operations.



For information about the ARNG Distributed Learning (DL) Program, please see the accompanying CD, or [click here](#).

Since 9/11 ARNG has supported mobilizing 486,293 Soldiers by conducting operations and training on approximately 1.1 million acres, 2,000 ranges, and more than 110 training centers.

Foundry Program

The ARNG Foundry Program is the single most important program to maintain operational readiness for its MI force. At a very low cost, this program enables ARNG Soldiers to learn new intelligence skills as well as to improve and sustain technical and analytical capabilities as they confront evolving threats and address evolving commercial technology. The program ensures formations are current with the tactics, techniques, and procedures within the contemporary operating environment prior to deployment.

The Foundry Program connects two training realities— institutionalized training, as delivered by Training and Doctrine Command (TRADOC), for example, and the opposing, ever-shifting reality of the contemporary operating environment. This link is vital given many of the ARNG Soldiers are years removed from TRADOC schools.

The Foundry Program specifically addresses the operational readiness of the 9,686 ARNG MI Soldiers within its eight Divisions, 28 BDE Combat Teams, seven Battlefield Surveillance BDEs, eight MI BNs and other MI personnel throughout the ARNG. Under the ARFORGEN model, the ARNG deploys approximately 1,100 to 1,400 MI Soldiers each year to support OCO.

The Foundry Program's platform at Draper, Utah has been identified by Intelligence and Security Command as the Low Level Voice Intercept (LLVI) Center of Excellence for the entire Army. LLVI is a critical Signals Intelligence (SIGINT) mission set for the current fight in Afghanistan. In FY11, more than 500 SIGINT Soldiers received LLVI training.



For information about The Army School System (TASS) Training Institutions, please see the accompanying CD or [click here](#).



Soldiers from the Farmville-based Company A, 1st Battalion, 116th Infantry Regiment, 116th Brigade Combat Team conduct live fire training on the Fort Pickett Urban Assault Course. The Soldiers are at Fort Pickett for their two-week annual training. (Photo by Cotton Puryear)



FY11 was another goal-achieving year for both recruiting and retention. In FY11 the ARNG focused on quality accessions and retaining critical Military Occupation Specialty (MOS) Soldiers. The ARNG adjusted rolls by separating Soldiers listed in any of the four negative strength categories: 1) long-term no-validation pay; 2) expired term of service; 3) non-MOS qualified; and 4) no training seat reservation for more than 21 months. These measures create a more accurate accounting of the ARNG personnel strength and better reflect a truly ready force. As a result, we retained qualified Soldiers and managed attrition to minimize losses and turnover in the ranks. At the end of FY11, 27 States were at or above 100 percent manning, 25 States were between 96.8 percent and 99.9 percent, and only two States were below 96.8 percent.

Overseas Contingency Operations (OCO) and the addition of domestic operations placed a higher demand on the ARNG Full Time Support (FTS) to ensure unit readiness. Active Guard Reserves provide 32,060 full-time staff members and program managers who operate in either a Title 10 or Title 32 status. Their direct mission is to organize, administer, recruit, instruct, and train the reserve component. In ARNG organizations and units, military technicians provide mission support, logistics, training and administrative assistance, and maintenance; they also contract for supply specialists employed by the State Adjutants General. The Inactive Duty Training (IDT) program provides funding for 294,908 traditional ARNG (M-Day) Soldiers to attend a minimum of 48 Unit Training Assemblies, or up to 72 hours of Additional Flight Training Periods for primary crewmembers and aviation support personnel. Initial Entry Training (IET) program supports 38,500 ARNG Soldiers who attend Basic Training and Advanced Individual Training (AIT), to include all pay and allowances, travel, and clothing. Although not directly funded by Congress, the IET program also provides the same benefits for Soldiers who are studying to obtain their General Education Development (GED) certificates.

Recruiting and Retention

After years of determined effort, the ARNG achieved historic levels of end-strength. It subsequently was faced with the new reality of a global economic downturn and what is expected to be an extended period of tightly-constrained resources. This new reality led to a reassessment of the ARNG's end-strength objectives as well as significant changes in its recruiting and retention programs. It also presented an unprecedented opportunity to improve the quality and mobilization of the Force.

The results of the ARNG's recruiting efforts are remarkable. The goal was for each State to achieve 100 percent of its authorized end strength while simultaneously improving Soldier quality. By leveraging a "Precision Recruiting" strategy, coupled with generous education

benefits, the ARNG is focused on measures of Force quality and readiness rather than on the metrics of sheer size.

FY11 achievements include:

- FY11 total enlisted accessions execution was at 95.2 percent.
- Non-Prior Service execution equaled 91.2 percent.
- Prior Service execution was at 106.9 percent.
- Tier I (high school diploma) execution was at 91.5 percent.
- Category I-III A (50th percentile or higher) execution was 70.0 percent; Category IV (30th percentile or lower) was 0.8 percent.

In FY11, the Select Reserve Inceptive Program shifted focus from achieving end strength to shaping the Force using a “Precision Recruiting” concept structured to allow States and Territories to better fill unit vacancies while maximizing unit readiness. Its advantage is in its ability to accurately place the “right” Soldier with the “right” skills in the “right” unit. Targeted recruiting of this nature fosters the highest levels of individual and unit readiness and supports robust retention rates. In point, FY11 saw the ARNG’s retention rate at an unprecedented high of 115.5 percent of the annual target. Careerist reenlistment finished at 117.1 percent of the target and obligor reenlistments were at 112.2 percent. The Precision Recruiting strategy supports unit missions as well as the Army Force Generation (ARFORGEN) cycle.

Higher than predicted reenlistments and fewer than programmed losses have resulted in highly-selective recruiting. Intensified reviews by Quality Retention Boards and Officer Selection Retention Boards ensure that only the best qualified and trained Soldiers fill the unit ranks. Initial Entry Training seat utilization in FY11 was at 91 percent. Despite these achievements, there are challenges ahead as the ARNG must not only focus on readiness, but must sustain both the high strength and the high quality of the Force indefinitely.

The following tools continue to assist and support the ARNG’s recruiting and retention efforts.

Bonuses — The ARNG must always have the right people, in the right place, at the right time. As a community organization, the ranks of the ARNG reflect an individual patriotic motivation to both serve his or her neighbors and the greater Nation at large. Incentives and benefits work to recruit and retain the right mix of personnel, thereby ensuring all-important Force readiness. Incentive and bonus options allow the ARNG to “grow” the Force in specific skill

areas. They serve as a vital component in accomplishing the full spectrum of ARNG missions of today and tomorrow. Despite the fact the ARNG’s overall strength objectives are being achieved, critical shortages remain in some low density/high demand/hard-to-retain skill areas such as Military Intelligence, Signal Corps, Engineers, and Special Forces; these shortages and skill vulnerabilities justify the continuation and application of statutory bonus authorities. In FY11, approximately \$336M in monetary assets and \$112.4M in GI Bill benefits were leveraged to support this “pin point” recruiting concept as an effective tool for attracting and retaining qualified Soldiers—the key to unit readiness.

In FY11 the Army National Guard

“had more first-time recruits wanting to join and serve, than it had slots for them to fill.”

Recruit Sustainment Program — The ARNG Recruit Sustainment Program (RSP) increases Training Pipeline Success by coordinating with Recruiting and Retention Commanders (RRC), RRC Sergeant Majors and RSP Commanders to develop strategies to mitigate the primary reasons that contribute to Training Pipeline Losses in order to set the conditions for success at IET and AIT. The RSP’s intent is to provide MOS qualified Soldiers to ARNG units—Soldiers that are mentally prepared, administratively correct and physically fit for Basic Combat Training. RSP initiatives such as Resilience Training, Soldier Training Readiness Modules, the Training Pipeline Management Team and State Assistance Visits have been implemented to ameliorate the quality control process as well as combat trends that contribute to Training Pipeline Losses, specifically At-Training Losses given an average training pipeline of approximately 34,000 Soldiers.

Branding and Marketing — The ARNG will continue to use strength maintenance philosophy in every arena of its marketing outreach to support the Recruiting and Retention Force and maintain FY12 end-strength at 358,200. ARNG’s marketing mission is to create heightened awareness of programs and opportunities through effective and targeted communications and programs in support of the FY12 end strength mission. The ARNG is committed to a “total campaign” strategy that leverages the discrete messages of

different media and integrates them into a unified public affairs presence that supports heightened awareness of the ARNG and its role in communities.

National Advertising and Marketing Programs

An integrated National Advertising and Marketing campaign in FY11 was remarkably successful and has positioned the ARNG for continued recruiting success in FY12. Event marketing highlights are described below.

- The Youth Outreach Program’s “Dew Tour” is hitting all-time highs in lead generation. In Portland, the ARNG booth generated 545 leads, and in Salt Lake City, the program generated over 930 leads. The program recorded a One Million Facebook fan page with messages about the BMX dirt riding program—of prime interest for active youths.
- The Winter Sports Program is operational and has begun the creative process for bobsled and luge sled branding. Team jackets and interview pieces are currently being created.
- The World Class Athlete Program has several Olympic athletes from various sports representing the ARNG, including bobsled, luge, and boxing.
- The National Football League (NFL) High School Player Development Program continues to grow and is on track to have all 32 NFL teams represented at the 7-on-7 Tournament in FY12. For this event, the ARNG will be adding a lineman competition, which is expected to increase high school participation from approximately 400 athletes to just below 1,000.



For additional information about the High School Player Development Program, please see the accompanying CD or click here.

- The Indy Racing League Program’s inaugural “Streets of Baltimore,” event was a total success for the ARNG and the State of Maryland. Invitations were extended to local wounded warriors, the Youth Challenge Program, and the United Service Organization with 100 percent participation.

Employment Support

Employment Support Programs give the ARNG a way and means to address Soldier employment needs and demonstrate commitment to Soldiers and their Families. In FY11, multiple tools were leveraged in the effort to assist Guardsmen in securing employment, planning for the future, and preparing for a lifetime career.

Job Connection Education Program (JCEP) connects unemployed and underemployed Soldiers and families to employment opportunities by providing one-on-one program assistance and career counseling services. Currently piloted in Texas, JCEP connected more than 500 guardsmen with employment and on averaged earned \$7.90 an hour above the state average.

Guard Apprenticeship Program Initiative (GAPI) facilitates the accreditation of military training with the requirements set by the Department of Labor and provides Guardsmen with wage-earning apprenticeship opportunities that culminate in national certifications and rewarding civilian careers. GAPI was piloted in Maryland throughout FY11 and is expanding rapidly to Georgia, North Carolina, Kentucky, Washington, and the District of Columbia.



For information about GAPI, please see the accompanying CD or click here.

Employer Partnership of the Armed Forces (EPAF), in partnership with the U.S. Army Reserve, provides a highly technical employment portal to connect service members with employers seeking qualified applicants. Program Support Managers are placed throughout the 54 States and Territories to assist with counseling, questions and resume development. In FY11, EPAF partnered with more than 715,906 employers and employed 183 ARNG Soldiers. The economic downturn has made JCEP, GAPI, and EPAF critical tools in the ARNG’s employment support efforts on behalf of its Soldiers, in the interest of generating stability within the ranks and providing the private sector with the best-trained and most dependable professionals our Nations has to offer.



For additional information about EPAF, please see the accompanying CD or click here.

Soldier Readiness

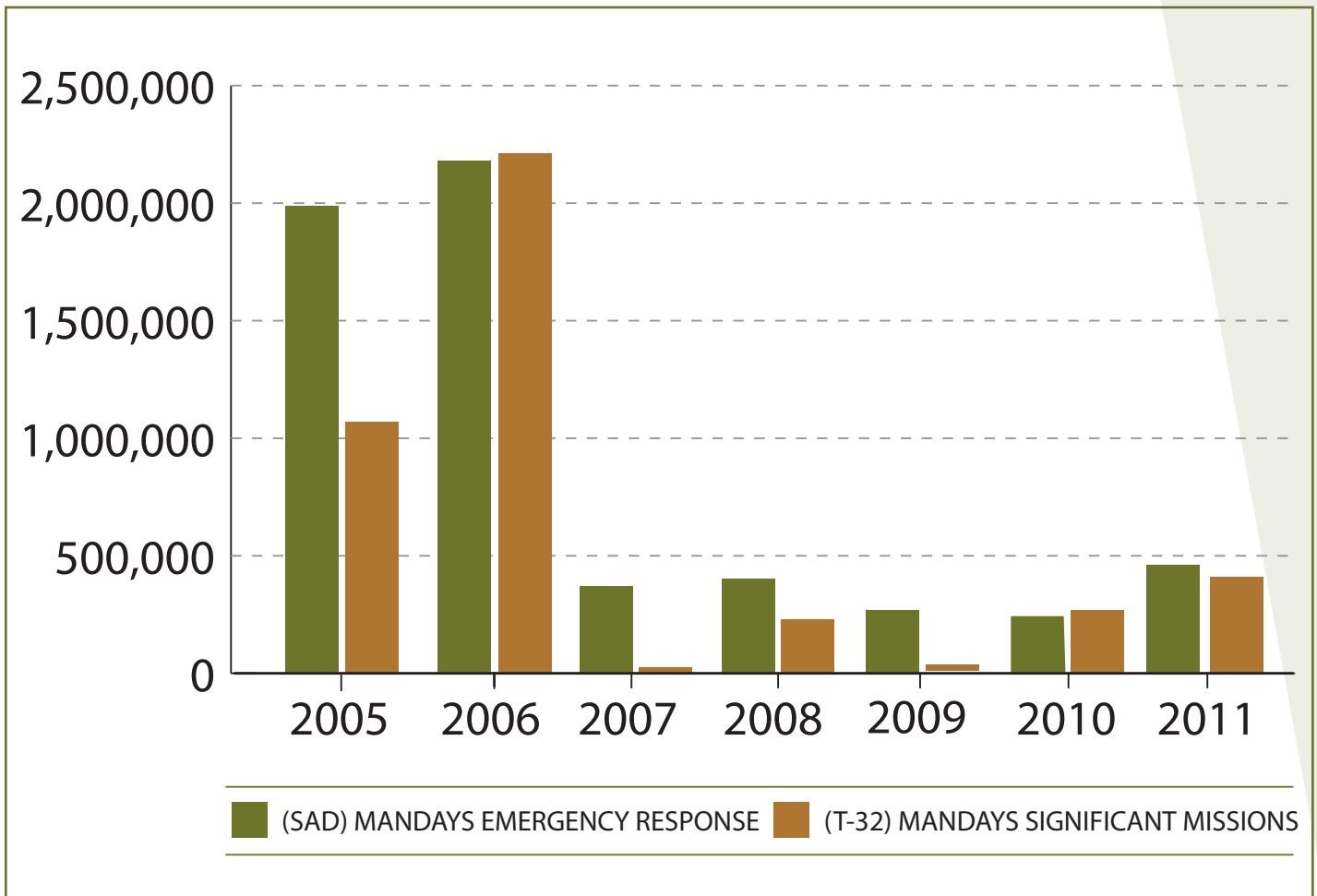
Education Support — The educational goals and achievements of its Soldiers continued to be a top priority for the ARNG throughout FY11. Education support programs function both as a recruiting tool and as a method by which to increase the quality and morale of professional Soldiers. Federal Tuition Assistance provided 48,000 ARNG Soldiers the opportunity to take more than 188,000 classes in pursuit of accredited degrees; historically, it has been a pillar of military recruiting and retention efforts. In FY11, GI Bill support to Guardsmen totaled \$112.4M. The program’s benefits can now be transferred to dependents and this expansion has proven a significant morale-booster for both service members and their Families. As a resource for explaining and administering tuition assistance and GI Bill monetary benefits, the ARNG operates the Guard Support Center at Camp Robinson, Arkansas. The Center provided 32,000 Soldiers a variety of nationwide education support

services and counseling. It developed more than 2,200 degree plans, assisted in GED testing for 2,000 students, and assisted more than 6,500 officers who are working toward completing their degrees.

General Education Development (GED) Plus

GED Plus, a direct ship program, is the first step in the training pipeline for those enlisting under the GED Plus option. Warriors are given instruction in both academics and basic Soldier skills thereby providing the ARNG and individual communities with quality, trained professionals. Upon completion of the 3-week program, recruits “ship” to Basic Combat Training to continue their training toward becoming Soldiers in the ARNG. In FY11, more than 2,000 recruits received their GED diplomas with a graduation rate of 95 percent. Transforming recruits into GED graduates, is an essential step in the education initiative that enhances ARNG readiness and the quality of citizen Soldiers.

Figure 4. Manpower FY05–FY11



Patriot Academy— The Patriot Academy, based at the MUTC in Indiana, is the Nation’s first accredited military academy to award a high school diploma. The Patriot Academy enrolls qualified initial-entry Soldiers who have not completed their high school education. Enlistees first attend Army Basic Combat Training and then begin studies at the Academy, which includes additional military training. The staff includes approximately 67 military and civilian personnel at a cost of approximately \$8.9M; operations and maintenance costs add an additional \$4.4M. Total operating costs were \$13.3M in FY11. Upon graduation, Soldiers

attend AIT and when completed return to their State or Territory.

The Academy’s primary mission is to provide Soldiers with a second chance—an opportunity to earn an accredited high school diploma. Goals are to: 1) educate students; 2) train future leaders; 3) develop model Citizen Soldiers; and 4) increase the pool of Tier 1 recruits. Since the first graduation in March 2010, the Patriot Academy has awarded 242 diplomas to students representing 38 States. The graduation rate stands at 95 percent. In FY11, prerequisite requirements were strengthened and three additional teachers were brought on board to reduce the timeline for degree completion; this translated to an annual cost savings of \$2M for the ARNG.

Personnel Systems

One of the keys to keeping retention rates high is to maintain and improve effective personnel systems. In FY11, improvements were made to two systems—the Standard Installation Division Personnel Reporting System and the Total Army Personnel Database. Both have undergone engineering changes to increase data accuracy in medical readiness, benefits, strength accounting, retention tracking, and security clearance information for ARNG Soldiers. In addition, enhancements to the National Guard Automated Board System allow States and Territories automated access to Soldier records when conducting promotion, retention, and ad hoc boards. Other personnel mainstays include the maintenance and improvements for the FTS staff, the Military Technician Program, the IDT, and IET.



*S*PC Michael L. Noel, a personal security detail Soldier assigned to the 37th Infantry Brigade Combat Team, Ohio Army National Guard, scans his sector from inside his gunner’s turret during training at the National Training Center. The 37th Infantry Brigade Combat Team (IBCT) is deploying to Afghanistan in support of Operation Enduring Freedom. (Photo by SGT Kimberly Lamb)

Medical Readiness



The Office of the Chief Surgeon promoted ARNG medical readiness in FY11. As a recognized operational force, the ARNG has three primary goals: 1) supporting deployment of a healthy force; 2) supporting deployment of the medical force units; and, 3) facilitating warriors in transition and Family care beneficiaries.

Medical and Dental Readiness

In FY11, the Office of the Chief Surgeon received funding for the following programs: medical readiness, \$138.5M; OCO, \$17.2M; and dental treatment, \$51.3M. Resources funded physical examinations, immunizations, contracts in support of medical readiness, and deployment of over 46,000 Soldiers who met physical, dental, and mental health standards.

Overall, medical readiness increased from 46 percent fully medically ready in FY09 to 70 percent medically ready in FY11. This achievement resulted from increased targeted funding and a concerted effort by ARNG staff to liaison between the ARNG and Army medical commands in meeting funding, staffing, and equipment requirements. More than 100 ARNG staff assistance visits were made to mobilization stations and State readiness events.

In FY11, ARNG units arrived at mobilization stations 94 percent dental ready (Dental Readiness Classifications 1 and 2). Nationally, the ARNG is 80 percent dental ready. Funding of \$51.3M and aggressive ARNG coordination with States were instrumental in reducing the dental Return From Active Duty percentage at the mobilization stations for Soldiers who were dentally disqualified. The First Term Dental Readiness Program moved to its next phase with its goal of 95 percent in Dental Readiness Classifications 1 or 2 for Soldiers completing Advanced Individual Training. U.S. Army Dental Command has initiated a demobilization dental reset for ARNG Soldiers with a goal of 95 percent in Dental Readiness Classifications 1 or 2 upon release from active duty.

The Army Selected Reserve Dental Readiness System, approved in FY10, continues to provide quality dental treatment to Soldiers and their units proceeding through the Army Force Generation cycle. The ARNG achieved and maintains an 80 percent dental Readiness across the 54 States and Territories for FY11.

Health Assessments

The ARNG has an increased need to monitor and track Soldier medical readiness. This requirement is based on its status as an Operational Reserve entity and its mission of Domestic Support to Civil Authority. Both require a special emphasis on preventive measures. In order to improve individual medical readiness rates, the Army implemented the Periodic Health Assessment (PHA) program in 2009. The PHA is an annual physical assessment and consists of two parts: a self-assessment and a provider assessment. The results of the PHA is entered into the MEDPROS module of the Medical Operational Data System for viewing by the commander.

Overall medical readiness increased from 46 percent in FY09 to 70 percent in FY11.

Periodic physicals have served the military well in previous years; however, frequent deployments and mobilizations requires closer tracking of a Soldier's individual medical readiness to ensure he or she is available for deployment at any given time. The PHA ensures that all Soldiers regularly see a medical provider to evaluate their deployability, as well as to address any preventive healthcare needs. In FY11, the ARNG performed 256,696 PHAs and 255,683 dental examinations at cost of \$138.5M, attaining a first-time ever medical readiness rate of 70 percent. The ARNG will continue to improve the PHA program and is committed to remediating individual medical readiness across its formations.

Case Management

The Case Manager Support Contract option was exercised at a cost of \$14.5M. At the end of FY11, case managers in 39 States were using the medical non-deployable module to manage their caseloads. The National Guard Bureau, with support from State users, began development of a case management module in MEDCHART 2011. This module, eCase, provides full transparency to all stakeholders while maintaining necessary patient privacy. The module also assists with data collection and program management to better establish case complexity and case worker-to-Soldier-and-patient ratios. eCase improves the efficiency of medical administration in returning Soldiers to duty and during their continued administrative adjudication.

Occupational Services

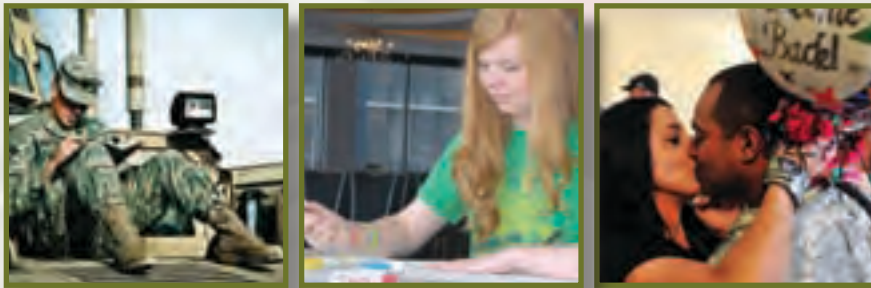
The Occupational Health Program (OHP) budget for FY11 was \$9.5M. The OHP contains two main elements: Medical Surveillance, conducted by Occupational Health Nursing, and Hazard Identification, conducted by Industrial Hygiene. The program proved instrumental in procuring OHP services necessary to fulfill statutory requirements to protect the health of Title 32 Military Technicians by ensuring healthy work environments. The OHP is mandated by the Occupational Safety and Health Act, Title 29 Code of Federal Regulations, Department of Defense Instruction, Army Regulation 40-5, and other applicable Federal, State, and local statutes.

The statutory Occupational Health Medical Surveillance Program has a funding requirement of \$4.0M, which covers contractual costs that provide statutory medical surveillance exams to over 13,000 Federal technicians across the 54 States and Territories. The ARNG required an additional \$600,000 to support the following regulated occupational health programs: respiratory protection, hearing and vision conservation, radiation-exposure monitoring, health education, hazard communication, injury or illness management, return-to-work program, epidemiology, unhealthy working condition abatement, ergonomics, health promotion, and the automated external defibrillator program.

Industrial Hygiene

The Industrial Hygiene (IH) portion of the OHP FY11 budget featured base funding of \$4.9M. The program identifies, recognizes, and addresses the implications of occupational hazards so that the health and safety of Federal technicians are ensured across all operations. IH services include health hazard assessments for over 3,200 worksites as mandated by the Occupational Safety and Health Act and Army Regulations. Additionally, IH surveys help protect the health of ARNG Soldiers mobilized in support of domestic operations for disaster response, e.g., flood control, oil spills, and tornado clean up.

Family Readiness



The Army National Guard values the support and contributions of our Families across the country. Family Programs not only benefit service members and their Families, but also have a positive impact on a unit's morale and readiness.

In FY11, Soldier and Family support initiatives included Family programs, deployment cycle support, resilience training, suicide prevention, Vets4Warriors, sexual harassment/assault, response and prevention, substance abuse, and survivor services.

The ARNG Family Programs Branch plans, develops, and executes Family programs at the national level and assists the 54 States and Territories with execution of their individual programs. Collectively, these efforts increase readiness, enhance resilience, and support ARNG Families in crisis through programs such as Family Assistance Centers, Family Readiness Support Assistants, and State child and youth programs. As part of a support structure and protection network, ARNG Soldiers and Families are provided with tools to help them cope—even thrive—in the face of life's challenges.

Deployment cycle support includes the Yellow Ribbon Reintegration Program. Though focused on the deployment cycle, the program provides information, resources, referral and proactive outreach to Soldiers, their Families, employers, and communities through a delivery structure that spans all phases of mobilization to ensure a continuum of care and support.

ARNG resilience training expands the Army Comprehensive Soldier Fitness (CSF) Program to address and meet the unique needs of ARNG Soldiers, their Families, and civilians. Due to limited CSF training seat allocations—and to better support the needs of ARNG Soldiers and Families—the ARNG established a Master Resilience Trainer Training Center at Fort McCoy, Wisconsin, in July 2011. The goal of the program is to increase and enhance an individual's well-being and performance by developing the five dimensions of "strength": social, emotional, spiritual, Family, and physical. The end result integrates a greater resilience in the lives of Soldiers, their Families, and civilians and helps ensure a ready ARNG Force.

The foundation of the ARNG suicide prevention program is the ARNG Resilience, Risk Reduction and Suicide Prevention (R3SP) Campaign Plan. The R3SP Campaign Plan redefines suicide prevention as an integrated part of a broader based resilience and risk reduction framework. Though the ARNG does engage in specific suicide prevention and intervention activities, the essence of prevention is accomplished by building resilient Soldiers and Families with well developed coping skills, a strong support network, accessible and practical resources, and a supported process for post traumatic growth through times of crisis.

The Vets4Warriors peer support line (1-855-VET-TALK) provides all ARNG and Reserve Component Service Members, regardless of veteran status, direct access to supportive, non-attributed conversations with well-trained veteran peers who share similar experiences. Vets4Warriors is a component of a larger effort to promote individual resilience, risk reduction, and coping skills through peer support and referrals to community based services.



For additional information about the Vets4Warriors Program, please see the accompanying CD or click here.

Substance abuse prevention will provide Soldiers with counselors who have a proactive ability to conduct screenings, provide early interventions, and make referrals to treatment services for Soldiers. In FY11 the ARNG developed plans to pilot test a treatment program. This initiative will provide program access to geographically-dispersed Soldiers and emphasize alcohol and other drug abuse prevention, education, and treatment. Its intent is to conserve manpower and enhance readiness which, in turn, helps improve unit readiness, safety, and retention.

The ARNG Survivor Services branch provides ongoing support to Soldiers and Families through military funeral honors, casualty assistance, and survivor outreach. Teams connect Families to Army services, for as long as they desire, while fostering resilience and ensuring multi-agency standards of support to ensure Families have access to all entitled benefits. Military funeral honors is a way to show the Nation's deepest gratitude to those who have faithfully defended the country. The ARNG provides professional military funeral honors, in accordance with Service tradition, to all eligible veterans and fallen warriors. The ARNG supports approximately 80 percent of military funeral honors for the Army and 51 percent of funeral honors for all

Services combined. In FY11, the Military Funeral Honors Program provided or supported funeral honors for 127,514 veterans and Soldiers.

Strong Bonds Program

One of the most effective ways the Army helps strengthen Families is through the Strong Bonds Training Program. Since 1999, it has helped commanders increase resilience among Soldiers by strengthening their Families, which, in turn, strengthens the Army as well.

Strong Bonds training events are designed to be accessible to every Soldier. They are conducted in an offsite retreat format to encourage full and free participation and to maximize effect. The Army conducts expenses-paid, get-away events, coordinated by unit chaplains, to provide safe, healthy environments where participants can openly discuss the stresses of relocation, deployments, and other military lifestyle challenges. Participants interact with one another in small group activities and breakout sessions where they share experiences, identify common bonds, and build friendships. Unit chaplains across the country host Strong Bonds training events frequently, coordinating with unit commanders so that training schedules are not negatively affected. Soldiers and families benefit directly from interaction with one another and from building stronger relationships with units, chaplains, and others. The program is helping families before relationship problems become crises and creates strong stable families while creating healthy environments for children. The Army benefits, too: Soldiers with stable families supporting them can stay better focused on their missions—evidenced by improved Soldier readiness and retention rates. Overall, the Strong Bonds Program continues to provide meaningful, relevant, and engaging relationship enrichment to Soldiers and their families.

The ARNG expended \$7.2M in FY11 in the 54 States and Territories in support of over 320 Strong Bonds events for more than 19,500 Soldiers and Families. The ARNG has more than 400 chaplains, chaplain's assistants, spouses, and personnel who have obtained the skills and certifications required to effectively conduct events.



For additional information about the Strong Bonds Program, please see the accompanying CD or click here.

Logistics Readiness



The Ground Operations Tempo (OPTEMPO) program supports day-to-day operations and collective unit training efforts for the Army. It pays for repair parts, fuel, medical supplies, tools, and many stock-funded secondary items.

The funding posture for Ground OPTEMPO has been in steady decline since FY05. In FY11, ground OPTEMPO funding for the ARNG totaled \$847M; this equals 60 percent of the Guard's overall critical requirement.

The ARNG received substantial levels of new modern equipment. The cost of maintaining and repairing unit equipment continues to rise. Adequate ground OPTEMPO funding is essential to protect the investment in new equipment and complementary maintenance and repair. The ARNG's readiness to participate in current and future operations at home and abroad is directly related to its capacity to maintain unit equipment and effectively train unit personnel. Ground OPTEMPO is an essential enabler of the operational ARNG.

Depot Maintenance

The ARNG Depot Maintenance program continued to be an integral part of ARNG sustainment activities during FY11. The program is based on a repair-and-return-to-user premise, in contrast to the equipment maintenance "float" (loaner) system used by the Army. The depot's maintenance program also fully funds ARNG test, measurement, and calibration of diagnostic equipment. The ARNG, however, does not maintain selected end-items authorized for use by units as replacements when critical equipment is sent to the depot for repair.

Surface depot maintenance requirements increased by 5.4 percent in FY11; however, the program only received \$264.9M of its total requirement of \$474.7M. The increase in requirements was primarily due to the increased number of overhauls within the aged tactical wheeled vehicle fleet. In addition, the program continued to address near-term equipment readiness issues with the M113 Family of vehicles and M109A6 self-propelled howitzers. During FY11, the depot maintenance program funded the overhaul of 1,990 tactical vehicles.

Equipment On-Hand and Equipment Availability

Prior to 9/11, the ARNG was resourced at less than 100 percent of equipment requirements, with the historic fill rate at about 70 percent. In FY06, fill rates declined to approximately 40 percent of equipment available to governors due to cross-leveling equipment to support immediate deployment requirements; however, by FY07, the rate improved to about 49 percent.

At the end of FY11, the ARNG had 88 percent of its MTOE requirements on-hand. When items in support of mobilized and deployed units are subtracted, the current equipment-on-hand percentage falls to 77 percent of requirements available. In addition, the ARNG had 89 percent of its MTOE critical dual-use items on-hand. When discounting those items deployed in support of Federal missions, 75 percent of critical dual-use requirement was available.

Organizational Clothing and Individual Equipment

Beginning in FY11, the ARNG received funding for Organizational Clothing and Individual Equipment (OCIE) to be used for the replacement and maintenance of OCIE that is centrally managed in the Central Issue Facilities. In prior years, OCIE was funded in the Ground OPTEMPO account. The program received \$109M in FY11, and is projected to receive \$104M in FY12.

Items such as the Universal Camouflage Pattern Molly Rifleman Set, Ruck Sacks, Parkas, Advanced Combat Helmets, etc. are included. Funding is used for repair or replacement of items lost or damaged, and does not include individual clothing.

Environmental Program

The ARNG Environmental Program maximized effectiveness within significant fiscal constraints to ensure that the mission of the ARNG and compliance with environmental regulations

continued to be successful in FY11. Increased mission requirements for the ARNG and a stringent environmental regulatory climate continue to make environmental compliance and protection of the ARNG mission a challenge. Significant strides were made with Environmental Management System implementation, Non-Defense Non-Operational Defense Sites Program, operational range assessments, and the Massachusetts Military Reservation and Camp Navajo cleanup programs.

In FY11, the Environmental Program centrally managed a \$140,000 contract with a laboratory to perform perchlorate sample analysis, and coordinated with 38 States/Territories to complete two rounds of drinking water sampling at 112 ARNG drinking water systems. As a result, the ARNG is in compliance with the sampling requirements of the 2006 Department of Defense Perchlorate Policy and now possesses data required to prepare for anticipated perchlorate regulation. By centrally managing the sampling and analysis, the ARNG significantly reduced the time and effort that would have otherwise been needed for such a large undertaking. Besides the time and effort savings, there was also a cost savings due to the samples being performed by one laboratory.



For additional information about the Environmental Program, please see the accompanying CD or click here.

Figure 5. Major Missions and Events (Mission Peaks)



Facility Readiness



The ARNG owns more than 2,800 readiness centers (armories) in the 54 States and Territories and works with State Construction and Facilities Management Officers for acquisition and distribution of facilities-related resources, construction execution, and real property support. Over the last decade, the ARNG transformed from a strategic reserve to an operational force. This significant organizational shift has placed more demands on facilities. Facilities are critical to readiness, and support unit administration, training, equipment maintenance, and storage. They serve as command centers and sometimes as shelters during domestic emergencies. Readiness Centers also serve as platforms for mobilization during times of war. This array of use makes facility conditions a critical issue in that they directly affect unit readiness and morale.

Because of historical underfunding of the ARNG Military Construction (MILCON) program, 37 percent of the ARNG's more than 26,000 buildings are over 50 years old. Many were built on constrained sites of five acres or less, which do not meet anti-terrorism and force protection security standards. In addition to the age of our buildings, the historical underfunding has resulted in a shortfall of 70M square feet of all building types including a shortfall of 25M square feet at our readiness centers.

Under the Facility Investment Strategy the Army has for the first time begun to program funds into the Restoration and Modernization accounts. These Operations and Maintenance funds will allow the ARNG to do major repairs and modernize its facilities. The Army is also committed to keeping Sustainment funding at 90 percent of Office of the Secretary of Defense Facility Sustainment Model. This will help the ARNG maintain its facilities at an adequate level to support the mission.

Army Stationing 2020—the Army's strategy for future facility inventory management—was announced by the Secretary of the Army and the Chief of Staff of the Army in FY11. The strategy deemphasizes MILCON as the default solution for stationing units. MILCON remains a critical funding source for improving ARNG facilities. The Program Objective Memorandum for 2013–2017 does not provide sufficient funding to cover ARNG transformation, modernization, recapitalization, and quantity shortfalls.

Military Construction, ARNG

ARNG MILCON funding is a uniquely effective means of improving the infrastructure of a community-based operational force while stimulating local economies. Through the ARNG MILCON program, local businesses are awarded design and construction contracts which boost economic growth and deliver dollars to communities. The ARNG executed an FY11 MILCON budget of \$871.9M across 48 projects in 32 States, and achieved a funding execution rate of over 90 percent, despite FY11 budget delays. This is the fourth consecutive year that the ARNG achieved this level of execution. The budget included \$11.4M for Unspecified Minor MILCON (UMMC-NG) and \$25.7M for Planning and Design.

We must develop a MILCON strategy for the ARNG that prioritizes existing MILCON for key infrastructure—such as training and maintenance facilities—that is instrumental to readiness.

In FY11, the ARNG replaced or modernized 15 readiness centers (including eight under the Grow the Army initiative) at a cost of \$227.6M. Five other joint reserve component facilities were replaced or modernized at a cost of \$145.7M. The ARNG also constructed 13 training ranges and facilities to support Army Force Generation and unit readiness, at a cost of \$174.4M. Nine logistics facilities were replaced or modernized to support equipment modernization at a cost of \$220.9M. And six aviation facilities were replaced or modernized at a cost of \$66.3M. All ARNG MILCON projects are designed to meet Leadership in Environmental and Energy Design Silver criteria, and feature natural lighting, recycled material, and energy efficient products.

In FY11, the ARNG achieved 100 percent compliance with the Base Realignment and Closure (BRAC) law. For several years, the ARNG has been the only component in the Army to fully execute BRAC projects. Under BRAC 2005, which ended on September 15, 2011, the ARNG has closed 211 inadequate facilities and, in conjunction with other Reserve components, completed construction of 125 new Armed Forces Reserve Centers, all of which meet space, readiness, and anti-terrorism and force protection requirements. Of these 125 MILCON projects, 56 were led by the ARNG, and

69 by the USAR. BRAC has been a complex, multi-year program and Soldiers will benefit from it for decades to come.

Facilities Operations and Maintenance

The ARNG operated more than 26,000 buildings in FY11. Sustainment, restoration, and modernization (SRM) of these facilities prevents deterioration, maintains safety, and preserves and extends their functioning lifespan. The ARNG executed approximately \$680M for SRM projects in FY11. Additionally, \$275M in Facilities Engineering Services monies was executed to keep these facilities functioning (e.g., utilities, fire and emergency services, leases).

To improve budget accuracy, justification, and distribution of funds across States and Territories, the ARNG developed a Facility Management Budget Tool (FMBT). FMBT is projected to provide ARNG facilities operations and State offices with consistent budget management and execution capabilities. FMBT was fielded in early FY12, along with program guidance. Very importantly, it will help match funding to State requirements, providing them with more predictable funding from year to year.

Energy Projects

The American Recovery and Reinvestment Act of 2009 (ARRA) created unprecedented funding opportunities for renewable energy projects. The ARRA provided a means by which to meet government requirements for energy reduction and relieve backlogged energy projects. By increasing the use of alternative energy sources, the ARNG will be able to provide secure access to energy supplies and, simultaneously, reduce adverse impacts on the environment. While cost-reduction is the immediate goal, the long-term ARNG goal is to change user behavior and enhance our culture of individual accountability.

As readiness centers are renovated or replaced, the ARNG is committed to building or rebuilding newer, more energy efficient structures by using innovative and sustainable building strategies. The ARNG invested a total of \$14.3M in energy efficiency improvement projects in FY11. These projects will yield a total estimated annual energy cost savings of \$1.5M, or total estimated annual energy consumption savings of 32 Million British Thermal Units.



For additional information about ARNG Sustainability, please see the accompanying CD or [click here](#).

Technological Readiness



During FY11, ARNG Information Technology (IT) resources helped implement initiatives such as Cyber Defense, Operationalizing GuardNet XXI, Active Directory Consolidation, and Virtualization of Enterprise Application Servers.

The ARNG network is the foundation of Network Operations. GuardNet XXI, the ARNG network, is the ARNG's link to Army's LandWarNet, providing wide area network (WAN) connectivity to critical applications and services for Soldiers. GuardNet XXI infrastructure managed as an enterprise, added efficiencies and improved capabilities. The strategic push to operationalize GuardNet provided core network capabilities through significant policy, security, management, and technology changes in GuardNet XXI operations. To adapt to current network security threats, GuardNet XXI improved security posture and training for IT Cyber Warriors. The ARNG network upgrades virtualized servers and reduced applications, increasing efficiencies, storage utilization, and flexibility of existing data assets.

Information/Cyber Operations

The Cyber mission integrates across three staff sections G2, G3 and G6 by doctrine and regulation. ARNG-Headquarters leads developments occurring in the emerging Army Cyberspace Operations initiatives that are associated with the ARNG. Operations Division – Information Operations program oversight follows the traditional five pillars of Joint Information Operations (IO) to include Military Deception, Military Information Support Operations, Operations Security (OPSEC), Electronic Warfare and Computer Network Operations. In FY11, the ARNG heavily relied on its IO forces with multiple mobilizations of teams from the two Theater IO Groups, the 56th (Washington) and the 71st (Texas) along with mobilization of individuals from the Virginia ARNG Data Processing Unit (DPU) and the Iowa IO Field Support Team, all in support of OCO and defending the homeland. The ARNG provides IO Soldiers in Iraq, Afghanistan, the Philippines, and the Horn of Africa.

There are two primary cyber organization types within the ARNG. One primary unit is the Virginia DPU; the other is the Computer Network Defense Teams in each of the 54 States and Territories. These 'Cyber Warriors' are at the forefront of cyber operations around the globe and are working at all levels of government to assist in maintaining active and open networks, and other types of cyber operations supporting the War fighter and current operations.

The ARNG has two OPSEC teams that are improving OPSEC throughout the ARNG. The first team is the OPSEC Assessment Team which evaluated 21 states and received the U.S. Army Organizational OPSEC Award. The second team, a new addition to the OPSEC Family, is the OPSEC Maneuver Training Team (MTT). The MTT conducted 22 Security

and Technical courses including a course for our active Army counterparts; the MTT received high praise. The ARNG OPSEC program has proven its worth to such a degree that similar programs are being set up within US Army III Corps and in the USAR.

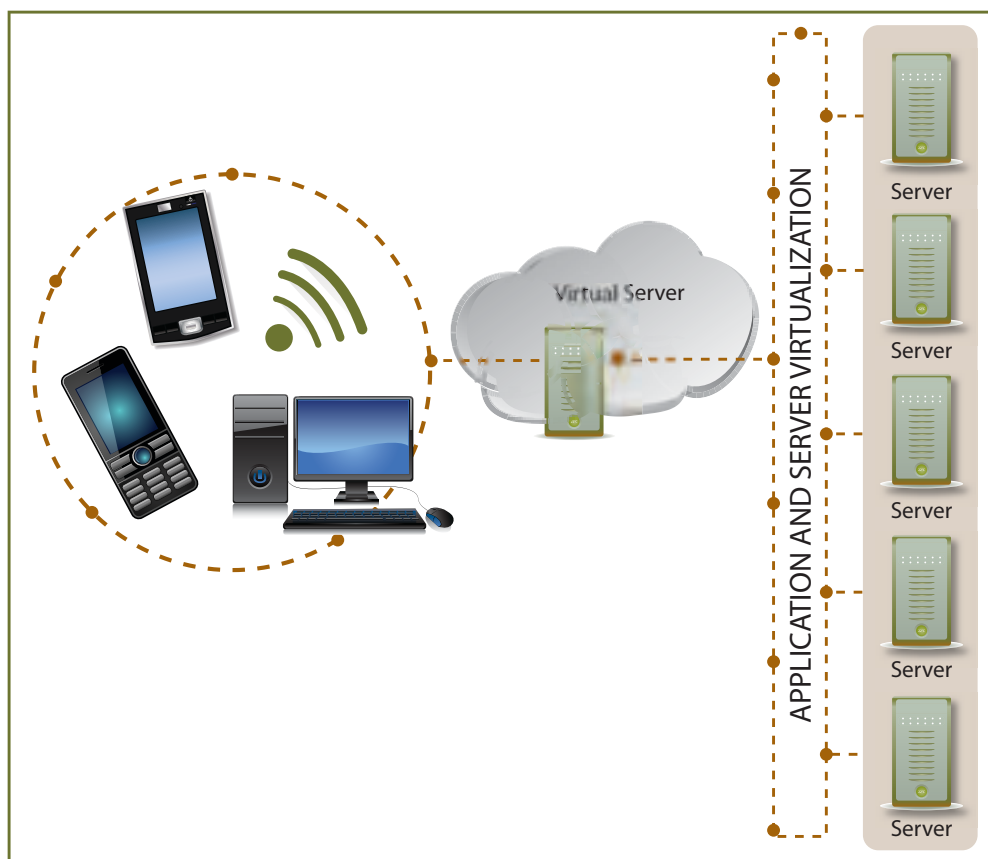
Cyber Defense

During FY11 the ARNG upgraded the Global Information Grid by improving GuardNet XXI's, mission command capabilities, strategy, and network security posture by deploying the latest WAN security technology. The ARNG fielded the Department of Defense Host Based Security System, ArcSight full time network logging and monitoring devices, retina vulnerability scanners, and McAfee Intrusion Protection Devices. These initiatives increased the ARNG ability to ensure an operational and secure network 24/7 to every ARNG Soldier.

Cyber Defense includes network simulation training, network enhancements, and enterprise applications.

Cyber defense includes network simulation training, network enhancements, and enterprise applications. Network Simulation Training/Cyber Defense involves network simulator training through the Army Guard Enhanced Networks and Training Simulator (ARGENTS). The ARGENTS can replicate any network, and supports ongoing cyber-warfare initiatives. The teams train in cyber fundamentals and in individual and joint tasks, with the goal of developing ARNG-wide cyber-defense. LandWarNet strategy support consolidates the IT environment into a

Figure 6. Application and Server Virtualization



Technological Readiness

net-centric architecture standardizes enterprise solutions, and limits non-standard solutions for common enterprise services. Department of the Army consolidation will also improve the security posture of GuardNet XXI.

The ability to simulate attacks allows units to meet specialized training objectives. In FY11, ARGENTS trained 58 Soldiers and Airmen locally through participation in two exercises: Joint Cyber Defense Bulwark Defender and Wisconsin’s Vigilant Guard Exercise. Homeland defense and civil authority support included Federal Bureau of Investigation, State Police, and the Wisconsin Emergency Management staff.

Operationalizing GuardNet XXI

During FY11, GuardNet XXI was operationalized through major policy, security, management, and technology changes. The GuardNet XXI process is transforming ARNG operations through enhanced operational capability. The ARNG embraces IT as an enabler for the operating and generating forces in a National Joint, Interagency, and

Intergovernmental Network environment. This includes full-time Guard, Active Army, Air National Guard, Homeland Defense/Defense Support of Civil Authorities (HD/DSCA), CBRNE, Civil Support Teams, and Homeland Response Force partners.

Through this framework, the ARNG leads the way toward redefining GuardNet XXI as a national, full-spectrum communications, Command and Control, and situational awareness operator. GuardNet XXI, as the primary ARNG network:

- Facilitates warrior training through distance learning and simulations;
- Supports tactical IT maintenance;
- Provides network access for all ARNG Soldiers and Airmen;
- Provides for increased network interoperability with improved security; and
- Supports DoD, Department of Army, NGB, and the ARNG.

Table 2. Application and System Reduction Activities

Retired Applications with No Replacement	
Readiness & Operations and Real-time Analysis Programs for Training, Operations, and Readiness System (RAPTOR)	No Replacement
Classified Enterprise Data Warehouse (CEDW)	No Replacement
Retired Applications with Replacements	
Standard Installation/Division Personnel System-Army National Guard (SIDPERS-ARNG)	Integrated Personnel and Pay System – Army (IPPS-A)
Total Army Personnel Database-Army National Guard (TAPDB-ARNG)	IPPS-A
JUMPS Standard Terminal Input System (JUSTIS)	IPPS-A
My Unit Pay (MUP), and National Guard Automated Board System (NGABS)	IPPS-A
Subsumed Applications with Enhanced Applications	
Automated Fund Control Order System (AFCOS)	IPPS-A and General Funds Enterprise Business Systems (GFEBs)
Resource Management Online (RM On-line NGB)	GFEBs
Corporate Management System II (WebCMS2)	GFEBs
Mobilization Movement Control System (MOBCON)	Transportation Coordinator’s Automated Information System II
Integrated Material Automation Program-Web (IMAP-W)	Global Combat Support System – Army
Applications Consolidated by a Replacement	
Medical Action Tracking System (MATS)	Medical Electronic Data for Care History And Readiness Tracking (MEDCHART)
Federal Recognition Management System (FRMS)	Guard Knowledge Online

Operationalizing GuardNet will enhance operational capability in support of pre-deployment training initiatives and emergency first responders during disaster relief and in defense of our Nation.

Virtualization of Enterprise Application and Servers

Enterprise virtualization expands storage space and enhances scalability by using virtual platforms and by consolidating applications to achieve simplicity and efficiency.

Virtualization of Servers — Virtualization is the creation of virtual rather than physical hardware platforms and storage devices to reduce hardware, personnel, and maintenance requirements while increasing the security of a network. In support of the Army Data Center Consolidation Plan (ADCCP) mandated in the Federal Data Center Consolidation Initiative, the ARNG consolidated to reduce its carbon footprint and optimize the IT environment. Key to ARNG's optimized environment was the virtualization of servers in the Enterprise Processing Center, resulting in reduced IT costs while increasing the efficiency, scalability and utilization of storage capacity and the flexibility of existing assets.

Through application and server virtualization, the ARNG achieved the following:

- Aggregated common infrastructure resources and broke the “One Application to One Server” legacy model. Virtualization reduces hardware and operating costs by as much as 50 percent and energy costs by 80 percent, saving more than \$3,000 per year for every server workload virtualized. In addition, virtualization reduces the time it takes to provision new servers by up to 70 percent.
- Eighty four (84) percent of all applications supported in the Enterprise Processing Center (EPC) are using virtualization. The number of servers in the EPC was reduced by 75 physical servers.
- The reduction of the physical infrastructure has reduced maintenance cost and improved performance (measured by mean time failure rate).
- Virtualization provides automatic resource allocation based upon demand, preventing server/application outages and improving the overall user experience.

Data Center Consolidation Plan — In addition, the ADCCP mandates a 50 percent reduction in the number of IT systems and applications. The ARNG continues to evaluate

ways to consolidate applications and retire legacy systems contained in the ARNG portfolio. As of February 2011, 44 ARNG enterprise IT application investments were registered in the Army Portfolio Management System. Table 2 identifies the accomplishments for FY11 and future year application and system reduction activities.



*S*PC Alexander Martin of Colts Neck, N.J., and PFC Paul Zaballos of Elizabeth, both from Charlie Company, 50th Brigade Special Troop Battalion, work on computer networking devices at the Task Force South Command Center in Warren Grove. More than 2,400 New Jersey Army and Air National Guard troops were mobilized to assist civilian authorities respond to Hurricane Irene. (Photo by MSG Mark C. Olsen)

Equipping Readiness



The ARNG continues to support the Army's full-spectrum Army Force Generation-based Equipping Strategy, focusing on modernization, improving equipment interoperability, and emphasizing Critical Dual Use (CDU) equipment. As a result of these focused efforts and Congress's continued support of Army procurement, the ARNG is more capable than ever of supporting the Army and our Nation in OCO and Homeland Defense/Defense Support of Civil Authorities (HD/DSCA) missions. In FY11, the ARNG received approximately 104,000 new items of equipment valued at \$3.6 billion. With this new equipment, the Modified Table Of Organization & Equipment (MTOE) Equipment On-Hand (EOH) percentage rose to 87 percent, and the ARNG currently has 89 percent of its CDU EOH.

Modernization Success:

The ARNG significantly advanced the modernization of its medium tactical wheeled vehicle fleet. Utilizing Army and National Guard and Reserve Equipment Appropriation (NGREA) funding, the ARNG expects to achieve over 71 percent fill in Family of Medium Tactical Vehicles (FMTV) variants. FMTVs are an integral part of ARNG missions, and, as one of the mainstays of CDU equipment. FMTVs are the focus of the ARNG's efforts to replace the aging M939 series medium trucks. NGREA funding also improved our on-hand levels in combat service support equipment, such as power generators, containerized kitchens, and field feeding systems.

During FY10–11, the ARNG modernized key Engineer Mobility Systems, obligating \$114.2M of NGREA funds. Purchases included the 14-18 Cubic Yard Heavy Scraper, D7R Dozers and the 2.5 Cubic Yard Light Loader. These CDU-equipped systems play key roles in HD and DSCA missions, and, along with other Engineer systems, continue to be an integral part of ARNG missions at home and abroad. The ARNG will continue to procure Engineer Mobility Systems to replace its aging fleet.

Significant modernization continues for the ARNG aviation fleet. The Army is scheduled to modernize the ARNG with the AH-64D Longbow by FY14, the CH-47F Chinook by FY17, and the UH60L Blackhawk by FY23. Modernization continues for the CH47D, OH58A/C, and UH/HH60A. The OH-58 is undergoing Light Utility Helicopter (LUH) fielding, and the ARNG is scheduled to complete the LUH-72 Lakota fielding in FY16. NGREA continues to fund the LUH mission equipment package retrofit for homeland missions.



*S*PC Christopher Breeze of the 37th IBCT, Headquarters, Headquarters Company, fires the 240B machine gun with a PVS-14 nightvision scope at the Camp Perry Joint Training Center, Port Clinton, Ohio as part of an Annual Training (AT) night-fire exercise. The Ohio National Guard's 37th IBCT is conducting pre-mobilization training during AT as it prepares to deploy about 3,600 Soldiers to Afghanistan in support of Operation Enduring Freedom starting spring 2011. (Photo by SGT Sean Mathis)

Interoperability Success:

The Tactical Operation Combat System and Standardized Integrated Command Post System (TOCS/SICPS) enables commanders and staff to digitally plan, prepare, and execute operations. It allows the ARNG to have fully interoperable and digital Command and Control (C2) capability with the Active Component (AC). During FY10–11 the ARNG obligated \$66.6M NGREA funds to field TOCS/SICPS in Brigade and Battalion level units.

The ARNG is scheduled to field the Warfighter Information Network – Tactical Increment 1 (WIN-T Increment 1) to 100 percent of its requirement by the second quarter of FY12. WIN-T Increment 1 improves C2 by providing communications capabilities down to the Battalion level for real time internet access and the ability to send and receive voice, data, video, and images via military and commercial satellites.

FY11 and FY12 Funding Profile:

The Army continues the equipping and modernization process with the efforts to transform the ARNG to an operation reserve force. For example, from October 2011 thru September 2012, the ARNG is projected to receive 71,396 pieces of equipment valued at approximately \$7.1B. In FY11, the Army allocated approximately \$3.56B in base funding for ARNG equipment. Highlights include \$538M for FMTV, \$218M for High Mobility Artillery System (HIMARS), \$204M for Bradley Fighting Vehicle Recapitalization, \$199M for UH-72A Light Utility Helicopters, and \$156M for CH-47 Chinook helicopters. Considering current funding levels, production capacities, and the age of ARNG equipment, the ARNG tactical wheeled vehicle and helicopter fleets will continue to require significant long-term funding. The Army requested approximately \$3.42B in FY12 base funding for ARNG equipment.

Equipping Readiness

Past ARNG Equipment Appropriation (NGREA) and Congressional Add Accounts Funding

The ARNG successfully closed out the expired FY09 funding (\$768.6M – base and supplemental). The combined commitment rate of 100 percent and obligation rate of 99.2 percent again indicates the successful management of these funds. Funding for FY10–FY11 total \$825M. Through improvements in coordination with the Program Management offices within the Assistant Secretary of the Army for Acquisition Logistics and Technology community,

the ARNG successfully met the Congressional and Office of the Secretary of Defense Reserve Affairs requirements for obligating funds in the first and second years: 80 percent and 90 percent respectively. There were no supplemental funding for FY10 and FY11. These funds were executed according to the approved “Buy Lists” for each of the fiscal years.

The ARNG successfully closed out the FY09 Congressional Add Account. The close-out obligation rate was 97.4 percent. The funding received for FY10 was \$91.6M to purchase those items specified by Congress. Congressional Adds were discontinued following FY10.

Table 3. FY10 ARNG Significant Major Item Shortages

1	UH-60 A-A-L Modernization	646	185	\$1,387,500,000
2	CH-47 F	161	26	\$761,516,080
3	High Mobility Multi-Purpose Wheeled Vehicles (HMMWV) Recapitalization	3,308	3,308	\$198,480,000
4	General Engineering Equipment	3,901	2,254	\$547,958,670
5	Family of Medium Tactical Vehicles	32,960	7,185	\$1,863,120,795
6	Global Broadcast Systems (GBS)	89,157	25,085	\$49,091,345
7	Prophet	69	48	\$67,200,000
8	Chemical/Biological Protective Shelter	288	275	\$201,663,825
9	Medical Field Systems	14,562	1,371	\$23,300,145
10	LUH UH-72A	210	0	\$0

Table 4. FY10 NGREA Base Buy List

Joint Force Headquarters (JFHQ) Command and Control	\$20,501,600
Aviation	\$80,177,097
Civil Support Teams and Force Protection	\$ 24,279,460
Communications	\$92,746,309
Engineer	\$14,399,714
Logistics	\$13,266,342
Maintenance	\$5,833,078
Medical	\$15,000,000
Security	\$37,558,879
Transportation	\$271,237,521

Note: There was not a supplemental in FY10

Table 5. FY11 NGREA Base Buy List

Aviation	\$58,980,480
Engineer	\$38,506,000
Training Aids, Devices and Simulators	\$30,932,981
Force Protection (Chemical Detection, Decontamination Trailer)	\$35,306,257
Tactical Power Generation/Distribution [Power Distribution Illumination System, Electrical (PDISE) Generators]	\$8,199,240
Battle Command [Standard Integrated Command Post System (SICPS), Global Broadcast System]	\$78,073,492

Note: There was not a supplemental in FY11

Funding for New and Displaced Equipment Training

New Equipment Training (NET)/Displaced Equipment Training (DET) funding depends on the amount of new equipment in the pipeline. In FY11, the ARNG received \$79.6M in NET funding to field new equipment.

There are additional costs related to NET that are not specifically included in the NET event. For example, when a NET event requires live firing, States are mandated statutorily to provide range safety officers, range control managers, ammunition handlers, and medics, positions not funded by the NET program. When equipment is fielded, additional equipment and personnel are frequently required to prepare or de-process the equipment for training. Additional NGPA funding would allow the States to provide an augmented body of Soldiers for required “support” activities directly related to NET events.

Status of Equipment On Hand (EOH) Percentages

The ARNG is effectively managing its available resources at a time when domestic missions are competing with wartime requirements for resources. The ARNG continues to be resourced at less than 100 percent of its equipping requirements. The ARNG’s total EOH is at 87 percent. Eleven percent of ARNG equipment is deployed. This leaves the ARNG with 76 percent of MTOE equipment in CONUS available to the governors. This EOH percentage does not include Table of Distribution and Allowance (TDA) requirements that are critical to MOS producing schools, CSTs, pre-mobilization training, States’ JFHQs, and other ARNG TDA requirements. Additionally, some TDA equipment is critical to HD/Homeland Security/DSCA missions.

Budget Operating Systems (BOS)

The equipment item listings in each BOS area is not an all-inclusive ARNG shortage list but are shortages most critical to the ARNG for FY13.

The BOS include Management Decision Packages (MDEP) in two categories: 1.) support systems that enable weapons, personnel, or information to reach or leave the battlefield; and 2.) weapon systems, or components thereof, for the battlefield. Such systems fulfill the Army’s combat, Combat Support, and Combat Service Support (CSS) missions. Systems in the following BOS tables with fill percentages below 90 percent are candidates for NGREA funding.

Equipping Readiness

Table 6. FY10 Congressional Add Buy List

Equipment Description	Program Requested Totals
Mines Resistant Ambush Protection Vehicle Virtual Trainers from House Appropriation Committee Report	\$25,027,400
Mines Resistant Ambush Protection Vehicle Virtual Trainers – Illinois ARNG & Tennessee ARNG	\$11,365,000
ARNG UH-60 Rewiring Program	\$7,975,324
Combine Arms Virtual Trainers - TNARNG	\$4,985,000
Emergency Response Generator Stockpile - Kentucky ARNG	\$4,785,000
Ultralight Utility Vehicles for the National Guard	\$ 4,466,000
Combat Skills Marksmanship Trainer	\$3,988,000
Program Increase – Training Simulations for ARNG	\$3,988,000
Regional Emergency Response Network Emergency Cell Phone Capability – Florida ARNG	\$3,987,000
Virtual Interactive Combat Environment (VICE) Training System – New Jersey ARNG	\$3,489,000
Recoil UH-60 Wild Land Fire-Fighting Tank Systems – Not Noted as ARNG	\$3,190,130
Phoenix Quad – Band Satellite Receiver – Delaware ARNG	\$3,190,000
Multi – Temperature Refrigerated Container System	\$2,800,000
Machine Gun Training System – Pennsylvania ARNG	\$2,393,000
Virtual Convoy Operations Trainer – Illinois LARNG	\$2,393,000
Internal Auxiliary Fuel Tank System – Not Noted as ARNG	\$2,392,597
Immersive Group Simulation Virtual Training Systems – Hawaii ARNG	\$2,293,000
Muscatatuck Urban Training Center (MUTC) Instrumentation	\$1,994,000
VICE Training Systems – Virginia ARNG	\$1,994,000
Communications Aerial Platforms for Increase Situational Awareness – Minnesota ARNG	\$1,882,000
Tactical Operations Center – Washington ARNG	\$1,834,000
Civil Support Communications Systems – Kentucky ARNG UH-60 Aircraft	\$1,595,065
Expandable Light Air Mobility Shelter and Contingency Response Communication System – Illinois ARNG	\$1,595,000
Individual Gunnery, Tank Gunnery, and Tabletop Full-Fidelity Trainers – New Mexico ARNG	\$1,595,000
Mobile Firing Range for Texas ARNG	\$1,495,000
Virtual Convoy Operations Trainers – New Mexico MARNG	\$1,196,000
Forward Looking Infrared Sensors for UH-60 Medevac Helicopters – Minnesota ARNG	\$797,532
Air Filtration Systems for National Guard Helicopters	\$795,000
Fifth – Wheel Towing Devices – Puerto Rico ARNG	\$560,000
Combined Arms Virtual Trainers – New Mexico ARNG	\$399,000
Operator Driving Simulator Request – Tennessee ARNG	\$279,000
HMMWV Egress Assistance Trainer – Tennessee ARNG	\$160,000

Table 7. Air Defense Budget Operating System

Air/Missile Defense Planning & Control System	3	2	66%	\$12M
Sentinel Radar	86	42	49%	\$70M
Air Defense & Airspace Management System	81	50	62%	\$24M

The Air/Missile Defense Planning & Control System (AMDPCS) consists of systems that detect, track, and destroy enemy air and missile attacks. These systems have a significant role in supporting OCO missions as well as protecting our homeland airspace. The Sentinel consists of basic and improved radars, of which the ARNG has 49 percent (42 of 86) radars on-hand. The upgrade to the Improved-Sentinel radars (detects, tracks, classifies, and reports targets including cruise missiles, unmanned aerial vehicles, rotary and fixed-wing aircraft) is at 67 percent (28 of 42) radars on-hand and 33 percent (28 of 86) of requirement. Production rate is slowing (12–18 months delay) because of theater priority and the late funding authorization in FY11. Avenger/Stinger systems are reviewed

to determine sustainment and modernization and whether a Shelf Life Extension Program (SLEP) is necessary. The Army currently has 850 Stingers slated to enter the SLEP, extending their life by ten years, with additional Stingers queued up for a SLEP as they approach life-cycle end. Future, planned funding will improve Air Defense Artillery systems, but funding for the AMDPCS awaits the outcome of the future Army Integrated Air and Missile Defense System upgrade. The Army established an Air and Missile Defense Task Force with intent to integrate the joint and Air Missile Defense (AMD) community on emerging AMD concepts and operational requirements. The ARNG participated and contributed to this task force. The AMDPCS shortfall value is significantly greater than FY10’s due to upgraded system cost.

Table 8. Aviation Budget Operating System

UH-60 Blackhawk (Modernization)				
UH-60L Model	480	202	42%	
UH-60M Model	40	36	90%	\$4.9B
LUH-72 Lakota	204	141	69%	\$327.6M
AH-64 Apache	144	107	74%	\$1.3B
CH-47 Chinook (Modernization)	24	16	66%	\$186M
Aviation Ground Support Equipment (54 LINs)				\$65.3M

The above data reflect reporting requirements and on-hand data for FY13 only. All systems are undergoing phase modernization changes and the data do not reflect the overall requirement for a specific system. The systems above are considered CDU items, with the exception of the AH-64 Apache Longbow and the LUH-72. The LUH-72 Lakota is scheduled to be fully fielded by FY16. The ARNG continues to lack modernization funding for Aviation Ground Support Equipment (AGSE). At the current UH-60 conversion and

cascade rate (from the A model to the L models), it will take until FY23 to fully retire the UH-60A fleet. Requirements for FY18 are for 623 UH-60Ls and 171 UH-60Ms. The AH-64D will continue its Block II upgrades and current plans have the AH-64A fully divested by FY14. The planned retirement of ARNG fixed wing aircraft is on hold pending the outcome of a Congressionally-mandated domestic airlift requirement study.

Table 9. Battle Command Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
Global Broadcast Systems	560	198	35%	\$78.5M
Force XXI Battle Command Brigade and Below (FBCB2)	25,255	11,276	45%	\$435.6M

The Battle Command BOS consists of the Army digital C2, communication, computer, and intelligence systems including fixed/semi-fixed and mobile networks that are designed for interoperability. The SICPS is a crucial piece of equipment for the ARNG, assuring interoperability across all Army Battle Command Systems. Over the past year,

the ARNG has made great strides, rising to 89 percent fill by FY12. NGREA funds supplied a vital funding bridge to ARNG units, enabling them achieve an acceptable mission-capable readiness level. The ARNG expects to field 63 percent of FBCB2/Blue Force Tracker requirements and 64 percent of GBS by FY13.

Table 10. Combat Supply System (CSS) Quartermaster, Ordnance, and Medical Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
2000 Gallon Tank (HIPPO)	660	400	41%	\$39.3M

The CSS Quartermaster, Ordnance, and Medical BOS consist of medical, fuel, water, and food systems. Since the HIPPO and Camel water systems are new items of equipment that are being fielded, the ARNG is experiencing low percentage

fill rates. Additionally, the Camel system is experiencing initial production delays; consequently, the on-hand quantity remains zero.

Table 11. CSS Transportation Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
Truck Ambulance: 4 Litter	1,654	1,654	100%	\$0.0M
Medium Tactical Vehicles (MTVs)	30,170	22,882	85%	\$1.1B
Armored Security Vehicle	1,270	559	44%	\$366.5M

The CSS Transportation BOS consists of Light Tactical Vehicles (LTVs), MTVs, Heavy Tactical Vehicles (HTVs), and Tactical Trailers.

Although the LTV on-hand percentage is 100 percent, only 35 percent of the fleet is armor-capable. The ARNG fully supports the Army's strategy of modernizing and extending the HMMWVs service life by recapitalization which, if funded, will extend the economic useful life of over 4,366 legacy HMMWVs. The ARNG used NGREA funding to procure 500 HMMWV ambulances, which will increase the

on-hand percentage to 100 percent by FY12. MTVs are the backbone of the ARNG's truck fleet, critical to performing domestic and OCO missions. Using both Army and NGREA funding, the ARNG significantly increased its MTV fleet on-hand and modernization levels. By FY12, 71 percent of the MTV fleet will consist of modern FMTVs with 13 percent of the fleet armor-capable. Overall, the ARNG's MTV fleet is 85 percent fill, consisting of a mix of modern FMTVs and legacy M939-series models.

Table 12. Fire Support Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
M1200 Armored Knight	170	66	39%	\$176M
Lightweight Laser Designator Range Finder (LLDR)	1,053	451	43%	\$181M

The above systems play a vital role in ARNG OCO missions. The ARNG has full funding for the M777A2, M119A2, and HIMARS. The M1200 Armored Knight and LLDR are fully funded and are being fielded through FY16. The Enhanced Q-36 Firefinder radar replaces both the Q-36 and Q-37 and is currently in the production and deployment phase. It will

begin full rate production in FY13 and the ARNG will not be fully fielded for many years. It is a significant capability upgrade as it provides Warfighters continuous and responsive 360-degree counter-battery target acquisition capability versus the current 90-degree capability.

Table 13. Intelligence and Electronic Warfare (IEW) Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
Prophet Electronic Support Spiral	69	15	22%	\$108M

The IEW BOS consists of a variety of military IEW subsystems. The systems within the IEW BOS portfolio are the Trojan Special Purpose Intelligence Remote Integrated Terminal (SPIRIT), Prophet Spiral, Counterintelligence/ Human Intelligence Automated Reporting and Collection System, and Distributed Common Ground System-Army All Source Analysis System-Light (DCGS-A). IEW equipment

fielding is aligned with ARFORGEN Aim Points. DCGS-A supports network-centric warfare by providing timely battle management and targeting information to the field commanders at all echelons. DCGS-A emphasizes the use of distributed operations to improve data access and reduce forward footprint.

Table 14. Maneuver Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
Stryker Vehicles	323	319	99%	\$82M
Bradley Fighting Vehicles	876	792	91%	\$566M
Long Range Advanced Scout Surveillance System (LRAS3)	1,050	1,046	100%	\$2M

The Maneuver BOS consists of a variety of maneuver combat vehicles including the Abrams Tanks, armored personnel carriers, Bradley Fighting Vehicles, Stryker Combat Vehicles and Hercules Recovery Vehicles as well as

mortars, and LRAS3 systems. Funding is in place to provide 100 percent of requirements by FY13.

Table 15. Mobility Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
T9 Dozer W/Winch	404	242	60%	\$41M
Mixing Plant: Asphalt	16	2	13%	\$42M
Family of All Terrain Tactical Cranes: TYP II (Modernization)	156	0	0%	\$20M

Mobility BOS systems support DSCA, HD and combat missions. This BOS includes systems in general engineering, horizontal construction, mobility, survivability, counter-mobility and sustainment. Funding is planned in future years for key systems in this category except the Hydraulic Excavator (HYEX), Medium Mine Protected Vehicle, Dozer, and Bridging families. Systems in the

HYEX and Dozer families are either beginning their modernization or are in concept development for the next system generation. Horizontal Construction equipment is also being modernized, however, full funding is not planned for the Asphalt Mixing Plant. NGREA funding has been recently used to purchase light loaders, bulldozers and scraper systems.

Table 16. Nuclear, Biological, and Chemical (NBC) Force Protection Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
Chemical and Biological Protection Shelter (CBPS)	285	7	2%	\$172.9M

The NBC Force Protection BOS consist of systems to support chemical, biological, radiological, and nuclear activities. Production of the MTV-based CBPS System began in August 2011. After initial testing, first production

deliveries are slated for July 2012. The ARNG plans to use NGREA to supplement Army base-budget funding.

Table 17. Soldier Systems Budget Operating System

System	Required Qty (FY 2013)	On-hand Qty (FY 2013)	Percentage Fill	Equipment Shortfall Value
Thermal Weapons Sights	77,732	62,388	80%	\$210M
Heavy Machine Guns	24,488	22,942	94%	\$20M
Night Vision Goggles	221,832	218,582	99%	\$50M

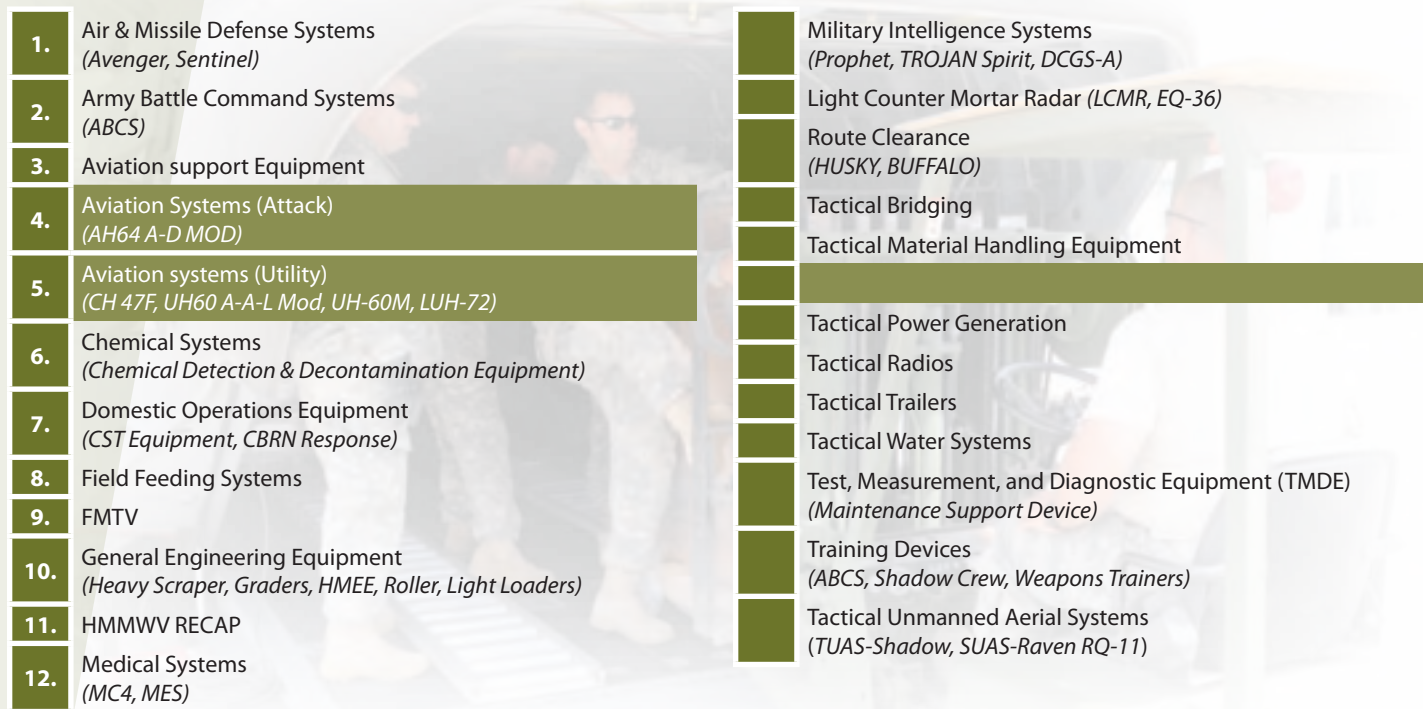
The Soldier BOS, consisting of Soldier Systems and Soldier Weapons, consists of night vision goggles, thermal weapons sights, and weapon support items (Soldier Systems), as well as grenade launchers, heavy, medium, and light machine guns, service rifles and other small arms (Soldier Weapons). As of September 2011, full

funding is planned over the next six years. EOH levels are increasing, and several new requirements are being applied to replace legacy systems. NGREA provided some funding for M25 Binoculars, shop maintenance equipment for small arms, and night vision goggles.

ARNG Top 25 Equipment Modernization Shortfall List:

While ARNG procurement funding is expected to decrease in future years, the Army and Congress continue to demonstrate their commitment to equipping the ARNG with modern equipment. *Table 3. Significant Major Item Shortages*, provides further detail on the ARNG’s top ten shortages, prioritized for major items of equipment that would benefit from additional funding in the Future Years Defense Program.

Figure 7. FY13 ARNG Top 25 Equipment Modernization Shortfall List



Black = Carryover; Green = Add
List is not prioritized. Items are listed alphabetically.

Equipping Readiness

ARMY BATTLE COMMAND SYSTEM (ABCS) FBCB2, TBC, GCCS-A, BCS3, DAGR, TAIS, SKL

Force XXI Battle Command – Brigade and Below/Blue Force Tracker (FBCB2/BFT)



FBCB2/BFT is a digital battle command information system providing integrated, mobile, near real-time battle command and situational information from platforms to echelons above CORPS and across all battlefield functional areas via

Satellite L-band Communications. ABCS is critical for the ARNG because it supports the Homeland Defense mission and DSCA missions along with other overseas contingency operations.

FY13 Equipment Shortfall Value \$435.6M

TACTICAL MATERIAL HANDLING EQUIPMENT All Terrain Lifter, Army System (ATLAS)

Truck Lift: Fork Variable Reach II (ATLAS II)



The ATLAS II is a self-deployable rough terrain, manually-operated forklift capable of lifting up to 10,000 lbs., and stuffing and un-stuffing various containers up to 20 feet long. Its forks are compatible

with various-sized pallets and containers for the purpose of handling supplies.

FY13 Equipment Shortfall Value \$6.9M

AVIATION GROUND SUPPORT EQUIPMENT Helicopter Internal Cargo Handling System (HICHS)

Aviation Ground Power Unit (AGPU)



The AGPU is a multifunction ground support system used to support today's modern combat aircraft. The AGPU is a gas turbine engine-driven, wheel mounted, self-propelled enclosed unit.

The AGPU can be towed (20 mph maximum on improved surfaces and 10 mph maximum on unimproved surfaces) and is air transportable. The AGPU provides AC/DC electrical, hydraulic, and pneumatic power for aircraft such as the AH-64, CH-47, OH-58, and UH-60.

FY13 Equipment Shortfall Value \$65.3M

AVIATION SYSTEMS

CH 27F, UH 60 A-A-L Mod, UH-60M, AH64 A-D MOD, LUH-72 Mission Equipment Package

Helicopter, Cargo, Medium Lift, CH-47F



The CH-47F Improved Cargo Helicopter (ICH) is a twin rotor, medium lift, multi-role helicopter. This improved version has two new 4,868-horsepower Honeywell T55-GA-714A engines, enabling it to reach speeds greater than 175 mph and transport payloads weighing more than 21,000 lbs. It contains a fully integrated, digital cockpit management system, Common

Aviation Architecture Cockpit and advanced cargo-handling capabilities that complement the aircraft's mission performance and handling characteristics. The ARNG uses this aircraft for disaster response, troop/equipment transport, augmenting overseas missions in support of OCO, CASEVAC transport, and other missions. This aircraft provides flexibility to the ARNG to fulfill its missions.

FY13 Equipment Shortfall Value

.....\$7.0B

**The CH-47F is the modernized version of the CH-47D which, is included in the projected on-hand quantity.*

DOMESTIC OPERATIONS EQUIPMENT
High Purity Germanium Radiation Detection
ORTEC Micro-Detective HX

WMD-CST Radiation Detection



The Micro-Detective is the next generation portable nuclide identifier. Hundreds of these are in daily use across the world in the fight against nuclear trafficking. The spectra downloaded from this device assist in the treatment of victims of, and response to, nuclear-related incidents.

FY13 Equipment Shortfall Value\$12.3M

FAMILY OF MEDIUM TACTICAL VEHICLES
FMTV



The FMTV consists of a common medium truck chassis that has several vehicle configurations, to include the A-Cab variant and two payload classes.

It covers a family of trucks capable of hauling 2.5- to 5-ton cargos. The FMTV modernizes the medium tactical vehicle systems, reducing the fleet age and operating costs. The modern FMTV fleet is the backbone for all military logistical support and serves as a critical dual-use system in support of the ARNG's domestic and foreign missions.

FY13 Equipment Shortfall Value\$1.1B

GLOBAL BROADCAST SYSTEM
Global Broadcast System (GBS)



GBS is a smart-push/user-pull satellite communication system that provides large volumes of information to deployed or garrison forces. The AN/TSR-9 receives and disseminates GBS broadcasts at up to 23 million bits per second, and is capable of processing both classified and unclassified information products such as imagery, intelligence, video (NTSC and Digital), theater message traffic, joint and service-unique news, weather, and morale, welfare, and recreation programming.

FY13 Equipment Shortfall Value\$78.5M

HMMWV RECAPITALIZATION
M1151, Ambulance



The HMMWV serves as the Army's light tactical wheeled vehicle and is produced in several configurations, including weapons and C2 systems, field ambulances, and troop and general cargo transport. The HMMWV

is a lightweight, high performance, four-wheel drive, air-transportable and air-droppable family of tactical vehicles. The HMMWV is equipped with a high-performance diesel engine; automatic transmission and payload capacity of 4,000–5,100 lbs.

FY13 Equipment Shortfall Value\$262M

Equipping Readiness

HORIZONTAL CONSTRUCTION EQUIPMENT

Heavy Scrapers, Graders, High Mobility Engineer Excavator, Roller, Light Loaders, Asphalt Equipment

Scraper, 14 Cubic Yard



The Scraper is a self-propelled, open-bowl, pneumatic-tired, two-axle, single-diesel-engine driven, articulated-frame steer vehicle. Its loading capacity is 14 cubic yards struck, and 20 cubic yards heaped. The self-propelled scraper can work

alone and self-load, but only at a greatly reduced production capacity. The scraper provides efficient hauling and dumping capability in support of earthmoving projects. Modernization funding is required to replace legacy systems that have exceeded their useful service life.

FY13 Equipment Shortfall Value \$47M

MEDICAL SYSTEMS

Medical Communications for Combat Casualty Care (MC4)



The MC4 system is composed of seven (7) Army-approved line items of medical communications tools used to read and record Soldiers' medical information. The MC4 provides medical personnel access to the medical baseline information of Soldiers in their care, enhances

medical readiness, and provides a comprehensive life-long electronic medical record for all service members. MC4 effectively links health care providers and diagnostic systems.

FY13 Equipment Shortfall Value \$62.3M

MILITARY INTELLIGENCE SYSTEMS

DCGS-A, Trojan SPIRIT, Prophet

Prophet



ARNG military intelligence assets comprise 35 percent of the intelligence capabilities in the total Army inventory. Prophet is the Army's principal ground-based tactical Communications Intelligence (COMINT)/

Electronic Warfare sensor, providing force protection and technically-advanced intelligence support for commanders. Prophet provides the force protection by monitoring COMINT, detecting, locating, identifying and direction finding radio frequency emitters in the commander's tactical area of interest. Prophet will also conduct electronic attack operations against selected targets.

FY13 Equipment Shortfall Value \$108M

RADARS

Light Counter Mortar Radar (LCMR), EQ-36

Enhanced AN/TPQ-36 Radar: EQ-36



EQ-36 Radar will provide Soldiers with the capability to detect, classify, track, and locate sources enemy indirect fire such as mortars, artillery, and rockets—significant threats to allied Soldiers

fighting in OCO. EQ-36 systems will replace aging Q-36 and Q-37 Cold War-era radars that have exceeded their useful service life.

FY13 Equipment Shortfall Value \$701.4M

ROUTE & AREA CLEARANCE

RG-33/Panther, Husky, Buffalo

Medium Mine Protected Vehicle (RG33/Panther)



The RG-33 MK3 4x6 Mine Protected Armored Personnel Carrier is built from an all-steel welded armor monocoque hull, providing excellent small-arms and mine blast protection. The vehicle accommodates

a crew of 10, including the driver. Ingress and egress are provided via a large rear door and two front doors. Program funding is needed to replace legacy and non-standard vehicles that are unable to provide adequate protection to Soldiers.

FY13 Equipment Shortfall Value \$210.7M

TACTICAL BRIDGING

Boat Landing Craft, Bridge Heavy, Ramp Bay Bridge Floating, Joint Assault Bridge (JAB)

JAB



The JAB is a full-tracked, low profile armored land combat assault vehicle with a high degree of maneuverability and tactical agility. The JAB consists of an Abrams M1A1 chassis with a Military Load Class 70 Armored Vehicle Launched Bridge/Scissor

Bridge mounted on a launch mechanism attached to the top of the tank chassis. The JAB transports and rapidly replaces a heavy assault bridge in a hostile environment while offering the crew protection from enemy fire.

FY13 Equipment Shortfall Value \$400.0M

TACTICAL RADIOS

Joint Tactical Radio System (JTRS)

JTRS Enhanced Multiband Inter/Intra Team Radio (JEM)



The JTRS (urban version) is a portable, battery-operated, communications system capable of operating in the frequency range of 30 to 512 megahertz in the VHF-FM (low/high band), VHF-AM (high band), UHF-AM and FM bands, with up to 5 watts, utilizing a single hand-held radio for ground-to-ground and air-to-ground connectivity. This system is capable of providing secure and non-secure communications and will allow for

transmission of voice-in-a-whisper mode.

FY13 Equipment Shortfall Value \$56.1M

TACTICAL TRAILERS

Family of Medium Tactical Trailers (FMTT)



The Family of Medium Tactical Trailers consists of two trailer configurations to include a 2 ½ ton cargo trailer (M1082) and a 5-ton cargo trailer (M1095). These trailers transport a wide variety of cargo, share common parts,

and will operate worldwide on primary and secondary roads, and cross-country terrain of all surface types.

FY13 Equipment Shortfall Value \$82.6M

Equipping Readiness

TACTICAL WATER SYSTEMS

Hippo, Camel

Tank Water 2,000 Gal Demountable ISO Configured (Hippo)



The HIPPO is a mobile hard wall system mounted on an ISO tank rack ;providing both bulk and retail water distribution capabilities. The system consists of a 2,000 gallon water tank rack with pump, filling stand, and 70

feet of hose. The HIPPO can distribute to multiple locations, or can be off-loaded and placed on the ground to establish water supply points.

FY13 Equipment Shortfall Value\$39.3M

TEST MEASUREMENT DIAGNOSTIC EQUIPMENT (TMDE)

Maintenance Support Device (MSD)



The MSD hosts interactive electronic technical manuals, expert diagnostic systems and test programs used to conduct intrusive testing in maintenance support to multi-commodity Army weapons/electronic systems.

FY13 Equipment Shortfall Value \$16.5M

TRAINING DEVICES

EST-2000

Engagement Skills Trainer (EST) 2000



The EST 2000 provides initial and continuing marksmanship training, static unit collective gunnery and tactical training, and shoot/don't shoot training. It supports three modes of training: marksmanship,

squad/fire team collective and judgmental use of force. The system models multiple small arms weapons and deploys with its own system shelter.

FY13 Equipment Shortfall Value\$19.6M

UNMANNED AERIAL SYSTEMS

TUAS-Shadow, SUAS-Raven RQ-11

TUAS "SHADOW"



The TUAS Shadow is a low- to medium-altitude, short-endurance unmanned aerial system. The Shadow carries a variety of mission equipment packages, enabling the Shadow to conduct timely intelligence, surveillance, and

reconnaissance, target acquisition, target designation, battle damage assessment, communications relay, and persistent surveillance. TUAS missions are controlled by operators in the Shadow Ground Control Station, and the Shadow Portable Ground Control Station. Funding is necessary to ensure interoperability of ARNG forces with Active Component counterparts.

FY13 Equipment Shortfall Value \$264.0M

**Funding requirements for FY13 equipment shortfalls do not have subs applied to show current legacy systems that need modernization.*



Federal funding for ARNG activities provides an economic benefit to communities nationwide as the dollars received for ARNG use is cascaded throughout this community based organization for the greatest impact.

Within each State, Territory and the District of Columbia (DC), ARNG's unique home — based missions are funded through a mix of federal and local funding. Federal funding is received to support military pay and allowances, operating funds for civilian payrolls, purchase of goods and services and for capital investments via military construction projects.

Financial information for the ARNG as of September 30, 2011 was used to calculate the economic impact data by State, Territory and DC for FY11. Funding was accelerated by 1.815 times to reflect the economic multiplier effect of dollars in action throughout local communities. The component pieces of each category, along with data specific to each State, Territory and DC are included on accompanying CD and via the web version of the FY11 AFR.

Table 18. Economic Benefits

	Unaccelerated	Accelerated
Military Pay and Allowances	\$6,952,410	\$12,618,625
Civilian Pay	\$3,412,748	\$6,194,138
Goods and Services	\$2,101,299	\$3,813,858
Military Construction	\$834,928	\$1,515,394
Totals	\$13,301,385	\$24,142,014

Notes: The FY11 economic multiplier is .815, which is the average of 26 bi-weekly multipliers for the 52 week period ending September 21, 2011. Multiplier data obtained from the St. Louis Federal Reserve Bank. <http://research.stlouisfed.org/fred2/series/MULT>

For economic information on each State/Territory, please see the accompanying CD or [click here](#).

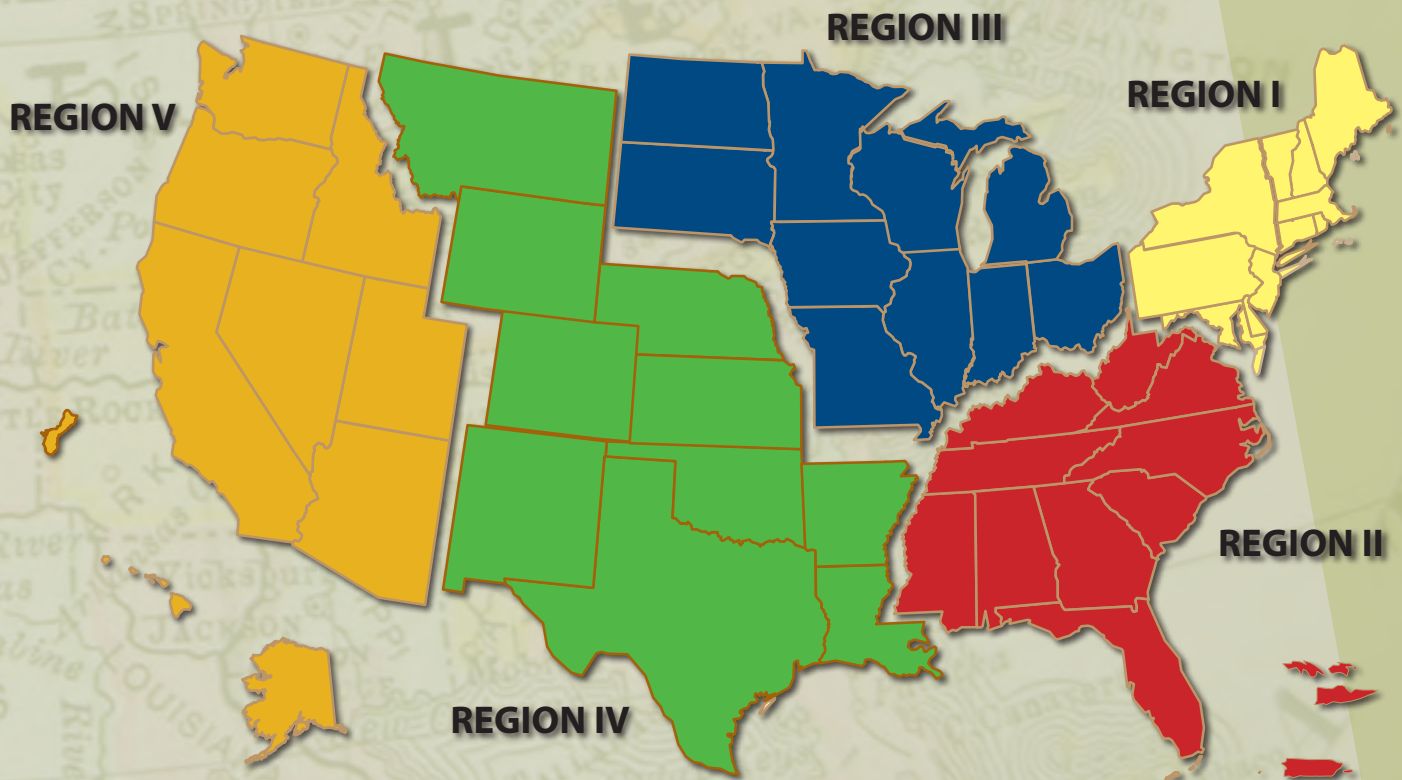
State Information Summaries

United States Property and Fiscal Officer (USPFO)

The USPFO is the Federal Agent (Title 10), in each of the 54 States and Territories, responsible and accountable for all federal funds and property issued to their respective State. They are responsible for financial management, property accountability, federal contracting, and internal review. The USPFO authenticates requirements, certifies the authority and authorizes the expenditure of federal funds for equipment, supplies, services and payroll. The USPFO ensures stewardship of federal resources in accordance with the Federal Managers' Financial Integrity Act and insures that internal controls are in place.

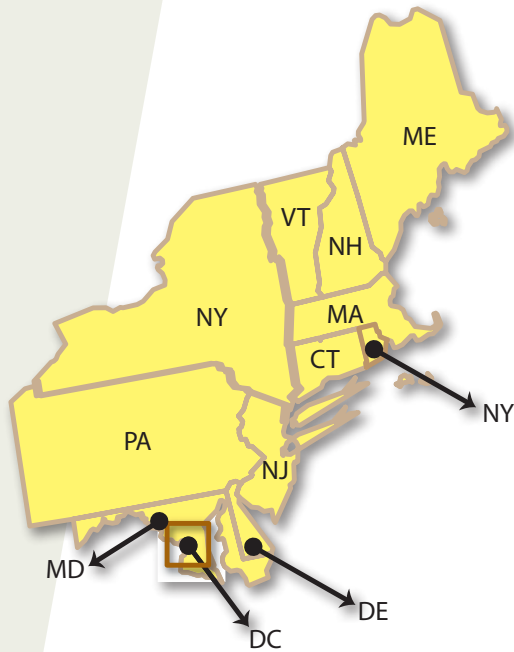
The USPFOs participate in USPFO Advisory Council, which divides the U.S. into five regions. The purpose of the Council is to advise and assist the ARNG Comptroller and other USPFOs on matters pertaining to all aspects of resource management and Soldier support. This support ranges from reviewing current resource management procedures to identifying and validating internal weaknesses and inefficiencies.

Figure 8. USPFO Regions



For additional information on each State/Territory, please see the accompanying CD or [click here](#).

REGION I



Connecticut

Economic Impact: \$494,439,033

During FY11, the Connecticut Army National Guard (CTARNG) activated 200 Soldiers for snow removal and another 800 for Hurricane Irene cleanup efforts that included search and rescue, debris removal, and set-up of a commodities distribution point. The CTARNG deployed 14 Soldiers from the 1109th Theater Aviation (AVN) Sustainment Maintenance Group AVN Depot Maintenance Roundout Unit, the 246th Engineer Detachment (Fire Fighting) in support of Operation Enduring Freedom, and 20 Soldiers from the 192nd Engineer Battalion to the Balkans.



Delaware

Economic Impact: \$164,546,363

The Delaware Army National Guard (DEARNG) continued to support its dual mission in support of state and nation in FY11. Members were again activated as winter storms overwhelmed civilian emergency responders. The DEARNG continued to support the federal mission, deploying Black Hawk and Transportation companies to Afghanistan. The DEARNG also operated the National Guard Bureau's Joint Communications Coordination Center and participated in numerous exchanges as part of the State's Partnership Program with Trinidad and Tobago.

State Information Summaries



District of Columbia

Economic Impact: \$90,735,000

During FY11, the District of Columbia Army National Guard (DCARNG) Reaction Force continued to train and provided on-call assistance to local authorities in the event of civil disturbance or natural disaster. The new 260th Regiment Regional Training Institute at Fort Belvoir, Virginia completed its first year of operation. Units and individuals trained and deployed in support of Operations New Dawn and Enduring Freedom, and the 121st Medical Company completed a year-long deployment to Germany.



Maryland

Economic Impact: \$342,397,675

The Maryland Army National Guard (MDARNG) provided more than 500 Soldiers and more than 70 pieces of equipment in support of Hurricane Irene and Tropical Storm Lee. Assistance and housing was provided to 1,300 students evacuated during the storm. More than 2,000 Guardsmen from MDARNG and surrounding states as well as and more than 30 federal, state and local government agencies, in coordination with the city of Baltimore, participated in the Vigilant Guard Exercise.



Maine

Economic Impact: \$234,376,546

The Maine Army National Guard (MEARNG) supported the Maine State Emergency Management Agency and the State of Vermont with Hurricane Irene support missions. Company B 1/172 Infantry and 1136th Medium Truck Company returned from successful deployments in support of Operation Enduring Freedom during the Freedom Salute Ceremonies. During annual training and Inactive Duty Training weekends the 133rd Engineer Battalion completed numerous community based projects.



Massachusetts

Economic Impact: \$392,820,588

At home, over 4,000 Massachusetts Army National Guard (MAARNG) Soldiers mobilized to State Active Duty in support of a catastrophic tornado in Western Massachusetts as well as Hurricane Irene. The MAARNG also mobilized approximately 500 Soldiers in support of public safety events at the Boston Marathon and the Boston Esplanade 4th of July celebration. The MAARNG also continued its support of Overseas Contingency Operations mobilizing approximately 1,000 Soldiers in support of Operations Enduring Freedom and New Dawn.

REGION I



New Hampshire

Economic Impact: \$195,349,860

In FY11 the New Hampshire Army National Guard (NHARNG) supported state and federal operations. The NHARNG stood up the New England Chemical Biological Radiological Nuclear - Enhanced Response Force Package, with NHARNG supporting both a Medical and Decontamination Team. The NHARNG also participated in two state emergencies dealing with flooding within the state. Additionally, C Company 3/172 Infantry deployed to Afghanistan and more than 700 Guardsmen from the 197th Fires Brigade, were mobilized to Kuwait.



New York

Economic Impact: \$628,237,340

During FY11, 10,500 Soldiers of the New York Army National Guard (NYARNG) served both state and nation. The NYARNG mobilized more than 2,000 Soldiers for Tropical Storm Irene, rescuing residents, clearing roads, and assisting with cleanup throughout the state. NYARNG Military Police Companies deployed to Iraq and Guantanamo Bay. The 42nd Infantry (IN) Division conducted training for the 27th IN Brigade Combat Team and the 3rd Battalion 142nd Aviation who are heading to Iraq and Afghanistan.



New Jersey

Economic Impact: \$312,813,621

The New Jersey Army National Guard (NJARNG) continued to support state and federal operations in FY11. The NJARNG successfully mobilized more than 2,000 Soldiers in response to Hurricane Irene. The NJARNG's State Partnership Program's commitment with Albania strengthened in FY11 when an Operational Mentor and Liaison Team along with Albanian Soldiers were deployed to Afghanistan to coach, teach, and mentor members of the Afghan National Army.



Pennsylvania

Economic Impact: \$891,709,228

In FY11 the Pennsylvania Army National Guard (PAARNG) mobilized approximately 3,200 troops in support of Hurricane Irene and Tropical Storm Lee. The 131st Transportation Company (Co) deployed to Afghanistan, the 728th Combat Sustainment Support Battalion to Iraq and Detachment 1 Co C 1-169th Aviation, and the 928th Finance Detachment to Kosovo. The PAARNG also welcomed home Companies of the 1-110th Infantry Regiment, the 528th Finance Detachment, the 228th Engineer Detachment, and a team from the 213th Personnel Co.



Rhode Island

Economic Impact: \$204,603,837

In FY11 400 Rhode Island Army National Guard (RIARNG) Soldiers were mobilized in support of Hurricane Irene. Six RIARNG units deployed to Afghanistan and three units were sent to Iraq and Kuwait to join the 103rd Field Artillery Battalion (BN) Headquarters Company (Co) B Battery, and the 1207th Forward Support Co. The 118th MP BN and 115th MP Co returned from Guantanamo Bay followed by the 103rd Field Artillery unit, and the 1207th Forward Support Co.



Vermont

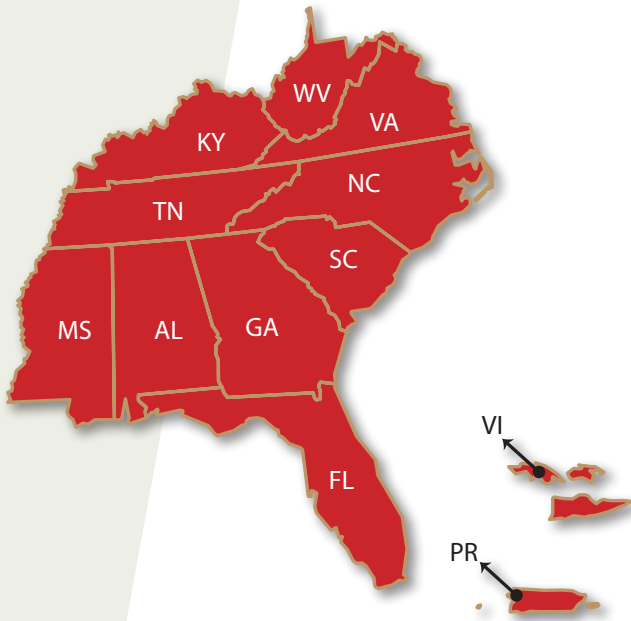
Economic Impact: \$193,164,972

In FY11 the Vermont National Guard (VTARNG) was deployed in support of Lake Champlain flooding, central Vermont flash flooding, and Hurricane Irene. These events saw close to 1,000 Soldiers brought on State Active Duty. Vermont conducted its first major Emergency Management Agreement Compact, which brought support from nine different states for the relief efforts. Additionally, the VTARNG mission included the redeployment of the 86th Infantry Brigade Combat Team and adjacent units. 1,500 VTARNG Soldiers re-deployed from Afghanistan and Iraq.



Soldiers simulate real world battle conditions with the Product Manager for Ground Combat Tactical Trainers Engagement Skills (EST) Trainer 2000. The EST 2000 will be available for Army National Guard, Reserve and Reserve Officers Training Corps May 2011 until February 2012. (Courtesy photo)(Released)

REGION II



Alabama

Economic Impact: \$593,831,415

In FY11, nearly 3,000 troops from the Alabama Army National Guard (ALARNG) supported the state's response to 30 tornadoes. The ALARNG validated a Chemical, Biological, Radiological Nuclear – Enhanced Response Force Package (CERFP); one of only 17 CERFPs in the nation. The ALARNG also supported Overseas Contingency Operations with entire Battalions of both Special Forces Soldiers and UH-60 Black Hawks supporting a peacekeeping mission in Kosovo with an Explosive Ordinance Disposal contingent.



Florida

Economic Impact: \$540,536,423

Florida Army National Guard (FLARNG) forces, including Air Defense Artillery, Finance, and Aviation contingents, deployed throughout the year for Overseas Contingency Operations. 2,500 Soldiers from the 53rd Infantry Brigade Combat Team, FLARNG's largest single-unit deployment since World War II, returned from Southwest Asia where they supported Operations Iraqi Freedom and New Dawn. Also returning from supporting federal operations were Aviation, Special Forces, Air Defense Artillery, and Military Police units.

State Information Summaries



Georgia

Economic Impact: \$681,397,343

During FY11 the Georgia Army National Guard (GAARNG) provided support during the worst winter storm in over a decade and from wildfires in South Georgia. The GAARNG deployed and redeployed over 13,000 Airmen and Soldiers. The 78th Troop Command was designated as Federal Emergency Management Agency Region IV's Homeland Response Force. Also, the State partnership program with the Republic of Georgia continues to assist with the development, training, and deployment of Georgian Forces in support of operations in Iraq and Afghanistan.



Mississippi

Economic Impact: \$857,098,431

The Mississippi National Guard (MSARNG) supported cities and counties state-wide after Mississippi River flood and tornado damage. The MSARNG also deployed over 2,000 Soldiers in Iraq and Afghanistan. Units included the 184th Expeditionary Sustainment Command, 231st Engineers, 298th Support Group, 210th Finance, 13th Military Police (MP) Company (Co), 112th MP Co, 1108 Theater Aviation Sustainment Maintenance Group; 114th Army Liaison Team, 1108 Aviation Classification Repair Activity Depot; 1/204th Air Defense Artillery Battalion, and Co C 20th Special Forces Group.



Kentucky

Economic Impact: \$545,016,899

At home, the Kentucky Army National Guard (KYARNG) deployed more than 600 troops in response to devastating flooding. KYARNG Citizen Soldiers participated in a national level exercise, involving personnel across seven states and dozens of state, federal, and local agencies. The KYARNG also mobilized and deployed approximately 1,500 Soldiers in FY11 to support the Global War on Terror as part of Task Force Legion. Task Force Legion is supporting the US military's withdrawal from Iraq as part of Operation New Dawn.



North Carolina

Economic Impact: \$537,570,559

During FY 2011, BG Gregory A. Lusk was appointed the Adjutant General, and the NCNG published a campaign plan detailing its course through 2017 which focuses four lines of operations: Ready, Support, Enable, and Employ the Force. Over 1570 NCNG members were deployed. NGB and EUCOM identified our State Partnership Program's civilian-to-civilian relationship with Moldova as a best practice, and AFRICOM praised our program with Botswana. The NCNG launched the Integrated Behavioral Health program, a 24-hour service staffed by professional counselors to serve our members in need.

REGION II



Puerto Rico

Economic Impact: \$384,266,552

During FY11, the Puerto Rico Army National Guard (PRARNG) had over 1,300 Soldiers deployed worldwide. Locally, hundreds of Soldiers participated in Operation Shared Security working with the Puerto Rico Police Department in areas with elevated crime. Hurricane Irene also caused hundreds of PRARNG Soldiers to be activated to assist in the relief efforts across the island. Additionally, PRARNG Engineers cleared a riverbed near Salinas to prevent flooding.



South Carolina

Economic Impact: \$577,683,503

In FY11 the South Carolina Army National Guard's (SCARNG) 218th Maneuver Enhancement Brigade was one of two Chemical Biological Radiological and Nuclear Consequence Management Response Force units trained to respond to catastrophic events in the United States. The SCARNG also responded to Hurricane Irene by sending aviation assets to Virginia and heavy equipment to Vermont. The McCrady Training Center was one of the Top-10 most active training centers in the ARNG.



Tennessee

Economic Impact: \$552,238,288

In FY11 the Tennessee Army National Guard Soldiers (TNARNG) responded to flooding of the Mississippi River. Soldiers also provided support for military aircraft evacuating prior to the landfall of Hurricane Irene. The 230th Sustainment Brigade is currently serving in Kuwait. Three Engineer units, an Airfield Operations Battalion, a Signal Company, and Office of the Secretary of the Army-25 are deployed throughout the Middle East. TNARNG's 4th Operational Mentor and Liaison Team are in Afghanistan.



Virginia

Economic Impact: \$639,562,962

Approximately 100 Virginia Army National Guard (VAARNG) personnel were on state active duty on Christmas Day to assist with winter weather response. The VAARNG also provided more than 350 personnel to assist with Hurricane Irene. The 1030th Transportation Battalion, 329th Regional Support Group was recognized as the most outstanding ARNG Battalion in the country and received the Kerwin Award. By the end of FY11, more than 1,400 VAARNG Soldiers were deployed overseas.



Virgin Islands

Economic Impact: \$139,916,782

The Virgin Islands Army National Guard (VIARNG) continued to prepare and deploy units in FY11. The 610th Quartermaster Company trained at Camp Roberts and Camp Blanding while the 104th Reconnaissance and Interdiction Detachment (RAID) trained at Ft. Bragg and Camp Swift in preparation for deployment. The year culminated with the deployment of the 126th Aviation Detachment 2 to and 104th RAID supporting Operations New Dawn and Enduring Freedom.



West Virginia

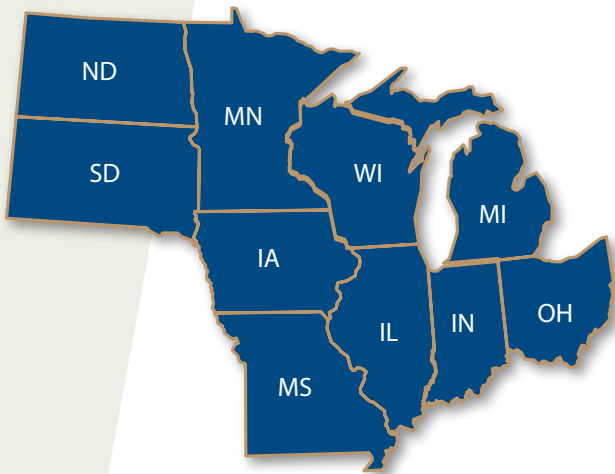
Economic Impact: \$344,237,050

The West Virginia Army National Guard (WVARNG) Joint Interagency Training and Education Center (JITEC) trained units and first responders from across the nation at the WVARNG Center of National Response facility. Throughout FY11, the WVARNG deployed an array of units overseas to Kosovo, Afghanistan, the Horn of Africa, and Iraq. An Explosive Ordnance Disposal Company also deployed to Peru under the State Partnership for Peace Program.



DC National Guard, 121st Medical Evacuation unit that was deployed on the first OCONUS deployment of the LUH-72 Lakota, supporting the Joint Multinational Training Center and the Joint Multinational readiness center with Medevac support, Hohenfels Germany 24/7. (Photo by SGT David Hamilton)

REGION III



Illinois

Economic Impact: \$538,698,527

During FY11, the Illinois Army National Guard (ILARNG) deployed over 1,000 Soldiers in support of two state active duty missions and responded to emergencies in Nebraska, South Dakota, and Vermont. The ILARNG also deployed over 450 Soldiers to Egypt in support of the Multinational Force Observers mission, 60 Soldiers serving as the 1-14th Agribusiness Development Team in Afghanistan, and 170 Soldiers of the 1244th Transportation Company to provide logistics support in Iraq.



Indiana

Economic Impact: \$597,460,279

During FY11, the Indiana National Guard (INARNG) formed and validated the 19th Chemical Biological Radiological Nuclear – Enhanced Response Force Package. INARNG supported Operations Enduring Freedom and New Dawn with the 938th Military Police Detachment (45 Soldiers) and the 219th Battlefield Surveillance Brigade (420 Soldiers) mobilizing to Iraq, the 819th Fire Fighter Team (seven Soldiers), two Operation Mentor and Liaison Teams (five Soldiers each), and the 4-19th Agribusiness Development Team (58 Soldiers) to Afghanistan.

State Information Summaries



Iowa

Economic Impact: \$352,715,929

In FY11, over 1,000 Iowa Army National Guard (IAARNG) Soldiers provided domestic emergency response capabilities for the record three-month flooding of the Missouri River, which threatened the safety of more than 150,000 Iowa citizens. The IAARNG completed construction of new Armed Forces Readiness Centers in Cedar Rapids, Muscatine, and Middletown improving our footprint. More than 3,000 IAARNG Soldiers mobilized for combat duty in Afghanistan and Iraq, including 2,800 members of the 2nd Brigade Combat Team, 34th Infantry Division for Operation Enduring Freedom.



Minnesota

Economic Impact: \$660,146,182

At home, Minnesota Army National Guard (MNARNG) Soldiers performed more than 6,500 duty-days to fight flooding in Minnesota, North and South Dakota. Additionally, MNARNG Soldiers conducted fire suppression in the Pagami Creek region; and, a tornado search and rescue operation. More than 2,600 MNARNG Soldiers deployed in support of Operation New Dawn, their largest deployment since World War II. Many smaller units deployed throughout Afghanistan and Iraq. The MNARNG's fifth Operational Mentoring Liaison Team, in cooperation with Croatian Soldiers, recently began operations in Afghanistan.



Michigan

Economic Impact: \$514,848,966

The Michigan Army National Guard (MIARNG) Joint Improvised Explosive Device Defeat Organization and Virtual Battlespace Simulation gaming center provided commanders an opportunity to conduct theater immersion training by leveraging technology. An additional 3,010 Soldiers utilized the gaming center in preparation for future combat operations in Iraq and Afghanistan. The MIARNG also facilitated the Great Lakes Regional Cross Border table top exercise in collaboration with the US Coast Guard, National Guard Bureau, and the Great Lakes Hazard Coalition.



Missouri

Economic Impact: \$739,215,610

Thousands of Missouri Army National Guard (MOARNG) Soldiers provided support to emergencies throughout the year including a blizzard, record flooding along the Missouri and Mississippi Rivers, as well search and rescue missions after devastating tornados in Joplin. MOARNG Soldiers were tasked with providing state oversight for the federal relief efforts and running a disaster recovery jobs program. The MOARNG also deployed Soldiers from Transportation Companies to Afghanistan, an Aviation Depot Maintenance unit to southwest Asia, and a fifth Agribusiness Development Team to Afghanistan.

REGION III



North Dakota

Economic Impact: \$251,953,926

During FY11 the North Dakota Army National Guard (NDARNG) activated 2,366 Soldiers to serve 142 days fighting forest fires. Additionally, 90 Soldiers rendered blizzard assistance to ND residents. 55 Soldiers with the Headquarters and Headquarters Company, 1st Battalion, 112th Aviation Regiment deployed to Kosovo while 160 Soldiers from the 188th Engineer (EN) Company deployed to Kuwait. Soldiers with the 191st Military Police Company were deployed to Haiti and participated in training in Ghana. The 957th EN Company was recognized as the best ARNG EN unit and SPC Ryan Lindberg was named Best Warrior in the ARNG.



Ohio

Economic Impact: \$597,900,560

During FY11, the Ohio Army National Guard (OHARNG) Homeland Response Force (HRF) was validated as a mission-capable unit. The HRF is trained and equipped to respond rapidly to and mitigate the effects of a Chemical, Biological, Radiological/Nuclear, and Explosive incident. The state also broke ground on a new 6,250-square-foot Joint Operations Center. The OHARNG also deployed over 1,700 Soldiers in support of operations overseas.



South Dakota

Economic Impact: \$254,940,133

In FY11, the South Dakota Army National Guard (SDARNG) mobilized more than 1,600 Soldiers, and for the first time assets from other states were utilized through the Emergency Management Agreement Compact (EMAC) when the Missouri River flooded. The SDARNG also had 600 Soldiers deployed in units ranging from an Engineer Company to a Detachment from Operational Support Airlift Command in Afghanistan, and the 139th Brigade Support Battalion and Aviation Regiment in Iraq.



Wisconsin

Economic Impact: \$368,986,712

FY11 saw the return of multiple units of the Wisconsin Army National Guard (WIARNG) from Iraq. The 1st Battalion, 147th Aviation returned from Iraq and was honored with the Army Aviation Association of America's John J. Stanko Award as the best ARNG aviation unit. Approximately 150 Soldiers in the 157th Maneuver Enhancement Brigade deployed to Kosovo. Domestically, the Guard Resilience University began certifying resilience trainers at the 426th Regional Training Institute.

REGION IV



Arkansas

Economic Impact: \$629,447,413

In FY11, Arkansas Army National Guard (ARARNG) units mobilized to Afghanistan, Iraq, and Kosovo. These units included the 2nd Agricultural Development Team (ADT), 77th Aviation Brigade Headquarters Company, 185th Air Assault, and 449th Aviation Intermediate Maintenance. In addition, the following units returned from an 11-month deployment in support of the Kosovo Force-13 mission: Arkansas 1st Afghanistan ADT, Soldiers from the 1-114 Security and Support Aviation Battalion, and 238th Air Ambulance.



Colorado

Economic Impact: \$482,685,122

During FY11, the Colorado Army National Guard (COARNG) High-Altitude Army National Aviation Training Site helicopter aircrews assisted civil authorities during search and rescues missions in Colorado's high country. The new light infantry unit, 1st Battalion, 157th Infantry, now has a readiness center in Fort Lupton. During Innovative Readiness Training, Citizen Soldiers delivered medical supplies to 95,000 people during the 9th Health Fair. COARNG also deployed hundreds of Soldiers to Overseas Contingency Operations, including teaming with Slovene Soldiers as part of an Operational Mentor and Liaison Team.

REGION IV



A Louisiana Army National Guard UH-60 Black Hawk collects water in a 500 gallon helibucket in Caddo Lake outside Shreveport, La., in Caddo Parish. The LANG pilots worked in a racetrack pattern to dump water on the hot spots in the vicinity of Highway 1 and 528 using helibuckets —large buckets carrying water suspended by cable—to assist the Department of Agriculture and Forestry with the suppression of the wild fires. (Photo by SGT Rebekah Malone)



Kansas

Economic Impact: \$515,775,922

Kansas National Guard (KSARNG) troops supported emergency responses to severe winter storms, tornadoes, and other emergencies during the year. KSARNG Soldiers also continued to serve in Iraq, Kuwait, Afghanistan and the Horn of Africa. Other units deploying or returning from deployment included the 778th Transportation Company (Co), 226th Engineer Co, 1st Battalion (BN) 161st Field Artillery, 2nd Combined Arms BN 137th Infantry Regiment, Co G 2nd BN 135th Aviation Regiment (General Support Aviation Battalion), and 1st BN 108th Aviation.



Louisiana

Economic Impact: \$577,996,871

Over 500 Louisiana Army National Guard (LAARNG) Soldiers deployed overseas in support of Operations New Dawn and Enduring Freedom. More than 1,150 Guardsmen responded to the Mississippi River flooding and several wildfires, completing more than 180 engineering, transportation, aviation and boat missions. The LAARNG participated in Task Force Bon Voizen (“Good Neighbor” in Creole) to Haiti operating three medical and one dental treatment sites. Engineers also built two new school buildings and two new medical clinics.

State Information Summaries



Montana

Economic Impact: \$200,825,626

FY11 was another dynamic year for the Montana Army National Guard (MTARNG) with the deployment and redeployment of over 1,000 Soldiers in support of Operations New Dawn and Enduring Freedom. The Governor also activated over 100 Soldiers to assist with flood recovery throughout the state. To prepare MTARNG Soldiers for pending and future missions, a warrior action/reaction lane was completed and opened on Fort Harrison ensuring Soldiers are prepared for theater operations.



New Mexico

Economic Impact: \$255,375,487

The New Mexico Army National Guard (NMARNG) continued to defend the nation and provide assistance to our citizens. The NMARNG responded to unprecedented statewide emergencies that included enormous wildfires, devastating floods, and severe cold weather. The NMARNG also prepared over 430 Soldiers for deployment to Kosovo and 65 Soldiers with nine airframes for a MEDEVAC mission in Afghanistan.



Nebraska

Economic Impact: \$251,868,452

The Nebraska Army National Guard (NEARNG) continued to support state and federal missions in FY11. On the state front, members of the NEARNG responded to flooding along the Missouri and Platte Rivers. These missions included aerial sandbagging, staffing the emergency operations center, and aerial patrolling and monitoring. On the federal front, the NEARNG deployed more than 1,000 Soldiers from multiple organizations in support of missions in Afghanistan, Iraq and Kosovo.



Oklahoma

Economic Impact: \$423,899,995

In FY11 the Oklahoma Army National Guard (OKARNG) provided support during several ice and snow storms as well as flew hundreds of wildfire suppression missions saving both homes and land. The OKARNG also deployed more than 800 Soldiers from the 45th Infantry Brigade Combat Team to Kuwait and 2,200 Soldiers to Afghanistan. A detachment from the 641st Aviation returned from Iraq, the 2-45 Agribusiness Development Team from Afghanistan; and members of the 90th Troop Command and the 120th Area Medical Support Company from Egypt.

REGION IV



Texas

Economic Impact: \$1,066,448,244

Texas Army National Guard (TXARNG) Soldiers provided aviation, medical, logistics, and engineering assistance during the wildfires that devastated the state. This past year saw the deployment of over 1,500 TXARNG Guardsmen. Units mobilized included the Headquarters 36th Infantry Division, the Headquarters 176 Engineer (EN) Brigade, the 111 EN Battalion, the 263 EN Company (Co), the 1-108 Aviation Co, and two Agriculture Development Teams.



Wyoming

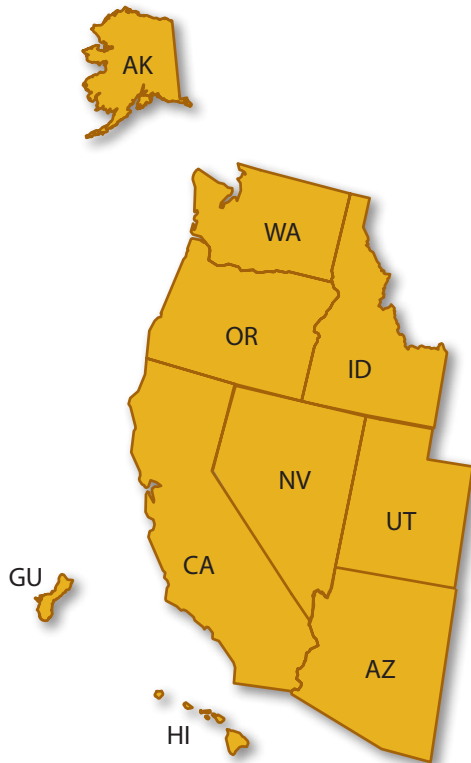
Economic Impact: \$175,012,201

FY11 brought new leadership for the Wyoming Army National Guard (WYARNG). Col. Luke Reiner replaced Maj. Gen. Ed Wright as the Wyoming Adjutant General. The state also promoted the first woman within the WYARNG, Kathy Wright, to General Officer. Additionally, more than 250 WYARNG Soldiers were deployed to help prepare communities for record flooding. Overseas, the WYARNG deployed Soldiers from 159th Aviation Regiment to Afghanistan and from the 197th Public Affairs Detachment to Guantanamo Bay.



Wyoming Army National Guard Soldiers load sandbags to assist with flood preparations, ahead of expected runoffs from record snow accumulations in nearby mountain ranges in the Star Valley area. (Photo by ILT Christian Venhuizen)

REGION V



Alaska

Economic Impact: \$245,780,040

The Alaska Army National Guard (AKARNG) returned from Iraq in FY11 after supporting Overseas Contingency Operations with over 70 aviators, logging 4,000 flight hours in support of Operation New Dawn. In Afghanistan, the AKARNG deployed a fixed wing aircraft unit in support of operations, and domestic training is underway for deployment of a new airborne unit, B/1-143rd Infantry. Also, the AKARNG deepened its partnership with Mongolia through peacekeeping exercises and embedded liaison deployments.



Arizona

Economic Impact: \$445,667,607

The following Arizona Army National Guard (AZARNG) units are currently deployed or have recently returned from supporting Operation Enduring Freedom: the 158th Combat Sustainment Support Battalion, 1/168th Air Traffic Control Squadron, Alpha Company (Co) 422nd Expeditionary Signal Battalion, Charlie Co Detachment 1 5-159th Aviation Battalion, 159th Finance Detachment, and from Kosovo the 160th Finance Detachment. Additionally, AZARNG had more than 500 Soldiers participating in Operation Copper Cactus, in support of Department of Homeland Security's Customs and Border Protection.

REGION V



California

Economic Impact: \$1,275,121,032

The California Army National Guard (CAARNG) continued to support the Southwest Border Mission and Counterdrug Task Force, apprehending over 5,700 suspects since the mission's inception. Over 1,879 Soldiers remain deployed in support of Operations New Dawn and Enduring Freedom from the 40th Combat Aviation (AVN) Brigade (BDE), 224th Sustainment BDE, 749th Combat Sustainment Support Battalion (BN), 1st BN (Assault), 140th AVN Regiment, 640th AVN Support BN, and the 870th Military Police Company. Additionally, CAARNG was selected to stand up a Homeland Response Force to operate within Federal Emergency Management Agency Region IX.



Guam

Economic Impact: \$122,013,575

In FY11, the Guam Army National Guard (GUARNG) provided support to the nation's Overseas Contingency Operations, the Territory's civil authorities, and the local community. The GUARNG received a Notification of Sourcing for the 1st Battalion of the 294th Infantry and its associated Forward Support Company. Ongoing planning and preparation for pre-mobilization of these two units is the priority for the command.



Hawaii

Economic Impact: \$301,674,817

In FY11, two units and over 300 Soldiers from the Hawaii Army National Guard (HIARNG) returned from a year-long deployment in Afghanistan. The HIARNG continues to support Operation Enduring Freedom with regular six-month rotational missions in the Philippines. About 50 members from the HIARNG's UH-60 Black Hawk unit, Company C, 1st Battalion, 207th Aviation Regiment, mobilized in support of Operation New Dawn.



Idaho

Economic Impact: \$311,494,136

The Idaho Army National Guard (IDARNG) successfully mobilized and demobilized over 1,500 Soldiers from the 116th Cavalry Brigade Combat Team in support of Operation New Dawn. Domestically, the IDARNG assisted with search and rescues and performed security missions improving partnerships at the state and federal level. The IDARNGF also supported joint exercises including Angkor Sentinel 11, a Medical Civic Action Project with the Royal Cambodian Armed Forces medical personnel.

State Information Summaries



Nevada

Economic Impact: \$228,779,170

The highlights of FY11 for the Nevada Army National Guard (NVARNG) were the deployment of the 422nd Expeditionary Signal Battalion and the redeployments of the 137th Military Police (MP) Detachment along with the Agribusiness Development Team. The NVARNG is currently preparing to deploy the 485th MP Company (Co), the 593rd Transportation Co, and the 189th Aviation Detachment in FY12. More than 2,200 NVARNG Soldiers have deployed since 2001.



Utah

Economic Impact: \$445,573,628

The Utah Army National Guard (UTARNG) did not slow its pace in FY11. Spring flooding saw Soldiers called to build levees. Additionally, Sergeant Guy Mellor of the 1-145 Field Artillery won the Non-Commissioned Officer of the year at the state, regional, and national level. The 118th Sapper Company returned from Afghanistan. During the course of their deployment they received 25 Purple Heart medals. Simultaneously, the 222nd Field Artillery deployed to Iraq, and the 2-211th Aviation to Afghanistan.



Oregon

Economic Impact: \$362,608,523

In FY11, the Oregon Army National Guard (ORARNG) was selected to stand up a Chemical Biological Radiological Nuclear – Enhanced Response Force Package (CERFP) to respond to domestic incidents. The 3-116 Cavalry mobilized to Iraq followed shortly by A (-) 641 Aviation (AVN). Detachment 1, Company B, 1-168 AVN and the 1249 Engineers' deployed to support operations in Afghanistan. Additionally, ORARNG's Youth Challenge Program was recognized as one of the premier programs in the country.



Washington

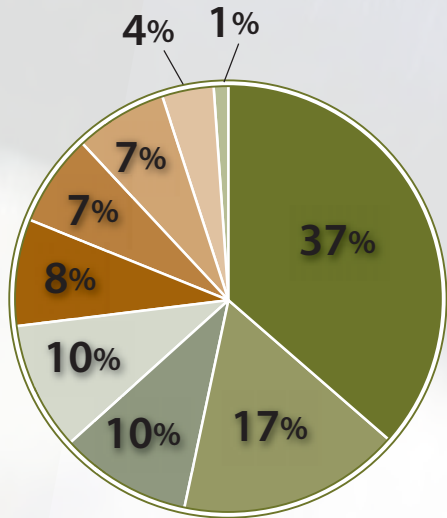
Economic Impact: \$408,549,434

In FY11, the Washington Army National Guard (WAARNG) continued to assist law enforcement by providing counter drug support. The WAARNG welcomed home from Afghanistan Soldiers from the 204th Engineer Company (Co), and from B Co, 1/168 Aviation. They also bid farewell to the 319th Explosive Ordnance Disposal Co and the 1/168 Aviation Battalion.

Table 19. Direct Funding (in millions)

	2010	2011	Estimated 2012
National Guard Personnel, Army (NGPA)	\$8,586.5	\$8,553.8	\$8,285.1
Operations & Maintenance, Army National Guard (OMNG)	\$6,712.7	\$6,786.8	\$7,428.9
Military Construction, Army National Guard (MILCON)	\$812.1	\$871.9	\$773.6

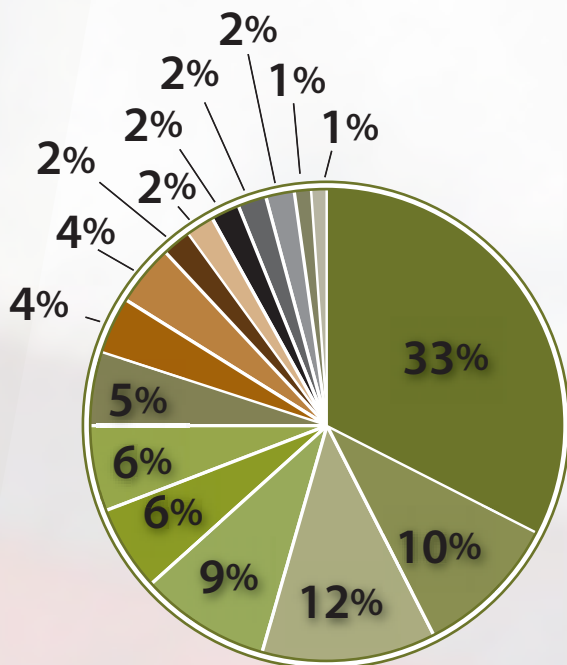
Figure 9. FY11 Personnel NGPA Break-Out by Percentage



Program	Total (in millions)	Percentage
1 Active Guard Reserve, Pay	3,158.9	37%
2 Inactive Duty Training	1,417.4	17%
3 Overseas Contingency Operations (OCO)	818.7	10%
4 Special Training	814.0	10%
5 Active Duty for Training, Pay	682.0	8%
6 School Training	609.6	7%
7 Initial Entry Training	590.5	7%
8 Selected Reserve Incentives	346.6	4%
9 Bonus Programs	96.8	1%
10 Other Programs	19.3	0%
TOTAL	8,553.8	100%

Amounts may not sum due to rounding

Figure 10. FY11 Operations OMNG Break-Out by Percentage



Program	Total (in millions)	Percentage
1 Civilian/Technician Pay	2,255.9	33%
2 Ground Operations Tempo (OPTempo)	674.5	10%
3 Base Operation Support	812.6	12%
4 Facilities, Sustainment, Restoration, & Modernization	599.8	9%
5 Overseas Contingency Operations (OCO)	422.5	6%
6 Recruiting and Advertising	373.5	6%
7 Depot Maintenance	313.7	5%
8 Air OPTempo	296.5	4%
9 Other Programs	254.2	4%
10 Medical Readiness	138.2	2%
11 Mission Support/Training	137.3	2%
12 Education Programs	109.7	2%
13 Environmental	111.0	2%
14 Family Programs	114.4	2%
15 Counter Drug	52.7	1%
16 Chemical Biological Radiological Nuclear Enterprise (CBRN)	98.3	1%
17 Automation and Info Systems	21.9	0%
TOTAL	6,786.8	100%

Amounts may not sum due to rounding

The FY11 budget provided manning, training, equipping, and operational support to an authorized end-strength of 358,200 Soldiers. Each appropriation is comprised of the President's Budget, Congressional additions and reductions, along with Overseas Contingency Operations (OCO). FY11 presented many challenges that required the ARNG to leverage resources to overcome the obstacles that presented themselves throughout the year. By working with the United States Property and Fiscal Officers in the 54 States and Territories and effectively using internal resources, we were able to surmount these challenges. As an operational reserve, the ARNG stands ready to provide well-trained Soldiers to serve the missions of our Nation.

National Guard Personnel, Army (NGPA)

During FY11 the ARNG executed \$8.55B in the ARNG NGPA appropriation which provides for basic and incentive pay, basic allowance for housing and subsistence, clothing, travel, permanent change of station moves, hospitalization, schools, and death gratuities for members of the ARNG. Retired pay accrual is also part of this appropriation; the government requires a portion of the budget to be set aside for future retirees. The total appropriation is comprised of the President's Budget, Congressional additions and reductions, counter drug operations, civil military programs, Southwest Border, the State Partnership Program, and OCO funds.

Operations and Maintenance, National Guard (OMNG)

The OMNG Appropriation funds operational, logistical, and administrative support for the ARNG forces throughout the 54 States and Territories. During FY11 the ARNG executed \$6.78B for operations and maintenance. Continuously throughout FY11, Citizen Soldiers and their units supported missions around the world, that range from the persistent conflicts in the Middle East to the domestic homeland defense missions. The OMNG appropriation is vital for the sustainment and readiness of Soldiers and equipment. The main programs funded in this appropriation are: pay and benefits for Military Technicians and Army civilians; training and operations support; air and ground operating tempo; automation and information systems; base operations support; depot maintenance; environmental programs and

Family programs. The total appropriation is comprised of the President's Budget, Congressional additions and reductions, counter-drug operations, Southwest Border, the State Partnership Program, and OCO.

Overseas Contingency Operations (OCO)

Over the past 11 years, the ARNG has experienced a sharp increase in operations. This increased OPTEMPO included both domestic emergency response as well as OCO. This trend continued throughout FY11 as the DoD prepared for withdrawal from Iraq (Operation New Dawn) and during a drawdown of operations in Afghanistan (Operation Enduring Freedom).

The ARNG utilizes OCO funding to complete additional training and readiness requirements in direct support of mobilization and deployment overseas. The annual OCO funding ensures that every deploying ARNG Soldier receives the appropriate pre-mobilization training and support to adequately prepare for deployment. OCO funding also support the increased incremental costs associated with post-redeployment activities including Soldier and Family reintegration, Post Deployment Health Re-assessments, and Unit/Equipment Reset requirements.

The pre-mobilization training strategy is a continuation of the mobilization initiative that limited reserve component RC mobilizations to a total of 12 months. By conducting training prior to mobilization, ARNG units reduce the time required at mobilization stations and increase the time in support of the in-theater mission.

The General Fund Enterprise Business System (GFEBs)

The Army's new web-based enterprise resource planning solution, GFEBs, enables the Army's components to compile and share accurate, up-to-date resource management data across the entire Army. As it replaces overlapping and redundant systems, it will streamline the ARNG's financial portfolio and provide it with the following:

- A financial accounting system that complies with statutory and regulatory requirements for funds control, accounting, and auditing, to include real property and other asset data for depreciation;



U.S. Army SPC Connor, of the 153rd Military Police Battalion, Delaware Army National Guard, secures a doorway in the mock city of Balad during mobilization training at Fort Dix, NJ. (Photo by SGT Russell Lee Klika)

- Visibility of transactional and budget execution data in real or near-real time;
- A cost accounting system that identifies full cost by allocating over-head and other indirect costs to outcomes, outputs, and services, and connects operational performance data to the cost data;
- A management and decision support system that records financial and various other transactions in a single system; and
- A wealth of trend, comparative, and other analytical data.

During FY11, the ARNG completed its transformation to the GFEBS when Idaho and Oklahoma went live on 1 October; Mississippi on 1 January; the Headquarters and Indiana on 1 April; and the remaining 49 States, Territories and the District of Columbia on 1 July. The State of Kentucky, the first ARNG organization to field the system, has been using the GFEBS since 1 April 2010.

At the close of FY11 more than 9,000 Soldiers and technicians were trained in GFEBS and they collectively processed over \$1.5B* in purchase requisitions, purchase orders, and reimbursables directly in the system. They also facilitated the Military Standard Requisitioning and Issue Procedures/Funds Control Module, Technician Pay, Defense Travel System, PowerTrack, and fuel expense transactions through system interfaces.

GFEBS provides the ARNG with efficient and reliable information as well as seamless reporting capabilities to help personnel at all levels of the organization make better decisions regarding its scarce resources. It lays the foundation for the ARNG to receive an unqualified audit opinion on its annual general fund financial statements. It also enables the ARNG to conduct more cost-benefit and other types of cost analyses as well as transition to a cost culture. And, it makes possible more thorough fact-based analyses for both current-year operational performance and future programs and budgeting decision making.

**Appropriations 2065, 2060, 2020*

Fiscal Year 2011 Statements

CONSOLIDATED BALANCE SHEET

Department of Defense—Army General Fund—Army National Guard

As of September 30

	2011 Consolidated	
ASSETS (Note 2)		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	\$	5,470,381,114
Investments (Note 4)		0
Accounts Receivable (Note 5)		23,747,084
Other Assets (Note 6)		(11,139,532)
Total Intragovernmental Assets	\$	5,482,988,665
Cash and Other Monetary Assets (Note 7)		0
Accounts Receivable, Net (Note 5)		92,875,560
Loans Receivable (Note 8)		0
Inventory and Related Property, Net (Note 9)		0
General Property, Plant and Equipment, Net (Note 10)		1,292,491,207
Investments (Note 4)		0
Other Assets (Note 6)		375,569,797
TOTAL ASSETS	\$	7,243,925,230
LIABILITIES (Note 11)		
Intragovernmental:		
Accounts Payable (Note 12)	\$	219,780,883
Debt (Note 13)		0
Other Liabilities (Note 15 & 16)		68,148,135
Total Intragovernmental Liabilities	\$	287,929,018
Accounts Payable (Note 12)		2,143,296,654
Military Retirement and Other Federal Employment Benefits (Note 17)		228,096,853
Environmental and Disposal Liabilities (Note 14)		0
Loan Guarantee Liability (Note 8)		0
Other Liabilities (Note 15 & Note 16)		503,894,466
TOTAL LIABILITIES	\$	3,163,216,991
COMMITMENTS AND CONTINGENCIES (NOTE 16)		
NET POSITION		
Unexpended Appropriations — Earmarked Funds (Note 23)	\$	0
Unexpended Appropriations — Other Funds		3,300,008,942
Cumulative Results of Operation — Earmarked Funds		0
Cumulative Results of Operations — Other Funds		780,699,297
TOTAL NET POSITION	\$	4,080,708,239
TOTAL LIABILITIES AND NET POSITION	\$	7,243,925,230

The accompanying notes are an integral part of these financial statements. Amounts may not sum due to rounding.

CONSOLIDATED STATEMENT OF NET COST

Department of Defense—Army General Fund—Army National Guard

As of September 30

	2011 Consolidated	
Program Costs		
Gross Costs	\$	16,867,881,375
Military Personnel		9,818,529,680
Operations, Readiness & Support		6,373,963,057
Family Housing & Military Construction		675,388,638
(Less: Earned Revenue)		(199,686,778)
Net Cost before Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	16,668,194,597
Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits		0
Net Program Costs Including Assumption Changes		16,668,194,597
Costs Not Assigned to Programs	\$	0
(Less: Earned Revenues) Not Attributed to Programs		0
Net Cost of Operations	<u>\$</u>	<u>16,668,194,597</u>

The accompanying notes are an integral part of these financial statements. Amounts may not sum due to rounding.

Fiscal Year 2011 Statements

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

Department of Defense—Army General Fund—Army National Guard

As of September 30

	2011 Consolidated
CUMULATIVE RESULTS OF OPERATIONS	
Beginning Balances	\$ 674,670,844
Prior Period Adjustments:	
Changes in accounting principles (+/-)	\$ 0
Corrections of errors (+/-)	0
Beginning balances, as adjusted	\$ 674,670,844
Budgetary Financing Sources:	
Other adjustments (rescissions, etc.)	\$ 0
Appropriations used	17,071,306,803
Nonexchange revenue	0
Donations and forfeitures of cash and cash equivalents	0
Transfers-in/out without reimbursement	0
Other budgetary financing sources	0
Other Financing Sources:	
Donations and forfeitures of property	0
Transfers-in/out without reimbursement (+/-)	0
Imputed financing from costs absorbed by others	4,874,916
Other (+/-)	(301,958,668)
Total Financing Sources:	\$ 16,774,223,051
Net Cost of Operations (+/-)	16,668,194,597
Net Change	\$ 106,028,453
Cumulative Results of Operations	\$ 780,699,297
UNEXPENDED APPROPRIATIONS	
Beginning Balances	\$ 3,070,295,261
Prior Period Adjustments:	
Changes in accounting principles	0
Corrections of errors	0
Beginning balances, as adjusted	\$ 3,070,295,261
Budgetary Financing Sources:	
Appropriations received	\$ 17,444,225,000
Appropriations transferred-in/out	158,956,000
Other adjustments (rescissions, etc)	(302,160,515)
Appropriations used	(17,071,306,803)
Total Budgetary Financing Sources	\$ 229,713,682
Unexpended Appropriations	3,300,008,942
Net Position	\$ 4,080,708,239

The accompanying notes are an integral part of these financial statements. Amounts may not sum due to rounding.

CONSOLIDATED STATEMENT OF BUDGETARY RESOURCES

Department of Defense—Army General Fund—Army National Guard

As of September 30

	Budgetary Financing Accounts		Non-Budgetary Financing Accounts	
	2011 Combined		2011 Combined	
BUDGETARY FINANCING ACCOUNTS				
BUDGETARY RESOURCES:				
Unobligated balance, brought forward, October 1	\$	1,146,416,151	\$	0
Recoveries of prior year unpaid obligations		3,472,361,648		0
Budget authority				0
Appropriation		17,444,225,000		0
Borrowing authority		0		0
Contract authority		0		0
Spending authority from offsetting collections				0
Earned				0
Collected		211,081,269		0
Change in receivables from Federal sources		(7,330,697)		0
Change in unfilled customer orders				0
Advance received		(60,000)		0
Without advance from Federal sources		9,074,363		0
Anticipated for rest of year, without advances		0		0
Previously unavailable		0		0
Expenditure transfers from trust funds		0		0
Subtotal	\$	17,656,989,935	\$	0
Nonexpenditure transfers, net, anticipated and actual	\$	158,956,000	\$	0
Temporarily not available pursuant to Public Law		0		0
Permanently not available		(302,160,515)		0
Total Budgetary Resources	\$	22,132,563,218	\$	0
Status of Budgetary Resources:				
Obligations incurred:				
Direct	\$	20,667,557,024	\$	1,466,8510
Reimbursable		236,250,525		0
Subtotal	\$	20,903,807,549	\$	1,466,851
Unobligated balance:				
Apportioned	\$	596,005,587	\$	0
Exempt from apportionment		0		0
Subtotal	\$	596,005,587	\$	0
Unobligated balance not available		632,750,082		(1,466,851)
Total status of budgetary resources	\$	22,132,563,218	\$	0
Change in Obligated Balance:				
Obligated balance, net				
Unpaid obligations, brought forward, October 1	\$	4,232,274,837	\$	0
Less: Uncollected customer payments from Federal sources, brought forward, October 1		(57,006,058)		0
Total unpaid obligated balance	\$	4,175,268,779	\$	0
Obligations incurred net (+/-)		20,903,807,549		1,466,851
Less: Gross outlays		(17,363,345,570)		0
Obligated balance transferred, net				
Actual transfers, unpaid obligations (+/-)		0		0
Actual transfers, uncollected customer payments from Federal sources (+/-)		0		0
Total Unpaid obligated balance transferred, net		0		0
Less: Recoveries of prior year unpaid obligations, actual		(3,472,361,648)		0
Change in uncollected customer payments from Federal sources (+/-)		(1,743,666)		0
Obligated balance, net, end of period				
Unpaid obligations	\$	4,300,375,168	\$	1,466,851
Less: Uncollected customer payments from Federal sources (-)		(58,749,723)		0
Total, unpaid obligated balance, net, end of period	\$	4,241,625,444	\$	1,466,851
Net Outlays:				
Gross outlays	\$	17,363,345,570	\$	0
Less Offsetting collections		(211,021,269)		0
Less Distributed Offsetting receipts		0		0
Net Outlays	\$	17,152,324,301	\$	0

The accompanying notes are an integral part of these financial statements. Amounts may not sum due to rounding.

Notes to the Financial Statements

Note 1. Significant Accounting Policies

1.A. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the ARNG to include the 50 States and the Territories of Guam, Puerto Rico, and the U.S. Virgin Islands, and the District of Columbia, as required by the Chief Financial Officers Act of 1990, expanded by the Government Management Reform Act of 1994, and other appropriate legislation. The financial statements have been prepared from the books and records of the ARNG in accordance with the Department of Defense (DoD), Financial Management Regulation, the Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements, and to the extent possible generally accepted accounting principles (GAAP). The accompanying financial statements account for all resources for which the ARNG General Fund is responsible, unless otherwise noted.

Information relative to classified assets, programs and operations is excluded from the statements or otherwise aggregated and reported in such a manner that it is not discernable.

The ARNG is unable to fully implement all elements of GAAP and the OMB Circular A-136, due to limitations of its financial and nonfinancial management processes and systems that feed into the financial statements. The ARNG derives its reported values and information for major asset and liability categories largely from nonfinancial systems, such as inventory systems and logistic systems. These systems were designed to support reporting requirements for maintaining accountability over assets and reporting the status of federal appropriations rather than preparing financial statements in accordance with GAAP. The ARNG continues to implement process and system improvements addressing these limitations.

According to the Department of Army there are currently 14 auditor identified financial statement material weaknesses: (1) Financial Management Systems, (2) Accounting Adjustments, (3) Intragovernmental Eliminations, (4) Abnormal Account Balances, (5) Accounts Receivable, (6) Inventory and Related Property, (7) Property, Plant, and Equipment, (8) Accounts Payable, (9) Environmental Liabilities, (10) Statement of Net Cost, (11) Statement of Budgetary Resources, (12) Reconciliation of Net Cost of Operations to Budget, (13) Fund Balance with Treasury and (14) Contingency payment audit trails.

Fiscal year (FY) 2011 represents the fourteenth year that the ARNG has prepared and published its annual financial statements.

The accounts used to prepare the statements are classified as either entity or non-entity. Entity accounts consist of resources that the ARNG has the authority to use, or where management is legally obligated to use funds to meet entity obligations. Non-entity accounts are assets held by the ARNG but not available for use in its operations.

The non-entity accounts are special fund accounts for receipts of the government that are earmarked for a specific purpose. The ARNG also receives indirect benefits from other Defense appropriations, to collect and deposit funds to Treasury Accounts.

The accompanying unaudited financial statements account for all resources for which the agency is responsible. The financial statements are presented on a modified accrual basis of accounting. Under this theory, expense is recorded when goods or services are received and income is earned when services are performed. For FY11, the ARNG financial accounting systems are unable to meet all the requirements for full-accrual accounting. Efforts are underway to bring the ARNG system into compliance with the Joint Financial Management Improvement Program.

ENTITY ACCOUNTS TITLE

21 * 1006	Medicare Eligible Health Fund Contributions, National Guard Personnel, Army
21 * 2020	Operations and Maintenance, Army
21 * 2035	Other Procurement, Army
21 * 2060	National Guard Personnel, Army
21 * 2065	Operations and Maintenance, Army National Guard
21 * 2066	Operations and Maintenance, Army National Guard Recovery Act
21 * 2085	Military Construction, Army National Guard
21 * 2094	Military Construction, Army National Guard Recovery Act
69 * 2065	Operations and Maintenance, Army National Guard
97 * 0100	Operations and Maintenance, Defense National Guard
97 * 0350	National Guard and Reserve Equipment (limit 1801)
97R5189	Lease of Department of Defense Assets

NON-ENTITY ACCOUNTS TITLE

21F3875	Budget Clearing Suspense Account
21R5095	Sale of Hunting and Fishing Permits, Military Reservations
21X5095	Wildlife Conservation, etc., Military Reservations
97X5188	Disposal of Real Property
21X6112	Withheld Employee Contributions, State or Territorial Disability Benefits
21X6113	Withheld Employee Contributions, State or Territorial Death Benefits
21X6208	Amounts Withheld for Group Life Insurance, National Guard Members

1.B. Mission of the Reporting Entity

Through the National Defense Act of 1933, the ARNG was created as a new component to the United States Army. The ARNG's primary federal mission is to maintain properly trained and equipped units available or mobilization for National, States, or local emergencies as well as to provide help to the States for disaster relief and public peacekeeping.

The National Guard's roots date to 1636, when colonial militias – made up of ordinary citizens – would put down their plows and pick up their weapons to protect Families and Towns from hostile attacks. Today, Citizen-Soldiers hold civilian jobs or attend college while training part time, staying ready to defend America in the event of an emergency.

This mission encompasses the intent of Congress, to preserve the peace and security and provide for the defense of the U.S., its Territories, commonwealths, and possessions, and any areas occupied by the U.S.; support national policies; implement national objectives; and overcome any nations responsible for aggressive acts that interfere with the peace and security of the U.S.

The fundamental mission has not changed for the 375 years life of the ARNG, but the environment and nature of conflict have undergone many changes over that same time, especially with the overseas contingency operations. These contingency operations have required that the ARNG simultaneously transform the way that it fights, trains, and equips its soldiers. This transformation is progressing rapidly, but it must be taken to its full conclusion if the ARNG is to continue to meet the nation's domestic and international security obligation today and into the future.

1.C. Appropriations and Funds

The Army General Fund receives its appropriations and funds as general, trust, special, and deposit funds. The Army General Fund uses appropriations and funds to execute its missions and subsequently report on resource usage.

General funds are used for financial transactions funded by congressional appropriations, including personnel, operation and maintenance, research and development, procurement, and military construction accounts.

Trust funds contain receipts and expenditures of funds held in trust by the government for use in carrying out specific purposes or programs in accordance with the terms of the donor, trust agreement, or statute. Certain trust and special funds may be designated as earmarked funds. Earmarked funds are financed by specifically identified revenues, required by statute to be used for designated activities, benefits or purposes, and remain available over time. Earmarked funds also have a requirement to account for and report on the receipt, use and retention of revenues and other financing sources that distinguish them from general revenues.

Special fund accounts are used to record government receipts reserved for a specific purpose.

Deposit funds are used to record amounts held temporarily until paid to the appropriate government or public entity. The Army General Fund is acting as an agent or a custodian for funds awaiting distribution.

1.D. Basis of Accounting

The ARNG financial management systems are unable to meet all of the requirements for full accrual accounting. Many of the ARNG financial and nonfinancial feeder systems and processes were designed and implemented prior to the issuance of GAAP for federal agencies. These systems were not designed to collect and record financial information on the full accrual accounting basis as required by GAAP. Most of the ARNG financial and nonfinancial legacy systems were designed to record information on a budgetary basis.

The ARNG's financial statements and supporting trial balances are compiled from the underlying data and trial balances of the Army General Fund sub-entities. The underlying data is largely derived from budgetary transactions (obligations, disbursements, and collections), from nonfinancial feeder systems, and accruals made for major items such as payroll expenses, accounts payable, and environmental

Notes to the Financial Statements

liabilities. Some of the sub-entity level trial balances may reflect known abnormal balances resulting largely from business and system processes. At the consolidated ARNG level, these abnormal balances may not be evident.

Disclosures of abnormal balances are made in the applicable footnotes, but only to the extent that the abnormal balances are evident at the consolidated level.

The DoD is determining the actions required to bring its financial and nonfinancial feeder systems and processes into compliance with GAAP. One such action is the current revision of its accounting systems to record transactions based on the United States Standard General Ledger. Until all of the Army General Fund's financial and nonfinancial feeder systems and processes are updated to collect and report financial information as required by GAAP, the ARNG's financial data will be derived from budgetary transactions (obligations, disbursements, and collections), transactions from nonfinancial feeder systems, and accruals made of major items such as payroll expenses, accounts payable, and environmental liabilities.

1.E. Revenues and Other Financing Sources

The ARNG receives congressional appropriations as financing sources for general funds on either an annual or multi-year basis. When authorized by legislation, these appropriations are supplemented by revenues generated by sales of goods or services. The ARNG recognizes revenue as a result of costs incurred for goods or services provided to other federal agencies and the public. Full cost pricing is the ARNG standard policy for services provided as required by OMB Circular A-25, User Charges. The ARNG recognizes revenue when earned within the constraints of its current system capabilities. In some instances, revenue is recognized when billed are issued.

1.F. Recognition of Expenses

For financial reporting purposes, the DoD policy requires the recognition of operating expenses in the period incurred. Current ARNG's financial and nonfinancial feeder systems were not designed to collect and record financial information on the full accrual accounting basis. Estimates are made for major items such as payroll expenses, accounts payable, environmental liabilities, and unbilled revenue. In the case of operating materiel and supplies (OM&S), operating expenses are generally recognized when the items are purchased. Efforts are underway to transition to the consumption method for recognizing OM&S expense. Under the consumption method, OM&S would be expensed when consumed. Due to system limitations, in some instances expenditures for capital and other long-term assets may be recognized as operating expenses. The ARNG continues to implement process and system improvements to address these limitations.

1.G. Accounting for Intragovernmental Activities

Accounting standards require an entity to eliminate intra-entity activity and balances from consolidated financial statements in order to prevent an overstatement for business with itself. However, the ARNG cannot accurately identify intragovernmental transactions by customer because the ARNG's systems do not track buyer and seller data at the transaction level. Generally, seller entities within the DoD provide summary seller-side balances for revenue, accounts receivable, and unearned revenue to the buyer-side internal DoD accounting offices. In most cases, the buyer-side records are adjusted to agree with DoD seller-side balances and are then eliminated. The DoD is implementing replacement systems and a standard financial information structure that will incorporate the necessary elements that will enable DoD to correctly report, reconcile, and eliminate intragovernmental balances.

The U.S. Treasury's *Federal Intragovernmental Transactions Accounting Policy Guide* and *Treasury Financial Manual*, Part 2 – Chapter 4700, *Agency Reporting Requirements for the Financial Report of the United States Government*, provide guidance for reporting and reconciling intragovernmental balances. While the ARNG is unable to fully reconcile intragovernmental transactions with all federal agencies, the ARNG is able to reconcile balances pertaining to investments in federal securities, Federal Employees' Compensation Act transactions with the Department of Labor, and benefit program transactions with the Office of Personnel Management.

The DoD's proportionate share of public debt and related expenses of the Federal Government is not included. The Federal Government does not apportion debt and its related costs to federal agencies. The DoD's financial statements do not report any public debt, interest or source of public financing, whether from issuance of debt or tax revenues.

Generally, financing for the construction of DoD facilities is obtained through appropriations. To the extent this financing ultimately may have been obtained through the issuance of public debt, interest costs have not been capitalized since the U.S. Treasury does not allocate such costs to DoD.

1.H. Transactions with Foreign Governments and International Organizations

The ARNG does not have transactions with foreign governments or international organizations.

1.I. Funds with the U.S. Treasury

The ARNG's monetary resources are maintained in U.S. Treasury accounts. Collections, disbursements, and adjustments are processed worldwide at the Defense Finance and Accounting Service (DFAS). The disbursing station prepares monthly reports, which provide information to the U.S. Treasury on check issues, interagency transfers, and deposits. In addition, the DFAS centers submit reports to Treasury, by appropriation, on collections received and disbursements issued. Treasury then records this information to the appropriation Fund Balance with Treasury (FBWT) account maintained in the Treasury's system. ARNG's recorded balance in the FBWT accounts and U.S. Treasury's FBWT accounts must reconcile monthly.

1.J. Cash and Foreign Currency

The ARNG does not have any foreign currency transactions.

1.K. Accounts Receivable

Accounts receivables from other federal entities or the public include accounts receivable, claims receivable, and refunds receivable. Generally, allowance for uncollectible accounts due from the public are based upon analysis of collection experience by age category. The DoD does not recognize an allowance for estimated uncollectible amounts from other federal agencies. Claims against other deferral agencies are to be resolved between the agencies in accordance with dispute resolution procedures defined in the Intragovernmental Business Rules published in the Treasury Financial Manual at <http://www.fms.treas.gov/factsi/manuals/tfm-bulletin-2011-04pdf>.

1.L. Direct Loans and Loan Guarantees

The ARNG does not have any direct Loans and Loans Guarantees.

1.M. Inventories and Related Property

The ARNG manages only military or government specific materiel under normal conditions. Materiel is a unique term that relates to military force management, and includes all items (including ships, tanks, self-propelled weapons, aircraft, etc., and related spares, repair parts, and support equipment, but excluding real property, installations, and utilities) necessary to equip, operate, maintain, and support military activities without distinction as to its application for administrative or combat purposes. Items commonly used in and available from the commercial sector are not managed in the ARNG Fund materiel management activities. Operational cycles are irregular and the military risks associated with stock-out positions have no commercial parallel. ARNG holds materiel based on military need and support for contingencies. The DoD does not attempt to account separately for "inventory held for sale" and "inventory held in reserve for future sale" based on Statement of Federal Financial Accounting Standards (SFFAS) No. 3 definitions, unless otherwise noted.

Related property includes OM&S. The OM&S, including munitions not held for sale, are valued at standard purchase price. ARNG uses both the consumption method and the purchase method of accounting for OM&S. Items that are centrally managed and stored, such as ammunition and engines, are generally recorded using the consumption method and are reported on the Balance Sheet as OM&S. When current systems cannot fully support the consumption method, the Army General Fund uses the purchase method. Under this method, materials and supplies are expensed when purchased. During FY11, ARNG expensed significant amounts using the purchase method because the systems could not support the consumption method or management deemed that the item was in the hands of the end user. This is a material weakness for the DoD and long-term system corrections are in process. Once the proper systems are in place, these items will be accounted for under the consumption method of accounting.

The ARNG determined that the recurring high dollar value of OM&S in need of repair is material to the financial statements and requires a separate reporting category. Many high dollar items, such as aircraft engines, are categorized as OM&S rather than military equipment.

The ARNG recognizes condemned materiel as "Excess, Obsolete, and Unserviceable." The cost of disposal is greater than the potential scrap value; therefore, the net value of condemned materiel is zero. Potentially redistributed materiel, presented in previous years as "Excess, Obsolete, and Unserviceable," is included in the "Held for Use" or "Held for Repair" categories according to its condition.

1.N. Investments in U.S. Treasury Securities

The ARNG does not have investments in U.S. Treasury securities.

Notes to the Financial Statements

1.O. General Property, Plant and Equipment

The ARNG uses the estimated historical cost for valuing military equipment. The DoD identified the universe of military equipment by accumulating information relating to program funding and associated military equipment, equipment useful life, program acquisitions, and disposals to establish a baseline. The military equipment baseline is updated using expenditure, acquisition and disposals information.

The DoD's General Property, Plant & Equipment (General PP&E) capitalization threshold is \$100 thousand except for real property which is \$20 thousand. The ARNG has implemented the threshold for real property and is fully compliant.

General PP&E assets are capitalized at historical acquisition cost when an asset has a useful life of two or more years, and when the acquisition cost equals or exceeds the DoD capitalization threshold. The DoD also requires the capitalization of improvements to existing General PP&E assets if the improvements equal or exceed DoD capitalization threshold and extend the useful life or increase the size, efficiency, or capacity of the asset. The DoD depreciates all General PP&E, other than land, on a straight-line basis.

1.P. Advances and Prepayments

When advances are permitted by law, legislative action, or presidential authorization, the Department of Defense is to record advances and prepayments in accordance with general accepted accounting principles. As such, payments made in advance of the receipt of goods and services should be reported as an asset on the Balance Sheet. The DoD's policy is to expense and/or properly classify assets when the related goods and services are received. The ARNG has not implemented this policy primarily due to system limitations.

1.Q. Leases

Lease payments for the rental of operating facilities are classified as either capital or operating leases. When a lease is essentially equivalent to an installment purchase of property (a capital lease), and the value equals or exceeds the current capitalization threshold, the ARNG records the applicable asset as though purchased, with an offsetting liability, and depreciates it. The ARNG records the asset and the liability at the lesser of the present value of the rental and other lease payments during the lease term (excluding portions representing executory costs paid to the lessor) or the asset's fair market value. The discount rate for the present value calculation is either the lessor's implicit interest rate or the government's incremental borrowing rate at the inception of the lease. The ARNG, as the lessee, receives the use and possession of leased property, for example real estate or equipment, from a lessor in exchange for a payment of funds. An operating lease does not substantially transfer all the benefits and risk of ownership. Payments for operating leases are charged to expense over the lease term as it becomes payable.

Office space and leases entered into by ARNG in support of contingency operations are the largest component of operating leases. These costs were gathered from existing leases, General Services Administration bills, and Interservice Support Agreements. Future year projections use the Consumer Price Index.

1.R. Other Assets

Other assets include those assets, such as military and civil service employee pay advances, travel advances, and certain contract financing payments that are not reported elsewhere on ARNG's Balance Sheet.

The ARNG conducts business with commercial contractors under two primary types of contracts: fixed price and cost reimbursable. To alleviate the potential financial burden on the contractor that long-term contracts can cause, ARNG may provide financing payments. Contract financing payments are defined in the Federal Acquisition Regulations, Part 32, as authorized disbursements of monies to a contractor prior to acceptance of supplies or services by the Government. Contract financing payments clauses are incorporated in the contract terms and conditions and may include advance payments, performance-based payments, commercial advance and interim payments, progress payments based on cost, and interim payments under certain cost-reimbursement contracts. It is DoD policy to record certain contract financing payments as Other Assets.

Contract financing payments do not include invoice payments, payments for partial deliveries, lease and rental payments, or progress payments based on a percentage or stage of completion. The Defense Federal Acquisition Regulation Supplement authorizes progress payments based on a percentage or stage of completion only for construction of real property, shipbuilding, and ship conversion, alteration, or repair. Progress payments based on percentage or stages of completion are reported as Construction In Progress.

1.S. Contingencies and Other Liabilities

The SFFAS No. 5, "Accounting for Liabilities of the Federal Government," as amended by SFFAS No. 12, "Recognition of Contingent Liabilities Arising from Litigation," defines a contingency as an existing condition, situation, or set of circumstances that involves an uncertainty as to possible gain or loss. The uncertainty will be resolved when one or more future events occur or fail to occur. The Army General Fund recognizes contingent liabilities when past events or exchange transactions occur, a future loss is probable, and the loss amount can be reasonably estimated.

Financial statement reporting is limited to disclosure when conditions for liability recognition do not exist but there is at least a reasonable possibility of incurring a loss or additional losses. Examples of loss contingencies include the collectability of receivables, pending, or threatened litigation, and possible claims and assessments. The Army General Fund's risk of loss and resultant contingent liabilities arise from pending or threatened litigation or claims and assessments due to events such as aircraft, ship and vehicle accidents; medical malpractice; property or environmental damages; and contract disputes.

Other liabilities arise as a result of anticipated disposal costs for Army General Fund's assets. This type of liability has two components: nonenvironmental and environmental. Consistent with SFFAS No. 6, "Accounting for Property, Plant and Equipment," recognition of an anticipated environmental disposal liability begins when the asset is placed into service. Nonenvironmental disposal liabilities are recognized for assets when management decides to dispose of an asset based upon DoD's policy, which is consistent with SFFAS No. 5 "Accounting for Liabilities of Federal Government." The DoD recognizes nonenvironmental disposal liabilities for military equipment nuclear-powered assets when placed into service. Such amounts are developed in conjunction with, and not easily identifiable from, environmental disposal costs.

1.T. Accrued Leave

The ARNG reports as liabilities military leave and civilian earned leave, except sick leave, that has been accrued and not used as of the Balance Sheet date. Sick leave for civilians is expensed as taken. The liabilities reported at the end of the accounting period reflect the current pay rates.

1.U. Net Position

Net Position consists of unexpended appropriations and cumulative results of operations.

Unexpended Appropriations represent the amounts of authority that are unobligated and have not been rescinded or withdrawn. Unexpended appropriations also represent amounts obligated for which legal liabilities for payments have not been incurred.

Cumulative Results of Operations represent the net difference, since inception of an activity, between expenses and losses and financing sources (including appropriations, revenue, and gains). The cumulative results also include donations and transfers in and out of assets that were not reimbursed.

1.V. Treaties for Use of Foreign Bases

The ARNG is not part of any treaties for the use of foreign bases.

1.W. Undistributed Disbursements and Collections

Undistributed disbursements and collections represent the difference between disbursements and collections matched at the transaction level to specific obligation, payables, or receivables in the source systems and those reported by the U.S. Treasury.

Supported disbursements and collections are evidenced by collaborating documentation.

Unsupported disbursements and collections do not have supporting documentation for the transaction and most likely would not meet audit scrutiny.

The DoD policy is to allocate supported undistributed disbursements and collections between federal and nonfederal categories based on the percentage of distributed federal and nonfederal accounts payable and accounts receivables. Supported undistributed disbursements and collections are then applied to reduce accounts payables and receivables accordingly. Unsupported undistributed are recorded as disbursements intransit and reduce nonfederal accounts payables. Unsupported undistributed collections are recorded in nonfederal other liabilities.

Notes to the Financial Statements

1.X. Significant Events

No significant events noted as of September 30, 2011.

1.Y. Fiduciary Activities

The ARNG is not engaged in fiduciary activities.

Note 2. Nonentity Assets

As of September 30

2011

(Amounts in thousands)

1. Intragovernmental Assets

A.	Fund Balance with Treasury (FBWT)	\$	0
B.	Accounts Receivable		0
C.	Other Assets		0
D.	Total Intragovernmental Assets	\$	0

2. Nonfederal Assets

A.	Cash and Other Monetary Assets	\$	0
B.	Accounts Receivable		714
C.	Other Assets		0
D.	Total Nonfederal Assets	\$	714

3. Total Nonentity Assets

\$ 714

4. Total Entity Assets

7,243,211

5. Total Assets

\$ 7,243,925

Note 3. Fund Balance with Treasury

As of September 30	2011	
<i>(Amounts in thousands)</i>		
1. Fund Balances		
A. Appropriated Funds	\$	5,470,381
B. Revolving Funds		0
C. Trust Funds		0
D. Special Funds		0
E. Other Fund Types		0
F. Total Fund Balances	\$	5,470,381
2. Fund Balances Per Treasury Versus Agency		
A. Fund Balance per Treasury	\$	0
B. Fund Balance per Army		5,470,381
3. Reconciling Amount	\$	(5,470,381)

Status of Fund Balance with Treasury

As of September 30	2011	
<i>(Amounts in thousands)</i>		
1. Unobligated Balance		
A. Available	\$	596,006
B. Unavailable		631,283
2. Obligated Balance not yet Disbursed		4,301,842
3. Nonbudgetary FBWT		0
4. NonFBWT Budgetary Accounts		(58,750)
5. Total	\$	5,470,381

Note 4. Investments and Related Interest

The ARNG does not engage in any investment activity.

Notes to the Financial Statements

Note 5. Accounts Receivable

As of September 30	2011		
<i>(Amounts in thousands)</i>	Gross Amount Due	Allowance For Estimated Uncollectibles	Accounts Receivable, Net
1. Intragovernmental Receivables	\$ 23,747	N/A	\$ 23,747
2. Nonfederal Receivable (From the Public)	105,532	\$ (12,656)	92,876
3. Total Accounts Receivable	\$ 129,279	\$ (12,656)	\$ 116,623

Note 6. Other Assets

As of September 30	2011	
<i>(Amounts in thousands)</i>		
1. Intragovernmental Other Assets		
A. Advances and Prepayments	\$	(11,140)
B. Other Assets		0
C. Total Intragovernmental Other Assets	\$	(11,140)
2. Nonfederal Other Assets		
A. Outstanding Contract Financing Payments	\$	0
B. Advances and Prepayments		375,570
C. Other Assets (With the Public)		0
D. Total Nonfederal Other Assets		375,570
3. Total Other Assets	\$	364,430

Note 7. Cash and Other Monetary Assets

The ARNG does not have any cash or other monetary assets on hand.

Note 8. Direct Loan and Loan Guarantees

The ARNG does not engage in any type of lending activities.

Note 9. Inventory and Related Property

The ARNG does not engage in retail or resale of merchandise, nor hold items in reserve for future sales.

Note 10. General PP&E, Net

As of September 30	2011				
<i>(Amounts in thousands)</i>	Depreciation / Amortization Method	Service Life	Acquisition Value	(Accumulated Depreciation/ Amortization)	Net Book Value
1. Major Asset Classes					
A. Land	N/A	N/A	\$ 60,971	N/A	\$ 60,971
B. Buildings, Structures, and Facilities	S/L	20 or 40	1,722,070	\$ (674,506)	1,047,564
C. Leasehold Improvements	S/L	lease term	2,852	(848)	2,004
D. Software	S/L	2-5 or 10	0	0	0
E. General Equipment	S/L	5 or 10	72,964	(48,291)	24,673
F. Military Equipment	S/L	Various	0	0	0
G. Shipbuilding (Construction-in- Progress)	N/A	N/A	0	0	0
H. Assets Under Capital Lease	S/L	lease term	0	0	0
I. Construction-in- Progress (Excludes Military Equipment)	N/A	N/A	157,280	N/A	157,280
J. Other			0	0	0
K. Total General PP&E			\$ 2,016,137	\$ (723,645)	\$ 1,292,492

Note 15 for additional information on Capital Leases

Legend for Valuation Methods:

S/L = Straight Line N/A = Not Applicable

Note 11. Liabilities Not Covered by Budgetary Resources

As of September 30	2011	
<i>(Amounts in thousands)</i>		
1. Intragovernmental Liabilities		
A. Accounts Payable	\$	0
B. Debt		0
C. Other		45,115
D. Total Intragovernmental Liabilities	<u>\$</u>	<u>45,115</u>
2. Nonfederal Liabilities		
A. Accounts Payable	\$	17,398
B. Military Retirement and Other Federal Employment Benefits		228,097
C. Environmental Liabilities		0
D. Other Liabilities		320,730
E. Total Nonfederal Liabilities	<u>\$</u>	<u>566,225</u>
3. Total Liabilities Not Covered by Budgetary Resources	<u>\$</u>	<u>611,340</u>
4. Total Liabilities Covered by Budgetary Resources		2,551,878
5. Total Liabilities	<u>\$</u>	<u>3,163,218</u>

Notes to the Financial Statements

Note 12. Accounts Payable

As of September 30	2011		
<i>(Amounts in thousands)</i>	Accounts Payable	Interest, Penalties, and Administrative Fees	Total
1. Intragovernmental Payables	\$ 219,781	N/A	\$ 219,781
2. Nonfederal Payables (to the Public)	2,143,264	\$ 32	2,143,296
3. Total	\$ 2,363,045	\$ 32	\$ 2,363,077

Note 13. Debt

The ARNG had no reported debt in FY11.

Note 14. Environmental Liabilities and Disposal Liabilities

The amount of environmental liabilities incurred as a result of the final disposition of property, plant, equipment, and munitions cannot be determined at this time.

Note 15. Other Liabilities

As of September 30	2011		
<i>(Amounts in thousands)</i>	Current Liability	Noncurrent Liability	Total
1. Intragovernmental			
A. Advances from Others	\$ (60)	\$ 0	\$ (60)
B. Deposit Funds and Suspense Account Liabilities	0	0	0
C. Disbursing Officer Cash	0	0	0
D. Judgment Fund Liabilities	0	0	0
E. Federal Employees Compensation Act (FECA) Reimbursement to the Department of Labor	20,650	24,465	45,115
F. Custodial Liabilities	0	714	714
G. Employer Contribution and Payroll Taxes Payable	22,379	0	22,379
H. Other Liabilities	0	0	0
I. Total Intragovernmental Other Liabilities	\$ 42,969	\$ 25,179	\$ 68,148

Other Liabilities (cont.)

As of September 30

2011

(Amounts in thousands)

	Current Liability	Noncurrent Liability	Total
2. Nonfederal			
A. Accrued Funded Payroll and Benefits	\$ 204,487	\$ 0	\$ 204,487
B. Advances from Others	0	0	0
C. Deferred Credits	0	0	0
D. Deposit Funds and Suspense Accounts	0	0	0
E. Temporary Early Retirement Authority	0	0	0
F. Nonenvironmental Disposal Liabilities			
(1) Military Equipment (Nonnuclear)	0	0	0
(2) Excess/Obsolete Structures	0	0	0
(3) Conventional Munitions Disposal	0	0	0
G. Accrued Unfunded Annual Leave	320,730	0	320,730
H. Capital Lease Liability	0	0	0
I. Contract Holdbacks	40	0	40
J. Employer Contribution and Payroll Taxes Payable	(21,362)	0	(21,362)
K. Contingent Liabilities	0	0	0
L. Other Liabilities	0	0	0
M. Total Nonfederal Other Liabilities	\$ 503,895	\$ 0	\$ 503,895
3. Total Other Liabilities	\$ 546,864	\$ 25,179	\$ 572,043

Capital Lease Liability

The ARNG has no capital lease liability.

Note 16. Commitments and Contingencies

The ARNG does not have any commitments or contingencies.

Notes to the Financial Statements

Note 17. Military Retirement and Other Federal Employment Benefits

As of September 30

2011

	Liabilities	(Less: Assets Available to Pay Benefits)	Unfunded Liabilities
<i>(Amounts in thousands)</i>			
1. Pension and Health Benefits			
A. Military Retirement Pensions	\$ 0	\$ 0	\$ 0
B. Military Pre Medicare-Eligible Retiree Health Benefits	0	0	0
C. Military Medicare-Eligible Retiree Health Benefits	0	0	0
D. Total Pension and Health Benefits	\$ 0	\$ 0	\$ 0
2. Other Benefits			
A. FECA	\$ 228,097	\$ 0	\$ 228,097
B. Voluntary Separation Incentive Programs	0	0	0
C. DoD Education Benefits Fund	0	0	0
D. Other	0	0	0
E. Total Other Benefits	\$ 228,097	\$ 0	\$ 228,097
3. Total Military Retirement and Other Federal Employment Benefits:	\$ 228,097	\$ 0	\$ 228,097

Note 18. General Disclosures Related to the Statement of Net Cost

Intragovernmental Costs and Exchange Revenue

As of September 30

2011

(Amounts in thousands)

Military Retirement Benefits

1. Gross Cost		
A. Intragovernmental Cost	\$	0
B. Nonfederal Cost		0
C. Total Cost	\$	0
2. Earned Revenue		
A. Intragovernmental Revenue	\$	0
B. Nonfederal Revenue		0
C. Total Revenue	\$	0
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
Total Net Cost	\$	0

Intragovernmental Costs and Exchange Revenue (cont.)

As of September 30

2011

(Amounts in thousands)

Civil Works

1. Gross Cost		
A. Intragovernmental Cost	\$	0
B. Nonfederal Cost		0
C. Total Cost	\$	0
2. Earned Revenue		
A. Intragovernmental Revenue	\$	0
B. Nonfederal Revenue		0
C. Total Revenue	\$	0
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
Total Net Cost	\$	0

Military Personnel

1. Gross Cost		
A. Intragovernmental Cost	\$	2,791,195
B. Nonfederal Cost		7,027,335
C. Total Cost	\$	9,818,530
2. Earned Revenue		
A. Intragovernmental Revenue	\$	(35,300)
B. Nonfederal Revenue		774
C. Total Revenue	\$	(34,526)
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
Total Net Cost	\$	9,784,004

Operations, Readiness & Support

1. Gross Cost		
A. Intragovernmental Cost	\$	1,468,248
B. Nonfederal Cost		4,905,715
C. Total Cost	\$	6,373,963
2. Earned Revenue		
A. Intragovernmental Revenue	\$	(155,124)
B. Nonfederal Revenue		(10,036)
C. Total Revenue	\$	(165,160)
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
Total Net Cost	\$	6,208,803

Notes to the Financial Statements

Intragovernmental Costs and Exchange Revenue (cont.)

As of September 30

2011

(Amounts in thousands)

Procurement

1. Gross Cost		
A. Intragovernmental Cost	\$	0
B. Nonfederal Cost		0
C. Total Cost	\$	0
2. Earned Revenue		
A. Intragovernmental Revenue	\$	0
B. Nonfederal Revenue		0
C. Total Revenue	\$	0
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
Total Net Cost	\$	0

Research, Development, Test & Evaluation

1. Gross Cost		
A. Intragovernmental Cost	\$	0
B. Nonfederal Cost		0
C. Total Cost	\$	0
2. Earned Revenue		
A. Intragovernmental Revenue	\$	0
B. Nonfederal Revenue		0
C. Total Revenue	\$	0
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
Total Net Cost	\$	0

Family Housing & Military Construction

1. Gross Cost		
A. Intragovernmental Cost	\$	21,277
B. Nonfederal Cost		654,111
C. Total Cost	\$	675,388
2. Earned Revenue		
A. Intragovernmental Revenue	\$	0
B. Nonfederal Revenue		0
C. Total Revenue	\$	0
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
Total Net Cost	\$	675,388

Intragovernmental Costs and Exchange Revenue (cont.)

As of September 30

2011

(Amounts in thousands)

Consolidated

1. Gross Cost		
A. Intragovernmental Cost	\$	4,280,720
B. Nonfederal Cost		12,587,161
C. Total Cost	\$	16,867,881
2. Earned Revenue		
A. Intragovernmental Revenue	\$	(190,424)
B. Nonfederal Revenue		(9,262)
C. Total Revenue	\$	(199,686)
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$	0
4. Costs Not Assigned to Programs	\$	0
5. (Less: Earned Revenues) Not Attributed to Programs	\$	0
Total Net Cost	\$	16,668,195

Note 19. Disclosures Related to the Statement of Changes in Net Position

There are no disclosures related to the Statement of Changes in Net Position.

Note 20. Disclosures Related to the Statement of Budgetary Resources

As of September 30

2011

(Amounts in thousands)

1. Net Amount of Budgetary Resources Obligated for Undelivered Orders at the End of the Period	\$	2,142,143
2. Available Borrowing and Contract Authority at the End of the Period	\$	0

Notes to the Financial Statements

Note 21. Reconciliation of Net Cost of Operations to Budget

As of September 30

2011

(Amounts in thousands)

Resources Used to Finance Activities:

Budgetary Resources Obligated:

1. Obligations incurred	\$	20,905,274
2. Less: Spending authority from offsetting collections and recoveries (-)		(3,685,127)
3. Obligations net of offsetting collections and recoveries	\$	17,220,147
4. Less: Offsetting receipts (-)		0
5. Net obligations	\$	17,220,147

Other Resources:

6. Donations and forfeitures of property	\$	0
7. Transfers in/out without reimbursement (+/-)		0
8. Imputed financing from costs absorbed by others		4,875
9. Other (+/-)		(301,959)
10. Net other resources used to finance activities	\$	(297,084)
11. Total resources used to finance activities	\$	16,923,063

Resources Used to Finance Items not Part of the Net Cost of Operations:

12. Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided:		
12a. Undelivered Orders (-)	\$	(151,723)
12b. Unfilled Customer Orders		9,014
13. Resources that fund expenses recognized in prior Periods (-)		(28,337)
14. Budgetary offsetting collections and receipts that do not affect Net Cost of Operations		0
15. Resources that finance the acquisition of assets (-)		(656,225)
16. Other resources or adjustments to net obligated resources that do not affect Net Cost of Operations:		
16a. Less: Trust or Special Fund Receipts Related to exchange in the Entity's Budget (-)		0
16b. Other (+/-)		301,959
17. Total resources used to finance items not part of the Net Cost of Operations	\$	(525,312)
18. Total resources used to finance the Net Cost of Operations	\$	16,397,751

Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:

Components Requiring or Generating Resources in Future Period:

19. Increase in annual leave liability	\$	0
20. Increase in environmental and disposal liability		0
21. Upward/downward reestimates of credit subsidy expense (+/-)		0
22. Increase in exchange revenue receivable from the public (-)		(3,377)
23. Other (+/-)		33
24. Total components of Net Cost of Operations that will Require or Generate Resources in future periods	\$	(3,344)

Reconciliation of Net Cost of Operations to Budget (cont.)

As of September 30		2011
<i>(Amounts in thousands)</i>		
Components not Requiring or Generating Resources:		
25. Depreciation and amortization	\$	274,044
26. Revaluation of assets or liabilities (+/-)		4,916
27. Other (+/-)		
27a. Trust Fund Exchange Revenue		0
27b. Cost of Goods Sold		0
27c. Operating Material and Supplies Used		0
27d. Other		(5,173)
28. Total Components of Net Cost of Operations that will not Require or Generate Resources	\$	273,787
29. Total components of Net Cost of Operations that will not Require or Generate Resources in the current period	\$	270,443
30. Net Cost of Operations	\$	16,668,194

Note 22. Disclosures Related to Incidental Custodial Collections

The ARNG does not have any incidental custodial collections.

Note 23. Earmarked Funds

The ARNG did not have any earmarked funds in FY11.

Note 24. Fiduciary Activities

There are no disclosures to fiduciary activities.

Note 25. Other Disclosures

The ARNG has no other disclosures.

Note 26. Restatements

The ARNG has no restatements.

This compact disc is an integral part of the Army National Guard Annual Financial Report for Fiscal Year 2011 (FY11). In addition to containing all of the information found in the printed version, the following supplemental information is provided:

FY11 FINANCIAL HIGHLIGHTS: The compact disc provides financial budgeting and execution data for each State detailed by appropriation.

INDIVIDUAL STATE DATA: The compact disc contains impact information, a summary of FY11 State operations, and financial information for each State, Territory and the District of Columbia.

INFORMATION PAPERS: The compact disc contains information papers as shown in the table of contents.

A version of this report can also be found on the Army National Guard website at www.arng.army.mil





The Army National Guard

is a true national treasure, and that treasure is the Soldiers, families, friends, communities and employers who are on-point for the Nation.



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